

## Risk Factors Comparison 2023-12-14 to 2022-12-15 Form: 10-K

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

Investing in our Class A common stock involves risks. Before making any investment decision, you should carefully consider the information in this Form 10-K, including the risks described below, the matters addressed under “Special Note Regarding Forward-Looking Statements,” our consolidated financial statements and the related notes, and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” Some of these risks include:

- General economic conditions and consumer spending patterns can have a material adverse effect on our business, financial condition and results of operations.
- ~~The ongoing COVID-19 pandemic may adversely affect our revenues, results of operations and financial condition.~~ • The availability and costs of borrowed funds can adversely affect our ability to obtain adequate boat inventory, the ability and willingness of our customers to finance boat purchases and our ability to fund future acquisitions.
- Failure to implement strategies to enhance our performance could have a material adverse effect on our business and financial condition.
- Our success depends, in part, on our ability to continue to make successful acquisitions at attractive or fair prices and to integrate the operations of acquired marine retailers and each marine retailer we acquire in the future.
- We are required to obtain the consent of our manufacturers prior to the acquisition of other ~~marine retailers~~ **dealers**.
- Our failure to successfully order and manage our inventory to reflect consumer demand and to anticipate changing consumer preferences and buying trends, **or the lack or excess of inventory in the industry, generally**, could have a material adverse effect on our business, financial condition and results of operations.
- OneWater Inc. is a holding company. OneWater Inc.’s only material asset is its equity interest in OneWater LLC, and OneWater Inc. ~~will be~~ **will be** accordingly dependent upon distributions from OneWater LLC to pay taxes, make payments under the Tax Receivable Agreement and cover OneWater Inc.’s corporate and other overhead expenses.
- If we experience any material weaknesses in the future or otherwise fail to develop or maintain an effective system of internal controls in the future, we may not be able to accurately report our financial condition or results of operations, which may adversely affect investor confidence in us and, as a result, the value of our Class A common stock.
- ~~The~~ **Our** Legacy Owners own a significant amount of our voting stock, and their interests may conflict with those of our other stockholders.
- In certain cases, payments under the Tax Receivable Agreement may be accelerated and / or significantly exceed the actual benefits, if any, OneWater Inc. realizes in respect of the tax attributes subject to the Tax Receivable Agreement.
- ~~If we do not effectively utilize~~ **We may be unable to adequately maintain, enforce, and protect** ~~or our successfully assert~~ intellectual property rights **and we may be accused of infringing the intellectual property rights of third parties, which** ~~our competitiveness could be~~ **have a materially** ~~adversely~~ **adverse affected** ~~effect on our business, financial condition, and operations~~. Our business, financial condition and results of operations could be materially adversely affected by any of these risks or uncertainties discussed herein. The trading price of our Class A common stock could decline due to any of these risks discussed herein, and you may lose all or part of your investment. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition, or future results. Certain statements made herein are forward-looking statements. Risks Related to ~~their boat purchases affecting our profitability and margins~~. Our sales may be adversely affected by a material increase in interest rates and adverse changes in fiscal policy or credit market conditions. **Over** ~~Since 2008, the U~~ **past several years, our economy has been positively impacted by historically unprecedented low interest rates**. ~~S~~ **Such interest rates are driven by the policies of the** Federal Reserve System ~~has~~ **Although interest rates** generally ~~maintained policies producing a historically~~ **decreased in 2019 and 2020 and remained** low ~~in 2021, interest~~ **rate rates have begun to** ~~environment. Interest rates rose~~ **rise throughout in** 2022 and 2023 and may continue to rise, and there can be no assurance as to what actions the Federal Reserve System will take in the future. Any change in interest rates or the market expectation of such change may result in significantly higher long-term interest rates. Given that we sell products that are often financed, ~~a~~ **material increases** ~~increase~~ in interest rates and adverse changes in fiscal policy or credit market conditions **may** ~~have, from time to time, negatively impacted~~ **impact** our customers’ ability or desire to purchase our products ~~and may continue to do so in the future~~. In addition, such an increase or adverse change could reduce the availability or increase the costs of obtaining new debt and refinancing existing indebtedness or negatively impact the market price of our common stock. **Risks**
- Our Industry and Competition Our success depends to a significant extent on our manufacturers, and the loss of certain manufacturers could have an adverse effect on our business, financial condition, and results of operations. We depend on our manufacturers for the sale of new boats. Sales of new boats from our top ten brands represents approximately **39.4 %**, 41.8 % ~~and~~ 42.9 % ~~and~~ 41.1 % of total sales for the fiscal years ended September 30, **2023**, 2022, ~~and~~ 2021 ~~and~~ 2020, respectively, making them major suppliers of our company. Of this amount, Malibu Boats, Inc., including its brands Malibu, Axis, Cobalt, Pursuit, Maverick, Hewes, Cobia and Pathfinder accounted for **13.9 %**, 15.6 %, ~~17.0 %~~ and 17.0 % of our consolidated revenue for the fiscal years ended September 30, **2023**, 2022, ~~and~~ 2021 ~~and~~ 2020, respectively. Any adverse change in the reputation, product development efforts, technological advancement, manufacturing capabilities, supply chain and third-party suppliers and financial condition of our manufacturers and their respective brands, would have a substantial adverse impact on our business. Any difficulties encountered by our manufacturers resulting from economic, financial, or other factors could also adversely affect the quality and amount of new boats and products that they are able to supply to us and the services and support they provide to us. Additionally, any interruption or discontinuance of the operations of our manufacturers, including due to ~~the COVID-19 pandemic~~, supply chain **disruptions or** shortages or bankruptcy or insolvency, could also cause us to experience shortfalls, disruptions, or delays with respect to new boats and inventory. During the course of the pandemic, a number of our manufacturers faced inventory shortages due to a combination of these facts as well as high demand. We also enter into

renewable annual dealer agreements with manufacturers, and there is no guarantee that we will be able to renew such dealer agreements in the future. We may not be able to easily replace the loss of certain manufacturers or brands, including at the necessary quantity, quality or price, and the loss of certain manufacturers or brands may therefore have an adverse material effect on our business, results of operations and financial condition. Boat manufacturers exercise control over our business. We depend on our dealer agreements, which generally provide for renewable, one- year terms. Through dealer agreements, boat manufacturers exercise control over their dealers, restrict them to specified locations and retain approval rights over changes in management and ownership, among other things. The continuation of our dealer agreements with most manufacturers depends upon, among other things, our achieving stated performance goals for customer satisfaction ratings and market share penetration in the market served by the applicable marine retailer. Failure to meet performance goals and other conditions set forth in any existing or new dealer agreement could have various consequences, including the following: • the termination or nonrenewal of the dealer agreement; • the imposition of additional conditions in subsequent dealer agreements; • limitations on boat inventory allocations; • reductions in reimbursement rates for warranty work performed by the dealer; • loss of certain manufacturer- to-dealer incentives; • denial of approval of future acquisitions; or • the loss of exclusive rights to sell in the geographic territory. These events could have a material adverse effect on our product availability, competitive position and financial performance. Manufacturer recall campaigns could adversely affect our business. Manufacturer recall campaigns could adversely affect our new and pre- owned boat sales or customer residual trade- in valuations, could cause us to temporarily remove ~~vehicles-boats~~ from our inventory, could force us to incur increased costs and could expose us to litigation and adverse publicity related to the sale of recalled boats, which could have a material adverse effect on our business, results of operations, financial condition and cash flows. Our business, as well as the entire retail marine industry, is highly seasonal, with seasonality varying in different geographic markets. Over the three- year period ended September 30, ~~2022~~ **2023**, the average revenue for the quarterly periods ended December 31, March 31, June 30 and September 30 represented approximately ~~18-19%~~, **24-26%**, ~~34-32%~~ and ~~24-23%~~, respectively, of our average annual revenue. With the exception of Florida, we generally realize significantly lower sales and higher levels of inventories, and related floor plan borrowings, in the quarterly periods ending December 31 and March 31. Revenue generated from our dealerships in Florida serves to offset generally lower winter revenue in our other states and enables us to maintain a more consistent revenue stream. The onset of the public boat and recreation shows in January stimulates boat sales and allows us to reduce our inventory levels and related floor plan borrowings throughout the remainder of the fiscal year. We also have various dealerships in the Northeast and Midwest region of the United States, which typically experience colder temperatures in the winter months. The impact of seasonality on our results of operations could be materially impacted based on the location of our acquisitions. For example, the impact of seasonality could change if we acquire additional marine retailers that operate in colder regions of the United States, or if we acquire additional distribution businesses. Additionally, due to pandemic or other external factors, our seasonal trends may also change as a result of, among other things, dealership closures, disruptions to the supply chain and inventory availability, manufacturer delays, or cancellation of boat shows. The failure to receive rebates and other manufacturer incentives on inventory purchases or retail sales could substantially reduce our margins. We rely on manufacturers' programs that provide incentives for dealers to purchase and sell particular boat makes and models or for consumers to buy particular boat makes or models. Any eliminations, reductions, limitations or other changes relating to rebate or incentive programs that have the effect of reducing the benefits we receive, whether relating to the ability of manufacturers to pay or our ability to qualify for such incentive programs, could increase the effective cost of our boat purchases, reduce our margins and competitive position and have a material adverse effect on our financial performance. Other recreational activities, poor industry perception, real or perceived human health or safety risks, changing consumer attitudes and environmental conditions can adversely affect the levels of boat purchases. Other recreational activities, poor industry perception, real or perceived human health or safety risks, changing consumer attitudes and environmental conditions can adversely affect the levels of boat purchases. Demand for our products can be adversely affected by competition from other activities that occupy consumers' time, including other forms of recreation as well as religious, cultural and community activities. In addition, real or perceived human health or safety risks from engaging in outdoor activities generally or boating activities specifically could deter consumers from purchasing our products. Local environmental conditions in the areas in which we operate dealerships could also adversely affect the levels of boat purchases, including adverse weather conditions or natural disasters. Changing trends and attitudes toward large discretionary purchases on the part of younger consumers in particular, who may prefer to share or borrow a boat rather than incur the expense of ownership, may impact our future sales. Further, as a seller of high- end consumer products, we must compete for discretionary spending with a wide variety of other recreational activities and consumer purchases. In addition, perceived hassles of boat ownership and customer service and customer education throughout the retail boat industry, which has traditionally been perceived to be relatively poor, represent impediments to boat purchases. We may attempt to shift the focus or product mix in response to changing consumer sentiments, but there is no guarantee that we will be successful. We face intense competition. We operate in a highly competitive and fragmented environment. In addition to facing competition generally from recreation businesses seeking to attract consumers' leisure time and discretionary spending dollars, the recreational boat industry itself is highly fragmented, resulting in intense competition for customers, quality products, boat show space and suitable dealership locations. We rely to a certain extent on boat shows to generate sales. Our inability to participate in boat shows in our existing or targeted markets, including due to cancellations of boat shows ~~in connection with pandemics or other external factors~~, could have a material adverse effect on our business, financial condition and results of operations. We compete primarily with local marine retailers who own three or fewer stores, as well as with a limited number of larger operators, including MarineMax and Bass Pro Shops. Additionally, with respect to sales of marine parts, accessories, and equipment, we also compete with national specialty marine parts and accessory stores, online catalog retailers, sporting goods stores, and mass merchants. Competition within the retail marine industry is generally based on the quality and variety of available products, the price and value of the products, and attention to customer

service. There is significant competition both within markets we currently serve and in new markets that we may enter. We compete in each of our markets with retailers of brands of boats and engines we do not sell in that market. In addition, several of our competitors, especially those selling marine equipment and accessories, are large national or regional chains that have substantial financial, marketing, and other resources. Private sales of pre-owned boats represent an additional source of competition. Additional competitors, including boat clubs, may enter the businesses in which we currently operate or intend to expand. In particular, an increase in the number of aggregator and price comparison sites for our products may negatively impact our sales of these products. If any of our competitors successfully provides a broader, more efficient or attractive combination of services, protection plans, products and resources to our target customers, our business results could be materially adversely affected. Our inability to compete effectively with existing or potential competitors could have a material adverse effect on our business, financial condition and results of operations. Due to various matters, including environmental concerns, permitting and zoning requirements, and competition for waterfront real estate, some markets in the United States have experienced an increased waiting list for marina and storage availability. In general, the markets in which we currently operate are not experiencing any unusual difficulties. However, marine retail activity could be adversely affected in markets that do not have sufficient marina and storage availability to satisfy demand.

**Risks Related to Our Acquisition and Growth Strategies**

We are increasing our efforts to grow our **distribution**, repair and maintenance services, parts and accessories, and financing and insurance businesses to better serve our customers and thereby increase revenue and improve profitability as a result of these comparatively higher margin businesses. These efforts are designed to increase our revenue and reduce our dependence on the sale of new and pre-owned boats. In addition, we are pursuing strategic acquisitions to capitalize upon the consolidation opportunities in the highly fragmented recreational boat dealer industry by acquiring additional marine retailers and related operations and improving their performance and profitability through the implementation of our operating strategies. These business initiatives have required, and will continue to require, us to add personnel, invest capital, enter businesses or geographic regions in which we do not have extensive experience and encounter substantial competition. As a result, our strategies to enhance our performance may not be successful and we may increase our expenses or write off **or impair** such investments if not successful. ~~Our success depends, in part, on our ability to continue to make successful acquisitions at attractive or fair prices and to integrate the operations of acquired marine retailers and each marine retailer we acquire in the future.~~ Since the combination of Singleton Marine and Legendary Marine in 2014, we have acquired ~~75-80~~ additional dealerships and 12 warehouses / distribution centers through ~~30-33~~ acquisitions. Additionally, we actively evaluate and pursue acquisitions on an ongoing basis. We continue to strategically evaluate and monitor our pipeline for potential acquisitions. Each acquired marine retailer operated independently prior to our acquisition. Our success depends, in part, on our ability to continue to make successful acquisitions at attractive or fair prices that align with our culture and focus on customer service and to integrate the operations of acquired marine retailers, including centralizing certain functions to achieve cost savings and pursuing programs and processes that promote cooperation and the sharing of opportunities and resources among our companies. We may not be able to oversee the combined entity efficiently, realize anticipated synergies or effectively implement our growth and operating strategies. To the extent that we successfully pursue our acquisition strategy, our resulting growth will place significant additional demands on our management and infrastructure. Our failure to successfully pursue our acquisition strategies or effectively operate the combined entity could have a material adverse effect on our rate of growth and operating performance. Further, if we acquire businesses or products that depend on a small number of customers **and**, if we are unable to retain key customers following the acquisition, our revenues may be adversely affected. ~~For example, our revenues may be adversely affected if we are unable to retain the top three customers of Ocean Bio-Chem, who collectively accounted for 43.7% and 41.5% of Ocean Bio-Chem's consolidated net sales for the years ended December 31, 2021 and 2020, respectively.~~ Unforeseen expenses, difficulties and delays frequently encountered in connection with expansion through acquisitions could inhibit our growth and negatively impact our profitability. Our growth strategy of acquiring additional marine retailers involves significant risks. ~~In fiscal year 2022 we acquired four marine retailers and completed the acquisitions of T-H Marine and Ocean Bio-Chem.~~ This strategy entails reviewing and potentially reorganizing acquired business operations, corporate infrastructure and systems, and financial controls. **We continue to integrate acquired marine retailers, including T-H Marine and Ocean Bio-Chem, and** ~~These these~~ activities may require management to devote significant attention and resources to integrating acquired businesses with our business. Unforeseen expenses (including potential environmental legacy liabilities due to spills or other releases of regulated substances on or under real properties or resulting from a failure to comply with laws and regulations), difficulties and delays frequently encountered in connection with rapid expansion through acquisitions could inhibit our growth and negatively impact our profitability. We may be unable to identify suitable acquisition candidates or to complete the acquisitions of candidates that we identify. Even if we are able to integrate acquired business operations successfully, there can be no assurance that the integration will result in the realization of the full benefit of synergies, cost savings, margin growth, insulation from cyclical or operation effectiveness that we may expect or that any such benefits may be achieved within an anticipated time frame. Increased competition for acquisition candidates or increased asking prices by acquisition candidates may increase purchase prices for acquisitions to levels beyond our financial capability or to levels that would not result in expected returns required by our acquisition criteria to be in the best interest of stockholders or bondholders. Acquisitions also may become more difficult or less attractive in the future as we acquire more of the most attractive marine retailers that best align with our culture and focus on customer service. In addition, we may encounter difficulties in integrating the operations of acquired marine retailers with our own operations, in retaining employees, in retaining and maintaining relationships with customers, suppliers or other business contacts, and in managing acquired marine retailers profitably without substantial costs, delays or other operational or financial problems. As part of our growth strategy, we generally retain existing key staff, including senior management, when we complete an acquisition. There can be no assurance that we will be able to retain marine retailers' key staff, including senior management, when we complete an acquisition in the future and failure to do

so could adversely affect our businesses. We may issue common or preferred stock, **or membership interests in OneWater LLC**, and incur substantial indebtedness in making future acquisitions. The size, timing, and integration of any future acquisitions may cause substantial fluctuations in operating results from quarter to quarter. Consequently, operating results for any quarter may not be indicative of the results that may be achieved for any subsequent quarter or for a full fiscal year. These fluctuations could adversely affect the market price of our common stock. Our ability to continue to grow through the acquisition of additional marine retailers will depend upon various factors, including the following:

- the availability of suitable acquisition candidates at attractive purchase prices;
- the ability to compete effectively for available acquisition opportunities;
- the availability of cash on hand, borrowed funds, common stock with a sufficient market price or other sources of financing to complete the acquisitions;
- the ability to obtain any requisite manufacturer, governmental or other required approvals;
- the ability to obtain approval of our lenders under our current credit agreements; and
- the absence of one or more manufacturers attempting to impose unsatisfactory restrictions on us in connection with their approval of acquisitions.

As a part of our acquisition strategy, we frequently engage in discussions with various marine retail groups regarding their potential acquisition by us. In connection with these discussions, we and each potential acquisition candidate exchange confidential operational and financial information, conduct due diligence inquiries and consider the structure, terms, and conditions of the potential acquisition. In certain cases, the prospective acquisition candidate agrees not to discuss a potential acquisition with any other party for a specific period of time, grants us an option to purchase the prospective marine retailers for a designated price during a specific time period, and agrees to take other actions designed to enhance the possibility of the acquisition, such as preparing audited financial information and converting its accounting system to the system specified by us. Potential acquisition discussions frequently take place over a long period of time and involve difficult business integration and other issues, including in some cases management succession and related matters. As a result of these and other factors, a number of potential acquisitions that from time to time appear likely to occur do not result in binding legal agreements and are not consummated. In determining whether to approve acquisitions, manufacturers may consider many factors, including our financial condition and ownership structure. Manufacturers may also impose conditions on granting their approvals for acquisitions, including a limitation on the number of their dealers that we may acquire. Our ability to meet manufacturers' requirements for approving future acquisitions will have a direct bearing on our ability to complete acquisitions and effect our growth strategy. There can be no assurance that a manufacturer will not terminate its dealer agreement, refuse to renew its dealer agreement, refuse to approve future acquisitions or take other action that could have a material adverse effect on our acquisition program. Our growth strategy also entails expanding our product lines and geographic scope by obtaining additional distribution rights from our existing and new manufacturers. We may not be able to secure additional distribution rights or obtain suitable alternative sources of supply if we are unable to obtain such distribution rights. The inability to expand our product lines and geographic scope by obtaining additional distribution rights could have a material adverse effect on the growth and profitability of our business. Our internal growth and operating strategies of opening new dealerships and offering new products involve risk. In addition to pursuing growth by acquiring marine retailers, we intend to continue to pursue a strategy of growth through opening new dealerships and offering new products in our existing and new territories. Accomplishing these goals for expansion will depend upon a number of factors, including the following:

- our ability to identify new markets in which we can obtain distribution rights to sell our existing or additional product lines;
- our ability to lease or construct suitable facilities at a reasonable cost in existing or new markets;
- our ability to hire, train and retain qualified personnel;
- the timely and effective integration of new dealerships into existing operations;
- our ability to achieve adequate market penetration at favorable operating margins without the acquisition of existing marine retailers; and
- our financial resources.

Our dealer agreements require manufacturer consent to open or change dealership locations that sell certain products. We may not be able to open and operate new dealership locations or introduce new product lines on a timely or profitable basis. Moreover, the costs associated with opening new dealership locations or introducing new product lines may adversely affect our profitability. As a result of these growth strategies, we expect to continue to expend significant time and effort in opening and acquiring new dealership locations, improving existing dealership locations in our current markets, and introducing new products. Our systems, procedures, controls, and financial resources may not be adequate to support expanding operations. The inability to manage our growth effectively could have a material adverse effect on our business, financial condition and results of operations. Our planned growth also will impose significant added responsibilities on members of senior management and require us to identify, recruit, and integrate additional senior level managers. We may not be able to identify, hire or train suitable additions to management. 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 and our working capital and general corporate needs. If we finance future acquisitions in whole or in part through the issuance of common stock or securities convertible into or exercisable for common stock, existing stockholders will experience dilution in the voting power of their common stock and earnings per share could be negatively impacted. The extent to which we will be able and willing to use our common stock **or membership interests in OneWater LLC** for acquisitions will depend on the market value of our common stock and the willingness of potential sellers to accept our common stock **or membership interests in OneWater LLC** as full or partial consideration. Our inability to use our common stock **or membership interests in OneWater LLC** as consideration, to generate cash from operations or to obtain additional funding through debt or equity financings in order to pursue our acquisition program could materially limit our growth. Any borrowings made to finance future acquisitions or for operations 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 be required to sell additional equity securities, refinance our obligations or dispose of assets in order to meet our debt service requirements. In addition, our credit arrangements contain financial covenants and other restrictions with which we must comply, including limitations on the incurrence of additional indebtedness. 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 and our business, financial condition and results of operations. For additional information relating to our credit arrangements, see “ Management’ s Discussion and Analysis of Financial Condition and Results of Operations — Debt Agreements ” in this Form 10- K. With our growth and diversification strategy into marine related parts, products and accessories ~~with the~~, **we now import, assemble and / or manufacturer marine parts, products and accessories, which could expose us to potential increased costs and certain additional risks. Our** acquisitions of Ocean Bio- Chem, T- H Marine and PartsVu ~~, we now import, assemble and / or manufacturer marine parts, products and accessories, which could expose us to potential increased costs and certain additional risks. In calendar 2022 and 2021, we completed our acquisitions of Ocean Bio- Chem, T- H Marine and PartsVu. The acquisitions~~ expanded our business to include the import, assembly, manufacture and sale of marine parts and accessories. We may invest considerable resources to develop, import, warehouse and distribute new and existing parts, products and accessories, and there is no assurance that they will be successful. Consequently, we might curtail or abandon them at any time, which could result in asset impairments and inventory write- downs. Factors that could cause us to curtail or abandon one of such products include unexpected or increased costs or delays in development or manufacturing, excessive demands on management resources, legal or regulatory constraints, changes in consumer demands, preferences and shopping patterns regarding boat parts and accessories, or a determination that consumer demand no longer supports the product. Additional risks relating to such product offerings include product liability and product recalls for which we do not have third- party indemnification and contractual rights or remedies; increasing costs for labor or raw materials used to manufacture products; our ability to successfully protect our proprietary rights (e. g., defending against counterfeit or otherwise unauthorized goods) and intellectual property rights; our ability to successfully navigate and avoid claims related to the proprietary rights of third parties; and our ability to successfully administer and comply with obligations under license agreements that we have with third- party licensors of certain brands. Risks Related to Our Operations The availability and costs of borrowed funds can adversely affect our ability to obtain ~~adequate boat inventory, the ability and willingness of our customers to finance boat purchases and our ability to fund future acquisitions. The availability and costs of borrowed funds can adversely affect our ability to obtain~~ and maintain adequate boat inventory and the holding costs of that inventory, the ability and willingness of our customers to finance boat purchases and our ability to fund future acquisitions. OneWater LLC and certain of its subsidiaries are parties to the Inventory Financing Facility, which consists of uncommitted inventory floorplan financing of up to \$ ~~500-650~~. 0 million as of **November 14** ~~September 30, 2022~~. **The Inventory Financing Facility has a maturity date of December 1, 2023.** Failure to extend or source alternative financing arrangements could adversely impact our business. As of September 30, ~~2023 and 2022 and 2021~~, we had an aggregate of \$ ~~489. 0 million and \$ 267. 1 million and \$ 114. 2 million~~, respectively, outstanding under the **Seventh** Inventory Financing Facility **, which consisted of uncommitted inventory floorplan financing of up to \$ 550. 0 million as of September 30, 2023** . We rely on the Inventory Financing Facility to purchase and maintain our inventory of boats. ~~The collateral for~~ **For additional information relating to the terms of our** Inventory Financing Facility ~~consists primarily of our~~ **including the entrance into the Eighth Amended and Restated inventory Inventory** that is financed through the **Financing Agreement on November 14, 2023, please see “ Management’ s Discussion and Analysis of Financial Condition and Results of Operations — Debt Agreements —** Inventory Financing Facility ~~and related assets, including accounts receivable, bank accounts and proceeds of the foregoing, and excludes the collateral that underlies the A & R Credit Facility.~~ **”** Effective August 9, 2022, we entered into the A & R Credit Facility (together with the Inventory Financing Facility, the “ Credit Facilities ”) with Truist Bank as administrative agent, **which** collateral agent, issuing bank and swingline lender, and the other lenders party thereto. The A & R Credit Facility amends and restates the Credit Agreement, dated July 22, 2020 (as amended by Incremental Amendment No. 1, dated February 2, 2021, and Incremental Amendment No. 2 dated November 20, 2021), by and among the Company, OWAO, and he other parties party thereto. The A & R Credit Facility provides for, among other things, (i) a single tranche of Revolving Commitments in an amount equal to \$ 65. 0 million (including up to \$ 5. 0 million in swingline loans and up to \$ 5. 0 million in letters of credit from time to time) (the “ Revolving Facility ”) and (ii) a single tranche of Initial Term Loans in an aggregate principal amount equal to \$ 445. 0 million (the “ Term Facility ”). ~~Subject to certain conditions, the available amount under the Term Facility and the Revolving Facility may be increased by \$ 125. 0 million in aggregate (with up to \$ 50. 0 million allocable to the Revolving Facility).~~ The proceeds of the A & R Credit Facility were used to finance a portion of the Ocean Bio- Chem acquisition. The Revolving Facility matures on August 9, 2027. The Term Facility is repayable in installments beginning on December 31, 2022, ~~with the remainder due on August 9, 2027.~~ **As of September 30, 2022-2023**, we had \$ ~~445-428. 3 million outstanding under the Term Facility and \$ 30~~. 0 million outstanding under the Term Facility and no amount outstanding under the Revolving Facility. **For additional information, please see" Management' s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources."** Our ability to borrow under the Credit Facilities depends on our ability to continue to satisfy our covenants and other obligations under the Credit Facilities. In particular, our ability to borrow under our Inventory Financing Facility depends on the ability of our manufacturers to be approved vendors under our Inventory Financing Facility. The aging of our inventory limits our borrowing capacity as defined curtailments under the Inventory Financing Facility reduce the allowable advance rate as our inventory ages. Depressed economic conditions ~~, as a result of COVID- 19 or otherwise~~, weak consumer spending, turmoil in the credit markets and lender difficulties, among other potential reasons, could interfere with our ability to maintain compliance with our debt covenants and to utilize the Credit Facilities to fund our operations. Accordingly, under such circumstances, it may be necessary for us to close dealerships, further reduce our expense structure, liquidate inventory below cost to free up capital, or seek to modify the covenants with our lenders. Any inability to utilize the Credit Facilities or the acceleration of amounts owed, resulting from a covenant violation, insufficient collateral or lender difficulties, could require us to seek other sources of funding to repay amounts outstanding under the Credit Facilities or replace or supplement the Credit Facilities, which may not be possible at all or under commercially reasonable

terms. As of September 30, 2022-2023, we were in compliance with all of the covenants under our Credit Facilities and our additional available borrowings under the Credit Facilities were approximately \$ 297.96.90 million in the aggregate based upon the outstanding borrowings and maximum facility amounts. Additionally, the replacement of LIBOR could materially adversely affect our revenue or expenses and the value of those our assets or obligations. U. S. LIBOR and certain other “ benchmarks ” are the subject ~~ceased to be published on June 30, 2023 as a result~~ of recent national, international, and other regulatory guidance and proposals for reform. ~~In May 2018 These reforms may cause such benchmarks to perform differently than in the past or have other consequences which cannot be predicted.~~ Recent actions taken by the U. K. Financial Conduct Authority, which regulates LIBOR, indicate that the continuation of LIBOR on the current basis cannot and will not be guaranteed after June 30, 2023. Moreover, it is possible that the U. S. LIBOR will be discontinued or modified prior to June 30, 2023. While there is no consensus on what rate or rates may become accepted alternatives to LIBOR, a group of large banks and the Alternative Reference Rate Committee selected, and the Federal Reserve Bank of New York in May 2018 started to publish, the Secured Overnight Finance Rate (“ SOFR ”) as an alternative to LIBOR. SOFR is a broad measure of the cost of borrowing cash overnight collateralized by ~~the U. S. Department of the Treasury (the" U. S. Treasury")~~ securities, given the depth and robustness of the U. S. Treasury repurchase market. ~~The~~ As a result and with the expectation that the publication of LIBOR, the Credit Facilities were previously amended such that the interest rate applied to the loans are no longer calculated using LIBOR but instead calculated using SOFR (as further described in the Credit Facilities). SOFR will fluctuate with changing market conditions and, as SOFR increases, our interest expense will mechanically increase. The market transition away from LIBOR to an alternative reference rate, including the conversion of our LIBOR- based loans to SOFR, is complex and could have a range of material adverse effects on our business, financial condition, and results of operations. In particular, any such transition could:

- adversely affect the interest rates paid, and the expenses associated with, our obligations, loans and other financial instruments tied to LIBOR rates, due to the significant differences between LIBOR and SOFR;
- result in disputes, litigation, or other actions with counterparties regarding the interpretation and enforceability of certain fallback language contained in the Inventory Financing Facility; and / or
- require the transition to or development of appropriate systems to effectively transition from LIBOR- based loans to those based on SOFR or another applicable alternative pricing benchmark.

Similarly, decreases in the availability of credit and increases in the cost of credit could adversely affect the ability of our customers to purchase boats from us and thereby adversely affect our ability to sell our products and impact the profitability of our finance & insurance activities. For example, tight credit conditions during each fiscal year beginning with fiscal year 2008 and continuing through fiscal year 2011 adversely affected the ability of customers to finance boat purchases, which had a negative effect on our operating results. Increases in fuel prices may adversely affect our business. All of the recreational boats we sell are powered by gasoline or diesel engines. Consequently, a significant increase in the price or tax on the sale of fuel on a regional or national basis could have a material adverse effect on our sales and operating results. Increases in fuel prices (such as those that occurred during 2008) may negatively impact boat sales. The price of or tax on fuels may significantly increase in the future, adversely affecting our business. ~~Our sales may be adversely affected by..... market price of our common stock.~~ The availability of boat insurance is critical to our success. The ability of our customers to secure reasonably affordable boat insurance that is satisfactory to lenders that finance our customers’ purchases is critical to our success. Historically, affordable boat insurance has been available. However, as a severe storm approaches land, insurance providers cease underwriting until the storm passes. This loss of insurance prevents or delays lenders from lending. As a result, sales of boats can be temporarily halted making our revenue difficult to predict and causing sales to be delayed or potentially cancelled. Any difficulty of customers to obtain affordable boat insurance could impede boat sales and adversely affect our business. ~~Our failure to successfully order and manage our inventory to reflect consumer demand and to anticipate changing consumer preferences and buying trends, or the lack of inventory generally in the industry, could have a material adverse effect on our business, financial condition and results of operations.~~ Our success depends upon our ability to procure sufficient inventory for our needs and to successfully manage our inventory and to anticipate and respond to product trends and consumer demands in a timely manner. Our products appeal to consumers across a number of states who are, or could become, boat owners. The preferences of these consumers cannot be predicted with certainty and are subject to change. Further, the retail consumer industry, by its nature, is volatile and sensitive to numerous economic factors, including consumer preferences, competition, market conditions, general economic conditions and other factors outside of our control. For example, the impact of ~~the novel coronavirus (" COVID- 19 ")~~ on our suppliers and ~~subsequent the recent~~ increase in demand for marine retail products has led to industry- wide supply chain constraints. We ~~have~~ experienced inventory shortages in marine retail products in fiscal year 2021, and it is possible that further shortages could occur. We cannot predict consumer preferences with certainty, and consumer preferences often change over time. We typically order product several months in advance, although such orders are not binding until the merchandise is delivered to our locations. The extended lead times for many of our purchases may make it difficult for us to respond rapidly to new or changing product trends, increases or decreases in consumer demand or changes in prices. If we misjudge either the market for our products or our consumers’ purchasing habits in the future, our revenues may decline significantly and we may not have sufficient quantities of product to satisfy consumer demand or sales orders or we may be required to discount excess inventory, either of which could have a material adverse effect on our business, financial condition and results of operations. We depend on our ability to attract and retain customers. Our future success depends in large part upon our ability to attract and retain customers for our boat sales, repair and maintenance services, parts and accessories and finance & insurance products. The extent to which we achieve growth in our customer base and retain existing customers materially influences our profitability. Any number of factors could affect our ability to grow and maintain our customer base. These factors include consumer preferences, the frequency with which customers utilize our products, repair and maintenance services and finance & insurance products, general economic conditions, our ability to maintain our dealership locations, weather conditions, the availability of alternative services, protection plans, products and resources, significant increases in gasoline prices, the disposable income of consumers available for discretionary

expenditures and the external perception of our brands. Any significant decline in our customer base, or the usage of our services, protection plans or products by our customers could have a material adverse effect on our business, financial condition and results of operations. We depend on income from financing, insurance and extended service contracts. A portion of our income results from referral fees derived from the placement or marketing of various finance & insurance products, consisting of customer financing, insurance products and extended service contracts, the most significant component of which is the participation and other fees resulting from our sale of customer financing contracts. The availability of financing for our boat purchasers and the level of participation and other fees we receive in connection with such financing depend on the particular agreement between us and the lender and the current interest rate environment. Lenders may impose terms in their boat financing arrangements with us that may be unfavorable to us or our customers, resulting in reduced demand for our customer financing programs and lower participation and other fees. Laws or regulations may be enacted nationally or locally which could result in fees from lenders being eliminated or reduced, materially impacting our operating results. If customer financing becomes more difficult to secure, it may adversely impact our business. Changes, including the lengthening of manufacturer warranties, may reduce our ability to offer and sell extended service contracts which may have a material adverse impact on our ability to sell finance and insurance products. Moreover, these products are subject to complex federal and state laws and regulations. There can be no assurance that regulatory authorities in the jurisdictions in which these products are offered will not seek to regulate or restrict these products. Failure to comply with applicable laws and regulations could result in fines or other penalties including orders by state regulators to discontinue sales of the warranty products in one or more jurisdictions. Such a result could materially and adversely affect our business, results of operations and financial condition. The Dodd- Frank Wall Street Reform and Consumer Protection Act (“Dodd- Frank Act”) established a consumer financial protection bureau with broad regulatory powers. Although boat dealers are generally excluded, the Dodd- Frank Act could lead to additional, indirect regulation of boat dealers through its regulation of other financial institutions which provide such financing to our customers. **If interest rates rise, or continue to rise, the fees we receive in connection with the financing may be limited or reduced as customers become more interest rate sensitive and the spreads that we are able to charge are compressed.** The reduction of profit margins on sales of finance & insurance products or the lack of demand for or the unavailability of these products could have a material adverse effect on our operating margins. Our operations are dependent upon key personnel and team members. Our success depends, in large part, upon our ability to attract, train, and retain qualified team members and executive officers, as well as the continuing efforts and abilities of team members and executive officers. Although we have employment agreements with certain of our executive officers and management succession plans, we cannot ensure that these or other executive personnel and team members will remain with us, or that our succession planning will adequately mitigate the risk associated with key personnel transitions. Expanding our operations may require us to add additional executive personnel and team members in the future. As a result of our decentralized operating strategy, we also rely on the management teams of our marine retailers. In addition, we likely will depend on the senior management of any significant businesses we acquire in the future. The loss of the services of one or more key employees before we are able to attract and retain qualified replacement personnel could adversely affect our business. Additionally, our ability to manage our personnel costs and operating expenses is subject to external factors such as unemployment levels, prevailing wage rates, healthcare and other benefit costs, changing demographics and our reputation and relevance within the labor markets where we are located. Increases in the prevailing wage rates due to competitive market pressures or other factors could increase our personnel costs and operating expenses and have a material adverse effect on our business. The products we sell or service may expose us to potential liability for personal injury, product liability or property damage claims relating to the use of those products. Manufacturers of the products we sell generally maintain product liability insurance. We maintain third- party liability insurance with respect to the sale and servicing of boats and other watercrafts along with limited product liability insurance. We may therefore experience claims that are not covered by our insurance coverage. While we have not experienced material losses related to product liability, personal injury or property damage claims in the past, we could be exposed to such claims or losses in the future. The institution of any significant claims against us could subject us to damages, result in higher insurance costs and harm our business reputation with potential customers. If we cannot dispose of pre- owned boats acquired through our trade- in or direct purchase processes at prices that allow us to recover its costs, our profitability will be adversely affected. The resale values of any pre- owned boats that we acquire through trade- ins or direct purchase may be lower than our estimates, which are based on expected retail sales prices. If the resale value of the pre- owned boats we acquire is lower than our estimates and / or we are not able to resell them timely or at all, it could have a material adverse effect on our business, results of operations and financial condition. Additionally, certain pre- owned boats or other vehicles that we acquire through trade- ins may fail to meet our retail quality standards. Instead, we sell these units through a wholesale process. If the prices that we receive for our pre- owned boats sold in this process are not sufficient to cover the prices paid or credit given at trade- in for such pre- owned boats, it could have a material adverse effect on our business, results of operations and financial condition. Our sales of boats and other products produced by certain foreign manufacturers expose us to international political, economic, and other risks. Our sales of products produced in Italy, France, Australia, China and the United Kingdom, as well as any other non- U. S. manufacturer whose products we may sell, expose us to international political, economic and other risks. We also import certain boat components from international suppliers which could further our exposure to such international risks. Protectionist trade legislation in the United States, the European Union, and other countries, such as changes in current tariff structures, export or import compliance laws, or other trade policies could adversely affect our ability to import boats or boat components from these foreign suppliers under economically favorable terms and conditions. There have been recent changes, and future, additional changes may occur, to United States and foreign trade and tax policies, including heightened import restrictions, import and export licenses, new tariffs, trade embargoes, government sanctions or trade barriers. Any of these restrictions could prevent or make it difficult or more costly for us to import boats and boat components from foreign suppliers under economically favorable terms and conditions. Increased tariffs could require us to

increase our prices which likely could decrease demand for our products. In addition, other countries may limit their trade with the United States or retaliate through their own restrictions and / or increased tariffs which would affect our ability to export products and therefore adversely affect our sales. Our foreign purchase of boats and boat components creates a number of logistical and communications challenges. The economic, political and other risks we face resulting from these foreign purchases include the following: • compliance with U. S. and local laws and regulatory requirements as well as changes in those laws and requirements; • transportation delays or interruptions and other effects of less developed infrastructures; • limitations on imports and exports; • foreign exchange rate fluctuations; • imposition of restrictions on currency conversion or the transfer of funds; • maintenance of quality standards; • unexpected changes in regulatory requirements; • differing labor regulations; • potentially adverse tax consequences; • possible employee turnover or labor unrest; • the burdens and costs of compliance with a variety of foreign laws; and • political or economic conflicts or, instability or civil unrest . We have established online marketplaces and a failure in such online operations, security breaches and cybersecurity risks could disrupt our business and lead to reduced sales and growth prospects and reputational damage. Consumers are increasingly embracing shopping online and through mobile commerce applications. However, consumer preferences and e-commerce buying trends could change, and we may be vulnerable to additional risks and uncertainties associated with online sales, including rapid changes in technology, website downtime and other technical failures, security breaches, cyber- attacks, consumer privacy concerns, changes in state tax regimes and government regulation of internet activities. Online marketplaces may also increase our access to sensitive, confidential or personal data or information that is subject to data privacy and information security laws and regulations. Our failure to successfully respond to these risks and uncertainties could reduce our online sales, increase our costs, diminish our growth prospects and, damage our brands, and subject us to regulatory fines or investigations, which could negatively impact our results of operations and stock price. In addition, there is no guarantee that we will be able to successfully expand our online platforms. Our competitors may have e-commerce businesses that are substantially larger and more developed than ours, which could place us at a competitive disadvantage. If we are unable to expand our online platforms, our growth plans could suffer, and the price of our common stock could decline. We continue may be unable to use enforce our intellectual property rights and we may be accused of infringing the intellectual property rights of third parties, which could have a material adverse effect on our business, financial condition and results of operations. We rely on a number of legacy trade names in connection with respect to the marine retailers that we have acquired, which we do have not re-brand branded under our “OneWater ” mark, including Star brite ® and Star Tron ®. In addition, we own patents that we have viewed as providing provide some degree of competitive support for our Performacide ® products. If any of our or the marine retailers’ current trade names, trademarks or any other intellectual property that we or they may own in the future become generic , or if third parties adopt marks similar to such marks, we our ability to differentiate our marine retailers may need be adversely affected, we could lose brand recognition and be forced to devote additional resources to advertising and marketing for our marine retailers. Despite our best efforts to protect proprietary rights our intellectual property, certain it is possible that competitors or other third parties , including our business partners, may attempt to unlawfully copy, obtain or otherwise use our trade names, trademarks, patents, or other intellectual property and or proprietary information without our consent. We take commercially reasonable measures designed to identify and protect our intellectual property. However, Monitoring monitoring unauthorized use of our intellectual property is difficult and costly, and the steps we have taken or will take to protect our intellectual property may not be sufficient to effectively prevent third parties from infringing, misappropriating, diluting or otherwise violating our intellectual property rights. From time to time, we may be compelled to protect our intellectual property, which may involve litigation. Such litigation may be time- consuming , and expensive and distract our management from running the day-to-day operations of our business, and could result in the impairment or loss of the involved intellectual property. There is no guarantee that the steps we take to protect our intellectual property, including litigation , when necessary, will be successful. We cannot assure that our intellectual property rights will be effectively utilized , maintained, or, if necessary, successfully asserted enforced against third parties . There is a risk that we will not be able to obtain and perfect our own intellectual property rights, or, where appropriate, license from others intellectual property rights. Our intellectual property rights, and any additional rights we may obtain in the future, may be invalidated, circumvented or challenged, and the legal costs necessary to protect our intellectual property rights could be significant. Our failure to perfect obtain registered intellectual property rights, or maintain or successfully assert intellectual property rights could harm our competitive position and could have a material adverse effect on our financial condition, results of operations and cash flows. Competitors We may also be subject to infringement, misappropriation, dilution, or other third parties also may claim that we are infringing upon, misappropriating or otherwise violating violation their complaints from others asserting our use of intellectual property rights owned or alleged to be owned by third parties . Litigation related to such claims, whether or not meritorious, may result in injunctions against us or the payment of damages. Even if intellectual property claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the our resources of our management and require significant expenditures. Any of the foregoing could prevent us from competing effectively and could have a material adverse effect on our business, results of operations , and financial condition. Changes in the assumptions used to calculate our acquisition related contingent consideration liabilities could have a material adverse impact on our financial results. Some of our acquisitions have included, and future acquisitions may include, contingent consideration liabilities relating to payments based on the future performance of the operations acquired. Under generally accepted accounting principles, we are required to estimate the fair value of any contingent consideration. Our estimates of fair value are based upon assumptions believed to be reasonable but which are uncertain and involve significant judgments. Changes in business conditions or other events could materially change the projection of future earnings used in the fair value calculations of contingent consideration liabilities. We reassess the fair value quarterly, and increases or decreases based on the actual or expected future performance of the acquired operations will be recorded in our results of operations. These quarterly adjustments could have a material effect on our results of operations. An



impairment in the carrying value of long- lived assets, goodwill and identifiable intangible assets could negatively impact our financial results and net worth. Our long- lived assets, such as property and equipment, are required to be reviewed for impairment whenever events or changes in circumstance indicate that the carrying value of an asset may not be recoverable. As of September 30, 2022-2023, we have approximately \$ 109.81 . 75 million of property and equipment, net of accumulated depreciation, recorded on our consolidated balance sheet. Recoverability of an asset is measured by comparison of its carrying amount to undiscounted future net cash flows the asset is expected to generate. If such assets are considered to be impaired, the impairment to be recognized is measured as the amount by which the carrying amount of the asset exceeds its fair market value. Estimates of expected future cash flows represent our best estimate based on currently available information and reasonable and supportable assumptions. Our impairment loss calculations contain uncertainties because they require us to make assumptions and to apply judgment in order to estimate expected future cash flows. Additionally, our goodwill and identifiable intangible assets are recorded at fair value at the time of acquisition and are reviewed for impairment at least annually or more frequently if impairment indicators arise. In evaluating the potential for impairment of goodwill and identifiable intangible assets, we make assumptions regarding industry conditions, our future financial performance, and other factors. Uncertainties are inherent in evaluating and applying these factors to the assessment of goodwill. **For the fiscal year ended September 30, 2023, we recorded a non- cash intangible asset impairment of \$ 147. 4 million. See Note 8 to the consolidated financial statements for additional information.** While we do not believe there is currently a reasonable likelihood that there will be a change in the judgments and assumptions used in our assessments of goodwill and long- lived assets which would result in **a- any further** material effect on our operating results, we cannot predict whether events or circumstances will change in the future that could result in non- cash impairment charges that could adversely impact our financial results and net worth. Our Dealership same- store sales may fluctuate and may not be a meaningful indicator of future performance. Our Dealership same- store sales may vary from quarter to quarter. A number of factors have historically affected, and will continue to affect, our Dealership same- store sales results, including: • changes or anticipated changes to regulations related to some of the products we sell; • consumer preferences, buying trends and overall economic trends; • our ability to identify and respond effectively to local and regional trends and customer preferences; • our ability to provide quality customer service that will increase our conversion of shoppers into paying customers; • competition in the regional market of a dealership; • atypical weather patterns; • changes in our product availability and mix; • changes in sales of services; and • changes in pricing and average unit sales. An unanticipated decline in revenues or Dealership same- store sales may cause the price of our Class A common stock to fluctuate significantly. We primarily lease our locations. If we are unable to maintain those leases or locate alternative sites for our locations in our target markets and on terms that are acceptable to us, our revenues and profitability could be adversely affected. We currently lease 104-106 of the real properties where we conduct operations. Most locations operate under long- term leases with an initial term of at least 10 years and one or more renewal options for an additional 5 to 10 years. Additionally, we have entered into location leases with certain related parties for which we incurred \$ 2. 8-1 million in lease expense in the fiscal year ended September 30, 2022-2023. There can be no assurance that we will be able to maintain our existing locations as leases expire, extend the leases or be able to locate alternative sites in our target markets and on favorable terms. Any failure to maintain our existing locations, extend the leases or locate alternative sites on favorable or acceptable terms could have a material adverse effect on our business, financial condition and results of operations. Because we use various materials and substances in manufacturing our chemical products, our production facilities are subject to operating hazards that could cause personal injury and loss of life, severe damage to, or destruction of, property and equipment. We are dependent on the continued operation of our Kinpak facility to blend various chemicals. This facility is subject to hazards associated with the manufacture, handling, storage and transportation of chemical materials and products, including natural disasters, mechanical failure, unscheduled downtime, labor difficulties, transportation interruptions, and environmental hazards, such as spills, discharges or release of toxic or hazardous substances and remediation complications. These hazards can cause personal injury and loss of life, severe damage to, or destruction of, property and equipment and business interruption and could adversely affect our financial condition. Risks Related to Environmental and Geographic Factors Climatic events may adversely impact our operations, disrupt the business of our third party vendors on whom we rely upon for products and services, and may not be adequately covered by our insurance. Climatic events in the areas where we operate **can- have caused, and future climatic events may cause,** disruptions and in some cases delays or suspensions in our operations that **may- adversely impact- impacted** our business. For example, the physical effects of unseasonably wet weather, extended periods of below freezing weather, tropical storms, hurricanes or other natural disasters occurring on land or in the Gulf of Mexico or Atlantic Ocean may force boating areas to close or render boating dangerous or inconvenient, which could result in curtailment of customer demand for our products and services. Similarly, drought conditions arising from minimal or reduced rainfall events may have a similar effect in respect of the availability of boating areas or usable dock space, and result in reduced interest in boating activities. One or more of these climatic events **has in the past and may in the future** result in physical damage to, or closure of, one or more of our facilities, inadequate work force in our markets, and disruption or reduction in the availability of products at our locations. Concerns regarding global changes in climate could also adversely affect the levels of boat purchases. In addition, unseasonably cool weather and prolonged winter conditions may lead to shorter selling seasons in certain locations. Many of our dealerships sell boats to customers for use on reservoirs, which could be subject to reduced capacity as a result of drought, extreme temperatures, or other climatic changes, thereby subjecting our business to the continued viability of these reservoirs for boating use. In addition, the physical effects of climatic events, including wintry conditions, increased frequency and severity of tropical storms or hurricanes, tornadoes, fires, floods and other natural disasters, as well as sea level rise, could result in the disruption of our operations and / or third party supply chain vendors on whom we rely upon for products and services, including boat deliveries from manufacturers, or damage to or the loss of our boat inventories and facilities as has been the case when the Southeast and Gulf Coast regions and other markets have been affected by hurricanes. Such disruptions in our supply chain could damage our on- site inventory at our locations or cause

serious limitations or delays in the operations of our locations. We maintain hurricane and casualty insurance, subject to deductibles. Our planning for normal climatic variation, insurance programs and emergency recovery plans may inadequately mitigate the effects of such climatic conditions, and not all such effects can be predicted, eliminated, mitigated, or insured against. Accordingly, while we traditionally maintain property and casualty insurance coverage for damage caused by climatic events such as severe weather or other natural disasters, there can be no assurance that such insurance coverage is adequate to cover losses that we may sustain as a result thereof. A significant amount of our boat sales are from the Southeast and Gulf Coast regions. Economic conditions, weather and environmental conditions, competition, market conditions and any other adverse conditions impacting the Southeast and Gulf Coast regions of the United States, in which we generated approximately **81 %**, **79 %**, **and 80 %** ~~and 75 %~~ of our revenue during fiscal years **2023**, **2022**, **and 2021** ~~and 2020~~, respectively, could have a major impact on our operations. Environmental and other regulatory issues ~~may~~ impact our operations **from time to time**. Our operations are subject to stringent federal, state and local laws and regulations governing such matters as finance & insurance, consumer protection, consumer privacy, escheatment, anti- money laundering, releases, discharges and emissions or other releases into the environment and environmental protection, human health and safety, and employment practices, including wage and hour and anti- discrimination legal requirements. These laws and regulations affect many aspects of our operations, such as requiring the acquisition and renewal of permits, licenses and other governmental approvals to conduct regulated activities, including the retail sale of recreational boats, restricting the manner in which we use, handle, store, recycle, transport and dispose of ~~our~~ discarded substances and wastes, responding to and performing investigatory, remedial and corrective actions with respect to any discharges and emissions or other release of regulated substances, requiring capital and operating expenditures to construct, maintain and upgrade pollution control and containment equipment and facilities, imposing specific human health and safety criteria addressing worker protection, and imposing liabilities for failure to comply with applicable environmental or other legal requirements, pollution incidents or inappropriate payment or treatment of our workers with respect to our operations. The failure to satisfy those and other legal requirements could have a material adverse effect on our business, financial condition, and results of operations. In addition, failure to comply with those and other legal requirements, or with U. S. trade sanctions, the U. S. Foreign Corrupt Practices Act and other applicable laws or regulations could result in the assessment of damages, the imposition of sanctions including monetary penalties, changes to our processes, or a delay, suspension or cessation of our operations, as well as damage to our image and reputation, all of which could have a material adverse effect on our business, results of operations and financial condition. Numerous governmental agencies, including OSHA, the EPA and similar federal agencies as well as analogous state and local agencies regulate and maintain enforcement authority over the operation of our locations, repair facilities, and other operations, with respect to matters such as consumer protection, human safety and environmental protection, including any contamination of or releases into ambient air, surficial and subsurface soils, surface water and groundwater. Marine engine manufacturers are subject to emissions standards imposed under the CAA, and the EPA has enacted a number of legal requirements imposing more stringent emissions standards for two- cycle, gasoline outboard marine engines. It is possible that regulatory bodies such as the EPA may impose more stringent emissions standards in the future for marine engines, including with respect to recreational use. Any increased costs of those manufacturers producing engines resulting from current or future EPA standards could be passed on to dealers in the retail recreational boat industry, such as ourselves, or could result in the inability of, or potential unforeseen delays by, these manufacturers to manufacture and make timely delivery of recreational boats to such dealers, which developments could have a material adverse effect on our business, results of operations and financial condition. Moreover, we cannot guarantee that we would be able to pass any such increased costs on to our customers, ~~and or that~~ such increased costs could deter customer interest and otherwise adversely affect boating sales. As with companies in the marine retail industry generally, and parts and service operations in particular, our business involves the use, handling, storage, transportation and contracting for recycling or disposal of waste materials, including hazardous or toxic substances and wastes as well as environmentally sensitive materials, such as motor oil, waste motor oil and filters, transmission fluid, antifreeze, freon, waste paint and lacquer thinner, batteries, solvents, lubricants, degreasing agents, gasoline, and diesel fuels. Laws and regulations regarding the prevention of pollution or remediation of environmental contamination generally apply regardless of whether we lease or purchase the land and facilities. Additionally, certain of our locations and / or repair facilities utilize USTs and ASTs, primarily for storing and dispensing petroleum- based products. Storage tanks in the United States are generally subject to financial responsibility requirements and testing, containment, upgrading and removal requirements under the RCRA, and its state law counterparts, as well as federal, state and local legal standards relating to investigation and remediation of contaminated soils, surface water and groundwater resulting from leaking tanks and associated underground lifts. We also may be subject to civil liability to third parties for remediation costs or other damages if ~~leakage from~~ our owned or operated tanks **leak or leakage** migrates onto the property of others. We are subject to regulation by federal, state, and local authorities establishing investigatory, remedial, human health and environmental quality standards and imposing liability related thereto, which liabilities may include sanctions, including monetary penalties for violations of those standards. Certain of our locations and / or repair facility properties have been operated in the past by third parties whose use, handling and disposal of petroleum- based products or wastes were not under our control. Given the strict liability nature of environmental laws, we may be liable for the remediation of such past releases notwithstanding that our operations did not cause or contribute to the contamination. We also are subject to laws, ordinances, and regulations governing investigation and remediation of contamination at facilities we operate or to which we send hazardous or toxic substances or wastes for treatment, recycling, or disposal. In particular, CERCLA, also known as the Superfund law, and analogous state laws, impose strict joint and several liability on generators, transporters, disposers and arrangers of hazardous substances at sites where hazardous substance releases have occurred or are threatening to occur. A majority of states have adopted Superfund laws comparable to and, in some cases, more stringent than CERCLA. If we were to be found to be a responsible party under CERCLA or a similar state statute, we could be held liable for all investigative and remedial costs

associated with addressing such contamination as well as for natural resource damages. In addition, claims alleging personal injury or property damage may be brought against us as a result of alleged exposure to hazardous substances resulting from our operations. Moreover, certain of our locations are located on waterways that are subject to federal laws, including the Clean Water Act and the OPA, as well as analogous state laws regulating navigable waters, oil pollution (including prevention and cleanup of the same), adverse impacts to fish and wildlife, and other matters. For example, under the OPA, owners and operators of vessels and onshore facilities may be subject to liability for removal costs and damages arising from an oil spill in waters of the United States. We could be required to conduct remediation in the future in accordance with applicable state and federal standards in the cleanup of petroleum hydrocarbons or other substances or wastes released on, under or from properties owned or leased by us, including some of our properties that were previously used as gasoline service stations. For example, we are performing soil and groundwater monitoring activities as required by applicable state and federal standards. We may also be required in the future to remove USTs, ASTs and inground lifts containing petroleum-based products and hazardous or toxic substances or wastes should they represent a risk of release or threatened release into the environment. Historically, our costs of compliance with these investigatory, remedial and monitoring requirements have not had a material adverse effect on our results of operations; however, there can be no assurance that such costs will not be material in the future or that such future compliance will not have a material adverse effect on our business, results of operation and financial condition. We also may have additional storage tank liability insurance and other insurance coverage with respect to pollution-related liabilities where available, but such coverages may be insufficient to address such liabilities. Environmental laws and regulations are comprehensive and subject to frequent change. Compliance with amended, new, or more stringent laws or regulations, more strict interpretations of existing laws, or the future discovery of environmental conditions may require additional expenditures by us, and such expenditures may be material. Additionally, certain states have imposed legal requirements or are considering the imposition of such requirements that would obligate buyers and / or operators of recreational boats to obtain a license in order to operate such boats. These requirements could discourage potential buyers of recreational boats, thereby limiting future sales and adversely affecting our business, financial condition, and results of operations. Furthermore, the Patient Protection and Affordable Care Act increased our annual employee health care costs that we fund, and significantly increased our cost of compliance and compliance risk related to offering health care benefits. Moreover, adverse changes in labor policy could lead to increased unionization efforts, which could lead to higher labor costs, disrupt our locations operations, and adversely affect our business, results of operations and financial condition. Our operations are subject to risks arising out of the threat of climate change, which could result in increased operating costs and reduced demand for the products that we and the retail recreational boat industry provide. The threat of climate change continues to attract considerable attention in the United States and foreign countries. As a result, numerous proposals have been made and are likely to continue to be made at the international, national, regional and state levels of government to monitor and limit existing emissions of GHGs and eliminate future GHG emissions. Governmental and public concern arising from GHG emissions has resulted in increasing regulatory, political, financial and litigation risks in the United States and globally that target predominantly fossil fuel-related energy entities or their operations, which may have indirect adverse effects on other companies or industries, such as the retail recreational boat industry, for example, whose services or products generate GHGs or rely upon motor fuels refined from fossil fuels, which effects could be material. In the United States, no comprehensive federal climate change legislation has been implemented. With the U. S. Supreme Court finding that GHG emissions constitute a pollutant under the CAA, the EPA has adopted rules that, among other things, establish permit reviews for GHG emissions from certain large stationary sources, require the monitoring and annual reporting of GHG emissions from specified sources in the United States, implement standards reducing emissions of methane, a form of GHG, from specified oil and gas sectors, and together with the U. S. Department of Transportation, implement GHG emissions limits on vehicles manufactured for operation in the United States. While these rules largely do not directly impact our operations, they do represent a concerted effort at the federal level to reduce emissions of GHGs in an effort to mitigate adverse effects associated with climate change. Additionally, in August 2022 the Inflation Reduction Act of 2022 was signed into law, which appropriates significant federal funding for renewable energy initiatives and, for the first time ever, imposes a fee on GHG emissions from certain facilities in the oil and natural gas sector. The emissions fee and renewable and low carbon energy funding provisions of the law could accelerate the transition away from fossil fuels or otherwise adversely impact the production of marine motor fuels, which could in turn have an indirect adverse effect on our business and results of operations. Under the Biden Administration, it is anticipated that efforts by the EPA or other federal agencies to restrict GHG emissions will continue. Additionally, various states and groups of states have adopted or are considering adopting legislation, regulations or other regulatory initiatives that are focused on such areas as GHG cap and trade programs, carbon taxes, reporting and tracking programs, and restriction of emissions. At the international level, there exists the United Nations-sponsored "Paris Agreement," which requires nations to submit non-binding GHG emissions reduction goals every five years after 2020. President Biden announced in April 2021 a new, more rigorous nationally determined emissions reduction level of 50- 52 % reduction from 2005 levels in economy-wide net GHG emissions by 2030. The international community gathered again in Glasgow in November 2021 at the 26th Conference to the Parties ("COP26"), during which multiple announcements were made, including a call for parties to eliminate certain fossil fuel subsidies and pursue further action on non-carbon dioxide GHGs. Relatedly, the United States and European Union jointly announced at COP26 the launch of the Global Methane Pledge, an initiative committing to a collective goal of reducing global methane emissions by at least 30 percent from 2020 levels by 2030. As a result, there exists the possibility of executive orders being issued or federal legislation or regulatory initiatives being adopted that could result in further restrictions on fossil fuels and have a further indirect adverse effect on the demand for our and the retail recreational boat industry products. Litigation risks, including lawsuits against fossil-fuel energy companies arising from the production and use of fossil fuels that contribute to global warming effects, such as rising sea levels, erosion and damage to existing physical infrastructure, and financial risks for such entities as stockholders and bondholders currently

invested in fossil fuel energy companies concerned about the potential effects of climate change may elect in the future to shift some or all of their investments into non- fossil fuel energy related sectors further exacerbate the potential for these indirect adverse effects. Moreover, the increased competitiveness of alternative “ clean ” energy sources such as wind and solar photovoltaic could also reduce demand for fossil fuels and therefore for our boating products, which would lead to a reduction in our revenues. For example, at COP26, the Glasgow Financial Alliance for Net Zero (“ GFANZ ”) announced that commitments from over 450 firms across 45 countries had resulted in over \$ 130 trillion in capital committed to net zero goals. The various suballiances of GFANZ generally require participants to set short- term, sector- specific targets to transition their financing, investing, and / or underwriting activities to net zero by 2050. There is also the possibility that financial institutions will be required to adopt policies that limit funding for companies producing, developing or bolstering the use of fossil fuels. Increasing attention to climate change, investor and societal expectations regarding voluntary Environmental, Social and Governance (“ ESG ”) disclosures and consumer demand for alternative forms of energy may result in demand shifts for fossil-fuel products and additional governmental investigations and private litigation against such companies. While we may create and publish voluntary disclosures regarding ESG matters from time to time, many of the statements in those voluntary disclosures are based on hypothetical expectations and assumptions that may or may not be representative of current or actual risks or events or forecasts of expected risks or events, including the costs associated therewith. Such expectations and assumptions are necessarily uncertain and may be prone to error or subject to misinterpretation given the long timelines involved and the lack of an established single approach to identifying, measuring and reporting on many ESG matters. Moreover, organizations that provide information to investors on corporate governance and related matters have developed ratings processes for evaluating companies on their approach to ESG matters. Such ratings are used by some investors to inform their investment and voting decisions. Unfavorable ESG ratings and recent activism directed at shifting funding away from companies with fossil fuel- related assets could lead to increased negative investor sentiment toward us and our industry and to the diversion of investment to other, non- fossil fuel markets, which could have a negative impact on our access to and costs of capital. **Additionally, increasingly, in various jurisdictions are considering or implementing increased disclosure data for companies related to climate change and GHG emissions. In** March of 2022, the SEC released a proposed rule that would establish a framework for reporting of climate risks, targets, and metrics. **A- The final rule is expected to be has not yet been released and at the end of 2022 but** we cannot predict what any such rule may require. To the extent the final rule imposes additional reporting obligations, we could incur increased costs, particularly as it relates to the requirement to collect and disclose data on physical climate- related risks. **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.**

Risks Related to Our Class A Common Stock OneWater Inc. is a holding company. OneWater Inc.’ s only material asset is its equity interest in OneWater LLC **directly or indirectly through its equity ownership in other wholly owned subsidiaries** , and OneWater Inc. is accordingly dependent upon distributions from OneWater LLC to pay taxes, make payments under the Tax Receivable Agreement and cover OneWater Inc.’ s corporate and other overhead expenses. OneWater Inc. is a holding company and has no material assets other than its equity interest in OneWater LLC **which it holds directly and through other direct and / or indirect wholly owned subsidiaries** . OneWater Inc. has no independent means of generating revenue. To the extent OneWater LLC has available cash and subject to the terms of any current or future debt instruments, the OneWater LLC Agreement requires OneWater LLC to make pro rata cash distributions to OneWater Unit Holders, including OneWater Inc., in an amount sufficient to allow OneWater Inc. to pay its taxes and to make payments under the Tax Receivable Agreement. We generally expect OneWater LLC to fund such distributions out of available cash and in the event that payments under the Tax Receivable Agreement are accelerated, where applicable, we generally expect to fund such accelerated payment out of the proceeds of the change of control transaction giving rise to such acceleration. When OneWater LLC makes distributions, the OneWater Unit Holders are entitled to receive proportionate distributions based on their interests in OneWater LLC at the time of such distribution. In addition, the OneWater LLC Agreement requires OneWater LLC to make non- pro rata payments to OneWater Inc. to reimburse it for its corporate and other overhead expenses, which payments are not treated as distributions under the OneWater LLC Agreement. To the extent that OneWater Inc. needs funds and OneWater LLC or its subsidiaries are restricted from making such distributions or payments under applicable law or regulation or under the terms of any current or future financing arrangements, or are otherwise unable to provide such funds, our liquidity and financial condition could be materially adversely affected. Moreover, because OneWater Inc. has no independent means of generating revenue, OneWater Inc.’ s ability to make tax payments and payments under the Tax Receivable Agreement is dependent on the ability of OneWater LLC to make distributions to OneWater Inc. **and / or its direct and / or indirect wholly owned subsidiaries that are OneWater Unit Holders** in an amount sufficient to cover OneWater Inc.’ s tax obligations and obligations under the Tax Receivable Agreement. This ability, in turn, may depend on the ability of OneWater LLC’ s subsidiaries to make distributions to it **and of OneWater Inc.’ s direct and / or indirect wholly owned subsidiaries that are OneWater Unit Holders ability to make ultimate distributions to OneWater Marine Inc.** The ability of **OneWater Inc.’ s direct and / or indirect wholly owned subsidiaries that are OneWater Unit Holders and / or** OneWater LLC, its subsidiaries and other entities in which it directly or indirectly holds an equity interest to make such distributions is subject to, among other things, (i) the applicable provisions of Delaware law (or other applicable jurisdiction) that may limit the amount of funds available for distribution and (ii) restrictions in relevant debt instruments issued by **OneWater Inc.’ s direct and / or indirect wholly owned subsidiaries that are OneWater Unit Holders or** OneWater LLC or its subsidiaries and other entities in which it directly or indirectly holds an equity interest. To the

extent that OneWater Inc. is unable to make payments under the Tax Receivable Agreement for any reason, such payments will be deferred and will accrue interest until paid. The requirements of being a public company, including compliance with the reporting requirements of the Exchange Act, and the requirements of the Sarbanes- Oxley Act of 2002 (the “ Sarbanes- Oxley Act ”), may strain our resources, increase our costs and distract management, and we may be unable to comply with these requirements in a timely or cost- effective manner. As a public company, we are required to comply with laws, regulations and requirements, certain corporate governance provisions of the Sarbanes- Oxley Act, related regulations of the SEC and the requirements of The Nasdaq Stock Market (“ Nasdaq ”), with which we were not required to comply as a private company. Complying with these statutes, regulations and requirements occupies a significant amount of time of our Board of Directors and management and significantly increases our costs and expenses. We are required to:

- maintain a comprehensive compliance function;
- comply with rules promulgated by Nasdaq;
- prepare and distribute periodic public reports in compliance with our obligations under the federal securities laws;
- accurately implement and interpret U. S. generally accepted accounting principles (“ GAAP ”);
- comply with certain internal policies, such as those relating to insider trading; and
- involve and retain to a greater degree outside counsel and accountants in the above activities.

As a public company, we are also required to comply with the SEC’ s rules implementing Sections 302 and 404 of the Sarbanes- Oxley Act, which require management to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of internal controls over financial reporting. We are required to have our auditors formally attest to the effectiveness of our internal control over financial reporting pursuant to Section 404 of the Sarbanes- Oxley Act (“ Section 404 ”). Our compliance with Section 404 necessitates that we incur substantial accounting expense and expend significant management efforts. In addition, we expect that being a public company subject to these rules and regulations may make it more difficult and more expensive for us to obtain director and officer liability insurance and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified individuals to serve on our ~~board~~ **Board** of ~~directors~~ **Directors** or as executive officers. ~~We are currently evaluating these rules, and we cannot predict or estimate the amount of additional costs we may incur or the timing of such costs. If we experience any material weaknesses in the future or otherwise fail to develop or maintain an effective system of internal controls in the future, we may not be able to accurately report our financial condition or results of operations, which may adversely affect investor confidence in us and, as a result, the value of our Class A common stock.~~ Effective internal controls are necessary for us to provide reliable financial reports, prevent fraud and operate successfully as a public company. If we cannot provide reliable financial reports or prevent fraud, our reputation and operating results would be harmed. As a result of being a public company, we are required, under Section 404 of the Sarbanes- Oxley Act, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting. This assessment must include disclosure of any material weaknesses in our internal control over financial reporting identified by our management or our independent registered public accounting firm. We continue to take additional steps to improve control processes as appropriate, validate through testing that controls are functioning as documented, and implement a continuous reporting and improvement process for our internal control over financial reporting. If we identify one or more material weaknesses in our internal control over financial reporting during the evaluation and testing process or we are unable to comply with the requirements of Section 404 in a timely manner, we may be unable to conclude that our internal controls are effective. For additional information, please see “ Management’ s Discussion and Analysis of Financial Condition and Results of Operations — Internal Controls and Procedures. ” Our independent registered public accounting firm is required to express an opinion on the effectiveness of our internal controls. If in the future we are unable to confirm that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an unqualified opinion on the effectiveness of our internal controls, we could lose investor confidence in the accuracy and completeness of our financial reports, which could cause the price of our Class A common stock to decline. We cannot assure you that there will not be material weaknesses or significant deficiencies in our disclosure controls or our internal controls over financial reporting in the future. An active, liquid and orderly trading market for our Class A common stock may not develop or be maintained, and our stock price may be volatile. Although our Class A common stock is listed on Nasdaq, we do not know how liquid that market might be at any point in time. You may not be able to resell your Class A common stock at or above the price at which you purchased it. Additionally, lack of liquidity may result in wide bid- ask spreads, contribute to significant fluctuations and volatility in the market price of the Class A common stock and limit the number of investors who are able to buy the Class A common stock. The market price of our Class A common stock could vary significantly as a result of a number of factors, some of which are beyond our control. In the event of a drop in the market price of our Class A common stock, you could lose a substantial part or all of your investment in our Class A common stock. You may not be able to sell shares of our Class A common stock at prices equal to or greater than the price paid by you. The following factors could affect our stock price:

- quarterly variations in our financial and operating results;
- the public reaction to our press releases, our other public announcements and our filings with the SEC;
- strategic actions by our competitors or suppliers;
- changes in revenue, Dealership same- store sales or earnings estimates, or changes in recommendations or withdrawal of research coverage, by equity research analysts;
- acquisitions or integration of acquired marine retailers or other businesses;
- the failure of our operating results to meet the expectations of equity research analysts and investors;
- speculation in the press or investment community;
- the failure of research analysts to continue to cover our Class A common stock;
- sales of our Class A common stock by us or other stockholders, or the perception that such sales may occur;
- changes in accounting principles, policies, guidance, interpretations or standards;
- additions or departures of key management personnel;
- actions by our stockholders;
- general market conditions, including fluctuations in commodity prices;
- the publication of boating industry sales data or new boat registration data;
- domestic and international economic, legal and regulatory factors unrelated to our performance; and
- the realization of any risks described under this “ Risk Factors ” section. The stock markets in general have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. For some

companies this volatility ~~was has been~~ exacerbated by **the continued** wide ranging impacts ~~from of~~ the COVID- 19 pandemic. These broad market fluctuations may adversely affect the trading price of our Class A common stock. Securities class action litigation has often been instituted against companies following periods of volatility in the overall market and in the market price of a company’ s securities. Such litigation, if instituted against us, could result in very substantial costs, divert our management’ s attention and resources and materially harm our business, operating results and financial condition. ~~Our Legacy Owners own a significant amount of our voting stock, and their interests may conflict with those of our other stockholders.~~ The Legacy Owners own a significant amount of our voting stock. As a result, the Legacy Owners may be able to substantially influence matters requiring stockholder approval, including the election of directors, approval of any potential acquisition of us, changes to our organizational documents and significant corporate transactions. This concentration of ownership makes it unlikely that any other holder or group of holders of our Class A common stock will be able to affect the way we are managed or the direction of our business. The interests of the Legacy Owners with respect to matters potentially or actually involving or affecting us, such as future acquisitions, financings and other corporate opportunities and attempts to acquire us, may conflict with the interests of our other stockholders. For example, the Legacy Owners may have different tax positions from us, especially in light of the Tax Receivable Agreement, that could influence their decisions regarding whether and when to support the disposition of assets, the incurrence or refinancing of new or existing indebtedness, or the termination of the Tax Receivable Agreement and acceleration of our obligations thereunder. In addition, the determination of future tax reporting positions, the structuring of future transactions and the handling of any challenge by any taxing authority to our tax reporting positions may take into consideration the Legacy Owners tax or other considerations which may differ from the considerations of us or our other stockholders. Please read “ Management’ s Discussion and Analysis of Financial Condition and Results of Operations — Tax Receivable Agreement ” in this Form 10- K. Certain of our executive officers and directors have significant duties with, and spend significant time serving, entities that may compete with us in seeking business opportunities and, accordingly, may have conflicts of interest in allocating time or pursuing business opportunities. Certain of our executive officers and directors, who are responsible for managing the direction of our operations, hold positions of responsibility with other entities (including affiliated entities) that are in the ~~boat~~ retail **boating** industry. These executive officers and directors may become aware of business opportunities that may be appropriate for presentation to us as well as to the other entities with which they are or may become affiliated. Due to these existing and potential future affiliations, they may present potential business opportunities to other entities prior to presenting them to us, which could cause additional conflicts of interest. They may also decide that certain opportunities are more appropriate for other entities with which they are affiliated, and as a result, they may elect not to present those opportunities to us. These conflicts may not be resolved in our favor. Our certificate of incorporation and bylaws, as well as Delaware law, contain provisions that could discourage acquisition bids or merger proposals, which may adversely affect the market price of our Class A common stock and could deprive our investors of the opportunity to receive a premium for their shares. Our certificate of incorporation authorizes our ~~board Board~~ **board Board** of ~~directors Directors~~ **directors Directors** to issue preferred stock without stockholder approval in one or more series, designate the number of shares constituting any series, and fix the rights, preferences, privileges and restrictions thereof, including dividend rights, voting rights, rights and terms of redemption, redemption price or prices and liquidation preferences of such series. If our ~~board Board~~ **board Board** of ~~directors Directors~~ **directors Directors** elects to issue preferred stock, it could be more difficult for a third party to acquire us. In addition, some provisions of our certificate of incorporation and bylaws could make it more difficult for a third party to acquire control of us, even if the change of control would be beneficial to our stockholders. These provisions include: • providing that all vacancies, including newly created directorships, may, except as otherwise required by law or, if applicable, the rights of holders of a series of preferred stock, only be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum; • permitting any action by stockholders to be taken only at an annual meeting or special meeting rather than by a written consent of the stockholders, subject to the rights of any series of preferred stock with respect to such rights; • permitting special meetings of our stockholders to be called only by our Chief Executive Officer, the chairman of our ~~board Board~~ **board Board** of ~~directors Directors~~ **directors Directors** and our ~~board Board~~ **board Board** of ~~directors Directors~~ **directors Directors** pursuant to a resolution adopted by the affirmative vote of a majority of the total number of authorized directors whether or not there exist any vacancies in previously authorized directorships; • subject to the rights of the holders of shares of any series of our preferred stock, requiring the affirmative vote of the holders of at least a majority in voting power of all then outstanding common stock entitled to vote generally in the election of directors, voting together as a single class, to remove any of all of the directors from office at any time; • prohibiting cumulative voting in the election of directors; • establishing advance notice provisions for stockholder proposals and nominations for elections to the ~~board Board~~ **board Board** of ~~directors Directors~~ **directors Directors** to be acted upon at meetings of stockholders; and • providing that the ~~board Board~~ **board Board** of ~~directors Directors~~ **directors Directors** is expressly authorized to adopt, or to alter or repeal our bylaws . ~~On February 23, 2022, following shareholder approval at our 2022 annual meeting, we revised our certificate of incorporation and bylaws to eliminate our staggered board of directors and supermajority stockholder voting provisions.~~ In addition, certain change of control events have the effect of accelerating the payment due under the Tax Receivable Agreement, which could be substantial and accordingly serve as a disincentive to a potential acquirer of our company. Please see “ — In certain cases, payments under the Tax Receivable Agreement may be accelerated and / or significantly exceed the actual benefits, if any, OneWater Inc. realizes in respect of the tax attributes subject to the Tax Receivable Agreement. ” Our certificate of incorporation designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders , ~~which and our~~ **bylaws designate the federal district courts of the United States shall be the sole and exclusive forum for the resolution of causes of action arising under the Securities Act of 1933.** These designations could limit our stockholders’ ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees or agents. Our certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will, to the fullest extent permitted by applicable law, be the sole and exclusive forum for (i) any derivative action or

proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, employees or agents to us or our stockholders, (iii) any action asserting a claim against us or any director or officer or other employee of ours arising pursuant to any provision of the Delaware General Corporation Law, our certificate of incorporation or our bylaws, or (iv) any action asserting a claim against us or any director or officer or other employee of ours that is governed by the internal affairs doctrine, in each such case subject to such Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein. Notwithstanding the foregoing, the exclusive forum provision will not apply to suits brought to enforce any liability or duty created by the Exchange Act, the Securities Act or any other claim for which the federal courts have exclusive jurisdiction. **Further, our bylaws also provide that the federal district courts of the United States shall be the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. Although our bylaws provide for an exclusive forum for causes of action under the Securities Act, its stockholders will not be deemed to have waived compliance with the federal securities laws and the rules and regulations thereunder.** Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock will be deemed to have notice of, and consented to, the provisions of our certificate of incorporation **and bylaws** described herein. ~~This~~ **These** choice of forum ~~provision~~ **provisions** may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, employees or agents, which may discourage such lawsuits against us and such persons. Alternatively, if a court were to find these provisions of our certificate of incorporation **or bylaws** inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business, financial condition or results of operations. While the Board of Directors declared a one-time special cash dividend of \$ 1.80 per share on June 17, 2021, we do not intend to pay cash dividends on our Class A common stock, and our Credit Facilities place certain restrictions on our ability to do so. Consequently, your only opportunity to achieve a return on your investment is if the price of our Class A common stock appreciates. We do not plan to declare cash dividends on shares of our Class A common stock in the foreseeable future. Additionally, the Credit Facilities place certain restrictions on our ability to pay cash dividends. Any future credit agreements or financing arrangements may also contain restrictions on our ability to pay cash dividends. Consequently, your only opportunity, while such dividend restrictions remain in place, to achieve a return on your investment in us may be to sell your Class A common stock at a price greater than you paid for it. There is no guarantee that the price of our Class A common stock that will prevail in the market will ever exceed the price that you paid. Future sales or issuances of our Class A common stock in the public market, or the perception that such sales or issuances may occur, could reduce our stock price, and any additional capital raised by us through the sale or issuance of equity or convertible securities may dilute your ownership in us. We may sell additional shares of Class A common stock in subsequent public offerings. We may also issue additional shares of Class A common stock or convertible securities. We have 14, ~~211-539~~, ~~621-056~~ outstanding shares of Class A common stock and 1,429,940 outstanding shares of Class B common stock as of November 28, ~~2022-2023~~. Certain OneWater Unit Holders are party to a registration rights agreement (the "Registration Rights Agreement"), which requires us to effect the registration of any shares of Class A common stock that they receive in exchange for their OneWater LLC Units in certain circumstances. On February 11, 2020, we filed a registration statement with the SEC on Form S-8 providing for the registration of 1,600,533 shares of our Class A common stock issued or reserved for issuance under our long term incentive plan (the "LTIP"). On May 7, 2021, we filed a registration statement with the SEC on Form S-8 providing for the registration of (i) an additional 46,750 shares of Class A common stock that may be delivered with respect to awards under the LTIP pursuant to an "evergreen" provision contained in the LTIP and (ii) an indeterminate amount of interests to be offered or sold pursuant to the OneWater Marine Inc. 2021 Employee Stock Purchase Plan. Subject to the satisfaction of vesting conditions, the expiration of lock-up agreements and the requirements of Rule 144, shares registered under each of the registration statements on Form S-8 may be made available for resale immediately in the public market without restriction. On September 7, 2021, we filed a registration statement with the SEC on Form S-3 providing for the registration of (i) an indeterminate number of shares of Class A common stock to be offered, on a primary basis, at indeterminate prices with an aggregate initial offering price not to exceed \$ 250,000,000 and (ii) 375,000 shares of Class A common stock that may be sold in one or more secondary offerings by the selling stockholders named therein. On July 1, 2022, the first offering period began under the 2021 Employee Stock Purchase Plan (the "ESPP"). The ESPP provides for a maximum issuance of ~~299-449~~, ~~505-257~~ shares of Class A common stock, subject to certain adjustments set forth in the ESPP. We cannot predict the size of future issuances of our Class A common stock or securities convertible into Class A common stock or the effect, if any, that future issuances and sales of shares of our Class A common stock will have on the market price of our Class A common stock. Sales of substantial amounts of our Class A common stock (including shares issued in connection with an acquisition), or the perception that such sales could occur, may adversely affect prevailing market prices of our Class A common stock. OneWater Inc. is required to make payments under the Tax Receivable Agreement for certain tax benefits that it may claim, and the amounts of such payments could be significant. The Tax Receivable Agreement generally provides for the payment by OneWater Inc. to each **TRA OneWater Unit** Holder of 85% of the net cash savings, if any, in U.S. federal, state and local income tax and franchise tax (computed using simplifying assumptions to address the impact of state and local taxes) that OneWater Inc. actually realizes (or is deemed to realize in certain circumstances) in periods after the IPO as a result of certain increases in tax basis available to OneWater Inc. as a result of the exercise of the Redemption Right or pursuant to our Call Right or that relate to prior transfers of such OneWater LLC Units that will be available to OneWater Inc. as a result of its acquisition of those units, and certain benefits attributable to imputed interest. OneWater Inc. will retain the benefit of the remaining ~~15% of these~~ net cash savings. The terms of the Tax Receivable Agreement commenced upon completion of the IPO and will continue until all tax benefits that are subject to the Tax Receivable Agreement have been utilized or expired, unless OneWater Inc. exercises its right to terminate the Tax Receivable Agreement (or the Tax Receivable Agreement is terminated due to other circumstances, including OneWater Inc.'s

breach of a material obligation thereunder or certain mergers or other changes of control), and OneWater Inc. makes the termination payment specified in the Tax Receivable Agreement. In addition, payments OneWater Inc. makes under the Tax Receivable Agreement will be increased by any interest accrued from the due date (without extensions) of the corresponding tax return. **In Payments under the Tax Receivable Agreement commenced in 2022 and, in** the event that the Tax Receivable Agreement is not terminated, ~~the payments under the Tax Receivable Agreement are anticipated to commence in 2022 and to continue until for 20 years~~ after the date of the last redemption of the OneWater LLC Units. The payment obligations under the Tax Receivable Agreement are OneWater Inc.'s obligations and not obligations of OneWater LLC, and we expect that the payments OneWater Inc. will be required to make under the Tax Receivable Agreement will be substantial. Estimating the amount and timing of OneWater Inc.'s realization of tax benefits subject to the Tax Receivable Agreement is by its nature imprecise. The actual increases in tax basis covered by the Tax Receivable Agreement, as well as the amount and timing of OneWater Inc.'s ability to use any deductions (or decreases in gain or increases in loss) arising from such increases in tax basis, are dependent upon significant future events, including but not limited to the timing of the redemptions of OneWater LLC Units, the price of OneWater Inc.'s Class A common stock at the time of each redemption, the extent to which such redemptions are taxable transactions, the amount of the redeeming unit holder's tax basis in its OneWater LLC Units at the time of the relevant redemption, the depreciation and amortization periods that apply to the increase in tax basis, the amount, character, and timing of taxable income OneWater Inc. generates in the future, the timing and amount of any earlier payments that OneWater Inc. may have made under the Tax Receivable Agreement, the U. S. federal income tax rate then applicable, and the portion of OneWater Inc.'s payments under the Tax Receivable Agreement that constitute imputed interest or give rise to depreciable or amortizable tax basis. Accordingly, estimating the amount and timing of payments that may become due under the Tax Receivable Agreement is also by its nature imprecise. For purposes of the Tax Receivable Agreement, net cash savings in tax generally are calculated by comparing OneWater Inc.'s actual tax liability (determined by using the actual applicable U. S. federal income tax rate and an assumed combined state and local income tax rate) to the amount OneWater Inc. would have been required to pay had it not been able to utilize any of the tax benefits subject to the Tax Receivable Agreement. Thus, the amount and timing of any payments under the Tax Receivable Agreement are also dependent upon significant future events, including those noted above in respect of estimating the amount and timing of OneWater Inc.'s realization of tax benefits. Any distributions made by OneWater LLC to OneWater Inc. in order to enable OneWater Inc. to make payments under the Tax Receivable Agreement, as well as any corresponding pro rata distributions made to the other OneWater Unit Holders could have an adverse impact on our liquidity. The payments under the Tax Receivable Agreement are not conditioned upon a **TRA holder Holder's** of rights under ~~a Tax Receivable Agreement~~ having a continued ownership interest in OneWater Inc. or OneWater LLC. In addition, certain of the **TRA OneWater Unit** Holders' rights (including the right to receive payments) under the Tax Receivable Agreement are transferable in connection with transfers permitted under the OneWater LLC Agreement of the corresponding OneWater LLC Units or, subject to OneWater Inc.'s consent (not to be unreasonably withheld, conditioned, or delayed), after the corresponding OneWater LLC Units have been acquired pursuant to the Redemption Right or Call Right. For additional information regarding the Tax Receivable Agreement, see "Management's Discussion and Analysis of Financial Condition and Results of Operations — Tax Receivable Agreement" in this Form 10-K. ~~In certain cases, payments under the Tax Receivable Agreement may be accelerated and / or significantly exceed the actual benefits, if any, OneWater Inc. realizes in respect of the tax attributes subject to the Tax Receivable Agreement.~~ If OneWater Inc. experiences a change of control (as defined under the Tax Receivable Agreement, which includes certain mergers, asset sales and other forms of business combinations) or the Tax Receivable Agreement terminates early (at OneWater Inc.'s election or as a result of OneWater Inc.'s breach), OneWater Inc. would be required to make an immediate payment equal to the present value of the anticipated future payments to be made by it under the Tax Receivable Agreement (determined by applying a discount rate equal to **one the twelve - year LIBOR - month SOFR published by CME Group Benchmark Administration Limited plus 100-171. 513** basis points) and such early termination payment is expected to be substantial. The calculation of anticipated future payments is based upon certain assumptions and deemed events set forth in the Tax Receivable Agreement, including (i) that OneWater Inc. has sufficient taxable income to fully utilize the tax benefits covered by the Tax Receivable Agreement, and (ii) that any OneWater LLC Units (other than those held by OneWater Inc.) outstanding on the termination date are deemed to be redeemed on the termination date. Any early termination payment may be made significantly in advance of, and may materially exceed, the actual realization, if any, of the future tax benefits to which the early termination payment relates. If OneWater Inc. experiences a change of control (as defined under the Tax Receivable Agreement) or the Tax Receivable Agreement otherwise terminates early (at OneWater Inc.'s election or as a result of OneWater Inc.'s breach), OneWater Inc.'s obligations under the Tax Receivable Agreement could have a substantial negative impact on our liquidity and could have the effect of delaying, deferring or preventing certain mergers, asset sales, or other forms of business combinations or changes of control. For example, if the Tax Receivable Agreement were terminated immediately after the date hereof, and taking into account any redemptions that **occur occurred** prior thereto, the estimated early termination payment would, in the aggregate, be approximately \$ **31-25. 94** million ( ~~calculated using determined by applying~~ a discount rate equal to **one the twelve - year LIBOR - month SOFR published by CME Group Benchmark Administration Limited plus 100-171. 513** basis points, applied against an undiscounted liability of \$ **53-45. 6-8** million calculated based on certain assumptions, including but not limited to a \$ **30-25. 11-62** per share price, an estimated blended statutory U. S. federal, state and local corporate income tax rate of **25-24. 0-8** %, no material change in U. S. federal income tax law, and that OneWater Inc. will have sufficient taxable income to utilize such estimated tax benefits). The foregoing number is merely an estimate and the actual payment could differ materially. In the event that OneWater Inc.'s obligation to make payments under the Tax Receivable Agreement is accelerated as a result of a change of control, where applicable, we generally expect the accelerated payments due under the Tax Receivable Agreement to be funded out of the proceeds of the change of control transaction giving rise to such acceleration. However, OneWater Inc. may be required to fund



such payment from other sources, and as a result, any early termination of the Tax Receivable Agreement could have a substantial negative impact on our liquidity. We do not currently expect to cause an acceleration due to OneWater Inc.'s breach, and we do not currently expect that OneWater Inc. would elect to terminate the Tax Receivable Agreement early, except in cases where the early termination payment would not be material. There can be no assurance that OneWater Inc. will be able to meet its obligations under the Tax Receivable Agreement. Please read "Management's Discussion and Analysis of Financial Condition and Results of Operations — Tax Receivable Agreement" in this Form 10-K. In the event that OneWater Inc.'s payment obligations under the Tax Receivable Agreement are accelerated upon certain mergers, other forms of business combinations or other changes of control, the consideration payable to holders of OneWater Inc.'s Class A common stock could be substantially reduced. If OneWater Inc. experiences a change of control (as defined under the Tax Receivable Agreement, which includes certain mergers, asset sales and other forms of business combinations), OneWater Inc. would be obligated to make an immediate payment, and such payment may be significantly in advance of, and may materially exceed, the actual realization, if any, of the future tax benefits to which the payment relates. As a result of this payment obligation, holders of OneWater Inc.'s Class A common stock could receive substantially less consideration in connection with a change of control transaction than they would receive in the absence of such obligation. Further, OneWater Inc.'s payment obligations under the Tax Receivable Agreement are not conditioned upon the **TRA OneWater Unit** Holders' having a continued interest in OneWater Inc. or OneWater LLC. Accordingly, the **TRA OneWater Unit** Holders' interests may conflict with those of the holders of OneWater Inc.'s Class A common stock. Please read "— In certain cases, payments under the Tax Receivable Agreement may be accelerated and / or significantly exceed the actual benefits, if any, OneWater Inc. realizes in respect of the tax attributes subject to the Tax Receivable Agreement." OneWater Inc. will not be reimbursed for any payments made under the Tax Receivable Agreement in the event that any tax benefits are subsequently disallowed. Payments under the Tax Receivable Agreement are based on the tax reporting positions that OneWater Inc. determines and the IRS or another tax authority may challenge all or part of the tax basis increase, as well as other related tax positions OneWater Inc. takes, and a court could sustain such challenge. The **TRA OneWater Unit** Holders will not reimburse OneWater Inc. for any payments previously made under the Tax Receivable Agreement if any tax benefits that have given rise to payments under the Tax Receivable Agreement are subsequently disallowed, except that excess payments made to any **TRA OneWater Unit** Holder will be netted against future payments that would otherwise be made to such **TRA OneWater Unit** Holder, if any, after OneWater Inc.'s determination of such excess (which determination may be made a number of years following the initial payment and after future payments have been made). As a result, in such circumstances, OneWater Inc. could make payments that are greater than its actual cash tax savings, if any, and may not be able to recoup those payments, which could materially adversely affect its liquidity. If OneWater LLC were to become a publicly traded partnership taxable as a corporation for U. S. federal income tax purposes, OneWater Inc. and OneWater LLC might be subject to potentially significant tax inefficiencies, and OneWater Inc. would not be able to recover payments previously made by it under the Tax Receivable Agreement even if the corresponding tax benefits were subsequently determined to have been unavailable due to such status. We intend to operate such that OneWater LLC does not become a publicly traded partnership taxable as a corporation for U. S. federal income tax purposes. A "publicly traded partnership" is a partnership the interests of which are traded on an established securities market or are readily tradable on a secondary market or the substantial equivalent thereof. Under certain circumstances, redemptions of OneWater LLC Units pursuant to the Redemption Right (or the Call Right) or other transfers of OneWater LLC Units could cause OneWater LLC to be treated as a publicly traded partnership. Applicable U. S. Treasury regulations provide for certain safe harbors from treatment as a publicly traded partnership, and we intend to operate such that redemptions or other transfers of OneWater LLC Units qualify for one or more such safe harbors. For example, we intend to limit the number of unitholders of OneWater LLC, and the OneWater LLC Agreement provides for limitations on the ability of unitholders of OneWater LLC to transfer their OneWater LLC Units and provides OneWater Inc., as managing member of OneWater LLC, with the right to impose restrictions (in addition to those already in place) on the ability of unitholders of OneWater LLC to redeem their OneWater LLC Units pursuant to the Redemption Right to the extent OneWater Inc. believes it is necessary to ensure that OneWater LLC will continue to be treated as a partnership for U. S. federal income tax purposes. If OneWater LLC were to become a publicly traded partnership taxable as a corporation for U. S. federal income tax purposes, significant tax inefficiencies might result for OneWater Inc. and for OneWater LLC, including as a result of OneWater Inc.'s inability to file a consolidated U. S. federal income tax return with OneWater LLC. In addition, OneWater Inc. may not be able to realize tax benefits covered under the Tax Receivable Agreement, and OneWater Inc. would not be able to recover any payments previously made by it under the Tax Receivable Agreement, even if the corresponding tax benefits (including any claimed increase in the tax basis of OneWater LLC's assets) were subsequently determined to have been unavailable. **Unanticipated changes—Changes in effective to applicable tax rates laws and regulations or exposure to additional adverse outcomes resulting from examination of OneWater Inc.'s income or other tax returns liabilities could adversely affect our business, its results of operations and financial condition—future profitability.** We ~~are~~ may be subject to **various complex and evolving U. S. federal, state and local taxes** by the U. S. federal, state, and local tax authorities and its future effective tax rates **laws, policies, statutes, rules, regulations or ordinances** could be subject to volatility **interpreted, changed, modified or applied** adversely **to us** affected by a number of factors, including: • changes in **each case, possibly with retroactive** the valuation of its deferred tax assets and liabilities; • expected timing and amount of the release of any tax valuation allowances; • tax effects **effect of stock-based compensation; and may have an adverse effect on or our business and future profitability** • changes in tax laws, regulations or interpretations thereof. In addition, we may be subject to audits of our income, sales and other transaction taxes by U. S. federal, state, and local taxing authorities. Outcomes from these audits could have an adverse effect on our operating results and financial condition. We may issue preferred stock whose terms could adversely affect the voting power or value of our Class A common stock. Our certificate of incorporation authorizes us to issue, without the approval of our

stockholders, one or more classes or series of preferred stock having such designations, preferences, limitations and relative rights, including preferences over our Class A common stock respecting dividends and distributions, as our ~~board~~ **Board** of ~~directors~~ **Directors** may determine. The terms of one or more classes or series of preferred stock could adversely impact the voting power or value of our Class A common stock. For example, we might grant holders of preferred stock the right to elect some number of our directors in all events or on the happening of specified events or the right to veto specified transactions. Similarly, the repurchase or redemption rights or liquidation preferences we might assign to holders of preferred stock could affect the residual value of the Class A common stock. If we were deemed to be an investment company under the Investment Company Act of 1940, as amended (the “1940 Act”), as a result of our ownership of OneWater LLC, applicable restrictions could make it impractical for us to continue our business as contemplated and could have a material adverse effect on our business, financial condition and results of operations. Under Sections 3 (a) (1) (A) and (C) of the 1940 Act, a company generally will be deemed to be an “investment company” for purposes of the 1940 Act if (i) it is, or holds itself out as being, engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities or (ii) it engages, or proposes to engage, in the business of investing, reinvesting, owning, holding or trading in securities and it owns or proposes to acquire investment securities having a value exceeding 40 % of the value of its total assets (exclusive of U. S. government securities and cash items) on an unconsolidated basis. We do not believe that we are an “investment company,” as such term is defined in either of those sections of the 1940 Act. As the sole managing member of OneWater LLC, we ~~will~~ control and operate OneWater LLC. On that basis, we believe that our interest in OneWater LLC is not an “investment security” as that term is used in the 1940 Act. However, if we were to cease participation in the management of OneWater LLC, our interest in OneWater LLC could be deemed an “investment security” for purposes of the 1940 Act. We and OneWater LLC intend to conduct our operations so that we will not be deemed an investment company. However, if we were to be deemed an investment company, restrictions imposed by the 1940 Act, including limitations on our capital structure and our ability to transact with affiliates, could make it impractical for us to continue our business as contemplated and could have a material adverse effect on our business, financial condition and results of operations. If securities or industry analysts cease publishing research or reports about our business, if they adversely change their recommendations regarding our Class A common stock or if our operating results do not meet their expectations, our stock price could decline. The trading market for our Class A common stock will be influenced by the research and reports that industry or securities analysts publish about us or our business. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline. Moreover, if one or more of the analysts who cover our company downgrades our Class A common stock or if our operating results do not meet their expectations, our stock price could decline. **General Risk Factors** ~~General economic conditions~~ **Our business operations could be negatively impacted by an outage or breach of our information technology systems or a cybersecurity event. Our business is dependent upon the successful operation of our information technology systems. Our information technology systems enhance cross- selling opportunities and integrate each level of operations on a company- wide basis**, including ~~changes in employment levels but not limited to purchasing~~ **inventory** ~~consumer demand~~, **receivables** ~~preferences and confidence levels~~, **payables, financial reporting, budgeting, marketing and sales management. Our information systems are also used to prepare our consolidated financial and operating data. Increased global cybersecurity vulnerabilities and cyber- related attacks pose a risk to the security of our and our customers’, suppliers’ and third- party service providers’ products, systems and networks and the confidentiality, availability and cost integrity of credit our data. Risks to our information technology systems include potential breakdowns, fuel invasions, viruses, cyber- attacks, cyber- fraud, security breaches, and destruction or interruption of our information technology systems or data. From time to time, unauthorized parties have attempted to gain access to our systems or facilities, levels or those of discretionary third parties with whom we do business, through fraud, trickery or other forms of deceiving our team members, contractors, vendors and temporary staff. While no instances of unauthorized access have been material to date, we continue to attempt to mitigate these risks by employing a number of measures, including employee training, systems and maintenance of protective systems. We remain potentially vulnerable to known or unknown threats. We collect and store personal data through the ordinary course **income, interest rates, periods of economic or our political instability, public health crises, business that is subject to data privacy and inflation information, security laws and consumer spending regulations. We also work with third- party partners** ~~can negatively impact our operating results. Unfavorable local that may in the course of their business relationship with us collect~~, **regional store, national process and transmit sensitive data on or our global economic developments behalf and in connection with or our uncertainties regarding future economic products and services offerings. Despite our efforts to prospects- protect sensitive, confidential or personal data or information, our or our third- party partners’ information technology systems may be vulnerable to security breaches, ransomware theft, cyber phishing attacks, cyber- attacks created through artificial intelligence, misplaced or lost data, programming errors, employee errors and / or malfeasance that could reduce potentially lead to the compromising of sensitive, confidential or personal data or information, improper use of or our defer consumer spending in the markets- systems, inability to use our systems, unauthorized access, use, disclosure, modification or destruction of information, and operational disruptions. While no system failures, cyberattacks or security breaches have been material to date, we serve and adversely affect may be, unable to anticipate, detect our- or business- prevent such events.** ~~Consumer spending~~ **Despite ongoing efforts to improve our ability to protect our information technology systems and data stored thereon or transmitted thereby from compromise, including that we may not be able to protect all of high net worth individuals, on discretionary goods our information technology systems or data. Our efforts to improve security and protect data from compromise may also decline- identify previously undiscovered instances of security breaches or other cyber- related attack. It is possible that we might not be aware of a successful****

cyber-related attack on our systems until well after the incident. Any unauthorized access to or material failure of our information technology systems, or systems used by our third-party suppliers or service providers, could result in negative consequences, including damage to our reputation or competitiveness, remediation or increased protection costs, or litigation or regulatory action, all of which could have a material and adverse effect on our business, financial condition, operations, or cash flows. Additionally, in response to the COVID-19 pandemic, we instituted certain remote work policies, as a result did many of political-our service providers. The continued prevalence of remote working has increased our vulnerability to risks related to our computer and communications hardware and software systems and exacerbated uncertainty--- certain and instability-related risks, even if prevailing economic conditions including risks of phishing and other cybersecurity attacks. Controls employed by our information technology department and our customers and third-party service providers could prove inadequate. We are generally favorable. Economic conditions subject to laws, rules, regulations and policies regarding data privacy and security, and may be subject to additional related laws and regulations in areas jurisdictions in which we operate dealerships, particularly or expand. Many of these Southeast laws and Gulf Coast regions regulations are subject to change and reinterpretation, and any real or perceived failure to comply with such obligations could result in claims, changes to our business practices, monetary penalties, increased cost of operations or other harm to our business. We are subject to a variety of federal, state and local laws, directives, rules and policies relating to privacy and the collection, protection, use, retention, security, disclosure, transfer and other processing of personal data and other data. The regulatory framework for data privacy and security worldwide is continuously evolving and developing and, as a result, interpretation and implementation standards and enforcement practices are likely to remain uncertain for the foreseeable future. In addition, new laws, amendments to or reinterpretations of existing laws, regulations, standards and other obligations may require us to incur additional costs and restrict our business operations, and may require us to change how we use, collect, store, transfer or otherwise process certain types of personal data, including by implementing new processes to comply with those laws and our customers' exercise of their rights thereunder. These laws also are not uniform, as certain laws may be more stringent or broader in scope, or offer greater individual rights, with respect to sensitive and personal information, and such laws may differ from each other, which may complicate compliance efforts. Any real we generated approximately 79 %, 80 % and 75 % of our- or revenue during fiscal years 2022- perceived failure by us or our third-party service providers to comply with any applicable federal, 2021 and 2020-state or similar foreign law, respectively-rule, regulation, industry standard, policy, certification or order relating to data privacy and security, or any compromise of security that results in the theft, unauthorized access, acquisition, use, disclosure, or misappropriation of personal data or other customer data, could result in significant awards, fines, civil or criminal penalties or judgments, proceedings or litigation by governmental agencies or customers, including class action privacy litigation in certain jurisdictions and negative publicity and reputational harm, one or all of which could have a major impact on our operations. Local influences, such as corporate downsizing, inclement weather such as hurricanes, wintry conditions or other storms, environmental conditions and specific events, also could adversely affect, and in certain instances have adversely affected, our operations in certain markets. In an adverse economic downturn, consumer discretionary spending levels generally decline, at times resulting in disproportionately large reductions in the sale of discretionary goods. Consumer spending on discretionary goods also may decline as a result of lower consumer confidence levels, even if prevailing economic conditions are favorable. Our business was significantly impacted during the recessionary period that began in 2007, and this period of weakness in consumer spending and depressed economic conditions had a substantial negative effect on our operating reputation, business, financial condition and results of operations. In response-We may be named in litigation, which may result in substantial costs and reputational harm and divert management's attention and resources. We face legal risks in our business, including claims from disputes with our employees and our former employees and claims associated with general commercial disputes, product liability, personal injury and other matters. Risks associated with legal liability often are difficult to these conditions assess or quantify and their existence and magnitude can remain unknown for significant periods of time. While we reduced our inventory purchases maintain insurance of the types and in the amounts that we believe are customary and adequate, closed-the amount of insurance coverage may not be sufficient to cover a claim and the continued availability of certain dealerships and reduced headcount insurance cannot be assured. Although Additionally, we have expanded may be named in the future as defendants of class action lawsuits. Negative publicity from litigation, whether our- or not resulting in a substantial cost operations and increased our focus on pre-owned sales, parts and repair services and finance & insurance products, during periods of stagnant or modestly declining industry trends, the cyclical nature of the retail marine industry or the lack of industry growth could lead to oversupply and weak demand, which could materially damage our reputation. We may in the future be the target of litigation and this litigation may result in substantial costs and reputational harm and divert management's attention and resources. Costs, harm to our reputation and diversion could have a material adversely-- adverse affect-effect on our business, results of operations and financial condition. Changes in accounting standards could significantly affect or our results of operations in-and the presentation of the those future results. Any period of adverse economic conditions-The Financial Accounting Standards Board, the SEC, or low consumer confidence could other accounting organizations or governmental entities frequently issue new pronouncements or new interpretations of existing accounting standards. Changes in accounting standards, how the accounting standards are interpreted, or the adoption of new accounting standards can have a negative significant effect on our business. Inflation reported results, and could adversely even retroactively affect previously reported transactions, and may require that we make significant changes to our systems, processes and controls. Changes resulting from these new standards may result in materially different financial results. The market-and may require that we change how we prices-process, analyze of certain materials-and report financial components used by us and our suppliers in manufacturing our products can be volatile.

Significant increases in inflation information, particularly those related to wages and increases that we change financial reporting controls. Such changes in accounting standards the cost of raw materials may have an adverse effect on our business, financial position, and income, which may negatively impact our financial results. Adverse federal or state tax policies or changes in law could have a negative effect on the business, financial condition, and results of operations of us. Changes or our suppliers, and our suppliers may in turn pass federal and state tax laws, such as an imposition increases along to us by raising the cost of luxury taxes on our inventories. In addition, new boat buyers often finance their purchases. Inflation, along increases in prevailing tax rates, and removal of certain interest deductions, may influence consumers' decisions to purchase products we offer and could have a negative effect on our sales. For example, during 1991 and 1992, the federal government imposed a luxury tax on new recreational boats with rising interest sales prices in excess of \$ 100, 000, which coincided with a sharp decline in boating industry sales from a high of more than \$ 17. 9 billion in 1988 to a low of \$ 10. 3 billion in 1992. Any increase in tax rates, including those on capital gains and dividends, particularly those on high- income taxpayers, could adversely affect our translate into an increased cost of boat sales ownership. Should inflation and increased rates continue to occur, 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. Our business could be materially adversely impacted by the widespread outbreak of a contagious disease, including the recent COVID-19 pandemic. COVID-19 has in response to the spread widespread outbreak in many of a contagious disease, the geographic areas in which we operate. National national, state and local governments in affected regions have implemented, and may continue to again, implement safety precautions, including shelter in place orders, travel restrictions, business closures, cancellations of public gatherings, including boat shows, and other measures. These measures have affected our ability to sell and service boats, and may again required- require us to temporarily close or partially close certain locations. Organizations and individuals may take require additional closures in the future. Organizations and individuals are also taking additional steps to avoid or reduce infection, including limiting travel, staying home, working from home and limiting participation in certain activities. Future, or other measures, which may also affect our ability to operate our marine retailer locations or our manufacturing facilities. We continue to monitor federal, state and local government recommendations and have made modifications to our normal operations as a result of COVID-19. If the negative economic effects of COVID-19 or a new pandemic widespread contagious disease continue for a prolonged period of time, it could lead to a reduction in demand for our products, which would adversely affect our results of operations. Additionally, disruptions in the capital markets, as a result of a global pandemic, may also adversely affect our ability to access capital and additional liquidity. The COVID- 19 pandemic has 's effects led to disruptions in our supply chain, including our ability to obtain boats and parts from our suppliers. We There have been industry- wide supply chain constraints due to the COVID-19 pandemic and increased sales generally across the industry. To date, we have experienced shortages of inventory in 2021 and 2022, and we believe such shortages resulted in a reduction in our revenues for fiscal year 2021 and 2022. Though disruptions in our supply chain eased during 2023, Such such shortages could again continue to adversely impact our revenues for future periods. It is possible that such shortages could become more severe as a result of a global pandemic and its effects on, among other things, supply chains, operations and consumer demand. These measures are disrupting normal business operations and may have significant negative impacts on our business in the future. It is not possible to estimate the entirety of the effect that COVID- 19 or any other future global pandemic will have on our business, customers, suppliers or other business partners. Increased cybersecurity requirements, vulnerabilities, threats and more sophisticated and targeted computer crime could pose a risk to our systems, networks, and data. Our business operations could be negatively impacted by an outage or breach of our informational technology systems or a cybersecurity event. Our business is dependent upon the efficient operation of our information systems. The systems facilitate the interchange of information and enhance cross- selling opportunities throughout our company. The systems integrate each level of operations on a company- wide basis, including but not limited to purchasing, inventory, receivables, payables, financial reporting, budgeting, marketing and sales management. The information systems also prepare our consolidated financial and operating data. The failure of our information systems to perform as designed or the failure to maintain and enhance or protect the integrity of these systems could disrupt our business operations, impact sales and the results of operations, expose us to customer or third- party claims, or result in adverse publicity. Increased global cybersecurity vulnerabilities, threats and more sophisticated and targeted cyber- related attacks pose a risk to the security of our and our customers', suppliers' and third- party service providers' products, systems and networks and the confidentiality, availability and integrity of our data. Risks to our information technology systems include potential breakdowns, invasions, viruses, cyber- attacks, cyber- fraud, security breaches, and destruction or interruption of our information technology systems by third parties or employees. Unauthorized parties may also attempt to gain access to our systems or facilities, or those of third parties with whom we do business, through fraud, trickery or other forms of deceiving our team members, contractors, vendors and temporary staff. While we attempt to mitigate these risks by employing a number of measures, including employee training, systems and maintenance of protective systems, we remain potentially vulnerable to known or unknown threats. We may also have access to sensitive, confidential or personal data or information that is subject to data privacy and information security laws and regulations. Despite our efforts to protect sensitive, confidential or personal data or information, we may be vulnerable to security breaches, ransomware theft, cyber phishing attacks, misplaced or lost data, programming errors, employee errors and / or malfeasance that could potentially lead to the compromising of sensitive, confidential or personal data or information, improper use of our systems, inability to use our systems, and other unauthorized access, use, disclosure, modification or destruction of information, and operational disruptions. Further, advances in computer capabilities, new discoveries in the field of cryptography, inadequate facility security or other developments may result in a compromise or breach of the technology we use to protect such sensitive, confidential or personal data. Despite ongoing efforts to improve our ability to protect data from compromise, we may not be able to protect all of our data across our systems. Our efforts to improve security and protect data from compromise may also identify previously undiscovered instances of security

breaches or other cyber-related attack. It is possible that we might not be aware of a successful cyber-related attack on our systems until well after the incident. In addition, a cyber-related attack could result in other negative consequences, including damage to our reputation or competitiveness, remediation or increased protection costs, litigation or regulatory action, and could adversely affect our business, financial condition and results of operations. Depending on the nature of the information compromised, we may have obligations to notify customers and /or employees about the incident, and we may need to provide some form of remedy, such as a subscription to a credit monitoring service, for the individuals affected by the incident. Additionally, in response to the COVID-19 pandemic, we instituted certain remote work policies, as did many of our service providers. The continued prevalence of remote working has increased our vulnerability to risks related to our computer and communications hardware and software systems and exacerbated certain related risks, including risks of phishing and other cybersecurity attacks. Controls employed by our information technology department and our customers and third-party service providers could prove inadequate. We are subject to laws, rules, regulations and policies regarding data privacy and security, and may be subject to additional related laws and regulations in jurisdictions in which we operate or expand. Many of these laws and regulations are subject to change and reinterpretation, and could result in claims, changes to our business practices, monetary penalties, increased cost of operations or other harm to our business. We are subject to a variety of federal, state and local laws, directives, rules and policies relating to privacy and the collection, protection, use, retention, security, disclosure, transfer and other processing of personal data and other data. The regulatory framework for data privacy and security worldwide is continuously evolving and developing and, as a result, interpretation and implementation standards and enforcement practices are likely to remain uncertain for the foreseeable future. It is possible that these types of inquiries regarding cybersecurity breaches increase in frequency and scope. In addition, new laws, amendments to or reinterpretations of existing laws, regulations, standards and other obligations may require us to incur additional costs and restrict our business operations, and may require us to change how we use, collect, store, transfer or otherwise process certain types of personal data and to implement new processes to comply with those laws and our customers' exercise of their rights thereunder. These laws also are not uniform, as certain laws may be more stringent or broader in scope, or offer greater individual rights, with respect to sensitive and personal information, and such laws may differ from each other, which may complicate compliance efforts. Compliance in the event of a widespread data breach may be costly. Any failure or perceived failure by us or our third-party service providers to comply with any applicable federal, state or similar foreign laws, rules, regulations, industry standards, policies, certifications or orders relating to data privacy and security, or any compromise of security that results in the theft, unauthorized access, acquisition, use, disclosure, or misappropriation of personal data or other customer data, could result in significant awards, fines, civil or criminal penalties or judgments, proceedings or litigation by governmental agencies or customers, including class action privacy litigation in certain jurisdictions and negative publicity and reputational harm, one or all of which could have an adverse effect on our reputation, business, financial condition and results of operations. We may be named in litigation, which may result in substantial costs and reputational harm and divert management's attention and resources. We face legal risks in our business, including claims from disputes with our employees and our former employees and claims associated with general commercial disputes, product liability, personal injury and other matters. Risks associated with legal liability often are difficult to assess or quantify and their existence and magnitude can remain unknown for significant periods of time. While we maintain automobile, directors and officers, general liability, product liability (for our manufacturers), inventory, property and workers compensation insurance, the amount of insurance coverage may not be sufficient to cover a claim and the continued availability of this insurance cannot be assured. Additionally, we may be named in the future as defendants of class action lawsuits. Negative publicity from litigation, whether or not resulting in a substantial cost, could materially damage our reputation. We may in the future be the target of litigation and this litigation may result in substantial costs and reputational harm and divert management's attention and resources. Costs, harm to our reputation and diversion could have a material adverse effect on our business, results of operations and financial condition. Changes in accounting standards could significantly affect our results of operations and the presentation of those results. The Financial Accounting Standards Board, the SEC, or other accounting organizations or governmental entities frequently issue new pronouncements or new interpretations of existing accounting standards. Changes in accounting standards, how the accounting standards are interpreted, or the adoption of new accounting standards can have a significant effect on our reported results, and could even retroactively affect previously reported transactions, and may require that we make significant changes to our systems, processes and controls. Changes resulting from these new standards may result in materially different financial results and may require that we change how we process, analyze and report financial information and that we change financial reporting controls. Such changes in accounting standards may have an adverse effect on our business, financial position, and income, which may negatively impact our financial results. Adverse federal or state tax policies could have a negative effect on us. Changes in federal and state tax laws, such as an imposition of luxury taxes on new boat purchases, increases in prevailing tax rates, and removal of certain interest deductions, may influence consumers' decisions to purchase products we offer and could have a negative effect on our sales. For example, during 1991 and 1992, the federal government imposed a luxury tax on new recreational boats with sales prices in excess of \$ 100,000, which coincided with a sharp decline in boating industry sales from a high of more than \$ 17.9 billion in 1988 to a low of \$ 10.3 billion in 1992. Any increase in tax rates, including those on capital gains and dividends, particularly those on high-income taxpayers, could adversely affect our boat sales. Item 1B. Unresolved Staff Comments.