As filed with the Securities and Exchange Commission on January 6, 2020
Registration No. 333-232639

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Amendment No. 5
to
Form S-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

OneWater Marine Inc.
(Exact name of registrant as specified in its charter)

Delaware	**5531**	**83-4330138**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(IRS Employer Identification No.)

6275 Lanier Islands Parkway
Buford, Georgia 30518
(678) 541-6300
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Austin Singleton
Chief Executive Officer
6275 Lanier Islands Parkway
Buford, Georgia 30518
(678) 541-6300
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

David P. Oelman
James R. Brown
Vinson & Elkins L.L.P.
1001 Fannin Street, Suite 2500
Houston, Texas 77002
(713) 758-2222

Daniel J. Bursky
Andrew B. Barkan
Fried, Frank, Harris, Shriver & Jacobson LLP
One New York Plaza
New York, New York 10004
(212) 859-8000

Approximate date of commencement of proposed sale to the public:
As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box: o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

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

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

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act. o

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities, and it is not soliciting an offer to buy, these securities in any state or jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED , 2020

PRELIMINARY PROSPECTUS

Shares

OneWater Marine Inc.

Class A Common Stock

This is the initial public offering of Class A common stock of OneWater Marine Inc., a Delaware corporation. We are offering shares of Class A common stock.

Prior to this offering, there has been no public market for our Class A common stock. We have been approved to list our Class A common stock on The Nasdaq Global Market under the symbol "ONEW."

We anticipate that the initial public offering price will be between $ and $ per share of Class A common stock.

Certain of our Legacy Owners (as defined herein), including affiliates of The Beekman Group, our Chief Executive Officer, Austin Singleton, LMI Holding, LLC and Dr. A. Derrill Crowe, have indicated an interest in purchasing up to an aggregate of $ million of shares of our Class A common stock in this offering at the initial public offering price per share. In addition, Regal Marine Industries, Inc., one of our boat manufacturers, has indicated an interest in purchasing up to $ of shares of our Class A common stock in this offering at the initial public offering price per share. However, because indications of interest are not binding agreements or commitments to purchase, these parties may elect to purchase more, less or no shares in this offering or the underwriters may elect to sell more, less or no shares in this offering to these parties. The number of shares of Class A common stock available for sale to the general public will be reduced to the extent these parties purchase shares of Class A common stock in the offering. The underwriters will receive the same discount from any Class A common stock purchased by these parties as they will from any other shares of Class A common stock sold to the public in this offering. Any shares purchased by such parties in this offering will be subject to a 180-day lock-up agreement with the underwriters.

The underwriters have the option for a period of 30 days from the date of this prospectus to purchase up to a maximum of additional shares of Class A common stock from us at the public offering price, less the underwriting discount and commissions.

We are an "emerging growth company," as defined in Section 2(a) of the Securities Act of 1933, as amended (the "Securities Act"), and will be subject to reduced reporting requirements. This prospectus complies with the requirements that apply to an issuer that is an emerging growth company. We will have two classes of common stock outstanding after this offering: Class A common stock and Class B common stock. Upon consummation of this offering, investors in this offering, including any of our affiliates that may purchase shares in this offering, will hold % of the Class A common stock, representing % of the total voting stock outstanding. Legacy Owners will hold % of the total voting stock outstanding, including 100.0% of the Class B common stock, which votes together with the Class A common stock as a single class.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Investing in our Class A common stock involves risks. See "Risk Factors" beginning on page 22 to read about factors you should consider before buying shares of our Class A common stock.

	Per Share	Total
Initial public offering price	$	$
Underwriting discount and commissions(1)	$	$
Proceeds, before expenses, to OneWater Marine Inc.	$	$

(1) See "Underwriting" for additional information regarding underwriting compensation.

The underwriters expect to deliver the shares of Class A common stock to purchasers on or about , 2020, through the book-entry facilities of The Depository Trust Company.

Raymond James **Baird** **SunTrust Robinson Humphrey**

The date of this prospectus is , 2020.

TABLE OF CONTENTS

Neither we nor the underwriters have authorized anyone to provide you with information different from that contained in this prospectus and any free writing prospectus we have prepared. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. Offers to sell, and solicitations of offers to buy, shares of our Class A common stock are being made only in jurisdictions where offers and sales are permitted. The information in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of our Class A common stock. Our business, financial condition, results of operations and prospects may have changed since the date of this prospectus.

This prospectus contains forward-looking statements that are subject to a number of risks and uncertainties, many of which are beyond our control. See "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements."

Industry and Market Data

The market data and certain other statistical information used throughout this prospectus are based on independent industry publications, publicly available information, business organizations, government publications and other published independent sources, including data from an annual report published by the National Marine Manufacturer's Association ("NMMA"). Some data is also based on our good faith estimates. Although we believe these third-party sources are reliable as of their respective dates, neither we nor the underwriters have independently verified the accuracy or completeness of this information. Market share data is subject to change and may be limited by the availability of raw data, the voluntary nature of the data gathering process and other limitations in any statistical survey of market share data. Accordingly, you are cautioned not to place undue reliance on such market share data or any other such estimates. The industry in which we operate is subject to a high degree of uncertainty and risk due to a

variety of factors, including those described in the section entitled “Risk Factors.” These and other factors could cause results to differ materially from those expressed in these publications.

Trademarks and Trade Names

We rely on various trade names that we use in connection with the operation of our business. This prospectus may also contain trademarks, service marks and trade names of third parties, which are the property of their respective owners. Our use or display of third parties’ trademarks, service marks, trade names or products in this prospectus is not intended to, and does not imply a relationship with, or endorsement or sponsorship by us. Solely for convenience, the trademarks, service marks and trade names referred to in this prospectus may appear without the ®, TM or SM symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the right of the applicable licensor to these trademarks, service marks and trade names.

Basis of Presentation

Organizational Structure

In connection with the closing of this offering, we will effect certain organizational transactions, which we describe in “Prospectus Summary—Corporate Reorganization” and “Corporate Reorganization” and refer to herein as the “Reorganization.” Unless otherwise stated or the context otherwise requires, all information in this prospectus reflects the consummation of the Reorganization, including this offering. See “Corporate Reorganization” and a diagram depicting our organizational structure in “Prospectus Summary—Corporate Reorganization” for more information.

Except as otherwise indicated or required by the context, all references in this prospectus to the “Company,” “we,” “us” or “our” relate to OneWater Marine Inc. (“OneWater Inc.”) and its consolidated subsidiaries after giving effect to the Reorganization. References in this prospectus to “OneWater LLC” or our “Predecessor” refer to One Water Marine Holdings, LLC, our accounting predecessor, and its consolidated subsidiaries. References in this prospectus to the “Legacy Owners” refer to the existing owners of OneWater LLC, including, but not limited to, Goldman Sachs & Co. LLC (“Goldman Sachs”) and certain of its affiliates (collectively, “Goldman”), affiliates of The Beekman Group (“Beekman”) and certain members of our management team.

We will be a holding company and the sole managing member of OneWater LLC, and upon completion of this offering and the application of proceeds therefrom, our principal asset will consist of common units of OneWater LLC.

Presentation of Financial and Other Information

OneWater LLC is the accounting predecessor of the issuer, OneWater Inc. OneWater Inc. will be the audited financial reporting entity following this offering. Accordingly, this prospectus contains the following historical financial statements:

- *OneWater Inc.*: Other than the balance sheets, dated as of September 30, 2019 and April 3, 2019, the historical financial information of OneWater Inc. has not been included in this prospectus because it has not engaged in any business or other activities except in connection with its formation and initial capitalization during the periods presented in this prospectus.
- *OneWater LLC*: As we will have no other interest in any operations other than those of OneWater LLC and its subsidiaries, the historical consolidated financial information included in this prospectus is that of OneWater LLC and its subsidiaries.

The unaudited pro forma financial information of OneWater Inc. presented in this prospectus has been derived by the application of pro forma adjustments to the historical consolidated financial statements of OneWater LLC and its subsidiaries included elsewhere in this prospectus. These pro forma adjustments give effect to the Reorganization and the consummation of this offering as if they had occurred on October 1, 2018, in the case of the unaudited pro forma consolidated statement of operations data, and as of September 30, 2019, in the case of the unaudited pro forma consolidated balance sheet. See “Unaudited Pro Forma Consolidated Financial Information” for a complete description of the adjustments and assumptions underlying the pro forma financial information included in this prospectus.

Certain monetary amounts, percentages and other figures included in this prospectus have been subject to rounding adjustments. Percentage amounts included in this prospectus have not in all cases been calculated on the basis of such rounded figures, but on the basis of such amounts prior to rounding. For this reason, percentage amounts in this prospectus may vary from those obtained by performing the same calculations using the figures in our consolidated financial statements included elsewhere in this prospectus. Certain other amounts that appear in this prospectus may not sum due to rounding.

The Company's fiscal year ends on September 30. Unless otherwise stated, all references to the "fiscal year" refer to the twelve months ended September 30 of the applicable year.

PROSPECTUS SUMMARY

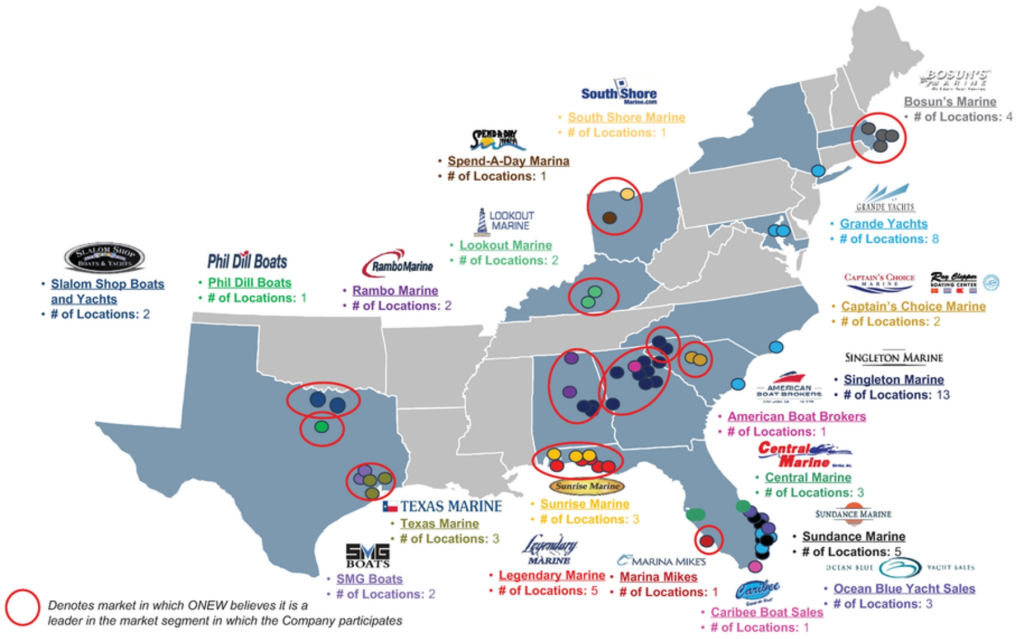
This summary contains basic information about us and the offering. Because it is a summary, it does not contain all the information that you should consider before investing in our Class A common stock. You should read and carefully consider this entire prospectus before making an investment decision, especially the information presented under the heading "Risk Factors," "Cautionary Note Regarding Forward-Looking Statements," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the accompanying notes included elsewhere in this prospectus.

Except as otherwise indicated, all information contained in this prospectus assumes an initial public offering price of $ per share of Class A common stock (the mid-point of the range set forth on the cover of this prospectus) and that the underwriters do not exercise their option to purchase additional shares of Class A common stock, and excludes (i) shares of Class A common stock reserved for issuance under our long-term incentive plan and (ii) any shares of our Class A common stock that may be purchased in this offering by affiliates of Beekman, our Chief Executive Officer, Austin Singleton, and LMI Holding, LLC, to the extent such purchases affect the beneficial ownership in our Class A common stock of such entities, individually or in the aggregate (for the avoidance of doubt, such purchased shares, if any, will continue to be reflected in Class A common stock sold in this offering and other figures derivative thereof). Please see "Principal Stockholders."

ONEWATER MARINE INC.

Overview

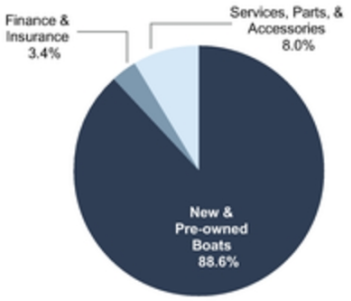
We believe that we are the largest and one of the fastest-growing premium recreational boat retailers in the United States with 63 stores comprising 21 dealer groups in 11 states. Our dealer groups are located within highly attractive markets throughout the Southeast, Gulf Coast, Mid-Atlantic and Northeast, including Texas, Florida, Alabama, North Carolina, South Carolina, Georgia, Ohio and New York, which collectively comprise eight of the top twenty states for marine retail expenditures. We believe that we are a market leader by volume in sales of premium boats in 12 out of the 17 markets where we operate. In 2019, we sold over 8,500 new and pre-owned boats, of which we believe approximately 40% were sold to customers who had a trade-in or with whom we otherwise had established relationships. The combination of our significant scale, diverse inventory, access to premium boat brands and meaningful dealer group brand equity enables us to provide a consistently professional experience as reflected in the number of our repeat customers and same-store sales growth.



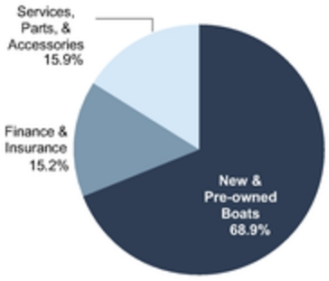
Note: Store count as of December 2019.

We have a diversified revenue profile that is comprised of new boat sales, pre-owned boat sales, finance and insurance ("F&I") products, repair and maintenance services, and parts and accessories. Non-boat sales were approximately 11.4% of revenue and 31.1% of gross profit in fiscal year 2019, approximately 10.5% of revenue and 26.7% of gross profit in fiscal year 2018, and approximately 10.9% of revenue and 28.5% of gross profit in fiscal year 2017. We offer a wide array of new boats at various price points through relationships with over 48 manufacturers covering 72 brands. We are currently a top-three customer for 24 of our 72 brands and the single largest customer for each of our top five highest-selling brands. While our order volume amounts to between 5% to 35% of total sales for those top five brands, no single brand accounts for more than 10% of our sales volume. Our relationships with many of our manufacturers are long-standing and have been developed over multiple decades of experience within the marine industry. We believe that the strength of our relationships combined with our scale enables us to receive among the best pricing and terms available across all of the brands and models that we carry, and we routinely evaluate the sales performance and demand for each respective brand to ensure that the economic relationship we have in place with our manufacturers optimizes our profitability.

Fiscal Year 2019 Revenue by Product



Fiscal Year 2019 Gross Profit by Product



Selected OneWater New Boat Brands

Malibu, Pursuit, Bennington, Regal, Cobalt Boats, Everglades, SHI, Harris, Riviera, Absolute, XIS, Sea Fox, Yamaha, Chris-Craft, Barletta

We were formed in 2014 as One Water Marine Holdings, LLC, a Delaware limited liability company, through the combination of Singleton Assets & Operations, LLC, a Georgia limited liability company, d/b/a Singleton Marine ("Singleton Marine"), and Legendary Marine, LLC, a Florida limited liability company ("Legendary Marine"), which created a marine retail platform that collectively owned and operated 19 stores. Since the combination in 2014, we have acquired a total of 40 additional stores through 17 acquisitions. Our current portfolio as of December 1, 2019 consists of 21 different local and regional dealer groups. Because of this, we believe we are the fastest growing and largest premium recreational boat retailer in the United States based on number of stores and total boats sold. While we have opportunistically opened new stores in select markets, we believe that it is generally more effective economically and operationally to acquire existing stores with experienced staff and established reputations.

We believe that our dealer group branding strategy, which retains the name, logo and trademarks associated with each store or dealer group at the time of acquisition, significantly differentiates us from our largest competitors who employ singular, national branding strategies. We are committed to maintaining local and regional dealer group branding because we believe that the value of retaining the goodwill and long-standing customer relationships of these local businesses, many of which have been

built by families over decades, far exceeds the benefits of attempting to establish a potentially unfamiliar “OneWater” national brand. In addition, preserving this established identity maintains the long term engagement of former owners because their name and reputation remain figuratively and literally “on the door.”

Summary of Financial Performance for Fiscal Year 2019 and Key Metrics

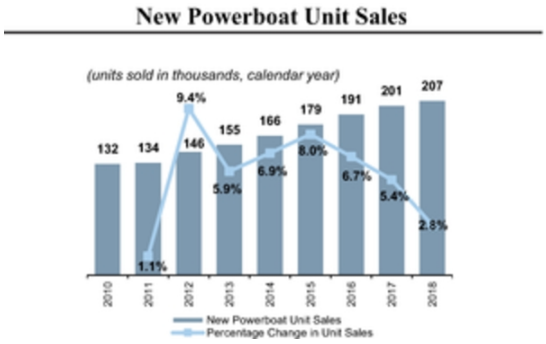
We have experienced significant growth in recent years.

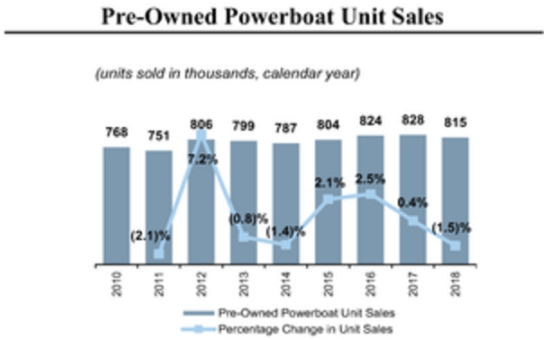
- Revenue increased 27.3% to $767.6 million in fiscal year 2019 from $602.8 million in fiscal year 2018.
- Revenue generated from same-store sales increased 11.8% for fiscal year 2019 as compared to fiscal year 2018.
- Gross profit increased 25.0% to $172.1 million in fiscal year 2019 from $137.7 million in fiscal year 2018.
- Operating expenses as a percentage of revenue decreased 11 basis points in fiscal year 2019 compared to fiscal year 2018.
- Net income increased to $37.3 million in fiscal year 2019 from $1.9 million in fiscal year 2018.
- Adjusted EBITDA increased 13.2% to $46.2 million in fiscal year 2019 from $40.8 million in fiscal year 2018.

For a reconciliation of Adjusted EBITDA to net income (loss), its most directly comparable financial measure presented in accordance with accounting principles generally accepted in the United States (“GAAP”), see “— Summary Historical and Pro Forma Consolidated Financial and Operating Data” below.

Our Market and Our Customer

Consumer spending on boats, engines, services, parts, accessories and related purchases reached almost $42 billion in 2018 and has, on average, grown in excess of 5% annually since 2010. New powerboat sales have driven market growth and reached $10.7 billion in 2018, implying a 13% average annual growth rate since 2010. Of the approximately one million powerboats sold in the United States each year, 80% of total units sold (approximately 815,000) are pre-owned. Relative demand for new and late-model boats has increased in recent years in part due to the continuous evolution of boat technology and design including, but not limited to, seating configurations, power, efficiency, instrumentation and electronics, and wakesurf gates, each of which represents a material design improvement that cannot be matched by more dated boat models. We believe the increasing pace of innovation in technology and design will result in more frequent upgrade purchases and ultimately higher sales volumes of new and late-model, pre-owned boat sales.

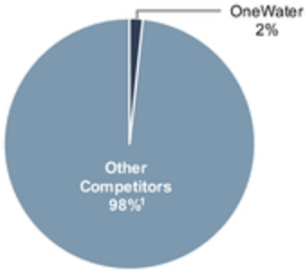




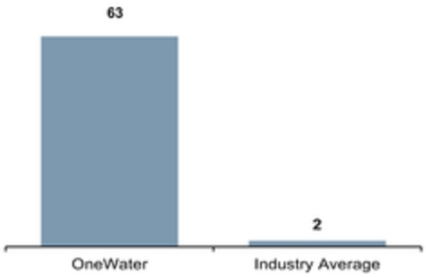
[1] *Note: NMMA Industry Report*

The boat dealership market is highly fragmented and is comprised of over 4,000 stores nationwide. Most competing boat retailers are operated by local business owners who own three or fewer stores. We are one of the largest and fastest-growing premium recreational boat retailers in the United States. Despite our size, we comprise less than 2% of total industry sales. Our scale and business model allow us to leverage our extensive inventory to provide consumers with the ability to find a boat that matches their preferences (e.g., make, model color, configuration and other options) and to deliver the boat within days while providing a personalized sales experience. We are able to operate with a comparatively higher degree of profitability than other independent retailers because we allocate support resources across our store base, focus on high-margin products and services, utilize floor plan financing and provide core back-office functions on a scale that many independent retailers are unable to match. We seek to be the leading boat retailer by total market share within each boating market and within the product segments in which we participate. To the extent that we are not, we will evaluate acquiring other local retailers in order to increase our sales, to add additional brands or to provide us with additional high-quality personnel.

Market Share by Store Count



Store Comparison



[1] *Note: Our industry includes competitors such as MarineMax, Inc. (NYSE: HZO) ("MarineMax") with 59 retail locations as of December 2019 selling premium boats and Bass Pro Shops, which sells entry-level boats together with other outdoor sporting goods across 171 stores.*

We believe that boating is a lifestyle that brings families and friends together regardless of their stage of life. Whether a person grew up in a household that owned a boat or experiences boating later in life, once a person buys their first boat they often become a boating customer for life. Our customers are typically middle to upper-middle class families who either own a house on the water or live near a body of water where they can engage in boating activities. We serve customers whose boating preferences span from general recreation and cruising to fresh and salt water fishing to watersports, including wakeboarding and wake surfing. The profile of our customers range from those in their early-to-mid 30's who are upgrading their house, cars and lifestyle to those who have owned multiple boats and view boating as a way of life. Our inventory and product selection allow us to cater to a highly diverse customer base with price points and boat types that appeal to a broad spectrum of budgets and preferences. The boating industry's and MarineMax's average selling prices for a new boat were $52,000 in calendar year 2018 and $204,000 in fiscal year 2019, respectively. By comparison, our average selling price for a new boat in fiscal year 2019 was $105,000.

Our Strengths

Leading Market Position and Scale: We are one of the largest and fastest-growing premium recreational boat retailers in the United States, with 63 stores across 11 states. We have a strong presence in Texas, Florida, Alabama, South Carolina, Georgia, Ohio, New York and North Carolina with 55 stores. Collectively these markets comprise eight of the top twenty states for marine retail expenditures.

Differentiated Marketing and Branding Strategy: We are committed to maintaining a local and regional dealer group branding strategy and believe that retaining the goodwill and long-standing customer relationships of dealer groups that we acquire provides significantly more value than

establishing a potentially unfamiliar “OneWater” national brand across each of our stores. Preserving the existing brands enables us to retain key staff, including senior management, which reduces or eliminates our need to hire and train new people when we complete an acquisition.

Our marketing department is able to deploy highly efficient and targeted sales campaigns due to the number of customers we have served to date and the analytics we have obtained from prior transactions. Customers who buy boats commonly make ongoing purchases of parts, repair and maintenance services and storage. We proactively send marketing messages to anticipate when a customer may need additional repair and maintenance services in order for us to maximize the value of a customer and to diversify our revenue streams across all revenue categories.

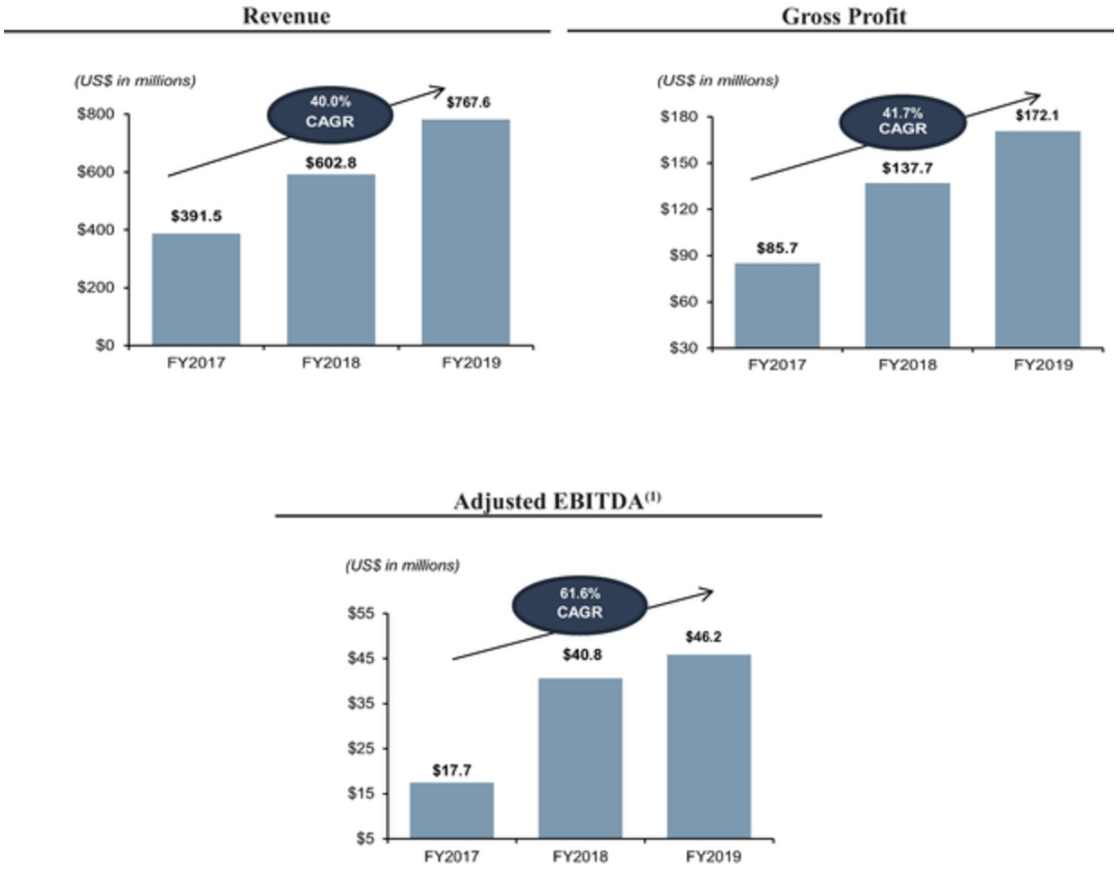
Seasoned Consolidator in a Highly Fragmented Market: We have an extensive acquisition track record within the boating industry and have developed a reputation for treating sellers and their staff in an honest and fair manner. We believe our reputation and scale have positioned us as a buyer of choice for boat dealers who want to sell their businesses. To date, 100% of our acquisitions have been sourced from inbound inquiries, and the number of annual inquiries we receive has consistently increased over time. Less than 50% of the inbound leads that we receive meet our criteria but more than 90% of the stores on which we conduct diligence are ultimately acquired. Our acquisition and integration team has executed 17 acquisitions since 2014. Our acquisition team is typically able to convert the selling dealer groups’ back-office systems to our IT platform within approximately ten days, with full integration of most acquisitions completed in approximately 45 days. Our strategy is to acquire stores at attractive EBITDA multiples and then grow same-store sales while benefitting from cost-reducing synergies. Historically, we have typically acquired dealer groups for less than 4.0x EBITDA on a trailing twelve months basis and believe that we will be able to continue to make attractive acquisitions within this range.

Strong Yet Flexible Relationships with Leading Boat Manufacturers: Most of our relationships with our manufacturers are long-standing with many dating back two decades or longer. We communicate with our manufacturers on a weekly basis to monitor our orders and make adjustments based on our current inventory levels and forecasted customer demand. Our contracts also exclude any requirements pertaining to mandatory capital expenditures, branding and unit pricing. Furthermore, we have flexibility to change brands, subject to territory availability, at each store based on sales performance or other factors.

We are an essential customer to many of our top manufacturers and do not believe that there is a material risk that they would stop selling boats to us in any of our markets given our scale and long-standing relationships. We were recognized as Dealer of the Year by Boating Industry in 2016 and 2017, were inducted into the Boating Industry Top 100 Hall of Fame in 2018, and have been a Top 100 dealer since 2006. Certain of our local and regional dealer groups, including Singleton Marine, have been recognized among the top dealers worldwide for Cobalt Boats, Regal Boats, Harris and Yamaha Boats, and among the top dealers in the Southeast for Malibu and Axis. Additionally, we are also the top Yamaha Jet Boat dealer by volume in the United States. We began selling Sunseeker yachts in the fourth quarter of fiscal year 2019 through one of our consignors that is the exclusive dealer for certain Sunseeker yachts in select states, including Texas, certain counties in Florida, Alabama, North Carolina, South Carolina and Georgia. From time to time, we may continue to add additional manufacturers whose products match our focus on premium recreational boats.

Diversified Revenue Streams: We offer a broad range of products and services beyond new and pre-owned boats, including repair and maintenance services, parts and accessories, F&I products and ancillary services, including storage. Although non-boat sales contributed approximately 11.4%, 10.5% and 10.9% to revenue in fiscal years 2019, 2018, and 2017, respectively, the higher gross margin on these product and service lines resulted in non-boat sales contributing 31.1%, 26.7% and 28.5% of gross profit during such periods, respectively. During different phases of the economic cycle, consumer behavior may shift away from new boats; however, we are well positioned to benefit from revenue from pre-owned boats, repair and maintenance services, and parts and accessories, which have historically increased during periods of economic uncertainty. We have also diversified our business across geographies and dealership types (e.g., fresh water and salt water) in order to reduce the effects of seasonality. For instance, boating activity in South Florida increases during winter months, whereas freshwater boating in the Southeast, Mid-Atlantic and Northeast peaks during late-spring and summer.

Attractive Financial Profile: Since the formation of OneWater LLC in 2014, we have established a high growth financial profile driven by strong same-store sales growth and acquisitions. This growth has resulted in a high level of free cash flow generation, and allows us to maintain a conservative leverage profile. Excluding inventory financing, our business requires a low level of capital with historical maintenance capital expenditures typically under 0.5% of revenue. We are focused on achieving profitable growth and have been able to achieve an increase in Adjusted EBITDA margins by growing revenue at a higher rate than operating expenses have increased.



(1) *Adjusted EBITDA is a non-GAAP financial measure. For the definition of Adjusted EBITDA and a reconciliation to our most directly comparable financial measure calculated and presented in accordance with GAAP, please read "Prospectus Summary—Non-GAAP Financial Measure."*

Highly Experienced Management Team: We have assembled an exceptional team of highly experienced professionals within the boating industry. The average industry tenure of our executive team is 25 years, and our Chief Executive Officer, Austin Singleton, who is a second generation boat dealer, has been in the industry for 31 years. In addition, our Chief Operating Officer, Anthony Aisquith, and Chief Financial Officer, Jack Ezzell, have 24 and 18 years of industry experience, respectively, and both have public-company experience with our largest competitor, MarineMax.

Growth Strategy

Organic Growth Strategy: Our business model utilizes our unique scale to drive profitable same-store sales growth. We seek to gain market share by delivering high-quality products and services, with customized attributes tailored to our customers' product specifications. Our management team and business model are extremely agile, allowing us to target sales in specific segments of the industry that are outperforming overall industry trends. Additionally, we are able to leverage our potential customer

database to garner new sales. Sales growth from our existing stores is a core component of our current and future strategy. We believe non-boat sales will be a driver of our organic growth strategy in the future. We have implemented a targeted marketing strategy across our platform focused on increasing new and existing customer awareness and usage of our F&I products, repair and maintenance services, and parts and accessories products. We may also develop a dealership if an attractive acquisition is not available in a market we choose to target.

Acquisition Strategy: We believe there is a tremendous opportunity for us to expand in both existing and new markets, given that the industry is highly fragmented with most boat retailers owning three or fewer stores. We seek to create value by implementing the best tested operational practices to family-owned and operated businesses that previously lacked the resources, management experience and expertise to maximize the profitability of the acquired standalone businesses. We believe that the boat retail market is underpinned by strong fundamental drivers, and that, with the implementation of operational control measures and the injection of resources, local stores can significantly increase revenues and profitability. We believe our status as a consolidator of choice is based on the expertise we have developed through completing 17 acquisitions (40 stores acquired) since the combination of Singleton Marine and Legendary Marine in 2014, our growing cash flow and financial profile and our footprint of retailers within prime markets. Our ability to acquire additional stores or dealer groups at attractive multiples is further enhanced by our growing reputation for retaining the seller's management team and keeping their branding and legacy intact. We believe there is significant opportunity to expand our store footprint in regions with strong boating cultures. While we have a strong presence in the Southeastern portion of the United States, there are several areas of opportunity in states adjacent to our current geographic footprint as well as states in new regions in the Midwest and Western United States. We are targeting to complete four to eight potential acquisitions that may contribute an estimated total of $100.0 million to $200.0 million in sales over the next 24 months, though we can provide no assurance as to the timing or completion of such acquisitions. As a result of our reputation in the market place, we expect our pipeline of potential acquisitions to grow over time.

Recent Developments

This recent developments section includes "forward-looking statements." All statements contained herein other than statements of historical facts, including, without limitation, statements regarding our expectations regarding our financial and operating results for the three months ended December 31, 2019, and our future financial and business performance, are forward-looking statements. The words "could," "believe," "anticipate," "intend," "estimate," "expect," "project" and similar expressions are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives and financial needs. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements described under the heading "Risk Factors," "Cautionary Note Regarding Forward-Looking Statements," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business" included in this prospectus.

Preliminary Financial Results for the Three Months Ended December 31, 2019

Based upon preliminary financial information for the three months ended December 31, 2019, we estimate that consolidated same-store sales have approximately % compared to the corresponding period in the prior year, while gross margins have by approximately basis points over the same period.

Consistent with the trends described in "Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations," we believe these preliminary financial results to be primarily driven by . Please see "Management's Discussion and Analysis of Financial Condition and Results of Operations" for additional information regarding the factors and trends affecting our business. Our results of operations for the quarter ended December 31, 2019 are not yet available. Our expected results above reflect our current estimates for such period based on information available as of the date of this prospectus. We believe that the estimated comparable store sales and gross margin data are important to an investor's understanding of our performance, notwithstanding that

we are not yet able to provide estimated operating income or net income data. Our independent registered public accounting firm, Grant Thornton LLP, has not audited or reviewed, and does not express an opinion with respect to, these data. Our actual results may differ from these estimates due to the completion of our financial closing procedures and final adjustments and other developments that may arise between now and the time our final financial statements are completed.

Additional Recent Events

On November 26, 2019, OneWater LLC and certain of its subsidiaries further amended the Inventory Financing Facility (as defined herein) and, among other things, increased the maximum amount of borrowing available under the Inventory Financing Facility from $292.5 million to $392.5 million.

Corporate Reorganization

OneWater Inc. was incorporated as a Delaware corporation on April 3, 2019. Following this offering and the related transactions, OneWater Inc. will be a holding company whose only material asset will consist of membership interests in OneWater LLC. Following the closing of this offering, OneWater LLC will own all of the outstanding equity interests in One Water Assets & Operations, LLC ("Opco"), which in turn will own all of the outstanding equity interests in the subsidiaries through which we operate our assets. After the consummation of the Reorganization, OneWater Inc. will be the sole managing member of OneWater LLC and will be responsible for all operational, management and administrative decisions relating to OneWater LLC's business and will consolidate financial results of OneWater LLC, Opco and its subsidiaries.

In connection with the offering:

(a) One Legacy Owner holding a preferred distribution right of OneWater LLC will receive a cash payment of approximately $ million in exchange for the surrender of the preferred right;

(b) OneWater LLC will provide the Legacy Owners the right to receive a tax distribution to cover taxable income arising as a result of OneWater LLC's operating income through the period ending on the date of the closing of this offering;

(c) OneWater LLC's limited liability company agreement will be amended and restated to, among other things, provide for a single class of common units representing ownership interests in OneWater LLC, which we refer to in this prospectus as "OneWater LLC Units"; OneWater Inc.'s certificate of incorporation and bylaws will be amended and restated; and all of the Legacy Owners' existing membership interests in OneWater LLC will be exchanged for OneWater LLC Units;

(d) Goldman and Beekman will receive an aggregate of OneWater LLC Units upon exercise of certain previously held warrants (the "LLC Warrants");

(e) Certain of the Legacy Owners will, directly or indirectly, contribute their OneWater LLC Units to OneWater Inc. (we refer to such Legacy Owners as the "Exchanging Owners") in exchange for shares of Class A common stock;

(f) OneWater Inc. will issue shares of Class A common stock to purchasers in this offering in exchange for the proceeds of this offering;

(g) Each Legacy Owner that will continue to own OneWater LLC units after this offering (which, along with any permitted transferees, as appropriate, we collectively refer to in this prospectus as the "OneWater Unit Holders") will receive a number of shares of Class B common stock equal to the number of OneWater LLC Units held by such OneWater Unit Holder following this offering;

(h) OneWater Inc. will contribute the net proceeds of this offering to OneWater LLC in exchange for an additional number of OneWater LLC Units such that OneWater Inc. holds a total number of OneWater LLC Units equal to the number of shares of Class A common stock outstanding following this offering; and

(i) OneWater LLC will contribute cash to Opco in exchange for additional units therein, and Opco

will use such cash, consisting of the net proceeds of the offering, cash on hand and borrowings under the Term and Revolver Credit Facility (as defined below), to redeem all of the outstanding preferred units ("Opco Preferred Units") in Opco held by Goldman and Beekman for cash. Please see "Use of Proceeds," "Certain Relationships and Related Party Transactions—Historical Transactions with Affiliates—Opco Preferred Units" and "—OneWater LLC Warrants" for additional information.

After giving effect to these transactions and the offering contemplated by this prospectus, OneWater Inc. will own an approximate % interest in OneWater LLC (or % if the underwriters' option to purchase additional shares is exercised in full), and the OneWater Unit Holders will own an approximate % interest in OneWater LLC (or % if the underwriters' option to purchase additional shares is exercised in full) and all of the Class B common stock. Please see "Principal Stockholders."

Each share of Class B common stock has no economic rights but entitles its holder to one vote on all matters to be voted on by stockholder generally. Holders of Class A common stock and Class B common stock will vote together as a single class on all matters presented to our stockholders for their vote or approval, except as otherwise required by applicable law or by our amended and restated certificate of incorporation. OneWater Inc. does not intend to list Class B common stock on any exchange.

Following this offering, under the Amended and Restated Limited Liability Company Agreement of OneWater LLC (the "OneWater LLC Agreement"), each OneWater Unit Holder will, subject to certain limitations, have the right (the "Redemption Right") to cause OneWater LLC to acquire all or a portion of its OneWater LLC Units for, at OneWater LLC's election, (i) shares of our Class A common stock at a redemption ratio of one share of Class A common stock for each OneWater LLC Unit redeemed, subject to conversion rate adjustments for stock splits, stock dividends and reclassification and other similar transactions or (ii) an equivalent amount of cash. An independent committee of our board of directors will determine whether to issue shares of Class A common stock or cash based on facts in existence at the time of the decision, which we expect would include the relative value of the Class A common stock (including trading prices for the Class A common stock at the time), the cash purchase price, the availability of other sources of liquidity (such as an issuance of stock) to acquire the OneWater LLC Units and alternative uses for such cash. Alternatively, upon the exercise of the Redemption Right, OneWater Inc. (instead of OneWater LLC) will have the right (the "Call Right") to, for administrative convenience, acquire each tendered OneWater LLC Unit directly from the redeeming OneWater Unit Holder for, at its election, (x) one share of Class A common stock, subject to conversion rate adjustments for stock splits, stock dividends and reclassification and other similar transactions, or (y) an equivalent amount of cash. In addition, OneWater Inc. has the right to require (i) upon the acquisition by OneWater Inc. of substantially all of the OneWater LLC Units, certain minority unitholders or (ii) upon a change of control of OneWater Inc., each OneWater Unit Holder (other than OneWater Inc.), to exercise its Redemption Right with respect to some or all of such unitholder's OneWater LLC Units. In connection with any redemption of OneWater LLC Units pursuant to the Redemption Right or the Call Right, the corresponding number of shares of Class B common stock will be cancelled. See "Certain Relationships and Related Party Transactions—OneWater LLC Agreement." Certain Legacy Owners will have the right, under certain circumstances, to cause us to register the offer and resale of their shares of Class A common stock. See "Certain Relationships and Related Party Transactions— Registration Rights Agreement."

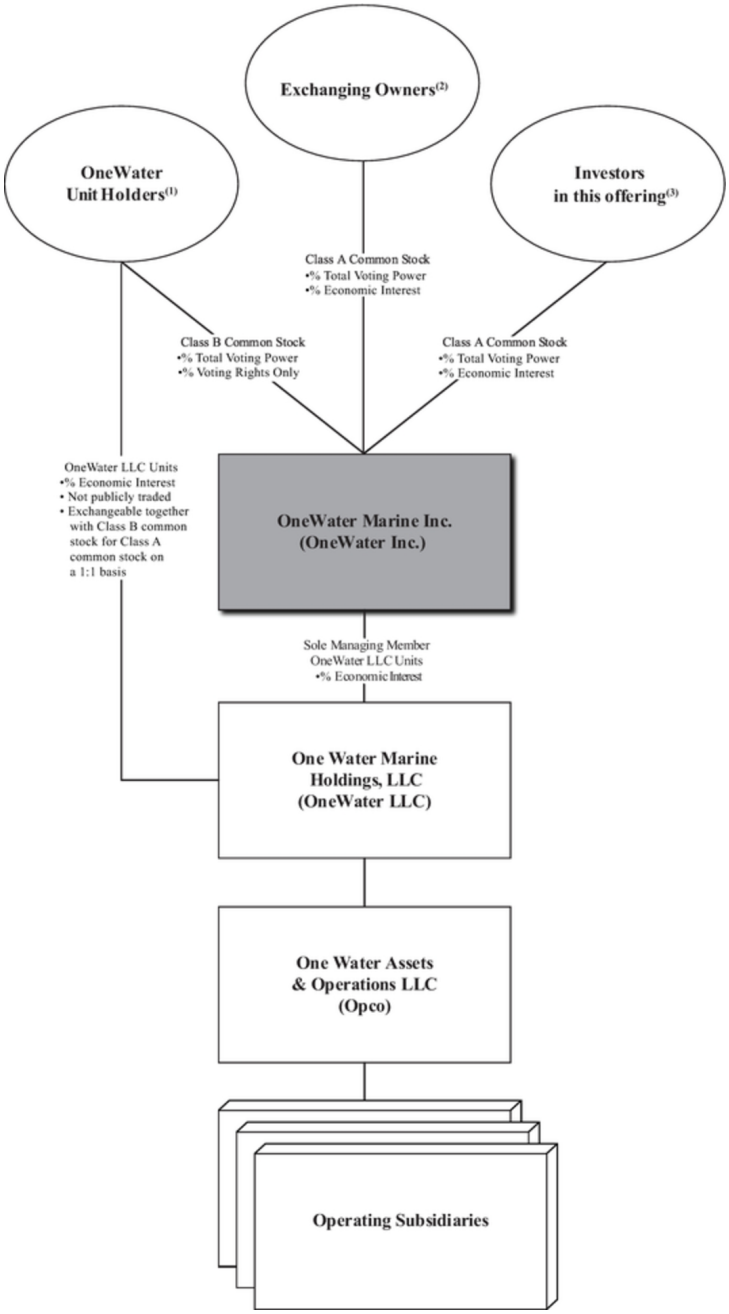
OneWater Inc.'s acquisition (or deemed acquisition for U.S. federal income tax purposes) of OneWater LLC Units in connection with this offering or pursuant to an exercise of the Redemption Right or the Call Right is expected to result in adjustments to the tax basis of the tangible and intangible assets of OneWater LLC, and such adjustments will be allocated to OneWater Inc. These adjustments would not have been available to OneWater Inc. absent its acquisition or deemed acquisition of OneWater LLC Units and are expected to reduce the amount of cash tax that OneWater Inc. would otherwise be required to pay in the future.

OneWater Inc. will enter into a tax receivable agreement, which we refer to as the "Tax Receivable Agreement," with certain of the OneWater Unit Holders. The Tax Receivable Agreement generally provides for the payment by OneWater Inc. to such OneWater Unit Holders of 85% of the net cash savings, if any, in U.S. federal, state and local income and franchise tax (computed using the estimated

impact of state and local taxes) that OneWater Inc. actually realizes (or is deemed to realize in certain circumstances) in periods after this offering as a result of, as applicable to each such OneWater Unit Holder, (i) certain increases in tax basis that occur as a result of its acquisition (or deemed acquisition for U.S. federal income tax purposes) of all or a portion of such OneWater Unit Holder's OneWater LLC Units pursuant to the exercise of the Redemption Right or the 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 acquisitions of those units and (ii) imputed interest deemed to be paid by OneWater Inc. as a result of, and additional tax basis arising from, any payments OneWater Inc. makes under the Tax Receivable Agreement.

Payments will generally be made under the Tax Receivable Agreement as OneWater Inc. realizes actual cash tax savings in periods after this offering from the tax benefits covered by the Tax Receivable Agreement. However, 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-year LIBOR plus 100 basis points) and such early termination payment is expected to be substantial. OneWater Inc. will be dependent on OneWater LLC to make distributions to OneWater Inc. in an amount sufficient to cover OneWater Inc.'s obligations under the Tax Receivable Agreement.

The following diagram indicates our simplified ownership structure immediately following this offering and the transactions related thereto (assuming that the underwriters' option to purchase additional shares is not exercised):



(1) Consists of Legacy Owners that will continue to own OneWater LLC units.

(2) In connection with the Reorganization, the Exchanging Owners will, directly or indirectly, contribute all of their OneWater LLC Units to OneWater Inc. in exchange for shares of Class A common stock.

(3) Includes any of our affiliates that may purchase shares of Class A common stock in this offering.

Our Legacy Owners

Upon completion of this offering, the Legacy Owners will initially own shares of Class A common stock, representing approximately % of the voting power of the Company (or % if the underwriters exercise their option to purchase additional shares in full), and shares of Class B common stock, representing approximately % of the voting power of the Company (or % if the underwriters exercise their option to purchase additional shares in full). For more information on our corporate reorganization and the ownership of our common stock by our principal stockholders, see "Corporate Reorganization."

Summary Risk Factors

Investing in our Class A common stock involves risks. You should read carefully the section of this prospectus entitled "Risk Factors" beginning on page 22 for an explanation of these risks before investing in our Class A common stock. In particular, the following considerations may offset our competitive strengths or have a negative effect on our strategy or operating activities, which could cause a decrease in the price of our Class A common stock and a loss of all or part of your investment.

- General economic conditions and consumer spending patterns can have a material adverse effect on our business, financial condition and results of 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.
- 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 dealer groups and each dealer group we acquire in the future.
- We are required to obtain the consent of our manufacturers prior to the acquisition of other dealer groups.
- Our failure to successfully order and manage our inventory to reflect consumer demand and to anticipate changing consumer preferences and buying trends 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 after completion of this offering will be its equity interest in OneWater LLC, and OneWater Inc. will accordingly be 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 Legacy Owners will 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.

See "Risk Factors" immediately following this prospectus summary for a more thorough discussion of these and other risks and uncertainties we face.

Emerging Growth Company Status

As a company with less than $1.07 billion in revenue during our last fiscal year, we qualify as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS

Act"). An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. These provisions include:

- We are not required to engage an auditor to report on our internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act");
- We are not required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board (the "PCAOB") regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements (i.e., an auditor discussion and analysis);
- We are not required to submit certain executive compensation matters to stockholder advisory votes, such as "say-on-pay," "say-on-frequency" and "say-on-golden parachutes"; and
- We are not required to disclose certain executive compensation related items such as the correlation between executive compensation and performance and comparisons of the chief executive officer's compensation to median employee compensation.

We may take advantage of these provisions until the last day of our fiscal year following the fifth anniversary of the completion of this offering or such earlier time that we are no longer an emerging growth company. We would cease to be an emerging growth company upon the earliest of: (i) the last day of the first fiscal year in which our annual gross revenues are $1.07 billion or more; (ii) the date on which we have, during the previous three-year period, issued more than $1.0 billion in non-convertible debt securities; or (iii) the date on which we are deemed to be a "large accelerated filer," which will occur as of the end of any fiscal year in which we (x) have an aggregate market value of our common stock held by non-affiliates of $700 million or more as of the last business day of our most recently completed second fiscal quarter, (y) have been required to file annual and quarterly reports under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), for a period of at least 12 months and (z) have filed at least one annual report pursuant to the Exchange Act.

We have elected to take advantage of the reduced disclosure obligations listed above in this prospectus, and may elect to take advantage of other reduced reporting requirements in future filings. In particular, we have elected to adopt the reduced disclosure with respect to our executive compensation disclosure. As a result of this election, the information that we provide stockholders may be different than you might get from other public companies.

The JOBS Act permits an emerging growth company like us to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies. We have elected to use this extended transition period and, as a result, we will adopt new or revised accounting standards on the relevant dates on which adoption of such standards is required for private companies. Our election to use the transition periods permitted by this election may make it difficult to compare our financial statements to those of non-emerging growth companies and other emerging growth companies that have opted out of the extended transition periods permitted under the JOBS Act and who will comply with new or revised financial accounting standards. If we were to subsequently elect instead to comply with public company effective dates, such election would be irrevocable pursuant to the JOBS Act.

For additional descriptions of the qualifications and other requirements applicable to emerging growth companies and certain elections that we have made due to our status as an emerging growth company, see "Risk Factors—Risks Related to this Offering and Our Class A Common Stock—For as long as we are an emerging growth company, we will not be required to comply with certain reporting requirements, including those relating to accounting standards and disclosure about our executive compensation, that apply to other public companies."

Our Offices

Our principal executive offices are located at 6275 Lanier Islands Parkway, Buford, Georgia 30518, and our telephone number at that address is 678-541-6300. Our website address is *www.onewatermarine.com*. Information contained on our website does not constitute part of this prospectus.

The Offering	
Issuer	OneWater Marine Inc.
Class A common stock offered by us	shares.
Option to purchase additional shares of Class A common stock	The underwriters have the option to purchase up to an aggregate of additional shares of Class A common stock from us at the initial public offering price, less the underwriting discount and commissions. The underwriters can exercise this option at any time within 30 days from the date of this prospectus.
Class A common stock to be outstanding immediately after completion of this offering	shares (or shares if the underwriters' option to purchase additional shares is exercised in full).
Class B common stock to be outstanding immediately after completion of this offering	shares, all of which will be owned by the OneWater Unit Holders. Class B shares do not have economic rights. In connection with any redemption of OneWater LLC Units pursuant to the Redemption Right or our Call Right, the corresponding number of shares of Class B common stock will be cancelled.
Voting power of Class A common stock after giving effect to this offering	% (or % if the underwriters' option to purchase additional shares of Class A common stock is exercised in full).
Voting power of Class B common stock after giving effect to this offering	% (or % if the underwriters' option to purchase additional shares of Class A common stock is exercised in full).
Voting rights	Each share of our Class A common stock entitles its holder to one vote on all matters to be voted on by stockholders generally. Each share of our Class B common stock entitles its holder to one vote on all matters to be voted on by stockholders generally. Holders of our Class A common stock and Class B common stock vote together as a single class on all matters presented to our stockholders for their vote or approval, except as otherwise required by applicable law or by our amended and restated certificate of incorporation. See "Description of Capital Stock."
Use of proceeds	We expect to receive approximately $ million of net proceeds from the sale of Class A common stock offered by us after deducting underwriting discounts and estimated offering expenses payable

	by us (or approximately $ million of net proceeds if the underwriters' option to purchase additional shares of Class A common stock is exercised in full). We intend to contribute the net proceeds of this offering received by us to OneWater LLC in exchange for OneWater LLC Units. OneWater LLC will use the net proceeds, together with cash on hand and borrowings under the Term and Revolver Credit Facility (as defined herein), to redeem the Opco Preferred Units held by Goldman and Beekman. Please see "Use of Proceeds."
Dividend policy	We currently anticipate that we will retain all future earnings, if any, to finance the growth and development of our business. We do not intend to pay cash dividends in the foreseeable future.
Redemption rights of OneWater Unit Holders	Under the OneWater LLC Agreement, each OneWater Unit Holder will, subject to certain limitations, have the right, pursuant to the Redemption Right, to cause OneWater LLC to acquire all or a portion of its OneWater LLC Units for, at OneWater LLC's election, (i) shares of our Class A common stock at a redemption ratio of one share of Class A common stock for each OneWater LLC Unit redeemed, subject to conversion rate adjustments for stock splits, stock dividends and reclassification and other similar transactions or (ii) an equivalent amount of cash. Alternatively, upon the exercise of the Redemption Right, OneWater Inc. (instead of OneWater LLC) will have the right, pursuant to the Call Right, to acquire each tendered OneWater LLC Unit directly from the redeeming OneWater Unit Holder for, at its election, (x) one share of Class A common stock, subject to conversion rate adjustments for stock splits, stock dividends and reclassification and other similar transactions, or (y) an equivalent amount of cash. In addition, OneWater Inc. has the right to require (i) upon the acquisition by OneWater Inc. of substantially all of the OneWater LLC Units, certain minority unitholders or (ii) upon a change of control of OneWater Inc., each OneWater Unit Holder (other than OneWater Inc.), to exercise its Redemption Right with respect to some or all of such unitholder's OneWater LLC Units. In connection with any redemption of OneWater LLC Units pursuant to the Redemption Right or the Call Right, the corresponding number of shares of Class B common stock will be cancelled. See "Certain Relationships and Related Party Transactions—OneWater LLC Agreement."

Tax Receivable Agreement	In connection with the closing of this offering, OneWater Inc. will enter into a Tax Receivable Agreement with certain of the OneWater Unit Holders which will generally provide for the payment by OneWater Inc. to each such 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 the estimated impact of state and local taxes) that OneWater Inc. actually realizes (or is deemed to realize in certain circumstances) in periods after this offering as a result of certain tax basis increases, and certain tax benefits attributable to imputed interest. OneWater Inc. will retain the benefit of the remaining 15% of these net cash savings. See “Risk Factors—Risks Related to this Offering and Our Class A Common Stock” and “Certain Relationships and Related Party Transactions—Tax Receivable Agreement.”
Listing symbol	We have been approved to list our Class A common stock on The Nasdaq Global Market under the symbol “ONEW.”
Risk factors	You should carefully read and consider the information beginning on page 22 of this prospectus set forth under the heading “Risk Factors” and all other information set forth in this prospectus before deciding to invest in our Class A common stock.
Directed share program	The underwriters have reserved for sale at the initial public offering price up to 5.0% of the shares of Class A common stock being offered by this prospectus for sale to our employees, executive officers, directors, business associates and related persons who have expressed an interest in purchasing common stock in this offering. We do not know if these persons will choose to purchase all or any portion of these reserved shares, but any purchases they make will reduce the number of shares available to the general public. Please see “Underwriting.”
Proposed purchase by certain affiliates	Certain of our Legacy Owners, including affiliates of Beekman, our Chief Executive Officer, Austin Singleton, LMI Holding, LLC and Dr. A. Derrill Crowe, have indicated an interest in purchasing up to an aggregate of $ million of shares of our Class A common stock in this offering at the initial public offering price per share. In addition, Regal Marine Industries, Inc., one of our boat manufacturers, has indicated an interest in purchasing up to $ of shares of our Class A common stock in this offering at the initial public offering price per share. However, because indications of interest are not binding agreements or commitments to purchase, these parties may

	elect to purchase more, less or no shares in this offering or the underwriters may elect to sell more, less or no shares in this offering to these parties. The number of shares of Class A common stock available for sale to the general public will be reduced to the extent these parties purchase shares of Class A common stock in the offering. The underwriters will receive the same discount from any Class A common stock purchased by these parties as they will from any other shares of Class A common stock sold to the public in this offering. Any shares purchased by such parties in this offering will be subject to a 180-day lock-up agreement with the underwriters.

Summary Historical and Pro Forma Consolidated Financial and Operating Data

OneWater Inc. was incorporated on April 3, 2019 and does not have historical financial operating results for the period from April 3, 2019 to September 30, 2019. The following table presents the summary historical and certain pro forma financial data and other data for OneWater LLC, the accounting predecessor of OneWater Inc., and its subsidiaries. The historical results presented below are not necessarily indicative of the results to be expected for any future period, and should be read together with "Use of Proceeds," "Selected Historical Consolidated Financial Data," "Unaudited Pro Forma Consolidated Financial Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Corporate Reorganization" and our consolidated financial statements and related notes included elsewhere in this prospectus.

The summary historical financial data as of September 30, 2019 and 2018 and for the fiscal years ended September 30, 2019, 2018 and 2017 was derived from the audited historical financial statements included elsewhere in this prospectus. The OneWater LLC summary historical financial data as of September 30, 2017 was derived from audited historical financial statements not included elsewhere in this prospectus.

The summary unaudited pro forma consolidated statement of operations data for the year ended September 30, 2019 presents our consolidated results of operations after giving effect to (i) the Reorganization, including this offering, as described under "Corporate Reorganization," as if such transactions occurred on October 1, 2018, (ii) the use of the estimated net proceeds to us from this offering, as described under "Use of Proceeds" and (iii) a provision for corporate income taxes on the income attributable to OneWater Inc. at an effective rate of 24.7% for the fiscal year ended September 30, 2019, inclusive of all U.S. federal, state and local income taxes (collectively, the "pro forma adjustments"). The unaudited pro forma consolidated balance sheet as of September 30, 2019 gives effect to the pro forma adjustments, including this offering, as if the same had occurred on September 30, 2019. The pro forma adjustments are based on available information and upon assumptions that our management believes are reasonable in order to reflect their impact, on a pro forma basis, on the historical financial information of OneWater LLC. The summary unaudited pro forma consolidated financial information is included for informational purposes only and does not purport to reflect the results of operations or financial position of OneWater Inc. that would have occurred had OneWater Inc. been in existence or operated as a public company or otherwise during the periods presented. The unaudited pro forma consolidated financial information should not be relied upon as being indicative of our results of operations or financial position had the described transactions occurred on the dates assumed. The unaudited pro forma consolidated financial information also does not project our results of operations or financial position for any future period or date.

	Historical OneWater LLC			Pro Forma OneWater Inc.[1]
	Years Ended September 30,			Year Ended September 30,
	2019	2018	2017	2019
	(in thousands, except share, per share and store amounts)			(unaudited)
Consolidated Statement of Operations Data:				
Revenue	$ 767,624	$ 602,805	$ 391,483	$
Costs of sales	595,498	465,151	305,782	
Selling, general and administrative	116,503	91,297	65,352	
Depreciation and amortization	2,682	1,685	1,055	
Gain on settlement of contingent consideration	(1,674)	—	—	
Operating income (loss)	54,615	44,672	19,294	

	Historical OneWater LLC			Pro Forma OneWater Inc.(1)
	Years Ended September 30,			Year Ended September 30,
	2019	2018	2017	2019
	(in thousands, except share, per share and store amounts)			(unaudited)
Other expense (income)				
Interest expense – floor plan	9,395	5,534	2,686	
Interest expense – other	6,568	3,836	2,266	
Transaction costs(2)	1,323	438	327	
Change in fair value of warrants	(1,336)	33,187	18,057	
Other expense (income)(3)	1,402	(269)	217	
Pretax income (loss)	37,263	1,946	(4,259)	
Pro forma income taxes	—	—	—	
Net income (loss)	$ 37,263	$ 1,946	$ (4,259)	$
Less: Net income attributable to non-controlling interest	1,606	830	13	
Net income (loss) attributable to OneWater LLC and OneWater Inc.	$ 35,657	$ 1,116	$ (4,272)	$
Pro Forma Per Share Data(4)				
Pro forma net income (loss) per share				
Basic				$
Diluted				$
Pro forma weighted average shares outstanding				
Basic				
Diluted				
Consolidated Statement of Cash Flows Data:				
Cash flows (used in) provided by operating activities	$ (5,698)	$ (4,654)	$ 6,514	
Cash flows used in investing activities	(10,998)	(23,920)	(23,304)	
Cash flows provided by financing activities	12,457	34,257	16,993	
Other Financial Data:				
Capital expenditures(5)	$ 7,291	$ 10,135	$ 4,112	
Adjusted EBITDA(6)	$ 46,228	$ 40,823	$ 17,663	
Number of stores	63	53	45	
Same-store sales growth	11.8%	22.2%		
Consolidated Balance Sheet Data (at end of period):				
Total assets	$ 504,765	$ 375,360	$ 258,347	$
Long-term debt (including current portion)	75,913	41,844	27,285	
Total liabilities	380,768	274,339	158,578	
Redeemable preferred equity interest	86,018	79,965	71,695	
Total members' equity/stockholders' equity	37,969	21,056	28,074	

(1) Pro forma figures give effect to the transactions, including this offering, described under "Unaudited Pro Forma Consolidated Financial Information." Please see "Unaudited Pro Forma Consolidated Financial Information" for a detailed presentation of the unaudited pro forma information, including a description of the transactions and assumptions underlying the pro forma adjustments.

(2) Consists of transaction costs related to the acquisitions made in the corresponding period.

(3) Other expense for the fiscal year ended September 30, 2019 was primarily attributable to a loss related to the sale and leaseback of certain operating facilities and equipment, partially offset by insurance proceeds received from hurricane-related claims. Other income for the fiscal year ended September 30, 2018 was primarily attributable to insurance proceeds received from hurricane-related claims.

(4) Pro forma net income (loss), pro forma net income (loss) per share and pro forma weighted average shares outstanding reflect the estimated number of shares of Class A common stock we expect to have outstanding upon the completion of our corporate reorganization described under "—Corporate Reorganization" and this offering. The pro forma data does not assume the exchange of any OneWater LLC Units (and the corresponding cancellation of the outstanding shares of Class B common stock) for Class A common stock and any related adjustments to pro forma net income (loss) or pro forma net income (loss) per share. The pro forma data also excludes the redeemable preferred equity interest of $9.4 million, $8.3 million and $6.7 million and the change in fair value of warrant liability of $(1.3) million, $33.2 million and $18.1 million for the fiscal years ended September 30, 2019, 2018 and 2017, respectively, as we expect to redeem the Opco Preferred Units and as the holders of the LLC Warrants will exercise such LLC Warrants in connection with this offering. The pro forma data includes additional pro forma income tax expense of $ million for the fiscal year ended September 30, 2019 associated with the income tax effects of the Reorganization described under "—Corporate Reorganization." OneWater Inc. is a corporation and is subject to U.S.

federal income tax. Our predecessor, OneWater LLC, was not subject to U.S. federal income tax at an entity level. As a result, the consolidated and combined net income in our historical financial statements does not reflect the tax expense we would have incurred if we were subject to U.S. federal income tax at an entity level during such periods.

(5) Includes $4.2 million for growth capital expenditures and $3.1 million for maintenance capital expenditures for fiscal year 2019, compared to $6.9 million and $3.2 million, respectively, for fiscal year 2018 and $1.5 million and $2.6 million, respectively, for fiscal year 2017.

(6) Adjusted EBITDA is a non-GAAP financial measure. For the definition of Adjusted EBITDA and a reconciliation to our most directly comparable financial measure calculated and presented in accordance with GAAP, please see "—Non-GAAP Financial Measure" below.

Non-GAAP Financial Measure

Adjusted EBITDA

Adjusted EBITDA is not a measure of net income as determined by GAAP. Adjusted EBITDA is a supplemental non-GAAP financial measure that is used by management and external users of our consolidated financial statements, such as industry analysts, investors, lenders and rating agencies. We define Adjusted EBITDA as net income (loss) before interest expense – other, income taxes, depreciation and amortization and other expense (income), further adjusted to eliminate the effects of items such as the change in the fair value of warrants and transaction costs.

Our board of directors, management team and lenders use Adjusted EBITDA to assess our financial performance because it allows them to compare our operating performance on a consistent basis across periods by removing the effects of our capital structure (such as varying levels of interest expense), asset base (such as depreciation and amortization) and other items (such as the fair value adjustment of the warrants and transaction costs) that impact the comparability of financial results from period to period. We present Adjusted EBITDA because we believe it provides useful information regarding the factors and trends affecting our business in addition to measures calculated under GAAP. Adjusted EBITDA is not a financial measure presented in accordance with GAAP. We believe that the presentation of this non-GAAP financial measure will provide useful information to investors and analysts in assessing our financial performance and results of operations across reporting periods by excluding items we do not believe are indicative of our core operating performance. Net income (loss) is the GAAP measure most directly comparable to Adjusted EBITDA. Our non-GAAP financial measure should not be considered as an alternative to the most directly comparable GAAP financial measure. You are encouraged to evaluate each of these adjustments and the reasons we consider them appropriate for supplemental analysis. In evaluating Adjusted EBITDA, you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in such presentation. Our presentation of Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. There can be no assurance that we will not modify the presentation of Adjusted EBITDA in the future, and any such modification may be material. Adjusted EBITDA has important limitations as an analytical tool and you should not consider Adjusted EBITDA in isolation or as a substitute for analysis of our results as reported under GAAP. Because Adjusted EBITDA may be defined differently by other companies in our industry, our definition of this non-GAAP financial measure may not be comparable to similarly titled measures of other companies, thereby diminishing its utility.

The following table presents a reconciliation of Adjusted EBITDA to the GAAP financial measure of net income (loss) for the years ended September 30, 2019, 2018 and 2017.

	Years Ended September 30,		
	2019	2018	2017
	(in thousands)		
Net income (loss)	$ 37,263	$ 1,946	$ (4,259)
Interest expense – other	6,568	3,836	2,266
Income taxes	—	—	—
Depreciation and amortization	2,682	1,685	1,055
Change in fair value of warrant(1)	(1,336)	33,187	18,057
Gain on settlement of contingent consideration	(1,674)	—	—
Transaction costs(2)	1,323	438	327
Other expense (income)(3)	1,402	(269)	217
Adjusted EBITDA	$ 46,228	$ 40,823	$ 17,663

(1) Represents the non-cash expense recognized during the period for the change in the fair value of the LLC Warrants held by Goldman and Beekman, which are accounted for as liabilities on our balance sheet.

(2) Consists of transaction costs related to the acquisitions completed in the corresponding period, as described in “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

(3) Other expense for the fiscal year ended September 30, 2019 was primarily attributable to a loss related to the sale and leaseback of certain operating facilities and equipment, partially offset by insurance proceeds received from hurricane-related claims. Other income for the fiscal year ended September 30, 2018 was primarily attributable to insurance proceeds received from hurricane-related claims.

RISK FACTORS

Investing in our Class A common stock involves risks. You should carefully consider the information in this prospectus, including the matters addressed under "Cautionary Note Regarding Forward-Looking Statements" and the following risks before making an investment decision. Our business, financial condition and results of operations could be materially adversely affected by any of these risks or uncertainties. The trading price of our Class A common stock could decline due to any of these risks, and you may lose all or part of your investment.

Risks Related to Our Business

General economic conditions and consumer spending patterns can have a material adverse effect on our business, financial condition and results of operations.

General economic conditions, including changes in employment levels, consumer demand, preferences and confidence levels, the availability and cost of credit, fuel prices, levels of discretionary personal income, interest rates, periods of economic or political instability and consumer spending patterns can negatively impact our operating results. Unfavorable local, regional, national or global economic developments or uncertainties regarding future economic prospects could reduce or defer consumer spending in the markets we serve and adversely affect our business. Consumer spending, including that of high net worth individuals, on discretionary goods may also decline as a result of political uncertainty and instability, even if prevailing economic conditions are generally favorable. Economic conditions in areas in which we operate stores, particularly the Southeast and Gulf Coast regions in which we generated approximately 65%, 68% and 81% of our revenue during fiscal years 2019, 2018 and 2017, respectively, could have a major impact on our operations. Local influences, such as corporate downsizing, inclement weather such as hurricanes or other storms, environmental conditions and specific events, such as Hurricanes Dorian, Florence and Michael in 2019 and 2018, also could adversely affect, and in certain instances have adversely affected, our operations in certain markets.

In an 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 results. In response to these conditions we reduced our inventory purchases, closed certain stores and reduced headcount. Although we have expanded our operations and increased our focus on pre-owned sales, parts and repair services and F&I products, during periods of stagnant or modestly declining industry trends, the cyclical nature of the recreational boating industry or the lack of industry growth could lead to oversupply and weak demand, which could materially adversely affect our business, financial condition or results of operations in the future. Any period of adverse economic conditions or low consumer confidence could have a negative effect on our business.

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 Fourth Amended and Restated Inventory Financing Agreement with Wells Fargo Commercial Distribution Finance, LLC and various lender parties thereto (as amended, the "Inventory Financing Facility"), which consists of uncommitted inventory floorplan financing of up to $292.5 million as of September 30, 2019. We subsequently further amended and increased the maximum amount of borrowing available under the Inventory Financing Facility to $392.5 million on November 26, 2019. The Inventory Financing Facility has a maturity date of September 28, 2021. As of September 30, 2019 and 2018, we had an aggregate of $225.4 million and $157.5 million, respectively, outstanding under the Inventory Financing Facility. We rely on the Inventory

Financing Facility to purchase and maintain our inventory of boats. The collateral for the Inventory Financing Facility consists primarily of our inventory that is financed through the Inventory Financing Facility and related assets, including accounts receivable, bank accounts and proceeds of the foregoing, and excludes the collateral that underlies the GS/BIP Credit Facility (as defined below).

Additionally, OneWater LLC and certain of its subsidiaries entered into a Credit and Guaranty Agreement with OWM BIP Investor, LLC, as a lender, Goldman Sachs Specialty Lending Group, L.P., as a lender, administrative agent and collateral agent, and various lender parties thereto (as amended, the "GS/BIP Credit Facility," and together with the Inventory Financing Facility, our "Credit Facilities"), which consists of an up to $60.0 million multi-draw term loan facility and a $5.0 million revolving line of credit. The GS/BIP Credit Facility has a maturity date of October 28, 2021. As of September 30, 2019, we had $58.0 million outstanding under the multi-draw term loan and no amount outstanding under the revolving line of credit. As of September 30, 2018, we had $28.6 million outstanding under the multi-draw term loan and no amount outstanding under the revolving line of credit.

As of September 30, 2019, we were in compliance with all of the covenants under the Credit Facilities, and our additional available borrowings under the Credit Facilities were approximately $74.1 million based upon the outstanding borrowings and maximum facility amounts.

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, 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 stores, further reduce our expense structure, liquidate inventory below cost to free up capital, or 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.

The interest rate on our Inventory Financing Facility for new boats is calculated using the one-month London Inter-Bank Offered Rate ("LIBOR") plus an applicable margin of 2.75% to 5.00% depending on the amount of days the boat has been in inventory. Interest on pre-owned boats is calculated at the new boat rate plus 0.25%. These variable interest rates under our Inventory Financing Facility will fluctuate with changing market conditions and, accordingly, our interest expense will increase as interest rates rise. Accordingly, a significant increase in interest rates could have a material adverse effect on our operating results. The United Kingdom's Financial Conduct Authority, which regulates LIBOR, has announced that it intends to stop encouraging or requiring banks to submit rates for the calculation of LIBOR after 2021, and it is unclear if LIBOR will cease to exist or if new methods of calculating LIBOR will evolve. If LIBOR ceases to exist or if the methods of calculating LIBOR change from their current form, interest rates on our current or future debt obligations may be adversely affected.

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 and insurance activities. For example, tight credit conditions during each fiscal year beginning with fiscal 2008 and continuing through fiscal 2011 adversely affected the ability of customers to finance boat purchases, which had a negative effect on our operating results.

Concurrent with the closing of this offering, we expect to refinance the GS/BIP Credit Facility to, among other things, increase the amount we may borrow under such facility, permit the transactions contemplated by this offering, and ensure that OneWater LLC will be permitted to make pro rata cash distributions to the 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. For

additional information relating to the GS/BIP Credit Facility and the Term and Revolver Credit Facility, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Debt Agreements—GS/BIP Credit Facility" and "Certain Relationships and Related Party Transactions—Historical Transactions with Affiliates—GS/BIP Credit Facility."

Failure to implement strategies to enhance our performance could have a material adverse effect on our business and financial condition.

We are increasing our efforts to grow our 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 dealer groups 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 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 dealer groups and each dealer group we acquire in the future.

Since the beginning of fiscal year 2016, we have acquired 14 recreational boat dealer groups. Additionally, we actively evaluate and pursue acquisitions on an ongoing basis, and our pipeline of potential acquisitions over the next 24 months currently includes four to eight dealer groups. Each acquired dealer group 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 dealer groups, 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 stores. 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.

We are required to obtain the consent of our manufacturers prior to the acquisition of other dealer groups.

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.

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 dealer group. 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.

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.

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) 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 a material increase in interest rates and adverse changes in fiscal policy or credit market conditions.

Over the past several years, our economy has been positively impacted by historically unprecedented low interest rates. Such interest rates are driven by the policies of the Federal Reserve System. Although interest rates generally increased in 2018 and decreased in 2019, 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 increase in interest rates and adverse changes in fiscal policy or credit market conditions may negatively impact our customers' ability or desire to purchase our products. 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.

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.

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 stores 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.

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 recreational boat dealer groups involves significant risks. This strategy entails reviewing and potentially reorganizing acquired business operations, corporate infrastructure and systems, and financial controls. Unforeseen expenses (including potential environmental legacy liabilities), 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. 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. Acquisitions also may become more difficult or less attractive in the future as we acquire more of the most attractive dealer groups that best align with our culture and focus on customer service. In addition, we may encounter difficulties in integrating the operations of acquired dealer groups with our own operations, in retaining employees, in retaining and maintaining relationships with customers, suppliers or other business contacts, and in managing acquired dealer groups 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 dealer groups' 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 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 dealer groups 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 recreational boat dealer 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 dealer group 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.

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 40.4%, 40.0% and 44.7% of total sales, for the fiscal years ended September 30, 2019, 2018 and 2017, respectively, making them major suppliers of our company. Of this amount, Malibu Boats, Inc, including its brands Malibu, Axis, Cobalt and Pursuit, accounted for 15.9%, 13.4% and 13.2% of our consolidated revenue for the fiscal years ended September 30, 2019, 2018 and 2017, respectively. Any adverse change in the reputation, product development efforts, technological advancement, expansion of 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 bankruptcy or insolvency, could also cause us to experience shortfalls, disruptions, or delays with respect to new boats and inventory. 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.

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 for acquisitions will depend on the market value of our common stock and the willingness of potential sellers to accept our common stock as full or partial consideration. Our inability to use our common stock as consideration, to generate cash from operations or to obtain additional funding through debt or equity financings in order to pursue 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” and “Certain Relationships and Related Party Transactions.”

Our internal growth and operating strategies of opening new stores and offering new products involve risk.

In addition to pursuing growth by acquiring boat dealer groups, we intend to continue to pursue a strategy of growth through opening new stores 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 stores into existing operations;
- our ability to achieve adequate market penetration at favorable operating margins without the acquisition of existing dealer groups; and
- our financial resources.

Our dealer agreements require manufacturer consent to open or change store locations that sell certain products. We may not be able to open and operate new store locations or introduce new product lines on a timely or profitable basis. Moreover, the costs associated with opening new store 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 store locations, improving existing store 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 business, as well as the entire recreational boating industry, is highly seasonal, with seasonality varying in different geographic markets.

Over the three-year period ended September 30, 2019, the average revenue for the quarterly periods ended December 31, March 31, June 30 and September 30 represented approximately 12%, 24%, 37% and 27%, 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 stores 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 stores 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, our operations could be substantially more seasonal if we acquire additional dealer groups that operate in colder regions of the United States, which are generally closed or experience lower volume in the winter months.

Our failure to successfully order and manage our inventory to reflect consumer demand and to anticipate changing consumer preferences and buying trends could have a material adverse effect on our business, financial condition and results of operations.

Our success depends upon our ability 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. 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 stores. 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.

Weather, natural disasters, adverse climate changes and other environmental conditions may adversely impact our business and may not be adequately covered by our insurance.

Weather and environmental conditions may adversely impact our operating results. For example, drought conditions, reduced rainfall levels, excessive rain, natural disasters and adverse climate changes, as well as other environmental conditions or hurricanes in the Gulf of Mexico and Atlantic Ocean, may force boating areas to close or render boating dangerous or inconvenient, thereby curtailing customer demand for our products. Such conditions may also 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 stores. 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 stores sell boats to customers for use on reservoirs, thereby subjecting our business to the continued viability of these reservoirs for boating use.

In addition, hurricanes, tornadoes, fires, floods and other natural disasters could result in the disruption of our operations and/or supply chain, including boat deliveries from manufacturers, or damage to 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. Additionally, severe weather or other natural disasters could damage our on-site inventory at our stores or cause serious disruptions in the operations of our stores. We maintain hurricane and casualty insurance, subject to deductibles. While we traditionally maintain property and casualty insurance coverage for damage caused by 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 of severe weather or other natural disasters, such as damage from Hurricanes Dorian, Florence and Michael in 2019 and 2018.

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 F&I 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 F&I products, general economic conditions, our ability to maintain our store 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, the growth of 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 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 store 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 could have a material adverse effect on our business, financial condition and results of operations.

We compete primarily with local boat dealers who own three or fewer stores, as well as with a limited number of larger operators, including MarineMax and Bass Pro Shops. With respect to sales of marine parts, accessories, and equipment, we compete with national specialty marine parts and accessory stores, online catalog retailers, sporting goods stores, and mass merchants. Competition among boat dealers is based primarily on the quality 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 marine and storage availability to satisfy demand.

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 65%, 68% and 81% of our revenue during fiscal years 2019, 2018 and 2017, respectively, could have a major impact on our 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 F&I 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 F&I 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 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.

The reduction of profit margins on sales of F&I 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 dealer groups. 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.

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 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.

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 but do not maintain 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.

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.

Environmental and other regulatory issues may impact our operations.

Our operations are subject to comprehensive federal, state and local laws and regulations governing such matters as finance and insurance, consumer protection, consumer privacy, escheatment, anti-money laundering, discharges and emissions into the environment as well as 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 of permits, licenses and other governmental approvals to conduct regulated activities, including the operation of recreational boats, restricting the manner in which we handle, recycle and dispose of our wastes, 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 pollution 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 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 the U.S. Occupational Safety and Health Administration ("OSHA"), the U.S. Environmental Protection Agency (the "EPA") and similar federal agencies as well as analogous state and local agencies have jurisdiction over the operation of our stores, 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, surface water and groundwater, and soil. Marine engine manufacturers are subject to emissions standards imposed under the Clean Air Act, as amended (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 or potential unforeseen delays of 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.

As with companies in the retail recreational boat industry generally, and parts and service operations in particular, our business involves the use, handling, storage, 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 stores and/or repair facilities utilize underground storage tanks (“USTs”) and above ground storage tanks (“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 Resource Conservation and Recovery Act, as amended (“RCRA”), and its state law counterparts, as well as federal, state and local legal standards relating to investigation and remediation of contaminated soils and groundwater resulting from leaking tanks and 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 migrates onto the property of others.

Certain of our stores and/or repair facility properties have been operated by third parties whose use, handling and disposal of petroleum-based products or wastes were not under our control. 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.

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, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (“CERCLA”), also known as the Superfund law, and analogous state laws, impose joint, strict, and several liability on:

- current owners or operators of facilities at, from, or to which a release of hazardous substances has occurred;
- former owners and operators who owned or operated facilities at the time of disposal of hazardous substances;
- parties that generated hazardous substances that were released at such facilities; and
- parties that transported or arranged for the transportation of hazardous substances to such facilities.

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. 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 stores are located on waterways that are subject to federal laws, including the Federal Water Pollution Control Act, as amended, and the Oil Pollution Act, as amended (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.

Soil and groundwater contamination may exist at certain properties owned or leased by us. We may also be required to remove USTs, ASTs and inground lifts containing petroleum-based products and hazardous or toxic substances or wastes in the future. As to certain of our properties, including some of our properties that were previously used as gasoline service stations, specific releases of contaminants may require remediation in the future in accordance with state and federal guidelines. We are performing monitoring activities with respect to soil and groundwater as required by applicable state and federal guidelines. 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 complex 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.

Moreover, the threat of climate change continues to attract considerable attention in the United States and in foreign countries and numerous regulatory initiatives have been made and could continue to be made in the United States at the national, regional, state and local levels of government to monitor and limit existing emissions of greenhouse gases (“GHGs”) as well as to restrict or eliminate such future emissions. Also, governmental, scientific, and public concern over the threat of climate change arising from GHG emissions has resulted in increasing political, financial and litigation risks in the United States and globally. While these various risks target predominantly fossil fuel-related energy entities or their operations, there also may be indirect adverse effects on other companies or industries, such as the recreational boat industry, for example, whose services or products generate GHGs or rely upon motor fuels refined from fossil fuels, which effects could be substantial. Concerns regarding climate change by certain members of the public could also adversely affect the levels of boat purchases.

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 store operations, and adversely affect our business, results of operations and financial condition.

Our sales of boats produced by certain foreign manufacturers expose us to international political, economic, and other risks.

Our sales of boats produced by Absolute S.p.A. in Italy; Prestige, a division of Beneteau S.A., in France; Riviera Australia Pty. Ltd. in Australia; and Sunseeker International in the United Kingdom, as well as any other non-U.S. manufacturer whose products we may sell in the future, 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 instability.

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. They 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. 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 privacy, security laws, and regulations. Despite our efforts to protect sensitive, confidential or personal data or information, we may be vulnerable to security breaches, theft, 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, unauthorized access, use, disclosure, modification or destruction of information, and operational disruptions. 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.

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, 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.

We may be unable to 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 trade names with respect to the dealer groups that we have acquired, which we do not re-brand under our "OneWater" mark. If any of our current trade names or any trademarks that we may own in the future become generic or if third parties adopt marks similar to our marks, our ability to differentiate our dealer groups may be adversely affected, we could lose brand recognition and be forced to devote additional resources to advertising and marketing for our dealer groups. From time to time, we may be compelled to protect our intellectual property, which may involve litigation. Such litigation may be time-consuming, 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.

Other parties also may claim that we infringe their proprietary rights. Such claims, whether or not meritorious, may result in the expenditure of significant financial and managerial resources, injunctions against us or the payment of damages. These claims 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, 2019, we have approximately $16.0 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 is not amortized, but reviewed for impairment at least annually or more frequently if impairment indicators arise. In evaluating the potential for impairment of goodwill, 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. While we do not believe there is 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 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 same-store sales may fluctuate and may not be a meaningful indicator of future performance.

Our same-store sales may vary from quarter to quarter. A number of factors have historically affected, and will continue to affect, our 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 store;
- atypical weather patterns;
- changes in our product mix;
- changes in sales of services; and
- changes in pricing and average unit sales.

An unanticipated decline in revenues or same-store sales may cause the price of our Class A common stock to fluctuate significantly.

Changes in accounting standards could significantly affect our results of operations and the presentation of those results.

The Financial Accounting Standards Board, the U.S. Securities and Exchange Commission (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.

We primarily lease our stores. If we are unable to maintain those leases or locate alternative sites for our stores in our target markets and on terms that are acceptable to us, our revenues and profitability could be adversely affected.

We currently lease 62 of the real properties where we have retail operations. Most stores operate under long-term leases with an initial term of 10 years and renewal options for an additional 10 years. Additionally, we have entered into dealership leases with certain of the Legacy Owners for which we incurred $1.9 million, $1.8 million and $2.0 million in lease expense in the fiscal years ended September 30, 2019, 2018 and 2017, respectively. There can be no assurance that we will be able to maintain our existing store 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 store 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.

Risks Related to this Offering and Our Class A Common Stock

OneWater Inc. is a holding company. OneWater Inc.'s only material asset after completion of this offering will be its equity interest in OneWater LLC, and OneWater Inc. will accordingly be 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 will have no material assets after completion of this offering other than its equity interest in OneWater LLC. Please see "Corporate Reorganization." OneWater Inc. will have 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 will require 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 it will enter into with certain of the OneWater Unit Holders. 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 will be entitled to receive proportionate distributions based on their interests in OneWater LLC at the time of such distribution. In addition, the OneWater LLC Agreement will require 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. will have 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. 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. The ability of OneWater LLC, its subsidiaries and other entities in which it directly or indirectly holds an equity interest to make such distributions will be 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 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, 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 will need to comply with new laws, regulations and requirements, certain corporate governance provisions of the Sarbanes-Oxley Act of 2002, related regulations of the SEC and the requirements of The Nasdaq Stock Market (the "Nasdaq"), with which we are not required to comply as a private company. Complying with these statutes, regulations and requirements will occupy a significant amount of time of our board of directors and management and will significantly increase our costs and expenses. We will need to:

- institute a more comprehensive compliance function;
- comply with rules promulgated by the Nasdaq;
- prepare and distribute periodic public reports in compliance with our obligations under the federal securities laws;
- accurately implement and interpret GAAP;
- establish new 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.

Upon becoming a public company, we will be required to comply with the SEC's rules implementing Sections 302 and 404 of the Sarbanes-Oxley Act, which will 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. Although we will be required to disclose changes made in our internal controls and procedures on a quarterly basis, we will not be required to make our first annual assessment of our internal controls over financial reporting pursuant to Section 404 until the year following our first annual report required to be filed with the SEC. Additionally, we are not required to have our independent registered public accounting firm attest to the effectiveness of our internal controls until our first annual report subsequent to our ceasing to be an "emerging growth company" within the meaning of Section 2(a)(19) of the Securities Act. Accordingly, we may not be required to have our independent registered public accounting firm attest to the effectiveness of our internal controls until as late as our annual report for the fiscal year ending September 30, 2025. Once it is required to do so, our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our controls are documented, designed, operated or reviewed. Compliance with these requirements 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.

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 of 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 will be 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 beginning in the year following our first annual report required to be filed with the SEC. This assessment will need to include disclosure of any material weaknesses identified by our management in our internal control over financial reporting. For example, during the course of preparing for this offering, we and our independent registered public accounting firm identified a

material weakness in internal control over financial reporting as of September 30, 2018 and 2017 related to our review controls over key assumptions used in the September 30, 2017 valuation of the LLC Warrants. The material weakness has been remediated as of September 30, 2019 with the hiring of additional technical accounting personnel and retention of additional valuation and technical consulting resources, but our remediation efforts may not enable us to remedy or avoid material weaknesses in the future. 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, such as the one we identified as described above, 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.”

Additionally, when we cease to be an “emerging growth company” under the federal securities laws, our independent registered public accounting firm may be required to express an opinion on the effectiveness of our internal controls. If 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.

The initial public offering price of our Class A common stock may not be indicative of the market price of our Class A common stock after this offering. In addition, 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.

Prior to this offering, our Class A common stock was not traded on any market. An active, liquid and orderly trading market for our Class A common stock may not develop or be maintained after this offering. Active, liquid and orderly trading markets usually result in less price volatility and more efficiency in carrying out investors’ purchase and sale orders. 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. The initial public offering price will be negotiated between us and representatives of the underwriters, based on numerous factors which we discuss in “Underwriting,” and may not be indicative of the market price of our Class A common stock after this offering. Consequently, 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 in this offering.

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;
- changes in revenue, same-store sales or earnings estimates, or changes in recommendations or withdrawal of research coverage, by equity research analysts;
- 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 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. 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.

The Legacy Owners will own a significant amount of our voting stock, and their interests may conflict with those of our other stockholders.

Upon completion of this offering, the Legacy Owners will own approximately % of our voting stock (or approximately % if the underwriters’ option to purchase additional shares is exercised in full), assuming no purchases by our affiliates, including their affiliated entities, who have indicated an interest in purchasing an aggregate of $ million of Class A common stock in the offering, and no purchases by any of our affiliates in our directed share program. After giving effect to the potential purchase of all $ million of Class A common stock, the Legacy Owners would own approximately % of our voting stock (or approximately % if the underwriters’ option to purchase additional shares is exercised in full). As a result, the Legacy Owners may be able to 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 “Certain Relationships and Related Party Transactions—Tax Receivable Agreement.”

We intend to use proceeds from this offering to pay or otherwise fund certain of our contractual obligations, including obligations with certain Legacy Owners.

On October 28, 2016, Goldman and Beekman purchased, among other things, Opco Preferred Units. Pursuant to the terms of Opco’s First Amended and Restated Limited Liability Company Agreement, holders of the Opco Preferred Units (“Opco Preferred Holders”) are entitled to certain returns and distributions at a specified percent per annum and to redemption rights in certain instances. We intend to use the net proceeds from this offering, together with cash on hand and borrowings under the Term and Revolver Credit Facility that we expect to enter into, to redeem all of the shares of Opco Preferred Units held by Goldman and Beekman. As of September 30, 2019 and December 1, 2019, the redemption amount of the Opco Preferred Units held by Goldman and Beekman in the aggregate was $86.0 million and $87.6 million, respectively. Please see “Use of Proceeds” and “Certain Relationships and Related Party Transactions—Historical Transactions with Affiliates—Opco Preferred Units” for additional information.

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 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. For additional discussion of our management's business affiliations and the potential conflicts of interest of which our stockholders should be aware, see "Certain Relationships and Related Party Transactions."

Our certificate of incorporation and bylaws, as well as Delaware law, will 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 will authorize our board of 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 of 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:

- dividing our board of directors into three classes of directors, with each class serving staggered three-year terms;
- 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 of directors and our board of 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 66 2⁄3% 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 or all of the directors from office at any time, and directors will be removable only for "cause";
- prohibiting cumulative voting in the election of directors;
- establishing advance notice provisions for stockholder proposals and nominations for elections to the board of directors to be acted upon at meetings of stockholders; and
- providing that the board of directors is expressly authorized to adopt, or to alter or repeal our bylaws.

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 will designate 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 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 will provide 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 (the "DGCL"), 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. 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 described herein. This choice of forum provision 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 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.

Investors in this offering will experience immediate and substantial dilution of $ per share.

Based on the initial public offering price of $ per share (the mid-point of the range set forth on the cover of this prospectus), purchasers of our Class A common stock in this offering will experience an immediate and substantial dilution of $ per share in the as adjusted net tangible book value per share of Class A common stock from the initial public offering price, and our pro forma as adjusted net tangible book value as of September 30, 2019 after giving effect to this offering would be $ per share. If the initial public offering price were to increase or decrease by $1.00 per share, then dilution in pro forma as adjusted net tangible book value per share to new investors in this offering would equal $ or $, respectively. This dilution is due in large part to earlier investors having paid substantially less than the initial public offering price when they purchased their shares. See "Dilution."

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 pay in this offering.

Future sales of our Class A common stock in the public market, or the perception that such sales may occur, could reduce our stock price, and any additional capital raised by us through the sale 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. After the completion of this

offering, we will have outstanding shares of Class A common stock (or shares of Class A common stock if the underwriters' option to purchase additional shares is exercised in full). This number includes shares that we are selling in this offering and shares that we may sell in this offering if the underwriters' option to purchase additional shares is fully exercised, which may be resold immediately in the public market. Following the completion of this offering, and assuming full exercise of the underwriters' option to purchase additional shares, the Legacy Owners will own shares of our Class A common stock and shares of our Class B common stock, or approximately % of our total voting stock outstanding. Certain OneWater Unit Holders will be party to a registration rights agreement, which will require 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 no earlier than the expiration of the lock-up period contained in the underwriting agreement entered into in connection with this offering.

In connection with this offering, we intend to file a registration statement with the SEC on Form S-8 providing for the registration of shares of our Class A common stock issued or reserved for issuance under our long term incentive plan. Subject to the satisfaction of vesting conditions, the expiration of lock-up agreements and the requirements of Rule 144, shares registered under the registration statement on Form S-8 may be made available for resale immediately in the public market without restriction.

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.

The underwriters of this offering may waive or release parties to the lock-up agreements entered into in connection with this offering, which could adversely affect the price of our Class A common stock.

We, all of our directors that will own equity in us following the completion of this offering, all of our executive officers and substantially all of the Legacy Owners have entered or will enter into lock-up agreements pursuant to which we and they will be subject to certain restrictions with respect to the sale or other disposition of our Class A common stock for a period of 180 days following the date of this prospectus. The underwriters, at any time and without notice, may release all or any portion of the Class A common stock subject to the foregoing lock-up agreements. See "Underwriting" for more information on these agreements. If the restrictions under the lock-up agreements are waived, then the Class A common stock, subject to compliance with the Securities Act or exceptions therefrom, will be available for sale into the public markets, which could cause the market price of our Class A common stock to decline and impair our ability to raise capital.

OneWater Inc. will be 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.

In connection with the closing of this offering, OneWater Inc. will enter into a Tax Receivable Agreement with certain of the OneWater Unit Holders. This agreement will generally provide for the payment by OneWater Inc. to each 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 this offering as a result of certain increases in tax basis available to OneWater Inc. as a result of the exercise of the Redemption Right or the 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 term of the Tax Receivable Agreement will commence upon the completion of this offering 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 the event that the Tax Receivable Agreement is not terminated, the payments under the Tax Receivable Agreement are anticipated to commence in 2023, depending on the timing of future exercises of the Redemption Right, and to continue 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 will not be conditioned upon a holder of rights under a Tax Receivable Agreement having a continued ownership interest in OneWater Inc. or OneWater LLC. In addition, certain of the 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 "Certain Relationships and Related Party Transactions—Tax Receivable Agreement."

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-year LIBOR plus 100 basis points) and such early termination

payment is expected to be substantial. The calculation of anticipated future payments will be 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 this offering, the estimated early termination payment would, in the aggregate, be approximately $ million (calculated using a discount rate equal to one-year LIBOR plus 100 basis points, applied against an undiscounted liability of $ million calculated based on certain assumptions, including but not limited to a $ per share offering price to the public (the mid-point of the range set forth on the cover of this prospectus), a 21% U.S. federal corporate income tax rate and estimated applicable state and local income tax rates, 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 "Certain Relationships and Related Party Transactions—Tax Receivable Agreement."

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 will not be conditioned upon the OneWater Unit Holders' having a continued interest in OneWater Inc. or OneWater LLC. Accordingly, the OneWater Unit Holders' interests may conflict with those of the holders of OneWater Inc.'s Class A common stock. Please read "Risk Factors—Risks Related to this Offering and Our Class A Common Stock— In certain cases, payments under the Tax Receivable Agreement may be accelerated and/or significantly exceed the actual benefits OneWater Inc. realizes, if any, in respect of the tax attributes subject to the Tax Receivable Agreement" and "Certain Relationships and Related Party Transactions—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 will be based on the tax reporting positions that OneWater Inc. will determine 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 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 OneWater Unit Holder will be netted against future payments that would otherwise be made to such 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, which will be entered into in connection with the closing of this offering, will provide for limitations on the ability of unitholders of OneWater LLC to transfer their OneWater LLC Units and will provide 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 in effective tax rates or adverse outcomes resulting from examination of OneWater Inc.'s income or other tax returns could adversely affect its results of operations and financial condition.

We may be subject to taxes by the U.S. federal, state, and local tax authorities and its future effective tax rates could be subject to volatility or adversely affected by a number of factors, including:

- changes in the valuation of its deferred tax assets and liabilities;
- expected timing and amount of the release of any tax valuation allowances;
- tax effects of stock-based compensation; or
- changes in tax laws, regulations or interpretations thereof.

In addition, we may be subject to audits of its 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 will authorize 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 of 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.

For as long as we are an emerging growth company, we will not be required to comply with certain reporting requirements, including those relating to accounting standards and disclosure about our executive compensation, that apply to other public companies.

We are classified as an "emerging growth company" under the JOBS Act. For as long as we are an emerging growth company, which may be up to five full fiscal years, unlike other public companies, we will not be required to, among other things: (i) provide an auditor's attestation report on management's assessment of the effectiveness of our system of internal control over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act; (ii) comply with any new requirements adopted by the PCAOB requiring mandatory audit firm rotation or a supplement to the auditor's report in which the auditor would be required to provide additional information about the audit and the financial statements of the issuer; (iii) provide certain disclosures regarding executive compensation required of larger public companies; or (iv) hold nonbinding advisory votes on executive compensation. We will remain an emerging growth company for up to five years, although we will lose that status sooner if we have more than $1.07 billion of revenues in a fiscal year, have more than $700.0 million in market value of our Class A common stock held by non-affiliates, or issue more than $1.0 billion of non-convertible debt over a three-year period.

To the extent that we rely on any of the exemptions available to emerging growth companies, you will receive less information about our executive compensation and internal control over financial reporting than issuers that are not emerging growth companies. Additionally, we intend to take advantage of the extended transition periods for the adoption of new or revised financial accounting standards under the

JOBS Act until we are no longer an emerging growth company. Our election to use the transition periods permitted by this election may make it difficult to compare our financial statements to those of non-emerging growth companies and other emerging growth companies that have opted out of the extended transition periods permitted under the JOBS Act and who will comply with new or revised financial accounting standards.

If some investors find our Class A common stock to be less attractive as a result, there may be a less active trading market for our Class A common stock and our stock price may be more volatile.

If securities or industry analysts do not publish 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.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

The information in this prospectus includes “forward-looking statements.” All statements, other than statements of historical fact included in this prospectus, regarding our strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans and objectives of management are forward-looking statements. When used in this prospectus, the words “could,” “believe,” “anticipate,” “intend,” “estimate,” “expect,” “project” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on our current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements described under the heading “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business” included in this prospectus. These forward-looking statements are based on management’s current belief, based on currently available information, as to the outcome and timing of future events.

Forward-looking statements may include statements about

- general economic conditions, including changes in employment levels, consumer demand, preferences and confidence levels, fuel prices, levels of discretionary income and consumer spending patterns;
- economic conditions in certain geographic regions in which we primarily generate our revenue;
- credit markets and the availability and cost of borrowed funds;
- our business strategy, including acquisitions and same-store growth;
- our ability to integrate acquired dealer groups;
- our ability to maintain our relationships with manufacturers, including meeting the requirements of our dealer agreements and receiving the benefits of certain manufacturer incentives;
- our ability to finance working capital and capital expenditures;
- general domestic and international political and regulatory conditions, including changes in tax or fiscal policy;
- our ability to maintain acceptable pricing for our products and services, including financing, insurance and extended service contracts;
- our operating cash flows, the availability of capital and our liquidity;
- our future revenue, same-store sales, income, financial condition, and operating performance;
- our ability to sustain and improve our utilization, revenue and margins;
- competition;
- seasonality and inclement weather such as hurricanes, severe storms, fire and floods, generally and in certain geographic regions in which we primarily generate our revenue;
- our ability to manage our inventory and retain key personnel;
- environmental conditions and real or perceived human health or safety risks;
- any potential tax savings we may realize as a result of our organizational structure;
- uncertainty regarding our future operating results and profitability; and
- plans, objectives, expectations and intentions contained in this prospectus that are not historical.

We caution you that these forward-looking statements are subject to all of the risks and uncertainties, most of which are difficult to predict and many of which are beyond our control. These risks include, but are not limited to, decline in demand for our products and services, the seasonality and volatility of the

boat industry, our acquisition strategies, the inability to comply with the financial and other covenants and metrics in our Credit Facilities, cash flow and access to capital, the timing of development expenditures and the other risks described under “Risk Factors” in this prospectus.

Should one or more of the risks or uncertainties described in this prospectus occur, or should underlying assumptions prove incorrect, our actual results and plans could differ materially from those expressed in any forward-looking statements.

All forward-looking statements, expressed or implied, included in this prospectus are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that we or persons acting on our behalf may issue.

Any forward-looking statement that we make in this prospectus speaks only as of the date of such statement. Except as otherwise required by applicable law, we disclaim any duty to update any forward-looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances after the date of this prospectus.

USE OF PROCEEDS

We expect to receive net proceeds from this offering of approximately $ million after deducting estimated underwriting discounts and commissions and estimated offering expenses of approximately $ million, in the aggregate (based on the mid-point of the range set forth on the cover of this prospectus). If the underwriters exercise in full their option to purchase additional shares of Class A common stock, we expect to receive approximately $ million of net proceeds.

We intend to contribute the net proceeds of this offering received by us to OneWater LLC in exchange for OneWater LLC Units. OneWater LLC will use the net proceeds, together with cash on hand and borrowings under the Term and Revolver Credit Facility, to redeem the Opco Preferred Units held by Goldman and Beekman.

The Opco Preferred Units incur (i) a "preferred return" at a rate of 10% per annum, compounded quarterly, on (a) the aggregate amount of capital contributions made, minus any prior distributions (the "unreturned preferred amount"), plus (b) any unpaid preferred returns for prior periods, and (ii) a "preferred target distribution" at a rate of 10% per annum on the unreturned preferred amount multiplied by (a) 40% for the calendar quarters ending March 31, 2019, June 30, 2019 and September 30, 2019, (b) 60% for the calendar quarters ending December 31, 2019, March 31, 2020, June 30, 2020 and September 30, 2020, and (c) 80% for each calendar quarter thereafter. The preferred target distribution proportionally adjusts the amount of capital contribution of each Opco Preferred Holder. As of September 30, 2019 and December 1, 2019, the redemption amount of the Opco Preferred Units held by Goldman and Beekman in the aggregate was $86.0 million and $87.6 million, respectively.

A $1.00 increase or decrease in the assumed initial public offering price of $ per share would cause the net proceeds from this offering, after deducting the underwriting discounts and commissions and estimated offering expenses received by us to increase or decrease, respectively, by approximately $ million, assuming the number of shares offered by us as set forth on the cover page of this prospectus remains the same. An increase or decrease of 500,000 shares offered by us at an assumed offering price of $ per share would cause the net proceeds from this offering after deducting the underwriting discounts and commissions and estimated offering expenses received by us to increase or decrease, respectively, by approximately $ million.

If the proceeds increase due to a higher initial public offering price or due to the issuance of additional shares by us, we would contribute the additional net proceeds received by us to OneWater LLC in exchange for OneWater LLC Units. OneWater LLC intends to use the additional net proceeds to redeem additional Opco Preferred Units and for general corporate purposes. If the proceeds decrease due to a lower initial public offering price or a decrease in the number of shares issued by us, then we would decrease the amount of net proceeds contributed to OneWater LLC and OneWater LLC would reduce by a corresponding amount the net proceeds directed to redeem the Opco Preferred Units. Any reduction in net proceeds may cause us to need to borrow additional funds under our Term and Revolver Credit Facility to redeem the Opco Preferred Units and to fund our operations, which would increase our interest expense and decrease our net income.

DIVIDEND POLICY

We do not anticipate declaring or paying any cash dividends to holders of our Class A common stock in the foreseeable future. We currently intend to retain future earnings, if any, to finance the growth of our business. Holders of our Class B common stock are not entitled to participate in any dividends declared by our board of directors. Our future dividend policy is within the discretion of our board of directors and will depend upon then-existing conditions, including our results of operations, financial condition, capital requirements, investment opportunities, statutory restrictions on our ability to pay dividends and other factors our board of directors may deem relevant. In addition, under our Credit Facilities, Opco is restricted from paying cash dividends, and we expect these restrictions to continue in the future, which may in turn limit our ability to pay cash dividends on our Class A common stock. Our ability to pay cash dividends may also be restricted by the terms of any future credit agreement or any future debt or preferred equity securities that we or our subsidiaries may issue. See “Risk Factors—Risks Related to this Offering and Our Class A Common Stock—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.”

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of September 30, 2019:

- of OneWater LLC and its subsidiaries on an actual basis; and
- of OneWater Inc. on a pro forma basis after giving effect to (i) the transactions described under "Unaudited Pro Forma Consolidated Financial Information," (ii) the sale of shares of our Class A common stock in this offering at the initial offering price of $ per share (the mid-point of the range set forth on the cover of this prospectus), after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, (iii) the application of the net proceeds from this offering as set forth under "Use of Proceeds," (iv) the redemption of the outstanding Opco Preferred Units remaining after application of net proceeds, together with cash on hand and borrowings under the Term and Revolver Credit Facility, and (v) the paydown of a preferred distribution right with approximately $ million of cash on hand to one Legacy Owner.

You should read the following table in conjunction with "Unaudited Pro Forma Consolidated Financial Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Corporate Reorganization," "Use of Proceeds" and our consolidated financial statements and related notes appearing elsewhere in this prospectus.

	As of September 30, 2019	
	OneWater LLC Actual[1]	OneWater Inc. Pro Forma[2]
	(in thousands, except share counts and par value)	
Cash and cash equivalents	$ 11,108	$
Long-term debt:		
GS/BIP Credit Facility and Term and Revolver Credit Facility[3]	$ 58,000	$
Acquisition notes payable[4]	16,555	
Commercial vehicles notes payable[5]	2,371	
Total long-term debt	$ 76,926	$
Less unamortized portion of debt issuance costs	1,013	
Total debt	$ 75,913	$
Other Liabilities		
Other long-term liabilities	1,598	
LLC warrants[6]	50,887	
Redeemable preferred interest in subsidiary	86,018	
Member/Stockholders' equity:		
Members' equity	31,770	
Class A common stock, $0.01 par value; no shares authorized, issued or outstanding (Actual); shares authorized, shares issued and outstanding (pro forma)	—	
Class B common stock, $0.01 par value, no shares authorized, issued or outstanding (Actual); shares authorized, shares issued and outstanding (pro forma)	—	
Preferred stock, $0.01 per share; no shares authorized, issued or outstanding (Actual), shares authorized, no shares issued and outstanding (pro forma)	—	
Additional paid-in capital	—	
Retained earnings	—	
Non-controlling interests[7]	6,199	
Total member/stockholders' equity	$ 37,969	$
Total capitalization	$ 252,385	$

(1) OneWater Inc. was incorporated on April 3, 2019. The data in this table has been derived from the historical consolidated financial statements included in this prospectus which pertain to the assets, liabilities and expenses of our accounting predecessor, OneWater LLC.

(2) A $1.00 increase or decrease in the assumed initial public offering price of $ per share would increase or decrease total equity and total capitalization by approximately $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. An increase or decrease of 500,000 shares offered by us at an assumed offering price of $ per share would increase or decrease total equity and total capitalization by approximately $ million after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

(3) Concurrently with the closing of this offering, we expect to refinance the GS/BIP Credit Facility and enter into the Term and Revolver Credit Facility to, among other things, extend the maturity date to the date that is five years after entry into the Term and Revolver Credit Facility and increase the aggregate credit facilities to consist of a $100.0 million senior secured multi-draw term loan facility, a $10.0 million senior secured revolving credit facility and an uncommitted and discretionary multi-draw term loan accordion feature of up to $20.0 million. As of December 1, 2019, under the GS/BIP Credit Facility, we had $58.0 million outstanding under the multi-draw term loan and no amount outstanding under the revolving line of credit. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Debt Agreements—GS/BIP Credit Facility” and “Certain Relationships and Related Party Transactions—Historical Transactions with Affiliates—GS/BIP Credit Facility.”

(4) In connection with certain of our acquisitions of dealer groups, we have entered into notes payable with the acquired entities to finance these acquisitions. As of September 30, 2019, our indebtedness associated with our 10 acquisition notes payable totaled an aggregate of $16.6 million with a weighted average interest rate of 5.7% per annum. As of September 30, 2019, the principal amount outstanding under these acquisition notes payable ranged from $0.8 million to $3.1 million, and the maturity dates ranged from November 1, 2019 to February 1, 2022.

(5) We have entered into multiple notes payable with various commercial lenders in connection with our acquisition of certain vehicles utilized in our retail operations. Such notes bear interest ranging from 0.0% to 8.9% per annum, require monthly payments of approximately $67,000 and mature on dates between March 2020 to July 2025. As of September 30, 2019, we had $2.4 million outstanding under the commercial vehicles notes payable.

(6) Following the Corporate Reorganization, the LLC Warrants will be exercised for common units of OneWater LLC, which will eliminate the liability accounting and fair value adjustments for the LLC Warrants for all periods after this offering.

(7) On a pro forma basis, includes the membership interests not owned by us, which represents % of OneWater LLC’s outstanding common units. OneWater Inc. will hold % of the economic interests in OneWater LLC and the OneWater Unit Holders will hold % of the economic interests in OneWater LLC.

DILUTION

Purchasers of the Class A common stock in this offering will experience immediate and substantial dilution in the net tangible book value per share of the Class A common stock for accounting purposes. Our net tangible book value as of September 30, 2019, after giving pro forma effect to the transactions described under "Corporate Reorganization," was approximately $ million, or $ per share of Class A common stock. Pro forma net tangible book value per share is determined by dividing our pro forma tangible net worth (tangible assets less total liabilities, without further adjustment to exclude the redeemable preferred interest in our subsidiary) by the total number of outstanding shares of Class A common stock that will be outstanding immediately prior to the closing of this offering including giving effect to our corporate reorganization. After giving effect to the sale of the shares in this offering and further assuming the receipt of the estimated net proceeds of $ million (after deducting estimated underwriting discounts and commissions and estimated offering expenses and the application of such proceeds as described in "Use of Proceeds"), our adjusted pro forma net tangible book value as of September 30, 2019 would have been approximately $ million, or $ per share. This represents an immediate decrease in the net tangible book value of $ per share to the Legacy Owners and an immediate dilution (i.e., the difference between the offering price and the adjusted pro forma net tangible book value after this offering) to new investors purchasing shares in this offering of $ per share. The following table illustrates the per share dilution to new investors purchasing shares in this offering (assuming that 100% of the OneWater LLC Units have been exchanged for Class A common stock):

Assumed initial public offering price per share		$
Pro forma net tangible book value per share as of September 30, 2019 (before this offering and after giving effect to our corporate reorganization)	$ (1)	
Less a decrease per share attributable to new investors in this offering		
As adjusted pro forma net tangible book value per share after giving further effect to this offering		
Dilution in pro forma reduced net tangible book value per share to new investors in this offering(2)		$

(1) Calculated as tangible assets less total liabilities, without further adjustments to exclude the redeemable preferred interest in our subsidiary. The redeemable preferred interest in our subsidiary is classified as temporary equity on our balance sheet.

(2) If the initial public offering price were to increase or decrease by $1.00 per share, then dilution in pro forma reduced net tangible book value per share to new investors in this offering would equal $ or $, respectively.

The following table summarizes, on an adjusted pro forma basis as of September 30, 2019, the total number of shares of Class A common stock owned by the Legacy Owners (assuming that 100% of the OneWater LLC Units held by the Legacy Owners have been exchanged for Class A common stock (and the corresponding shares of Class B common stock have been cancelled)) and to be owned by new investors, the total consideration paid, and the average price per share paid by the Legacy Owners and to be paid by new investors in this offering at $, calculated before deduction of estimated underwriting discounts and commissions.

	Shares Acquired		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
			(in thousands)		
Legacy Owners		%	$	%	$
New investors in this offering		%	$	%	$
Total		%	$	%	$

The data in the table excludes shares of Class A common stock initially reserved for issuance under our long-term incentive plan.

Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share of Class A common stock would increase (decrease) the total consideration paid by new investors in this offering and the total consideration paid by all holders of Class A common stock by $, assuming the number of shares of Class A common stock offered by us remains the same, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

If the underwriters' option to purchase additional shares is exercised in full, the number of shares of Class A common stock being offered in this offering will be increased to , or approximately % of the total number of shares of Class A common stock.

SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

OneWater Inc. was incorporated on April 3, 2019 and does not have historical financial operating results for the period from April 3, 2019 to September 30, 2019. The following table presents the selected historical and certain pro forma financial data and other data for OneWater LLC, the accounting predecessor of OneWater Inc., and its subsidiaries. The historical results presented below are not necessarily indicative of the results to be expected for any future period, and should be read together with "Use of Proceeds," "Summary Historical and Pro Forma Consolidated Financial and Operating Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Corporate Reorganization" and our consolidated financial statements and related notes included elsewhere in this prospectus.

The selected historical financial data as of September 30, 2019 and 2018 and for the fiscal years ended September 30, 2019, 2018 and 2017 was derived from the audited historical financial statements included elsewhere in this prospectus. The OneWater LLC summary historical financial data as of September 30, 2017 was derived from audited historical financial statements not included elsewhere in this prospectus.

	Years Ended September 30,		
	2019	2018	2017
	(in thousands, except share, per share and store amounts)		
Consolidated Statement of Operations Data:			
Revenue	$ 767,624	$ 602,805	$ 391,483
Costs of sales	595,498	465,151	305,782
Selling, general and administrative	116,503	91,297	65,352
Depreciation and amortization	2,682	1,685	1,055
Gain on settlement of contingent consideration	(1,674)	—	—
Operating income (loss)	54,615	44,672	19,294
Other expense (income)			
Interest expense – floor plan	9,395	5,534	2,686
Interest expense – other	6,568	3,836	2,266
Transaction costs[1]	1,323	438	327
Change in fair value of warrants	(1,336)	33,187	18,057
Other expense (income)[2]	1,402	(269)	217
Net income (loss)	$ 37,263	$ 1,946	$ (4,259)
Less: Net income attributable to non-controlling interest	1,606	830	13
Net income (loss) attributable to OneWater LLC	$ 35,657	$ 1,116	$ (4,272)
Pro Forma Per Share Data[3]			
Pro forma net income (loss)			
Pro forma net income (loss) per share			
Basic			
Diluted			
Pro forma weighted average shares outstanding			
Basic			
Diluted			
Consolidated Statement of Cash Flows Data:			
Cash flows provided by (used in) operating activities	$ (5,698)	$ (4,654)	$ 6,514
Cash flows used in investing activities	(10,998)	(23,920)	(23,304)
Cash flows provided by financing activities	12,458	34,257	16,993
Other Financial Data:			
Capital expenditures[4]	$ 7,291	$ 10,135	$ 4,112
Adjusted EBITDA[5]	$ 46,228	$ 40,823	$ 17,663
Number of stores	63	53	45
Same-store sales growth	11.8%	22.2%	

	Years Ended September 30,		
	2019	2018	2017
	(in thousands, except share, per share and store amounts)		
Consolidated Balance Sheet Data (at end of period):			
Total assets	$ 504,755	$ 375,360	$ 258,347
Long-term debt (including current portion)	75,913	41,844	27,285
Total liabilities	380,768	274,339	158,578
Redeemable preferred equity interest	86,018	79,965	71,695
Total members' equity	37,969	21,056	28,074

(1) Consists of transaction costs related to the acquisitions made in the corresponding period.

(2) Other expense for the fiscal year ended September 30, 2019 was primarily attributable to a loss related to the sale and leaseback of certain operating facilities and equipment, partially offset by insurance proceeds received from hurricane-related claims. Other income for the fiscal year ended September 30, 2018 was primarily attributable to insurance proceeds received from hurricane-related claims.

(3) Pro forma net income (loss) per share and pro forma weighted average shares outstanding reflect the estimated number of shares of Class A common stock we expect to have outstanding upon the completion of our corporate reorganization described under "Corporate Reorganization" and this offering. The pro forma data does not assume the exchange of any OneWater LLC Units (and the corresponding cancellation of the outstanding shares of Class B common stock) for Class A common stock and any related adjustments to pro forma net income (loss) or pro forma net income (loss) per share. The pro forma data also excludes the redeemable preferred equity interest of $9.4 million, $8.3 million and $6.7 million and the change in fair value of warrant liability of $(1.3) million, $33.2 million and $18.1 million for the fiscal years ended September 30, 2019, 2018 and 2017, respectively, as we expect to redeem the Opco Preferred Units and as the holders of the LLC Warrants will exercise such LLC Warrants in connection with this offering. The pro forma data includes additional pro forma income tax expense of $ million for the fiscal year ended September 30, 2019 associated with the income tax effects of the Reorganization described under "Corporate Reorganization." OneWater Inc. is a corporation and is subject to U.S. federal income tax. Our predecessor, OneWater LLC, was not subject to U.S. federal income tax at an entity level. As a result, the consolidated and combined net income in our historical financial statements does not reflect the tax expense we would have incurred if we were subject to U.S. federal income tax at an entity level during such periods.

(4) Includes $4.2 million for growth capital expenditures and $3.1 million for maintenance capital expenditures for fiscal year 2019, compared to $6.9 million and $3.2 million, respectively, for fiscal year 2018 and $1.5 million and $2.6 million, respectively, for fiscal year 2017.

(5) Adjusted EBITDA is a non-GAAP financial measure. For the definition of Adjusted EBITDA and a reconciliation to our most directly comparable financial measure calculated and presented in accordance with GAAP, please read "Prospectus Summary—Non-GAAP Financial Measure."

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The following unaudited pro forma consolidated statements of operations for the year ended September 30, 2019 present our consolidated results of operations after giving effect to (i) the Reorganization, including this offering, as described under “Corporate Reorganization,” as if such transactions occurred on October 1, 2018, (ii) the use of the estimated net proceeds to us from this offering, as described under “Use of Proceeds,” (iii) the repayment of the Opco Preferred Units remaining after application of net proceeds with cash on hand and borrowings under the Term and Revolver Credit Facility, and (iv) a provision for corporate income taxes on the income attributable to OneWater Inc. at an effective rate of 24.7% for the fiscal year ended September 30, 2019, inclusive of all U.S. federal, state and local income taxes (collectively, the “pro forma adjustments”). The unaudited pro forma consolidated balance sheet as of September 30, 2019 gives effect to the pro forma adjustments, including this offering, as if the same had occurred on September 30, 2019.

We have derived the unaudited pro forma consolidated financial information for the year ended September 30, 2019 from the audited historical financial statements of OneWater LLC and its subsidiaries included elsewhere in this prospectus. The unaudited pro forma financial information should be read in conjunction with the historical financial statements.

The pro forma adjustments are based on currently available information and certain estimates and assumptions. Therefore, the actual adjustments may differ from the pro forma adjustments. However, management believes that the assumptions provide a reasonable basis for presenting the significant effects of the transactions described herein and that the pro forma adjustments give appropriate effect to those assumptions and are properly applied in the unaudited pro forma consolidated financial statements. The assumptions underlying the pro forma adjustments are described in the accompanying notes, which should be read in conjunction with these unaudited pro forma consolidated financial statements.

As a public company, we will be implementing additional procedures and processes for the purpose of addressing the standards and requirements applicable to public companies. We expect to incur additional annual expenses related to these steps and, among other things, additional directors’ and officers’ liability insurance, director fees, reporting requirements of the SEC, transfer agent fees, costs associated with hiring additional accounting, legal and administrative personnel, increased auditing and legal fees and similar expenses. We have not included any pro forma adjustments relating to these costs.

The unaudited pro forma consolidated financial information and related notes are presented for illustrative purposes only. The pro forma adjustments are based upon available information and methodologies that are factually supportable and directly related to the described transactions, including this offering. The historical financial information has been adjusted in the unaudited pro forma condensed consolidated financial statements to give effect to pro forma events that are related and/or directly attributable to the transactions, are factually supportable and, in the case of the statements of operations, are expected to have a continuing impact on our operating results. The unaudited pro forma consolidated financial information includes various estimates which are subject to material change and may not be indicative of what our operations or financial position would have been had the described transactions, including this offering, taken place on the dates indicated, or that may be expected to occur in the future. In addition, future results may vary significantly from the results reflected in the unaudited pro forma consolidated financial statements and should not be relied on as an indication of our results after the consummation of this offering and other transactions contemplated herein. The pro forma financial information is qualified in its entirety by reference to, and should be read in conjunction with, “Basis of Presentation,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and the related notes included elsewhere in this prospectus.

OneWater Inc. and Subsidiaries
Unaudited Pro Forma Consolidated Balance Sheet
As of September 30, 2019

	OneWater LLC Historical	Reorganization Adjustments	OneWater LLC Historical as Adjusted for the Reorganization Adjustments	Offering Adjustments	OneWater Inc. Pro Forma as Adjusted for this Offering and Use of Proceeds
	(in thousands, except share and per share amounts)				
Assets					
Current assets:					
Cash	$ 11,108	$ (1)	$	$ (8)	$
Restricted cash	384				
Accounts receivable	15,294				
Inventories	277,338				
Prepaid expenses and other current assets	9,969				
Total current assets	314,093				
Property and equipment, net of accumulated depreciation of $5,321 in 2019	15,954				
Other assets					
Deposits	345				
Deferred tax asset	—	(2)			
Identifiable intangible assets	61,304				
Goodwill	113,059				
Total other assets	174,708				
Total assets	$ 504,755	$	$	$	$
Liabilities and Members' Equity/Stockholders' Equity					
Current liabilities:					
Accounts payable	$ 5,546	$	$	$	$
Other payables and accrued expenses	16,567				
Customer deposits	4,880				
Notes payable - floor plan	225,377				
Current portion of long-term debt	11,124				
Total current liabilities	263,494				
Long-term Liabilities					
Other long-term liabilities	1,598				
Warrant liability	50,887	(3)			
Long-term debt, net of current portion and unamortized debt issuance costs	64,789			(8)	
Total liabilities	380,768				
Redeemable preferred interest in subsidiary	86,018			(8)	
Members' Equity/Stockholders' Equity:					
Class A common stock, $0.01 par value; no shares authorized, issued or outstanding (Actual); shares authorized, shares issued and outstanding (pro forma)	—	(4)(6)		(8)	
Class B common stock, $0.01 par value, no shares authorized, issued or outstanding (Actual); shares authorized, shares issued and outstanding (pro forma)	—	(5)			
Preferred stock, $0.01 per share; no shares authorized, issued or outstanding (Actual), shares authorized, no shares issued and outstanding (pro forma)	—				
Additional paid-in capital	—	(4)(6)(7)		(7)(8)	
Retained earnings	—				
Members' Equity/Stockholders' Equity attributable to One Water Marine Holdings, LLC	31,770	(1)(2)(3) (5)(6)(7)			
Equity attributable to non-controlling interests	6,199	(4)(7)		(7)	
Total liabilities and Members' Equity/Stockholders' Equity	$ 504,755	$	$	$	$

See accompanying Notes to the Unaudited Pro Forma Consolidated Balance Sheet.

Notes to the Unaudited Pro Forma Consolidated Balance Sheet

(1) Reflects the payment of the preferred distribution right to one Legacy Owner with cash on hand.

(2) Following the Corporate Reorganization and this offering, OneWater Inc. will be subject to U.S. federal income taxes, in addition to state and local taxes, with respect to its allocable share of any net taxable income of OneWater LLC, which will result in higher income taxes than during our history as a limited liability company. As a result, the corresponding pro forma adjustment establishes deferred tax assets, which will be netted with deferred tax liabilities, reflecting the tax status of OneWater Inc. subsequent to this offering.

(3) Reflects the elimination of the warrant liability for the LLC Warrants. Following the Corporate Reorganization, the LLC Warrants will be exercised for common units of OneWater LLC, which will eliminate the liability accounting and fair value adjustments for the LLC Warrants for all periods after this offering.

(4) Represents the exchange of minority interest shares held by Exchanging Owners for shares of OneWater Inc. upon completion of the Corporate Reorganization.

(5) Reflects the issuance to each of the Legacy Owners a number of shares of OneWater Inc. Class B common stock equal to the number of units held by them.

(6) Represents the exchange of certain Legacy Owners' interests in OneWater LLC for shares of OneWater Inc. upon the completion of the Corporate Reorganization.

(7) Represents the reclassification of members’ equity in OneWater LLC and the establishment of non-controlling interests in OneWater Inc. upon completion of the Corporate Reorganization and this offering.

(8) Represents the following adjustments to OneWater Inc.’s equity as a result of this offering:

a. Receipt of the gross proceeds of the offering of $ million;

b. Payment of $ million, consisting of the net proceeds of the offering and $ million of borrowings under the Term and Revolver Credit Facility, to redeem all of the shares of Opco Preferred Units held by Goldman and Beekman; and

c. Payment of approximately $ million of underwriting discounts and commissions and estimated expenses of the offering.

OneWater Inc. and Subsidiaries
Unaudited Pro Forma Consolidated Statements of Operations
For the Year Ended September 30, 2019

	OneWater LLC Historical	Reorganization Adjustments	OneWater LLC Historical as Adjusted for the Reorganization Adjustments	Offering Adjustments	OneWater Inc. Pro Forma as Adjusted for this Offering and Use of Proceeds
		(in thousands, except share and per share amounts)			
Revenues					
New boat sales	$ 516,789	$	$	$	$
Pre-owned boat sales	162,994				
Finance and insurance income	26,152				
Service, parts and other sales	61,689				
Total revenues	767,624				
Cost of sales (exclusive of depreciation and amortization shown separately below)					
New boat sales	425,022				
Pre-owned boat sales	136,238				
Service, parts and other sales	34,238				
Total cost of sales	595,498				
Selling, general and administrative expenses	116,503				
Depreciation and amortization	2,682				
Gain on settlement of contingent consideration	(1,674)				
Income from operations	54,615				
Other expense (income)					
Interest expense - floor plan	9,395				
Interest expense - other	6,568			(7)	
Transaction costs	1,323				
Change in fair value of warrant liability	(1,336)	(1)			
Other expense (income)	1,402				
Total other expense	17,352				
Income before income tax expense	37,263				
Income tax expense	—	(2)		(2)	
Net income (loss)	37,263				
Less: Net income attributable to non-controlling interest	1,606	(3)(5)		(5)	
Net income (loss) attributable to One Water Marine Holdings, LLC and OneWater Marine Inc.	35,657				
Redeemable preferred interest, dividends and accretion	9,417	(4)			
OneWater LLC preferred distribution	191	(4)			
Net income (loss) attributable to common interest holders	$ 26,049	$	$	$	$
Pro forma weighted average shares of Class A common stock outstanding[6]:					
Basic					
Diluted					
Pro forma income (loss) per Class A common stock per share:[8]					
Basic					$
Diluted					$

See accompanying Notes to the Unaudited Pro Forma Consolidated Statements of Operations.

Notes to the Unaudited Pro Forma Consolidated Statements of Operations

(1) Reflects the elimination of the charge against income related to the fair value adjustment of the LLC Warrants. Following the Corporate Reorganization, the LLC Warrants will be exercised for common units of OneWater LLC, which will eliminate the liability accounting and fair value adjustments for the LLC Warrants for all periods after this offering.

(2) Following the Corporate Reorganization and this offering, OneWater Inc. will be subject to U.S. federal income taxes, in addition to state and local taxes, with respect to its allocable share of any net taxable income of OneWater LLC, which will result in higher income taxes than during our history as a limited liability company. As a result, the Pro Forma Consolidated Statements of Operations reflect adjustments to our provision for corporate income taxes to reflect an effective tax rate of 24.7% for the year ended September 30, 2019, which include a provision for U.S. federal income taxes and use our estimates of the weighted average statutory rates apportioned to each state and local jurisdiction. The share of net taxable income of OneWater LLC allocable to the non-controlling interests will not be subject to U.S. federal income taxes at the entity level.

(3) Represents the exchange of minority interests held by Exchanging Owners for shares of OneWater Inc. upon completion of the Corporate Reorganization.

(4) Reflects the elimination of the charge against net income (loss) attributable to One Water Marine Holdings, LLC related to (i) the redeemable preferred interest, dividends and accretion and (ii) the OneWater LLC preferred distribution, as future charges related to these items will be eliminated with the repayment of the Opco Preferred Units and the OneWater LLC preferred distribution in connection with this offering.

(5) OneWater Inc. will be the managing member of OneWater LLC following the Corporate Reorganization. Following this offering, OneWater Inc. will initially own % of the economic interest in OneWater LLC, but will control the management of OneWater LLC. The OneWater Unit Holders will own the remaining of the economic interest in OneWater LLC, which will be accounted for as a non-controlling interest in the future consolidated financial results of OneWater Inc. These amounts have been determined based on the assumption that the underwriters' option to purchase additional shares is not exercised. If the underwriters' option to purchase additional shares is exercised, the ownership percentage held by the non-controlling interest would decrease to %.

(6) The shares of Class B common stock of OneWater Inc. do not share in OneWater Inc. earnings and are, therefore, not allocated any net income attributable to the controlling and non-controlling interests. As a result, the shares of Class B common stock are not considered participating securities and are, therefore, not included in the weighted average shares outstanding for purposes of computing net income available per share.

(7) Reflects the change in interest expense due to the refinancing of the GS/BIP Credit Facility in conjunction with this offering.

(8) The pro forma data does not reflect the exchange of any OneWater LLC Units (and the corresponding cancellation of the outstanding shares of Class B common stock) for Class A common stock. Our basic and diluted pro forma income per Class A common stock presented in our unaudited pro forma consolidated statements of operations is the same because we do not have any additional equity awards or other convertible instruments that should be included in the diluted calculation. The below table presents supplemental information regarding diluted earnings per share utilizing the as-converted method wherein we assume that all OneWater LLC Units are exchanged (with automatic cancellation of all outstanding shares of Class B common stock) for Class A common stock. Such exchange is affected by the allocation of income or loss associated with the exchange of OneWater LLC units (and cancellation of Class B common stock) for Class A common stock and, accordingly, the effect of such exchange has been included for calculating diluted pro forma net income available to Class A common stock per share. Giving effect to (i) the exchange of all OneWater LLC units (and cancellation of Class B common stock) for shares of Class A common stock and (ii) the vesting of all unvested OneWater LLC stock based compensation awards, diluted pro forma net income per share available to Class A common stock would be computed as follows:

	Year ended September 30, 2019
	(in thousands except share and per share amounts)
Pro forma income before income taxes	$
Adjusted pro forma income taxes[a]	
Adjusted pro forma net income to OneWater Inc. stockholders[b]	
Weighted average shares of Class A common stock outstanding (assuming the exchange of all OneWater LLC units for shares of class A common stock)[c]	
Pro forma diluted net income available to Class A common stock per share	$

a) Represents the implied provision for income taxes assuming the exchange of all OneWater LLC units for shares of Class A common stock of OneWater Inc. using the same method applied in calculating the pro forma tax provision.

b) Assumes elimination of non-controlling interest due to the assumed exchange of all OneWater LLC units (and cancellation of Class B common stock) for shares of Class A common stock of OneWater Inc. as of the beginning of the period presented.

c) The common unit equivalents have been converted based on the treasury stock method in order to give effect to the common unit equivalents in the diluted weighted average share calculation.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with "Selected Historical Consolidated Financial Data," "Unaudited Pro Forma Consolidated Financial Information" and our audited consolidated financial statements and related notes appearing elsewhere in this prospectus. The following discussion contains "forward-looking statements" that reflect our future plans, estimates, beliefs and expected performance. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of a variety of risks and uncertainties, including those described in this prospectus under "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors." We assume no obligation to update any of these forward-looking statements.

Overview

We believe that we are the largest and one of the fastest-growing premium recreational boat retailers in the United States with 63 stores comprising 21 dealer groups in 11 states. Our dealer groups are located in highly attractive markets throughout the Southeast, Gulf Coast, Mid-Atlantic and Northeast, including Texas, Florida, Alabama, North Carolina, South Carolina, Georgia, Ohio and New York, which collectively comprise eight of the top twenty states for marine retail expenditures. We believe that we are a market leader by volume in sales of premium boats in 12 out of the 17 markets in which we operate. In 2019, we sold over 8,500 new and pre-owned boats, of which we believe approximately 40% were sold to customers who had a trade-in or with whom we had otherwise established relationships. The combination of our significant scale, diverse inventory, access to premium boat brands and meaningful dealer group brand equity enable us to provide a consistently professional experience as reflected in the number of our repeat customers and same-store sales growth.

We were formed in 2014 as OneWater LLC through the combination of Singleton Marine and Legendary Marine, which created a marine retail platform that collectively owned and operated 19 stores. Since the combination in 2014, we have acquired a total of 40 additional stores through 17 acquisitions. Our current portfolio as of December 1, 2019 consists of 21 different local and regional dealer groups. Because of this, we believe we are the fastest growing and largest premium recreational boat retailer in the United States based on number of stores and total boats sold. While we have opportunistically opened new stores in select markets, we believe that it is generally more effective economically and operationally to acquire existing stores with experienced staff and established reputations.

The boat dealer market is highly fragmented and is comprised of over 4,000 stores nationwide. Most competing boat retailers are operated by local business owners who own three or fewer stores. We are one of the largest and fastest-growing premium recreational boat retailers in the United States. Despite our size, we comprise less than 2% of total industry sales. Our scale and business model allow us to leverage our extensive inventory to provide consumers with the ability to find a boat that matches their preferences (e.g., make, model color, configuration and other options) and to deliver the boat within days while providing a personalized sales experience. We are able to operate with a comparatively higher degree of profitability than other independent retailers because we allocate support resources across our store base, focus on high-margin products and services, utilize floor plan financing and provide core back-office functions on a scale that many independent retailers are unable to match. We seek to be the leading boat retailer by total market share within each boating market and within the product segments in which we participate. To the extent that we are not, we will evaluate acquiring other local retailers in order to increase our sales, to add additional brands or to provide us with additional high-quality personnel.

Trends and Other Factors Impacting Our Performance

Acquisitions

We are a highly acquisitive company. Since the combination of Singleton Marine and Legendary Marine in 2014, we have acquired 40 additional stores through 17 dealer group acquisitions. We plan to continue to aggressively pursue acquisitions going forward. We actively evaluate and pursue acquisitions on an ongoing basis, and our pipeline of potential acquisitions over the next 24 months currently includes four to eight dealer groups.

We have an extensive acquisition track record within the boating industry and believe we have developed a reputation for treating sellers and their staff in an honest and fair manner. We believe our reputation and scale have positioned us as a buyer of choice for boat dealers who want to sell their businesses. To date, 100% of our acquisitions have been sourced from inbound inquiries, and the number of annual inquiries we receive has consistently increased over time. Our strategy is to acquire stores at attractive EBITDA multiples and then grow same-store sales while benefitting from cost-reducing synergies. Historically, we have typically acquired dealer groups for less than 4.0x EBITDA on a trailing twelve months basis and believe that we will be able to continue to make attractive acquisitions within this range.

General Economic Conditions

General economic conditions and consumer spending patterns can negatively impact our operating results. Unfavorable local, regional, national, or global economic developments or uncertainties could reduce consumer spending and adversely affect our business. Consumer spending on discretionary goods may also decline as a result of lower consumer confidence levels, even if prevailing economic conditions are otherwise favorable. Economic conditions in areas in which we operate stores, particularly in the Southeast, can have a major impact on our overall results of operations. Local influences, such as corporate downsizing and inclement weather such as hurricanes and other storms, environmental conditions, and events could adversely affect our operations in certain markets and in certain periods. Any extended period of adverse economic conditions or low consumer confidence is likely to have a negative effect on our business.

Our business was significantly impacted during the recessionary period that began in 2007. This period of weakness in consumer spending and depressed economic conditions had a substantial negative effect on our operating results. In response to these conditions we reduced our inventory purchases, closed certain stores and reduced headcount. Additionally, in an effort to counteract the downturn, we increased our focus on pre-owned sales, parts and repair services, and finance and insurance services. As a result, we surpassed our pre-recession sales levels in less than 24 months. While we believe the measures we took significantly reduced the impact of the downturn on the business, we cannot guarantee similar results in the event of a future downturn. Additionally, we cannot predict the timing or length of unfavorable economic or industry conditions or the extent to which they could adversely affect our operating results.

Although past economic conditions have adversely affected our operating results, we believe we are capable of responding in a manner that allows us to substantially outperform the industry, resulting in market share gains. We believe our ability to capture such market share enables us to align our retail strategies with the desires of customers. We expect our core strengths, including retail and acquisition strategies, will allow us to capitalize on growth opportunities as they occur, despite market conditions.

Critical Accounting Policies and Significant Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, contingent assets and liabilities, each as of the date of the financial statements, and revenues and expenses during the periods presented. On an ongoing basis, management evaluates their estimates and assumptions, and the effects of any such revisions are reflected in the financial statements in the period in which they are determined to be necessary. Actual outcomes could differ materially from those estimates in a manner that could have a material effect on our consolidated financial statements. Set forth below are the policies and estimates that we have identified as critical to our business operations and understanding our results of operations, based on the high degree of judgment or complexity in their application.

Revenue Recognition

Revenue is recognized from the sale of products and commissions earned on new and pre-owned boats (including used, brokerage, consignment and wholesale) when ownership is transferred to the customer. Revenue from new, used and consignment sales is recorded at the gross sales price, while

revenue from brokerage transactions is recorded on a net basis. Revenue from sales of parts, accessories, and supplies is recognized when they are delivered to the customer. Service revenue, including repairs under manufacturers' warranties, is recognized when the customer accepts the serviced boat. Deferred revenue from storage and marina operations is recognized on a straight-line basis over the term of the contract as services are completed. Revenue from arranging financing, insurance and extended warranty contracts to customers through various third-party financial institutions and insurance companies is recognized when the related boats are sold, although a fee may be assessed by the third-party financial institutions and insurance companies in the event of an early cancellation of such loan or insurance contract by the customer. Deposits received from customers are recorded as a liability on the balance sheet until the related sales orders have been fulfilled by us and ownership is transferred to the customer.

Vendor Consideration Received

Consideration received from vendors is accounted for in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 605-50, Revenue Recognition – Customer Payments and Incentives ("ASC 605-50"). Pursuant to ASC 605-50, manufacturer incentives based upon cumulative volume of sales and purchases are recorded as a reduction of inventory cost and related cost of sales when the amounts are probable and reasonably estimable.

Inventories

Inventories are stated at the lower of cost or net realizable value. The cost of new and pre-owned boat inventory is determined using the specific identification method. New and pre-owned boat sales histories indicated that the overwhelming majority of such boats are sold for, or in excess of, the cost to purchase those boats. In assessing the lower of cost or net realizable value, we consider the aging of the boats, historical sales of a particular product and current market conditions. Therefore, we generally do not maintain a reserve for boat inventory. The cost of parts and accessories is determined using the weighted average cost method. Inventory is reported net of write downs for obsolete and slow moving items of approximately $0.5 million, $0.4 million and $0.3 million at September 30, 2019, 2018 and 2017, respectively.

Goodwill and Other Intangible Assets

Goodwill and intangible assets are accounted for in accordance with FASB Accounting Standards Codification 350, "Intangibles — Goodwill and Other" ("ASC 350"), which provides that the excess of cost over the fair value of the net assets of businesses acquired, including other identifiable intangible assets, is recorded as goodwill. ASC 350 also states that if an entity determines, based on an assessment of certain qualitative factors, that it is more likely than not that the fair value of a reporting unit is greater than its carrying amount, then a quantitative goodwill impairment test is unnecessary. Goodwill is an asset representing operational synergies and future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. In accordance with ASC 350, goodwill is tested for impairment at least annually, or more frequently when events or circumstances indicate that impairment might have occurred.

In January 2017, the FASB issued ASU 2017-04, Simplifying the Test for Goodwill Impairment, that removes step two of the goodwill impairment test, which requires a hypothetical purchase price allocation. Under the new guidance, a goodwill impairment is now the amount by which a reporting unit's carrying value exceeds its fair value. The guidance is effective for annual and interim periods in fiscal years beginning after December 15, 2019 with early adoption permitted for any goodwill impairment tests performed after January 1, 2017. We early adopted ASU 2017-04 and the guidance has been applied for all goodwill impairment tests performed after January 1, 2017.

We review goodwill for impairment annually in the fourth quarter, or more often if events or circumstances indicate that impairment may have occurred. We have elected to early adopt ASU 2017-04; accordingly, in evaluating goodwill for impairment, if the fair value of a reporting unit is less than its carrying value, the difference would represent the amount of required goodwill impairment. To the extent the reporting unit's earnings decline significantly or there are changes in one or more of these inputs that would result in a lower valuation, it could cause the carrying value of the reporting unit to exceed its fair value and thus require OneWater LLC to record goodwill impairment.

We engaged a valuation specialist to assist management in performing a qualitative assessment used in testing goodwill for impairment. Based on this assessment, management concluded that it was more likely than not that the fair value of the reporting unit was greater than its carrying amount at September 30, 2019, 2018 and 2017, and as a result, no impairment for goodwill was required for the years then ended.

Identifiable intangible assets consist of trade names related to the acquisitions we have completed. We have determined that trade names have an indefinite life, as there is no economic, contractual or other factors that limit their useful lives and they are expected to generate value as long as the trade name is utilized by the dealer group, and therefore, are not subject to amortization.

Financial statement risk exists to the extent identifiable intangibles become impaired due to the decrease in the fair value of the identifiable assets. We engaged a valuation specialist to assist management in performing a qualitative assessment used in testing identifiable intangible assets for impairment. Based on this assessment, management concluded that it was more likely than not that the fair value of our identifiable intangible assets were greater than their carrying amount at September 30, 2019, 2018 and 2017, and as a result, no impairment for identifiable intangible assets was required for the years then ended.

Impairment of Long-Lived Assets

FASB ASC 360-10-40, Property, Plant, and Equipment – Impairment or Disposal of Long-Lived Assets ("ASC 360-10-40"), requires that long-lived assets, such as property, equipment and purchased intangibles subject to amortization, be reviewed for impairment when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If such an indication is present, the carrying amount of the asset is compared to the estimated undiscounted cash flows related to that asset. We would conclude that an asset is impaired if the sum of such expected future cash flows is less than the carrying amount of the related asset. If an asset is impaired, the impairment loss would be the amount by which the carrying amount of the related asset exceeds its fair value.

Fair Value of Financial Instruments

In determining fair value, we use various valuation approaches including market, income and cost approaches. FASB Topic 820, Fair Value Measurements, establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability, developed based on market data obtained from independent sources. Unobservable inputs are those that reflect our expectation of the assumptions that market participants would use in pricing the asset or liability, developed based on the best information available in the circumstances.

The grant date fair value of equity-based compensation and the fair value of the LLC Warrants were both based upon inputs that are unobservable and significant to the overall fair value measurement. Our valuation considered both a market approach and an income approach in determining fair value. While both approaches resulted in similar values, the market approach was weighted 25% and the income approach was weighted 75% since there are very few comparable marine related market participants. For the income approach, we projected long-term growth rates and cash flows and then discounted such values using a weighted average cost of capital. Such fair value measurements are highly complex and subjective in nature. Accordingly, a significant degree of judgment is required to estimate these fair value measurements, which may be volatile until such time as there is an established market price for our shares of Class A common stock on an established exchange.

Post-Offering Taxation and Public Company Costs

OneWater LLC is and has been organized as a pass through entity for U.S. federal income tax purposes and is therefore not subject to entity-level U.S. federal income taxes. OneWater Inc. was incorporated as a Delaware corporation on April 3, 2019 and therefore, after the consummation of this offering, will be subject to U.S. federal income taxes and additional state and local taxes with respect to its allocable share of any taxable income of OneWater LLC and will be taxed at the prevailing corporate

tax rates. In addition to tax expenses, OneWater Inc. also will incur expenses related to its operations, plus payment obligations under the Tax Receivable Agreement, which are expected to be significant. To the extent OneWater LLC has available cash and subject to the terms of any current or future debt instruments, the Amended and Restated Limited Liability Company Agreement of OneWater LLC (the "OneWater LLC Agreement") will require 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. In addition, the OneWater LLC Agreement will require 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. See "—Tax Receivable Agreement" and "Certain Relationships and Related Party Transactions—Tax Receivable Agreement."

In addition, we expect to incur incremental, non-recurring costs related to our transition to a publicly traded corporation, including the costs of this initial public offering and the costs associated with the initial implementation of our internal control reviews and testing pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"). We also expect to incur additional significant and recurring expenses as a publicly traded corporation, including costs associated with compliance under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), annual and quarterly reports to common stockholders, registrar and transfer agent fees, national stock exchange fees, audit fees, incremental director and officer liability insurance costs and director and officer compensation. Our financial statements following this offering will reflect the impact of these expenses.

How We Evaluate Our Operations

Revenue

We have a diversified revenue profile that is comprised of new boat sales, pre-owned boat sales, F&I products, repair and maintenance services, and parts and accessories. Although non-boat sales contributed approximately 11.4%, 10.5% and 10.9% to revenue in fiscal years 2019, 2018 and 2017, respectively, due to the higher gross margin on these product and service lines, non-boat sales contributed 31.1%, 26.7% and 28.5% to gross profit in fiscal years 2019, 2018 and 2017, respectively. During different phases of the economic cycle, consumer behavior may shift away from new boats; however, we are well-positioned to benefit from revenue from pre-owned boats, repair and maintenance services, and parts and accessories, which have all historically increased during periods of economic uncertainty. We generate pre-owned sales from boats traded-in for new and pre-owned boats, boats purchased from consumers, brokerage transactions, consignment sales and wholesale sales. We have also diversified our business across geographies and dealership types (e.g., fresh water and salt water) in order to reduce the effects of seasonality. In addition to seasonality, revenue and operating results may also be significantly affected by quarter-to-quarter changes in economic conditions, manufacturer incentive programs, adverse weather conditions and other developments outside of our control.

Gross Profit

We calculate gross profit as revenue less cost of sales. Cost of sales consists of actual amounts paid for products, costs of services (primarily labor), transportation costs from manufacturers to our retail stores and vendor consideration. Gross profit excludes depreciation and amortization, which is presented separately in our consolidated statements of operations.

Gross Profit Margin

Our overall gross profit margin varies with our revenue mix. Sales of new and pre-owned boats, which have comparable margins, generally result in a lower gross profit margin than our non-boat sales. As a result, when revenue from non-boat sales increases as a percentage of total revenue, we expect our overall gross profit margin to increase.

Selling, General and Administrative Expenses

Selling, general, and administrative ("SG&A") expenses consist primarily of salaries and incentive-based compensation, advertising, rent, insurance, utilities, and other customary operating expenses. A portion of our cost structure is variable (such as sales commissions and incentive

compensation), or controllable (such as advertising), which we believe allows us to adapt to changes in the retail environment over the long term. We typically evaluate our variable expenses, selling expenses and all other SG&A expenses in the aggregate as a percentage of total revenue.

Same-Store Sales

We assess the organic growth of our revenue on a same-store basis. We believe that our assessment on a same-store basis represents an important indicator of comparative financial results and provides relevant information to assess our performance. New and acquired stores become eligible for inclusion in the comparable store base at the end of the store's thirteenth month of operations under our ownership and revenues are only included for identical months in the same-store base periods. Stores relocated within an existing market remain in the comparable store base for all periods. Additionally, amounts related to closed stores are excluded from each comparative base period.

Adjusted EBITDA

We define Adjusted EBITDA as net income (loss) before interest expense – other, income taxes, depreciation and amortization and other expense (income), further adjusted to eliminate the effects of items such as the change in the fair value of warrants, and transaction costs. See "—Comparison of Non-GAAP Financial Measure" for more information and a reconciliation of Adjusted EBITDA to net income (loss), the most directly comparable financial measure calculated and presented in accordance with GAAP.

Summary of Acquisitions

The comparability of our results of operations between the periods discussed below is naturally affected by the acquisitions we have completed during such periods. We are also continuously evaluating and pursuing acquisitions on an ongoing basis, and such acquisitions, if completed, will continue to impact the comparability of our financial results. While we expect continued growth and strategic acquisitions in the future, our acquisitions may have materially different characteristics than our historical results, and such differences in economics may impact the comparability of our future results of operations to our historical results.

Fiscal Year 2019 Acquisitions

- Effective December 1, 2018, OneWater LLC acquired substantially all of the assets of The Slalom Shop, LLC, a dealer group based in Texas with two stores.
- Effective February 1, 2019, OneWater LLC acquired substantially all of the assets of Ray Clepper, Inc., d/b/a Ray Clepper Boat Center, a dealer group based in South Carolina with one store.
- Effective February 1, 2019, OneWater LLC acquired substantially all of the assets of Ocean Blue Yacht Sales, LLC, a dealer group based in Florida with three stores.
- Effective May 1, 2019, OneWater LLC acquired substantially all of the assets of Caribee Boat Sales and Marina, Inc., a dealer group based in Florida with one store.
- Effective August 1, 2019, OneWater LLC acquired substantially all of the assets of Central Marine, a dealer group based in Florida with three stores.

We refer to the fiscal year 2019 acquisitions described above collectively as the "2019 Acquisitions." The 2019 Acquisitions will be fully reflected in our consolidated financial statements for the fiscal year ending September 30, 2020 but are only partially reflected in our consolidated financial statements for the fiscal year ending September 30, 2019, beginning on the date of acquisition and will not impact our results of operations for fiscal years 2018 and 2017.

Fiscal Year 2018 Acquisitions

- Effective June 1, 2018, OneWater LLC acquired Bosun's Marine, Inc. ("Bosun's"), a dealer group based in Massachusetts with five stores. Bosun's was acquired by our subsidiary Bosun's

Assets & Operations, LLC, in which we hold a 75% ownership interest. The results of operations for Bosun's have been included in our consolidated financial statements from that date and the former owner's minority interest in our relevant subsidiary has been recorded accordingly.

- Effective April 1, 2018, OneWater LLC acquired substantially all of the assets of Rebo, Inc., d/b/a Spend-A-Day Marina, a dealer group based in West Central Ohio with one store.
- Effective February 1, 2018, OneWater LLC acquired substantially all of the assets of Texas Marine & Brokerage, Inc., d/b/a Texas Marine, a dealer group based in Texas with three stores.

We refer to the fiscal year 2018 acquisitions described above collectively as the "2018 Acquisitions." The full impact of the 2018 Acquisitions is reflected in our consolidated financial statements for the fiscal year ending September 30, 2019 but were only partially reflected in our consolidated financial statements for the fiscal year ended September 30, 2018, beginning on the date of acquisition and will not impact our results of operations in fiscal 2017.

Fiscal Year 2017 Acquisitions

- Effective August 1, 2017, OneWater LLC acquired South Shore Marine Services, Inc. ("South Shore Marine"), a dealer group based in Ohio with one store. South Shore Marine was acquired by our subsidiary South Shore Lake Erie Assets & Operations, LLC, in which we hold a 75% ownership interest. The results of operations for South Shore Marine have been included in our consolidated financial statements from that date and the former owner's minority interest in our relevant subsidiary has been recorded accordingly.
- Effective March 1, 2017, OneWater LLC acquired substantially all of the assets of Lab Marine, Inc., d/b/a Grande Yachts, a dealer group located along the Eastern seaboard with nine stores.
- Effective December 1, 2016, OneWater LLC acquired substantially all of the assets of Marina Mike's LLC, a dealer group based in Florida with one store.
- Effective November 1, 2016, OneWater LLC acquired substantially all of the assets of Destin Sunrise Marine, Inc. and Sunrise Marine of Alabama, Inc., a dealer group based in Florida and Alabama with two stores.

We refer to the fiscal year 2017 acquisitions described above collectively as the "2017 Acquisitions." The full impact of the 2017 Acquisitions is reflected in our consolidated financial statements for the fiscal years ended September 30, 2019 and 2018 but were only partially reflected in our consolidated financial statements for the fiscal year ending September 30, 2017, beginning on the date of acquisition.

Other Factors Affecting Comparability of Our Future Results of Operations to Our Historical Results of Operations

Our historical financial results discussed below may not be comparable to our future financial results for the reasons described below.

- OneWater Inc. is subject to U.S. federal, state and local income taxes as a corporation. Our accounting predecessor, OneWater LLC, was and is treated as a partnership for U.S. federal income tax purposes, and as such, was generally not subject to U.S. federal income tax at the entity level. Rather, the tax liability with respect to its taxable income is passed through to its members. Accordingly, the financial data attributable to our predecessor contains no provision for U.S. federal income taxes or income taxes in any state or locality. We estimate that OneWater Inc. will be subject to U.S. federal, state and local taxes at a blended statutory rate of 24.7% of pre-tax earnings.
- As of September 30, 2019, the outstanding balance of the preferred units in Opco held by Goldman and Beekman in the aggregate was $86.0 million. On a pro forma basis giving effect to this offering and the use of net proceeds therefrom, together with cash on hand and borrowings under the Term and Revolver Credit Facility, to fully redeem these preferred units, we would eliminate the amount recorded as temporary equity to our balance sheet and eliminate any future dividends related to the preferred units.

- Goldman and Beekman hold the LLC Warrants, which contain conversion features that cause them to be accounted for as a liability on our balance sheet. Increases in this liability are recognized as an expense on our statements of operations and reduce our net income in historical periods. In connection with this offering, Goldman and Beekman have indicated that all of the LLC Warrants will be exercised for common units of OneWater LLC. On a pro forma basis giving effect to this offering and the exercise of the LLC Warrants for common units of OneWater LLC held by Goldman and Beekman, we expect to eliminate the fair value adjustment for the LLC Warrants for all periods after the offering, which will eliminate the corresponding charge against income.
- As we further implement controls, processes and infrastructure applicable to companies with publicly traded equity securities, it is likely that we will incur additional SG&A expenses relative to historical periods. See "— Post-Offering Taxation and Public Company Costs."

Our future results will depend on our ability to efficiently manage our combined operations and execute our business strategy.

Results of Operations

Year Ended September 30, 2019, Compared to Year Ended September 30, 2018

	Year Ended September 30,					
	2019		2018			
Description	Amount	% of Revenue	Amount	% of Revenue	$ Change	% Change
	($ in thousands)					
Revenue						
New boat sales	$ 516,789	67.3%	$ 398,586	66.1%	$ 118,203	29.7%
Pre-owned boat sales	162,994	21.2%	140,931	23.4%	22,063	15.7%
Finance & insurance income	26,152	3.4%	16,623	2.8%	9,529	57.3%
Service, parts & other	61,689	8.0%	46,665	7.7%	15,024	32.2%
Total revenue	767,624	100.0%	602,805	100.0%	164,819	27.3%
Gross Profit						
New boat gross profit	91,767	12.0%	76,460	12.7%	15,307	20.0%
Pre-owned boat gross profit	26,756	3.5%	24,474	4.1%	2,282	9.3%
Finance & insurance gross profit	26,152	3.4%	16,623	2.8%	9,529	57.3%
Service, parts & other gross profit	27,451	3.6%	20,097	3.3%	7,354	36.6%
Gross profit	172,126	22.3%	137,654	22.8%	34,472	25.0%
Selling, general and administrative	116,503	15.2%	91,297	15.1%	25,206	27.6%
Depreciation and amortization	2,682	0.3%	1,685	0.3%	997	59.2%
Gain on settlement of contingent consideration	(1,674)	(0.2)%	—	0.0%	(1,674)	(100.0)%
Operating income	54,615	7.1%	44,672	7.4%	9,943	22.3%
Interest expense – floor plan	9,395	1.2%	5,534	0.9%	3,861	69.8%
Interest expense – other	6,568	0.9%	3,836	0.6%	2,732	71.2%
Transaction costs	1,323	0.2%	438	0.1%	885	202.1%
Change in fair value of warrant liability	(1,336)	(0.2)%	33,187	5.5%	(34,523)	(104.0)%
Other expense (income)	1,402	0.2%	(269)	0.0%	1,671	*
Pretax income	37,263	4.9%	1,946	0.3%	35,317	*
Income taxes	—	0.0%	—	0.0%	—	0.0%
Net income	37,263	4.9%	1,946	0.3%	35,317	*
Less: Net income attributable to non-controlling interest	1,606	0.2%	830	0.1%	776	93.5%
Net income (loss) attributable to OneWater LLC	$ 35,657	4.6%	$ 1,116	0.2%	$ 34,541	*

* Denotes that % change is such that it is not useful.

Revenue

Overall, revenue increased by $164.8 million, or 27.3%, to approximately $767.6 million for fiscal year 2019 from $602.8 million for fiscal year 2018. Revenue generated from same-store sales increased 11.8% for fiscal year 2019 as compared to fiscal year 2018, primarily due to an increase in the average selling price of new and pre-owned boats and an increase in the number of new and pre-owned boats sold. Overall revenue increased by $70.5 million as a result of our increase in same-store sales and $94.3 million from stores not eligible for inclusion in the same-store sales base. Ineligible stores consist of the 2019 Acquisitions and revenue from the 2018 Acquisitions where there was no comparable revenue in the same-store sales base during fiscal year 2018. During the fiscal year ended September 30, 2019, we acquired 10 stores, as compared to eight stores acquired for fiscal year 2018.

New Boat Sales

New boat sales increased by $118.2 million, or 29.7%, to approximately $516.8 million for the fiscal year ended September 30, 2019 from $398.6 for the fiscal year ended September 30, 2018. The increase was the result of our same-store sales growth during the twelve month period and the increased unit sales attributable to the 2019 Acquisitions and the impact of the 2018 Acquisitions. During the fiscal year ended September 30, 2019 we experienced an increase in unit sales of approximately 12.9% and an increase in average unit prices of approximately 14.8% over fiscal year 2018. The increase in both units sold and average sales price was due in part to the mix of boat brands and models sold and product improvements in the functionality and technology of boats, which continues to be a driver of consumer demand.

Pre-owned Boat Sales

Pre-owned boat sales increased by $22.1 million, or 15.7%, to approximately $163.0 million for the fiscal year ended September 30, 2019 from $140.9 million for the fiscal year ended September 30, 2018. We sell a wide range of brands and sizes of pre-owned boats under different types of sales arrangements (e.g., trade-ins, brokerage, consigned and wholesale), which causes periodic and seasonal fluctuations in the average sales price. Pre-owned boat sales for the fiscal year ended September 30, 2019 benefited from a 25.2% increase in the number of units sold largely due to the increase in same-store sales and the full impact of the 2018 Acquisitions and the partial impact of the 2019 Acquisitions. The average sales price per pre-owned unit in the fiscal year ended September 30, 2019 remained flat due to the mix of pre-owned products and the composition of the brands and models sold during the period.

Finance & Insurance Income

Finance & insurance income increased by $9.5 million , or 57.3%, to approximately $26.2 million for the fiscal year ended September 30, 2019 from $16.6 million for the fiscal year ended September 30, 2018. The increase in revenue from arranging F&I products, including financing, insurance and extended warranty contracts, to customers through various third-party financial institutions and insurance increased as the result of the increase in same-store sales, process improvements and with the additional revenue attributable to the 2019 Acquisitions and the inclusion of a full year of revenue attributable to the 2018 Acquisitions. We remain very focused on improving sales of F&I products throughout our dealer group network and implementing best practices at acquired dealer groups and existing stores. F&I products increased as a percentage of total revenue to 3.4% in the fiscal year ended September 30, 2019 from 2.8% for the fiscal year ended September 30, 2018. Since finance & insurance income is fee-based, we do not incur any related cost of sale. Finance & insurance income is recorded net of related fees, including fees charged back due to any early cancellation of loan or insurance contracts by a customer.

Service, Parts & Other Sales

Service, parts & other sales increased by $15.0 million, or 32.2%, to approximately $61.7 million for the fiscal year ended September 30, 2019 from $46.7 million for the fiscal year ended September 30, 2018. This increase in service, parts & other sales is due to ancillary sales generated from our increase in new and pre-owned boat sales and sales attributable to the 2019 Acquisitions, including increased storage and fuel sales.

Gross Profit

Overall, gross profit increased by $34.5 million, or 25.0%, to approximately $172.1 million for the fiscal year ended September 30, 2019 from $137.7 million for the fiscal year ended September 30, 2018. This increase was primarily due to our overall increase in same-store sales, primarily driven by an increase in new boat sales. The increase in gross profit was also a result of an increase in the number of stores due to the 2019 Acquisitions and the inclusion of a full year of results of the 2018 Acquisitions. Overall gross margins decreased 40 basis points to 22.4% for the fiscal year ended September 30, 2019 from 22.8% in fiscal year 2018 and was due to the factors noted below.

New Boat Gross Profit

New boat gross profit increased by $15.3 million, or 20.0%, to approximately $91.8 million for the fiscal year ended September 30, 2019 from $76.5 million for the fiscal year ended September 30, 2018. This increase was due to our overall increase in same-store sales and acquired stores during the year. New boat gross profit as a percentage of new boat revenue was 17.8% for the fiscal year ended September 30, 2019 as compared to 19.2% in the fiscal year ended September 30, 2018. The decrease in new boat gross profit margin is due to our promotional efforts to drive our same-store sales increase during the important boat show season and the challenging winter months and to improve our overall inventory position throughout the fiscal year.

Pre-owned Boat Gross Profit

Pre-owned boat gross profit increased by $2.3 million, or 9.3%, to approximately $26.8 million for the fiscal year ended September 30, 2019 from $24.5 million for the fiscal year ended September 30, 2018. This increase was primarily due to an overall increase in our same-store sales and acquired stores during the year, while average unit prices remained constant. Pre-owned boat gross profit as a percentage of pre-owned boat revenue was 16.4% and 17.4% for the fiscal years ended September 30, 2019 and 2018, respectively. We sell a wide range of brands and sizes of pre-owned boats under different types of sales arrangements (e.g., trade-ins, brokerage, consignment and wholesale), which may cause periodic and seasonal fluctuations in pre-owned gross profit as a percentage of revenue. In the fiscal year ended September 30, 2019, we experienced a decline in our gross profit margin on boats purchased or traded-in. This was partially offset by a shift in product mix due in part to an increase in brokerage sales.

Finance & Insurance Gross Profit

Finance & insurance gross profit increased by $9.5 million, or 57.3%, to approximately $26.2 million for the fiscal year ended September 30, 2019 from $16.6 million for the fiscal year ended September 30, 2018. Finance & insurance income is fee-based revenue for which we do not recognize incremental expense.

Service, Parts & Other Gross Profit

Service, parts & other gross profit increased by $7.4 million or 36.6%, to approximately $27.5 million for the fiscal year ended September 30, 2019 from $20.1 million for the fiscal year ended September 30, 2018. Service, parts & other gross profit as a percentage of service, parts & other revenue was 44.5% and 43.1% for the fiscal years ended September 30, 2019 and 2018, respectively. This increase in gross profit margin was the result of increases in parts gross profit margin and storage and other gross profit margin, partially offset by a decrease in service gross profit margin.

Selling, General & Administrative Expenses

SG&A expenses increased by $25.2 million, or 27.6%, to approximately $116.5 million for the fiscal year ended September 30, 2019 from $91.3 million for the fiscal year ended September 30, 2018. This increase was primarily due to the impact of acquisitions and expenses incurred to support the overall increase in same-store sales and consisted of $16.0 million related to an increase in personnel expenses, $5.6 million related to an increase in selling and administrative expenses, and $3.6 million related to an increase in fixed expenses. SG&A expenses as a percentage of revenue remained relatively constant at 15.2% and 15.1% for the fiscal years ended September 30, 2019 and 2018, respectively.

Depreciation and Amortization

Depreciation and amortization expense increased $1.0 million, or 59.2%, to $2.7 million for the fiscal year ended September 30, 2019 compared to $1.7 million for the fiscal year ended September 30, 2018. The increase was primarily attributable to an increase in our asset base throughout the year, including the 2019 Acquisitions and the inclusion of a full year of expenses attributable to the 2018 Acquisitions of maintenance capital expenditures, equipment and leasehold improvements, and growth capital expenditures.

Gain on Settlement of Contingent Consideration

During the fiscal year ended September 30, 2019, we reduced our estimate of contingent consideration related to the Texas Marine, Grande Yachts, and USA Marine Sales, Inc. acquisitions in the amount of $1.7 million.

Operating Income

Operating income increased $9.9 million, or 22.3%, to $54.6 million for the fiscal year ended September 30, 2019 compared to $44.7 million for the fiscal year ended September 30, 2018. The increase was primarily attributable to our overall growth due to increases in same-store sales, the 2019 Acquisitions and the inclusion of a full year of financial results related to the 2018 Acquisitions.

Interest Expense – Floor Plan

Interest expense – floor plan increased $3.9 million, or 69.8%, to $9.4 million for the fiscal year ended September 30, 2019 compared to $5.5 million for the fiscal year ended September 30, 2018 and was primarily attributable to a $67.9 million increase in the outstanding borrowings on our Inventory Financing Facility as of September 30, 2019 compared to September 30, 2018 as a result of our same-store sales growth and stores acquired in the 2019 and 2018 Acquisitions.

Interest Expense – Other

The increase in interest expense – other of $2.7 million, or 71.2%, to $6.6 million for the fiscal year ended September 30, 2019 compared to $3.8 million for the fiscal year ended September 30, 2018 was primarily attributable to a $34.1 million increase in our long-term debt primarily used to fund our 2019 and 2018 Acquisitions.

Transaction Costs

The increase in transaction costs of $0.9 million, or 202.1%, to $1.3 million for the fiscal year ended September 30, 2019 compared to $0.4 million for the fiscal year ended September 30, 2018 was primarily attributable to the costs of our 2019 and 2018 Acquisitions.

Change in Fair Value of Warrant Liability

The decrease in change in fair value of warrant liability of $34.5 million, or 104.0%, to $(1.3) million for the fiscal year ended September 30, 2019 compared to $33.2 million for the fiscal year ended September 30, 2018 was primarily attributable to an overall change in the enterprise value of the Company due to our increase in sales and earnings offset by a decline in the implied value of other market participants.

Other Expense (Income)

The decrease in other expense (income) of $1.7 million, or 620.4%, to other expense of $1.4 million for the fiscal year ended September 30, 2019 compared to other income of $(0.3) million for the fiscal year ended September 30, 2018 was primarily attributable to a $1.4 million loss related to the sale and leaseback of certain operating facilities and equipment.

Net Income/(Loss)

Net income increased by $35.3 million to net income of $37.3 million for the fiscal year ended September 30, 2019 compared to net income of $1.9 for the fiscal year ended September 30, 2018. Such

increase was primarily attributable to our overall growth, the change in fair value of the warrant liability to income of $1.3 million in the fiscal year ended September 30, 2019 from expense of $33.2 million in the fiscal year ended September 30, 2018, the 2019 Acquisitions, and the inclusion of a full twelve months of financial results attributable to the 2018 Acquisitions.

Year Ended September 30, 2018, Compared to Year Ended September 30, 2017

	Years Ended September 30,					
	2018		2017			
Description	Amount	% of Revenue	Amount	% of Revenue	$	% Change
	($ in thousands)					
Revenue						
New boat sales	$ 398,586	66.1%	$ 250,298	64.0%	$ 148,288	59.2%
Pre-owned boat sales	140,931	23.4%	98,320	25.1%	42,610	43.3%
Finance & insurance income	16,623	2.8%	9,896	2.5%	6,727	68.0%
Service, parts & other	46,665	7.7%	32,969	8.4%	13,696	41.5%
Total revenue	602,805	100.0%	391,483	100.0%	211,322	54.0%
Gross Profit						
New boat gross profit	$ 76,460	12.7%	$ 46,091	11.8%	$ 30,370	65.9%
Pre-owned boat gross profit	24,473	4.1%	15,205	3.9%	9,268	61.0%
Finance & insurance gross profit	16,623	2.8%	9,896	2.5%	6,727	68.0%
Service, parts & other gross profit	20,097	3.3%	14,509	3.7%	5,588	38.5%
Gross profit	137,654	22.8%	85,701	21.9%	51,953	60.6%
Selling, general and administrative	91,297	15.1%	65,352	16.7%	25,945	39.7%
Depreciation and amortization	1,685	0.3%	1,055	0.3%	630	59.7%
Operating income (loss)	44,672	7.4%	19,294	4.9%	25,378	131.5%
Interest expense – floor plan	5,534	0.9%	2,686	0.7%	2,848	106.0%
Interest expense – other	3,836	0.6%	2,266	0.6%	1,570	69.3%
Transaction costs	438	0.1%	327	0.1%	111	33.9%
Change in fair value of warrant liability	33,187	5.5%	18,057	4.6%	15,130	83.8%
Other (income) expense	(269)	(0.0)%	217	0.0%	(486)	(224.0)%
Pretax income	1,946	0.3%	(4,259)	(1.1)%	6,205	145.7%
Income taxes	—	0.0%	—	0.0%	—	0.0%
Net income (loss)	1,946	0.3%	(4,259)	(1.1)%	6,205	145.7%
Less: Net income attributable to non-controlling interest	830	0.1%	13	0.0%	817	*
Net income (loss) attributable to OneWater LLC	$ 1,116	0.2%	$ (4,272)	(1.1)%	$ 5,388	126.1%

* Denotes that % change is such that it is not useful.

Revenue

Overall, revenue increased by $211.3 million, or 54.0%, to approximately $602.8 million for the fiscal year ended September 30, 2018 from $391.5 million for the year ended September 30, 2017. Overall revenue increased by $86.5 million as a result of our increase in same-store sales and $124.8 million from stores not eligible for inclusion in the same-store sales base. Ineligible stores consist of the 2018 Acquisitions and revenue from 2017 Acquisitions where there was no comparable revenue in the same-store sales base during fiscal year 2017. Revenue generated from same-store sales increased 22.2% for the fiscal year ended September 30, 2018 as compared to the same period for 2017, primarily due to an increase in the average selling price of new and pre-owned boats and an increase in the number of new and pre-owned boats sold. During fiscal year 2018, we acquired eight stores, as compared to four stores opened and 12 stores acquired for the same period of fiscal year 2017.

New Boat Sales

New boat sales increased by $148.3 million, or 59.2%, to approximately $398.6 million for the fiscal year ended September 30, 2018 from $250.3 million for the year ended September 30, 2017. For the fiscal year ended September 30, 2018, we sold approximately 4,400 new units compared to approximately 3,100 units for the fiscal year ended September 30, 2017, an increase partially attributable to same-store sales growth and also benefiting from the increased unit sales attributable to the full impact of the 2017 Acquisitions and the partial impact of the 2018 Acquisitions. Additionally, our average unit price increased $11,000 to approximately $91,000 for the fiscal year ended September 30, 2018 from approximately $80,000 for the fiscal year ended September 30, 2017. The increase in both units sold and average sales price was due in part to the mix of boat brands and models sold. Additionally, recent product improvements in the functionality and technology of boats has also been a driver of consumer demand for the products we sell. An overall increase in the cost of new boats resulting from these improvements, along with the availability of more optional equipment, increased our average sales price.

Pre-owned Boat Sales

Pre-owned boat sales increased by $42.6 million, or 43.3%, to approximately $140.9 million for the fiscal year ended September 30, 2018 from $98.3 million for the year ended September 30, 2017. We sell a wide range of brands and sizes of pre-owned boats under different types of sales arrangements (e.g., trade-ins, brokerage and consignment), which causes periodic and seasonal fluctuations in the average sales price. Pre-owned boat sales for fiscal year 2018 benefited from an increase in both the number of units sold (due largely to an increase in same-store sales and unit sales attributable to the full impact of the 2017 Acquisitions and the partial impact of the 2018 Acquisitions) and average sales price per unit. For the fiscal year ended September 30, 2018, we sold approximately 2,000 pre-owned units compared to approximately 1,460 pre-owned units for the fiscal year ended September 30, 2017. Additionally, our average unit price increased by $7,300 to approximately $43,800 for the fiscal year ended September 30, 2018, from approximately $36,500 for the fiscal year ended September 30, 2017. This increase in both number of pre-owned boat units sold and average pre-owned boat unit prices is partially due to an increase in brokerage sales resulting from recently acquired stores and the availability of late-model pre-owned boats traded in by customers for new boats.

Finance & Insurance Income

Revenue from arranging F&I products, including financing, insurance and extended warranty contracts, to customers through various third-party financial institutions and insurance companies increased by $6.7 million, or 68.0%, to approximately $16.6 million for the fiscal year ended September 30, 2018 from $9.9 million for the year ended September 30, 2017. This increase was the result of the increase in same-store sales, along with the additional revenue attributable to the 2018 Acquisitions and the inclusion of a full year of revenue attributable to the 2017 Acquisitions. We remain very focused on improving sales of F&I products throughout our dealer group network and implementing best practices at acquired dealer groups and existing stores. F&I products increased as a percentage of total revenue to 2.8% in the fiscal year ended September 30, 2018 from 2.5% for the fiscal year ended September 30, 2017. Since finance & insurance income is fee-based, we do not incur any related cost of sale. Finance & insurance income is recorded net of related fees, including fees charged back due to any early cancellation of loan or insurance contracts by a customer.

Service, Parts & Other Sales

Service, parts & other sales increased by $13.7 million, or 41.5%, to approximately $46.7 million for the fiscal year ended September 30, 2018 from $33.0 million for the year ended September 30, 2017. This increase in service, parts & other sales is due to ancillary sales generated from our increase in new and pre-owned boat sales and sales attributable to the 2018 Acquisitions, including increased storage and fuel sales.

Gross Profit

Overall, gross profit increased by $52.0 million, or 60.6%, to approximately $137.7 million for the fiscal year ended September 30, 2018 from $85.7 million for the year ended September 30, 2017. This increase was primarily due to our overall increase in same-store sales, primarily driven by an increase

new boat sales. The increase in gross profit was also a result of an increase in the number of stores due to the 2018 Acquisitions and the inclusion of a full year of results of the 2017 Acquisitions. Overall gross margins increased 90 basis points to 22.8% for the fiscal year ended September 30, 2018 from 21.9% in the same period of 2017 and was due to the factors noted below.

New Boat Gross Profit

New boat gross profit increased by $30.4 million, or 65.9%, to approximately $76.5 million for the fiscal year ended September 30, 2018 from $46.1 million for the year ended September 30, 2017. This increase was due to our overall increase in same-store sales and acquired stores during the year. New boat gross profit as a percentage of new boat revenue was 19.2% and 18.4% for the fiscal years ended September 30, 2018 and 2017, respectively. The increase in new boat gross profit margin is due to an increase in the average sales price of new boats as well as an increase in demand for the higher margin products we sell, as a result of the product improvements and enhancements that manufacturers offered during this period.

Pre-owned Boat Gross Profit

Pre-owned boat gross profit increased by $9.3 million, or 61.0%, to approximately $24.5 million for the fiscal year ended September 30, 2018 from $15.2 million for the year ended September 30, 2017. This increase was due to an overall increase in our same-store sales and acquired stores during the year. Pre-owned boat gross profit as a percentage of pre-owned boat revenue was 17.4% and 15.5% for the fiscal years ended September 30, 2018 and 2017, respectively. We sell a wide range of brands and sizes of pre-owned boats under different types of sales arrangements (e.g., trade-ins, brokerage, consignment and wholesale), which may cause periodic and seasonal fluctuations in pre-owned gross profit as a percentage of revenue. In the fiscal year ended September 30, 2018, we experienced a shift in product mix due in part to an increase in brokerage sales resulting from our acquired stores, which have a significantly higher gross profit margin than our gross profit margin on trade-in boats. Additionally, we made improvements in our gross profit margins on units that were sold at wholesale and units sold at consignment. These improvements to our gross profit percentage of revenue were partially offset by a decline in our gross profit percentage on boats purchased or trade-ins.

Finance & Insurance Gross Profit

Finance & insurance gross profit increased by $6.7 million, or 68.0%, to approximately $16.6 million for the fiscal year ended September 30, 2018 from $9.9 million for the year ended September 30, 2017. Finance & insurance income is fee-based revenue for which we do not recognize incremental expense.

Service, Parts & Other Gross Profit

Service, parts & other gross profit increased by $5.6 million or 38.5%, to approximately $20.1 million for the fiscal year ended September 30, 2018 from $14.5 million for the year ended September 30, 2017. Service, parts & other gross profit as a percentage of service, parts & other revenue was 43.1% and 44.0% for the fiscal years ended September 30, 2018 and 2017, respectively. This decrease in gross profit margin was the result of a 50 basis point decline in service gross profit and a decline in storage & other gross profit, partially offset by a 140 basis point increase in parts gross profits.

Selling, General & Administrative Expenses

SG&A expenses increased by $25.9 million, or 39.7%, to approximately $91.3 million for the fiscal year ended September 30, 2018 from $65.4 million for the year ended September 30, 2017. This increase was primarily due to the impact of acquisitions and expenses incurred to support the overall increase in same-store sales and consisted of $18.8 million related to an increase in personnel expenses, $4.3 million related to an increase in selling related expenses, including marketing, boat shows and delivery expenses, and $2.9 million related to an increase in fixed expenses, including rent associated with our additional retail locations. SG&A expenses as a percentage of revenue declined to 15.1% from 16.7% for the fiscal years ended September 30, 2018 and 2017, respectively. The reduction in SG&A expenses as a percentage of revenue was the result of our ability to leverage the fixed costs of our existing and acquired stores and to control variable and compensation costs as overall revenue increased.

Depreciation and Amortization

Depreciation and amortization expense increased $0.6 million, or 59.7%, to $1.7 million for the fiscal year ended September 30, 2018 compared to $1.1 million for the fiscal year ended September 30, 2017. The increase was primarily attributable to an increase in our asset base, including maintenance capital expenditures of $3.6 million for our existing and acquired stores, such as equipment and leasehold improvements, and growth capital expenditures of $6.9 million, including the two stores purchased in the fiscal year ended September 30, 2018.

Operating Income

Operating income increased $25.4 million, or 131.5%, to $44.7 million for the fiscal year ended September 30, 2018 compared to $19.3 million for the fiscal year ended September 30, 2017. The increase was primarily attributable to our overall growth due to increases in same-stores sales, the 2018 Acquisitions and the inclusion of a full year of financial results related to the 2017 Acquisitions.

Interest Expense – Floor Plan

Interest expense – floor plan increased $2.8 million, or 106.0%, to $5.5 million for the fiscal year ended September 30, 2018 compared to $2.7 million for the fiscal year ended September 30, 2017 and was primarily attributable to an increase in the variable rate on our Inventory Financing Facility (as defined herein) and a $59.5 million increase in average borrowings to support our same-store sales growth and stores acquired in the 2018 and 2017 Acquisitions.

Interest Expense – Other

The increase in interest expense – other of $1.6 million, or 69.3%, to $3.8 million for the fiscal year ended September 30, 2018 compared to $2.3 million for the fiscal year ended September 30, 2017 was primarily attributable to a $15.0 million increase in our outstanding borrowings on the GS/BIP Credit Facility associated with our 2018 and 2017 Acquisitions.

Transaction Costs

The increase in transaction costs of $0.1 million, or 33.9%, to $0.4 million for the fiscal year ended September 30, 2018 compared to $0.3 million for the fiscal year ended September 30, 2017 was primarily attributable to the costs of our 2018 and 2017 Acquisitions.

Change in Fair Value of Warrant Liability

The increase in change in fair value of warrant liability of $15.1 million, or 83.8%, to $33.2 million for the fiscal year ended September 30, 2018 compared to $18.1 million for the fiscal year ended September 30, 2017 was primarily attributable to an overall increase in the enterprise value of the Company due to our significant increase in sales and earnings.

Other (Income) Expense

The increase in other (income) expense of $0.5 million, or 224.0%, to other income of $0.3 million for the fiscal year ended September 30, 2018 compared to other expense of $0.2 million for the fiscal year ended September 30, 2017 was primarily attributable to insurance proceeds related to hurricane-related claims received during fiscal 2018.

Net Income/(Loss)

The increase in net income of $6.2 million, or 145.7%, to $1.9 million for the fiscal year ended September 30, 2018 compared to a net loss of $4.3 million for the fiscal year ended September 30, 2017 was primarily attributable to our overall growth due to the 22.2% increase in same-store sales, the 2018 Acquisitions, and the inclusion of a full year of financial results attributable to the 2017 Acquisitions. The increase was also attributable to our overall ability to control expenses in light of the significant increase in sales. These amounts were partially offset by the increase in the fair value of the warrant liability.

Comparison of Non-GAAP Financial Measure

We view Adjusted EBITDA as an important indicator of performance. We define Adjusted EBITDA as net income (loss) before interest expense – other, income taxes, depreciation and amortization and other (income) expense, further adjusted to eliminate the effects of items such as the change in the fair value of warrants and transaction costs.

Our board of directors, management team and lenders use Adjusted EBITDA to assess our financial performance because it allows them to compare our operating performance on a consistent basis across periods by removing the effects of our capital structure (such as varying levels of interest expense), asset base (such as depreciation and amortization) and other items (such as the fair value adjustment of the warrants and transaction costs) that impact the comparability of financial results from period to period. We present Adjusted EBITDA because we believe it provides useful information regarding the factors and trends affecting our business in addition to measures calculated under GAAP. Adjusted EBITDA is not a financial measure presented in accordance with GAAP. We believe that the presentation of this non-GAAP financial measure will provide useful information to investors and analysts in assessing our financial performance and results of operations across reporting periods by excluding items we do not believe are indicative of our core operating performance. Net income (loss) is the GAAP measure most directly comparable to Adjusted EBITDA. Our non-GAAP financial measure should not be considered as an alternative to the most directly comparable GAAP financial measure. You are encouraged to evaluate each of these adjustments and the reasons we consider them appropriate for supplemental analysis. In evaluating Adjusted EBITDA, you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in such presentation. Our presentation of Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. There can be no assurance that we will not modify the presentation of Adjusted EBITDA in the future, and any such modification may be material. Adjusted EBITDA has important limitations as an analytical tool and you should not consider Adjusted EBITDA in isolation or as a substitute for analysis of our results as reported under GAAP. Because Adjusted EBITDA may be defined differently by other companies in our industry, our definition of this non-GAAP financial measure may not be comparable to similarly titled measures of other companies, thereby diminishing its utility.

The following tables present a reconciliation of Adjusted EBITDA to our net income (loss), which is the most directly comparable GAAP measure for the periods presented.

Year Ended September 30, 2019, Compared to Year Ended September 30, 2018

Description	Year Ended September 30, 2019	2018	Change
	($ in thousands)		
Net income (loss)	$ 37,263	$ 1,946	$ 35,317
Interest expense – other	6,568	3,836	2,732
Income taxes	—	—	—
Depreciation and amortization	2,682	1,685	997
Change in fair value of warrant(1)	(1,336)	33,187	(34,523)
Gain on settlement of contingent consideration	(1,674)	—	(1,674)
Transactional costs(2)	1,323	438	885
Other expense (income)	1,402	(269)	1,671
Adjusted EBITDA	$ 46,228	$ 40,823	$ 5,405

(1) Represents the non-cash expense recognized during the period for the change in the fair value of the LLC Warrants held by Goldman and Beekman, which are accounted for as liabilities on our balance sheet.

(2) Consists of transaction costs related to the 2019 Acquisitions and 2018 Acquisitions.

Adjusted EBITDA was $46.2 million for the fiscal year ended September 30, 2019 compared to $40.8 million for the fiscal year ended September 30, 2018. The increase in Adjusted EBITDA resulted from our 11.8% increase in same-store sales growth during the fiscal year ended September 30, 2019,

combined with the results of the 2019 Acquisitions and the inclusion of the financial results of the 2018 Acquisitions for the full twelve month period. This increase in Adjusted EBITDA as a result of increased sales was partially offset by a reduction in our gross profit percentage.

Year Ended September 30, 2018, Compared to Year Ended September 30, 2017

Description	Years Ended September 30, 2018	2017	Change
		($ in thousands)	
Net income (loss)	$ 1,946	$ (4,259)	$ 6,205
Interest expense – other	3,836	2,266	1,570
Income taxes	—	—	—
Depreciation and amortization	1,685	1,055	630
Change in fair value of warrant(1)	33,187	18,057	15,130
Transaction costs(2)	438	327	110
Other (income) expense(3)	(269)	217	485
Adjusted EBITDA	$ 40,823	$ 17,663	$ 23,160

(1) Represents the non-cash expense recognized during the period for the change in the fair value of the LLC Warrants held by Goldman and Beekman, which are accounted for as liabilities on our balance sheet.

(2) Consists of transaction costs related to the 2018 Acquisitions and 2017 Acquisitions.

(3) Other (income) expense was primarily attributable to insurance proceeds received from hurricane-related claims during fiscal year 2018.

Adjusted EBITDA was $40.8 million for the fiscal year ended September 30, 2018 compared to $17.7 million for the fiscal year ended September 30, 2017. The increase in Adjusted EBITDA resulted from our 22.2% same-store sales growth for the fiscal year ended September 30, 2018 and the effects of our 2018 Acquisitions and the inclusion of a full year of financial results attributable to the 2017 Acquisitions. Additionally, Adjusted EBITDA was also positively impacted by improvements in our gross profit as a percentage of revenue and a reduction in our SG&A expenses as a percentage of revenue.

Seasonality

Our business, along with the entire recreational boating industry, is highly seasonal, and such seasonality varies by geographic market. 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 stores 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 typically allows us to reduce our inventory levels and related floor plan borrowings throughout the remainder of the fiscal year. The impact of seasonality on our results of operations could be materially impacted based on the location of our acquisitions. For example, our operations could be substantially more seasonal if we acquire dealer groups that operate in colder regions of the United States. Our business is also subject to weather patterns, which may adversely affect our results of operations. For example, prolonged winter conditions, reduced rainfall levels or excessive rain, may limit access to boating locations or render boating dangerous or inconvenient, thereby curtailing customer demand for our products and services. In addition, unseasonably cool weather and prolonged winter conditions may lead to a shorter selling season in certain locations. Hurricanes and other storms could result in disruptions of our operations or damage to our boat inventories and facilities, as has been the case when Florida and other markets were affected by hurricanes. We believe our geographic diversity is likely to reduce the overall impact to us of adverse weather conditions in any one market area. For more information, see “Risk Factors—Our business, as well as the entire recreational boating industry, is highly seasonal, with seasonality varying in different geographic markets” and “Business—Seasonality.”

Liquidity and Capital Resources

Overview

Upon completion of this offering, we will be a holding company with no operations and will be the sole managing member of OneWater LLC. Upon completion of this offering and the application of proceeds therefrom, our principal asset will consist of common units of OneWater LLC. Our earnings and cash flows and ability to meet our obligations under the Term and Revolver Credit Facility, which we expect to enter into concurrent with this offering, and any other debt obligations will depend on the cash flows resulting from the operations of our operating subsidiaries, and the payment of distributions by such subsidiaries. Our existing GS/BIP Credit Facility and our existing Inventory Financing Facility (described below) contain certain restrictions on distributions or transfers from our operating subsidiaries to their members or unitholders, as applicable, as described in the summaries below under "—Debt Agreements—GS/BIP Credit Facility " and "—Inventory Financing Facility." We expect restrictions on dividends and distributions contained in the Term and Revolver Credit Facility to be substantially similar to those currently contained in the GS/BIP Credit Facility. Accordingly, the operating results of our subsidiaries may not be sufficient for them to make distributions to us. As a result, our ability to make payments under the Term and Revolver Credit Facility and any other debt obligations or to declare dividends could be limited.

Our cash needs are primarily for growth through acquisitions and working capital to support our retail operations, including new and pre-owned boat and related parts inventories and off-season liquidity. We routinely monitor our cash flow to determine the amount of cash available to complete acquisitions of dealer groups and stores. We monitor our inventories, inventory aging and current market trends to determine our current and future inventory and related floorplan financing needs. Based on current facts and circumstances, we believe we will have adequate cash flow, coupled with available borrowing capacity, to fund our current operations, capital expenditures and acquisitions for the next twelve months.

Cash needs for acquisitions have historically been financed with our GS/BIP Credit Facility and cash generated from operations. Our ability to utilize the GS/BIP Credit Facility to fund operations depends upon Adjusted EBITDA and compliance with covenants of the GS/BIP Credit Facility. We expect to continue to be subject to financial covenants under the Term and Revolver Credit Facility. Cash needs for inventory have historically been financed with our Inventory Financing Facility. Our ability to fund inventory purchases and operations depends on the collateral levels and our compliance with the covenants of the Inventory Financing Facility. As of September 30, 2019, we were in compliance with all covenants under the GS/BIP Credit Facility and the Inventory Financing Facility.

Cash Flows

Analysis of Cash Flow Changes Between the Years Ended September 30, 2019 and 2018

The following table summarizes our cash flows for the periods indicated:

	Year Ended September 30,		
Description	**2019**	**2018**	**Change**
		($ in thousands)	
Net cash used in operating activities	$ (5,698)	$ (4,654)	$ (1,044)
Net cash used in investing activities	(10,998)	(23,920)	12,922
Net cash provided by financing activities	12,458	34,257	(21,799)
Net change in cash	$ (4,238)	$ 5,683	$ (9,921)

Operating Activities. Net cash used in operating activities was $5.7 million for the fiscal year ended September 30, 2019 compared to $4.7 million for the fiscal year ended September 30, 2018. The $1.0 million increase in cash used in operating activities was primarily attributable to a $39.0 million increase in inventory and a $5.6 million increase in prepaid and other current assets. These amounts were partially offset by the net income for the period and a non-cash gain on settlement of contingent consideration.

Investing Activities. Net cash used in investing activities was $11.0 million for the fiscal year ended September 30, 2019 compared to $23.9 million for the fiscal year ended September 30, 2018. The $12.9 million decrease in net cash used in investing activities was primarily attributable to $19.4 million in cash used in acquisitions and $7.3 million in purchases of property and equipment and construction in progress. These amounts were partially offset by an increase in proceeds from the sale and leaseback transactions in the fiscal year ended September 30, 2019 versus the fiscal year ended September 30, 2018.

Financing Activities. Net cash provided by financing activities was $12.5 million for the fiscal year ended September 30, 2019 compared to $34.3 million for the fiscal year ended September 30, 2018. The $21.8 million decrease in cash provided by financing activities was primarily attributable to payments on long-term debt and distributions to members, partially offset by net borrowings on our Inventory Financing Facility.

Analysis of Cash Flow Changes Between the Year Ended September 30, 2018 and 2017

The following table summarizes our cash flows for the periods indicated:

Description	Year Ended September 30, 2018	2017	Change
		(in thousands)	
Net cash provided by (used in) operating activities	$ (4,654)	$ 6,514	$ (11,168)
Net cash used in investing activities	(23,920)	(23,304)	(616)
Net cash provided by financing activities	34,257	16,993	17,264
Net change in cash	$ 5,683	$ 203	$ 5,480

Operating Activities. Net cash used in operating activities was $4.7 million for the fiscal year ended September 30, 2018 compared to net cash provided by operating activities of $6.5 million for the fiscal year ended September 30, 2017. The $11.2 million reduction in cash from operating activities was primarily attributable to a $39.9 million increase in inventory, partially offset by an increase in net income and the non-cash change in fair value of the LLC Warrants.

Investing Activities. Net cash used in investing activities was $23.9 million for the fiscal year ended September 30, 2018 compared to $23.3 million for the fiscal year ended September 30, 2017. The $0.6 million increase in net cash used in investing activities was primarily attributable to an increase in cash used for purchases of property, partially offset by a reduction in the cash used in acquisitions. For the fiscal years ended September 30, 2018 and 2017, maintenance capital expenditures were $3.2 million and $2.6 million, respectively, and growth capital expenditures were $6.9 million and $1.5 million, respectively. Maintenance capital expenditures are approximately 0.5% of revenue annually and growth capital expenditures are less predictable, as these include purchases of dealer groups and stores, large leasehold improvement and select large equipment purchases.

Financing Activities. Net cash provided by financing activities was $34.3 million for the fiscal year ended September 30, 2018 compared to $17.0 million for the fiscal year ended September 30, 2017. The $17.3 million increase in cash provided by financing activities was primarily attributable to net borrowings on our Inventory Financing Facility, partially offset by a reduction in payments on long-term debt and distributions to members.

Debt Agreements

GS/BIP Credit Facility

On October 28, 2016, OneWater LLC and certain of our subsidiaries entered into the GS/BIP Credit Facility. The current GS/BIP Credit Facility consists of an up to $60.0 million multi-draw term loan facility and a $5.0 million revolving line of credit. The GS/BIP Credit Facility matures on October 28, 2021. Payment under each term loan is due in installments commencing on December 31, 2019. As of September 30, 2019, we had $58.0 million outstanding under the multi-draw term loan and no amount outstanding under the revolving line of credit. As of September 30, 2018, we had $28.6 million outstanding under the multi-draw term loan and no amount outstanding under the revolving line of credit.

All amounts owed are guaranteed by us and certain of our subsidiaries. The multi-draw term loan may be used to fund certain Permitted Acquisitions (as defined in the GS/BIP Credit Facility), and the revolving line of credit may be used for working capital and general corporate matters.

The annual interest rate on the GS/BIP Credit Facility is equal to (i) the Applicable Cash Rate (as defined in the GS/BIP Credit Facility), which is payable in cash, plus (ii) the Applicable PIK Rate (as defined in the GS/BIP Credit Facility), which is payable in kind by increasing the principal amount of the underlying loan, which rates are set forth below. Additionally, we pay a commitment fee calculated based on the unused amount under the multi-draw term loan facility and revolving line of credit, times 0.50% per annum.

Time Period	Applicable Cash Rate	Applicable PIK Rate
October 28, 2016 through October 31, 2018	0.00%	10.00%
November 1, 2018 through October 31, 2019	4.00%	6.00%
November 1, 2019 through October 31, 2020	6.00%	4.00%
November 1, 2020 through the maturity date and thereafter	8.00%	2.00%

We are required to comply with certain financial and non-financial covenants under the GS/BIP Credit Facility, including maintaining a Fixed Charge Coverage Ratio (as defined in the GS/BIP Credit Facility) of 1.25 to 1.00 for each fiscal quarter. We are also subject to additional restrictions to maintain a maximum Senior Leverage Ratio (as defined in the GS/BIP Credit Facility) of 1.50 to 1.00 for the fiscal quarters ending during the period between October 1, 2019 and September 30, 2020; and 1.25 to 1.00 for fiscal quarters ending after September 30, 2020, and a Total Leverage Ratio (as defined in the GS/BIP Credit Facility) of no more than 2.00 to 1.00 for the fiscal quarters ending during the period between October 1, 2019 and September 30, 2020; and 1.75 to 1.00 for fiscal quarters after September 30, 2020. We must also maintain Consolidated Liquidity (as defined in the GS/BIP Credit Facility) of at least $1.0 million at all times. Further, until amounts under the GS/BIP Credit Facility are repaid in full, we may not, subject to certain exceptions, (i) incur any additional debt, (ii) permit liens on our property, assets or revenues, (iii) make certain investments, (iv) engage in certain fundamental changes and dispositions of assets, (v) amend our organizational documents or certain of our material contracts, (vi) enter into certain transactions with our stockholders or affiliates, and (vii) prepay certain other indebtedness. OneWater LLC and its subsidiaries are generally restricted from making cash dividends or distributions on shares or units of their outstanding capital stock (other than a dividend payable solely in shares of such capital stock), except that, so long as no default has occurred, certain subsidiaries of OneWater LLC may make intercompany distributions to certain other subsidiaries of OneWater LLC, and Opco may make distributions to OneWater LLC as necessary (i) to permit OneWater LLC to pay administrative costs and expenses (such distributions not to exceed $200,000 in any trailing twelve month period), (ii) for certain permitted tax payments or (iii) to make scheduled payments of accrued interest and principal on certain subordinated debt (subject to certain restrictions). OneWater LLC may also make distributions to the OneWater Unit Holders to the extent necessary for certain permitted tax payments. Additionally, OneWater LLC's subsidiaries are generally restricted from making loans or advances to OneWater LLC subject to a general investments basket of $100,000 in the aggregate.

We may, subject to certain restrictions, voluntarily prepay certain amounts due under the GS/BIP Credit Facility. Unless otherwise waived by each of the lenders thereto, we are also subject to mandatory prepayment (in whole or in part) upon the occurrence of certain events and transactions, including, among other things, certain issuances of equity and debt securities. Upon the issuance of equity securities by us or any of our subsidiaries, other than (i) equity securities issued pursuant to any employee stock or stock option compensation plan, (ii) equity securities issued by and between us and certain of our subsidiaries, and (iii) any issuance for purposes approved in writing by the administrative agent and certain lenders, we will repay all amounts outstanding pursuant to the GS/BIP Credit Facility, and such amounts available to us will be permanently reduced, in an aggregate amount equal to the net proceeds.

An event of default under the GS/BIP Credit Facility includes, among other events, (i) failure to pay principal or interest when due, (ii) breaches of certain covenants, (iii) defaults under certain other credit agreements, and (iv) an institution of bankruptcy, reorganization, liquidation or receivership. As of September 30, 2019, we were in compliance with all of the covenants under the GS/BIP Credit Facility.

In connection with this offering, we expect to enter into a Commitment Letter (the "Term and Revolver Commitment Letter") with Goldman Sachs Specialty Lending Group, L.P. with respect to a proposed refinancing of the GS/BIP Credit Facility (the "Term and Revolver Credit Facility"). We intend for the Term and Revolver Credit Facility to become effective concurrent with the closing of this offering, which would, among other things, (i) extend the maturity date to the date that is five years after entry into such facility, (ii) increase the aggregate credit facilities to consist of a $100.0 million senior secured multi-draw term loan facility, a $10.0 million senior secured revolving credit facility and an uncommitted and discretionary multi-draw term loan accordion feature of up to $20.0 million, (iii) permit the transactions contemplated by this offering and (iv) permit pro rata cash distributions to the 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, subject to conditions to be agreed upon. We expect to use a portion of the proceeds from the Term and Revolver Credit Facility to redeem outstanding Opco Preferred Units, after application of the proceeds from this offering as described under "Use of Proceeds" and elsewhere in this prospectus.

We expect that the Term and Revolver Credit Facility will bear interest at a rate that is generally lower than the current rate under the GS/BIP Credit Facility, and that is equal to, at our option, (i) LIBOR for such interest period (subject to a 1.50% floor) plus an applicable margin of up to 7.00%, subject to step-downs to be determined based on certain financial leverage ratio measures, or (ii) a base rate (subject to a 4.50% floor) plus an applicable margin of up to 6.00%, subject to step-downs to be determined based on certain financial leverage ratio measures. We expect the interest to be payable monthly for base rate borrowings and up to quarterly for LIBOR borrowings. Furthermore, we anticipate that for the twelve month period following entry into the Term and Revolver Credit Facility, we may elect to repay borrowings in kind, subject to a 2.00% premium on the interest rate for such amounts repayable in kind. We expect the Term and Revolver Credit Facility to be subject to certain conditions, including the consummation of this offering, maintenance of certain financial covenants related to minimum fixed charge coverage, maximum senior leverage ratio, minimum availability/liquidity at all times and maximum total leverage ratio of 3.00 to 1.00 (decreasing over time), entry into a pledge agreement with OneWater Inc. for all of the equity interests it holds in OneWater LLC, and certain other transactions contemplated in connection with this offering. We expect the Term and Revolver Commitment Letter to also provide for, among other things, certain exclusivity terms. Except as noted herein and subject to documentation principles and other changes as may mutually be agreed, we currently expect prepayment terms, collateral, covenants, events of defaults and restrictions on dividends and distributions contained in the Term and Revolver Credit Facility to be substantially similar to those currently contained in the GS/BIP Credit Facility.

For additional information relating to the GS/BIP Credit Facility and the Term and Revolver Credit Facility, see "Certain Relationships and Related Party Transactions—Historical Transactions with Affiliates—GS/BIP Credit Facility."

Inventory Financing Facility

On June 14, 2018, OneWater LLC and certain of our subsidiaries entered into the Fourth Amended and Restated Inventory Financing Agreement with Wells Fargo Commercial Distribution Finance, LLC and various lender parties thereto (as subsequently amended and restated, the "Inventory Financing Facility" and, together with the GS/BIP Credit Facility, the "Credit Facilities"). On September 21, 2018, OneWater LLC and certain of our subsidiaries entered into the First Amendment to the Fourth Amended and Restated Inventory Financing Agreement which, among other things, increased the maximum amount of borrowing available under the Inventory Financing Facility from $200.0 million to $275.0 million. On April 5, 2019, OneWater LLC and certain of its subsidiaries further amended the Inventory Financing Facility to, among other things, increase the maximum amount of borrowing available under the Inventory

Financing Facility from $275.0 million to $292.5 million. On November 26, 2019, OneWater LLC and certain of its subsidiaries further amended the Inventory Financing Facility to, among other things, increase the maximum amount of borrowing available under the Inventory Financing Facility to $392.5 million.

The interest rate for amounts outstanding under the Inventory Financing Facility is calculated using the one month LIBOR plus an applicable margin of 2.75% to 5.00% for new boats and at the new boat rate plus 0.25% for pre-owned boats. Loans will be extended from time to time to enable us to purchase inventory from certain manufacturers and to lease certain boats and related parts to customers. The applicable financial terms, curtailment schedule and maturity for each loan will be set forth in separate program terms letters entered into from time to time. The collateral for the Inventory Financing Facility consists primarily of our inventory that is financed through the Inventory Financing Facility and related assets, including accounts receivable, bank accounts, and proceeds of the foregoing, and excludes the collateral that underlies the GS/BIP Credit Facility.

OneWater LLC and certain of our subsidiaries are required to comply with certain financial and non-financial covenants under the Inventory Financing Facility, including provisions that the Funded Debt to EBITDA Ratio (as defined in the Inventory Financing Facility) of OneWater LLC must not exceed 2.00 to 1.00, and that our Fixed Charge Coverage Ratio (as defined in the Inventory Financing Facility) on a consolidated basis must be at least 1.50 to 1.00. We are also subject to additional restrictive covenants, including restrictions on our ability to (i) use, sell, rent or otherwise dispose of any collateral underlying the Inventory Financing Facility except for the sale of inventory in the ordinary course of business, (ii) incur certain liens, (iii) engage in any material transaction not in the ordinary course of business, (iv) change our business in any material manner or our organizational structure, other than as otherwise provided for in the Inventory Financing Facility, (v) engage in certain mergers or consolidations, (vi) acquire certain assets or ownership interest of any other person or entities, except for certain permitted acquisitions, (vii) guarantee or indemnify or otherwise become in any way liable with respect to certain obligations of any other person or entity, except as provided by the Inventory Financing Facility, (viii) redeem, retire, purchase or otherwise acquire, directly or indirectly, any of the equity of our acquired dealer groups, (ix) make any change in any of our dealer groups' capital structure or in any of its business objectives or operations which might in any way adversely affect the ability of such dealer group to repay its obligations under the Inventory Financing Facility, (x) incur, create, assume, guarantee or otherwise become or remain liable with respect to certain indebtedness, and (xi) make certain payments of subordinated debt. OneWater LLC and its subsidiaries are generally restricted from making cash dividends or distributions, except for certain dividends or distributions to OneWater LLC's members made during specified time frames and in an amount not to exceed 50% of OneWater LLC's consolidated net cash flow after taxes for the preceding fiscal year, provided that such dividend or distribution would not result in a default under the Inventory Financing Facility. Additionally, among other exceptions, OneWater LLC may make distributions to its members for certain permitted tax payments subject to certain financial ratios, payments in connection with the exercise of the LLC Warrants and the interest payments on the Opco Preferred Units, and may make scheduled payments on certain subordinated debt. OneWater LLC's subsidiaries are generally restricted from making loans or advances to OneWater LLC. At or shortly after the closing of this offering, we expect to further amend the Inventory Financing Facility to ensure that OneWater LLC will be permitted to make pro rata cash distributions to the 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 expect the restrictions on dividends and distributions contained in the new facility to be otherwise substantially consistent with the Inventory Financing Facility. Our Chief Executive Officer, Austin Singleton, and our Chief Operating Officer, Anthony Aisquith, provide certain personal guarantees of the Inventory Financing Facility as described in "Certain Relationships and Related Party Transactions—Historical Transactions with Affiliates—Personal Guarantees Under the Inventory Financing Facility."

As of September 30, 2019 and 2018, our indebtedness associated with financing our inventory under the Inventory Financing Facility totaled approximately $225.4 million and $157.5 million, respectively. Certain of our manufacturers enter into independent agreements with the lenders to the Inventory Financing Facility, which results in a lower effective interest rate charged to us for borrowings related to the products by such manufacturer. As of September 30, 2019 and 2018, the effective interest rate on the

outstanding short-term borrowings under the Inventory Financing Facility was approximately 4.1% and 3.8%, respectively. As of September 30, 2019 and 2018, our additional available borrowings under our Inventory Financing Facility were approximately $67.1 million and $117.5 million, respectively, based upon the outstanding borrowings and the maximum facility amount. The aging of our inventory limits our borrowing capacity as defined curtailments reduce the allowable advance rate as our inventory ages.

Opco Preferred Units

On October 28, 2016, Goldman and Beekman entered into a Subscription Agreement with us and certain of our subsidiaries, pursuant to which Goldman and Beekman purchased Opco Preferred Units.

Goldman and Beekman purchased 45,000 and 23,000 Opco Preferred Units, representing 66.2% and 33.8% of the total Opco Preferred Units outstanding for purchase prices of approximately $44.4 million and $22.7 million, respectively. The Opco Preferred Holders are entitled to (i) a "preferred return" at a rate of 10% per annum, compounded quarterly, on (a) the aggregate amount of capital contributions made, minus any prior distributions (the "unreturned preferred amount"), plus (b) any unpaid preferred returns for prior periods, and (ii) a "preferred target distribution" at a rate of 10% per annum on the unreturned preferred amount multiplied by (a) 40% for the calendar quarters ending March 31, 2019, June 30, 2019 and September 30, 2019, (b) 60% for each calendar quarters ending December 31, 2019, March 31, 2020, June 30, 2020 and September 30, 2020, and (c) 80% for each calendar quarter thereafter. The preferred target distribution proportionally adjusts the amount of capital contribution of each Opco Preferred Holder. Opco and certain affiliates are required to meet certain financial covenants, including maintenance of certain leverage ratios. Failure by Opco to pay the preferred return and preferred target distribution, failure to meet certain financial covenants, or repayment in full or acceleration of the obligations under the GS/BIP Credit Facility will permit a majority of the Opco Preferred Holders to require us to purchase all Opco Preferred Units equal to the unreturned preferred amount plus any unpaid preferred returns (the "redemption amount"). As of September 30, 2019 and December 1, 2019, the redemption amount of the Opco Preferred Units held by Goldman and Beekman in the aggregate was $86.0 million and $87.6 million, respectively.

We intend to use the net proceeds from this offering, together with cash on hand and borrowings under the Term and Revolver Credit Facility, to redeem all of the shares of Opco Preferred Units held by Goldman and Beekman. For additional information relating to the Opco Preferred Units, see "Use of Proceeds" and "Certain Relationships and Related Party Transactions—Opco Preferred Units."

Notes Payable

Acquisition Notes Payable. In connection with certain of our acquisitions of dealer groups, we have entered into notes payable with the acquired entities to finance these acquisitions. As of September 30, 2019, our indebtedness associated with our 10 acquisition notes payable totaled an aggregate of $16.6 million with a weighted average interest rate of 5.7% per annum. As of September 30, 2019, the principal amount outstanding under these acquisition notes payable ranged from $0.8 million to $3.1 million, and the maturity dates ranged from November 1, 2019 to February 1, 2022.

Commercial Vehicles Notes Payable. Since 2015, we have entered into multiple notes payable with various commercial lenders in connection with our acquisition of certain vehicles utilized in our retail operations. Such notes bear interest ranging from 0.0% to 8.9% per annum, require monthly payments of approximately $67,000, and mature on dates between March 2020 to July 2025. As of September 30, 2019, we had $2.4 million outstanding under the commercial vehicles notes payable.

Contractual Obligations

The table below provides estimates of the timing of future payments that we are contractually obligated to make based on agreements in place at September 30, 2019.

	Payments Due by Period				
	Less than 1 year	1 – 3 years	4 – 5 years	More than 5 years	Total
			(in thousands)		
GS/BIP Credit Facility[1]	$ 2,900	$ 55,100	$ —	$ —	$ 58,000
Inventory Financing Facility[2]	225,377	—	—	—	225,377
Notes Payable[3]	8,224	10,180	514	8	18,926
Estimated interest payments[4]	6,855	11,631	34	—	18,520
Operating lease obligations[5]	10,261	18,206	16,790	55,793	101,050
Total	$ 253,617	$ 95,117	$ 17,338	$ 55,801	$ 421,873

(1) Payments are generally made as required pursuant to the GS/BIP Credit Facility discussed above under "—Debt Agreements—GS/BIP Credit Facility."

(2) Payments are generally made as required pursuant to the Inventory Financing Facility discussed above under "—Debt Agreements—Inventory Financing Facility."

(3) Includes notes payable entered into in connection with certain of our acquisitions of dealer groups and notes payable entered into with various commercial lenders in connection with our acquisition of certain vehicles. Payments are generally made as required pursuant to the Inventory Financing Facility discussed above under "—Debt Agreements—Notes Payable."

(4) Estimated interest payments based on the outstanding principal and stated interest rates on the outstanding notes payable.

(5) Includes certain physical facilities and equipment that we lease under noncancelable operating leases.

Tax Receivable Agreement

The Tax Receivable Agreement generally provides for the payment by OneWater Inc. to certain of the OneWater Unit Holders of 85% of the net cash savings, if any, in U.S. federal, state and local income tax and franchise tax (computed using the estimated impact of state and local taxes) that OneWater Inc. actually realizes (or is deemed to realize in certain circumstances) in periods after this offering as a result of certain tax basis increases and certain tax benefits attributable to imputed interest. OneWater Inc. will retain the benefit of the remaining 15% of these net cash savings. See "Risk Factors—Risks Related to this Offering and Our Class A Common Stock" and "Certain Relationships and Related Party Transactions—Tax Receivable Agreement." To the extent OneWater LLC has available cash and subject to the terms of any current or future debt or other agreements, the OneWater LLC Agreement will require 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. However, except in cases where OneWater Inc. elects to terminate the Tax Receivable Agreement early, the Tax Receivable Agreement is terminated early due to certain mergers or other changes of control or OneWater Inc. has available cash but fails to make payments when due, generally OneWater Inc. may elect to defer payments due under the Tax Receivable Agreement if it does not have available cash to satisfy its payment obligations under the Tax Receivable Agreement or if its contractual obligations limit its ability to make these payments. Any such deferred payments under the Tax Receivable Agreement generally will accrue interest. 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. In the case of such an acceleration, 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. OneWater Inc. intends to account for any amounts payable under the Tax Receivable Agreement in accordance with ASC Topic 450, Contingent Consideration. For further discussion regarding the potential acceleration of payments under the Tax Receivable Agreement and its potential impact, please read "Risk Factors—Risks Related to this Offering and Our Class A Common Stock." For additional information regarding the Tax Receivable Agreement, see "Certain Relationships and Related Party Transactions—Tax Receivable Agreement."

Quantitative and Qualitative Disclosure about Market Risk

Interest Rate Risk

Our Inventory Financing Facility exposes us to risks caused by fluctuations in interest rates. The interest rate on our Inventory Financing Facility for new boats is calculated using the one-month LIBOR rate plus an applicable margin. Based on an outstanding balance of $225.4 million as of September 30, 2019, a change of 100 basis points in the underlying interest rate would have caused a change in interest expense of approximately $2.3 million. We do not currently hedge our interest rate exposure. This hypothetical increase does not take into account a corresponding increase to the programs that we may receive from our manufacturers or management's ability to curtail inventory and related floor plan balances, both of which would reduce the impact of the interest rate increase.

Foreign Currency Risk

We purchase certain of our new boat and parts inventories from foreign manufacturers. Although we purchase our inventories in U.S. dollars, our business is subject to foreign exchange rate risk that may influence manufacturers' ability to provide their products at competitive prices in the United States. To the extent that we cannot recapture this volatility in prices charged to customers or if this volatility negatively impacts consumer demand for our products, this volatility could adversely affect our future operating results.

Recent Accounting Pronouncements

As an "emerging growth company" ("EGC"), the Jumpstart Our Business Startups Act ("JOBS Act") allows us to delay adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are made applicable to private companies. We have elected to use this extended transition period under the JOBS Act. The adoption dates discussed below reflect this election.

In May 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers (Topic 606)" ("ASU 2014-09"), as subsequently amended, a converged standard on revenue recognition. The new pronouncement requires revenue recognition to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance also specifies the accounting for some costs to obtain or fulfil a contract with a customer, as well as enhanced disclosure requirements. ASU 2014-09 is effective for a public company's annual reporting periods beginning after December 15, 2017. As an EGC, we have elected to adopt ASU 2014-09 following the effective dates for private companies beginning with annual reporting periods beginning after December 15, 2018, and interim reporting periods within annual reporting periods beginning after December 15, 2019. We plan to adopt ASU 2014-09 in fiscal year 2020. The adoption of this standard will not cause a significant change to our current accounting policies or internal control over financial reporting for revenue recognition on boat, motor, and trailer sales, brokerage commissions, slip and storage services, and fee income generated from finance and insurance products. However, the timing of revenue recognition for certain parts and service operations will be accelerated, as we have determined these performance obligations are satisfied over time under the new standard. We will adopt the standard using the modified retrospective approach applied only to contracts not completed as of the date of adoption, with no restatement of comparative periods. The adoption of this standard will not have a material impact on our consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)" ("ASU 2016-02"). This update requires organizations to recognize lease assets and lease liabilities on the balance sheet and discloses key information about leasing arrangements. ASU 2016-02 is effective for a public company's annual reporting periods beginning on or after December 15, 2018, and interim periods within those annual periods. As an EGC, we have elected to adopt ASU 2016-02 following the effective dates for private companies beginning with annual reporting periods beginning after December 15, 2020 and interim periods within fiscal years beginning after December 15, 2021. Earlier application is permitted. We are currently in the process of evaluating the effects of this pronouncement on our consolidated financial statements, related disclosures and internal controls over financial reporting. We plan to adopt ASU 2016-02 in fiscal year 2022 and expect the adoption of ASU 2016-02 to have a significant and material impact on the consolidated balance sheet given the current lease agreements for our stores. Based on the current assessment, we expect that most of the

operating lease commitments will be subject to the new guidance and recognized as operating lease liabilities and right-of use assets upon adoption, resulting in a material increase in the assets and liabilities recorded on the consolidated balance sheet. We are continuing our assessment, which may identify additional impacts this standard will have on the consolidated financial statements and related disclosures and internal control over financial reporting.

In March 2016, the FASB issued ASU 2016-09, “Compensation – Stock Compensation (Topic 718)” (“ASU 2016-09”). This update is part of the FASB’s Simplification Initiative. The objective of the Simplification Initiative is to identify, evaluate, and improve areas of generally accepted accounting principles (GAAP) for which cost and complexity can be reduced while maintaining or improving the usefulness of the information provided to users of financial statements. This guidance is effective for public companies prospectively for fiscal years beginning after December 15, 2017, with early adoption permitted for interim or annual periods. As an EGC, we have elected to early adopt ASU 2016-09, reflecting the adoption for all periods presented.

In August 2016, the FASB issued ASU 2016-15, “Statement of Cash Flows (Topic 230)” (“ASU 2016-15”). Additionally, in November 2016, the FASB issued ASU 2016-18, “Statement of Cash Flows (Topic 230)” (“ASU 2016-18”). These updates require organizations to reclassify certain cash receipts and cash payments within the Statement of Cash Flows and modify the classification and presentation of restricted cash. These ASUs are effective for a public company’s annual reporting periods beginning after December 15, 2017, and interim periods within those annual periods. As an EGC, we have elected to adopt these ASUs following the effective dates for private companies beginning with annual reporting periods beginning after December 15, 2018, including interim reporting periods within fiscal years beginning after December 15, 2019. The adoption of this standard will not have a material impact on our consolidated financial statements, related disclosures and internal controls over financial reporting. We plan to adopt ASU 2016-15 and ASU 2016-18 in fiscal year 2020.

In January 2017, the FASB issued ASU 2017-01, “Business Combinations (Topic 805)” (“ASU 2017-01”). This update to clarify the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The definition of a business affects many areas of accounting including acquisitions, disposals, goodwill, and consolidation. As an EGC, we have elected to adopt ASU 2014-09 following the effective dates for private companies beginning with annual reporting periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. The adoption of this standard will not have a material impact on our consolidated financial statements, related disclosures and internal controls over financial reporting. We plan to adopt ASU 2017-01 in fiscal year 2020.

In August 2018, the FASB issued ASU 2018-15, Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That is a Service Contract, which aligns the accounting for implementation costs incurred in a cloud computing arrangement that is a service contract with the guidance on capitalizing costs associated with developing or obtaining internal-use software. The guidance amends Accounting Standards Codification (ASC) 350 to include in its scope implementation costs of a cloud computing arrangement that is a service contract and clarifies that a customer should apply ASC 350 to determine which implementation costs should be capitalized in such a cloud computing arrangement. ASU 2018-15 is effective for a public company’s annual reporting periods beginning after December 15, 2019, and interim periods within those annual periods. As an EGC, we have elected to adopt ASU 2018-15 following the effective date for private companies beginning with annual reporting periods beginning on or after December 15, 2020, and interim periods within annual periods beginning after December 15, 2021. We are currently evaluating the impact that this standard will have on our consolidated financial statements. We plan to adopt ASU 2018-15 in fiscal year 2021.

In June 2016, the FASB issued ASU 2016-13, Financial instruments — Credit Losses. ASU 2016-13 requires entities to report “expected” credit losses on financial instruments and other commitments to extend credit rather than the current “incurred loss” model. These expected credit losses for financial assets held at the reporting date are to be based on historical experience, current conditions, and reasonable and supportable forecasts. This ASU will also require enhanced disclosures relating to significant estimates and judgments used in estimating credit losses, as well as the credit quality. ASU

2016-13 is effective for a public company's annual reporting periods beginning after December 15, 2019, and interim periods within those annual periods. As an EGC, we have elected to adopt ASU 2016-13 following the effective date for private companies beginning with annual reporting periods beginning after December 15, 2022, including interim periods within those annual periods. We are currently evaluating the impact that this standard will have on our consolidated financial statements. We plan to adopt ASU 2016-13 in fiscal year 2024.

In January 2017, the FASB issued ASU 2017-04, "Simplifying the Test for Goodwill impairment (Topic 350)" ("ASU 2017-04"). This update removes the requirement to compare the implied fair value of goodwill with its carrying amount as part of step 2 of the goodwill impairment test. As a result, under ASU 2017-04, an entity should perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount and should recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the impairment loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. This guidance is effective for public companies prospectively for fiscal years beginning after December 15, 2019. Early adoption is permitted for interim or annual goodwill impairment tests performed after January 1, 2017. As an EGC, we have elected to early adopt ASU 2017-04 with annual impairment tests performed after January 1, 2017.

Internal Controls and Procedures

In connection with the issuance of our financial statements audited under PCAOB standards, but subsequent to the issuance of our financial statements prepared under accounting standards applicable to private companies, as of and for the fiscal years ended September 30, 2018 and 2017, management identified an error in connection with the accounting for the fair value of our warrants. Due to the materiality of the error, the financial statements were restated in connection with the completion of the PCAOB audit. Accordingly, management and our independent registered public accounting firm identified a material weakness in our internal control over financial reporting, as defined in the standards established by the PCAOB. The material weakness relates to our review controls over key assumptions used in the September 30, 2017 valuation of warrants, which did not operate at a sufficient level of precision to timely detect and prevent a material misstatement that resulted from a material change in the value of the warrants. Specifically, because the warrants were outstanding for less than a year, we did not engage a specialist to assist management in completing a valuation of the warrants. In addition, in the preparation of the warrants' valuation at September 30, 2018, our internal controls with respect to the valuation of the warrants did not appropriately identify the portion of the change in the warrants' value related to fiscal 2017 that was initially recorded in fiscal 2018. The material weakness has been remediated as of and for the fiscal year ended September 30, 2019.

We are not currently required to comply with the SEC's rules implementing Section 404 of the Sarbanes-Oxley Act, and are therefore not required to make a formal assessment of the effectiveness of our internal control over financial reporting for that purpose. Upon becoming a public company, we will be required to comply with the SEC's rules implementing Section 302 of the Sarbanes-Oxley Act, which will require our management to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of our internal control over financial reporting. We will be required to make our first assessment of our internal control over financial reporting and to comply with the management certification requirements of Section 404 in our annual report on Form 10-K for the year following our first annual report that is filed with the SEC (subject to any change in applicable SEC rules).

Further, our independent registered public accounting firm is not yet required to formally attest to the effectiveness of our internal controls over financial reporting, and will not be required to do so for as long as we are an "emerging growth company" pursuant to the provisions of the JOBS Act. See "Emerging Growth Company Status."

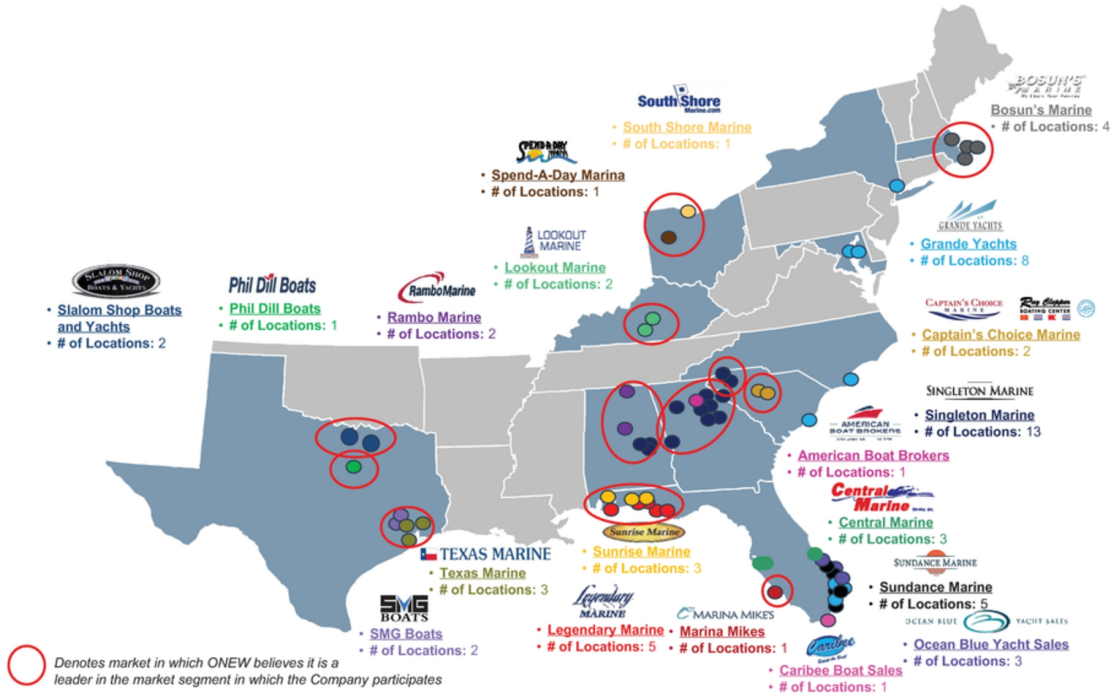
Off Balance Sheet Arrangements

We have no material off balance sheet arrangements, except for operating leases and purchase commitments under supply agreements entered into in the normal course of business.

BUSINESS

Overview

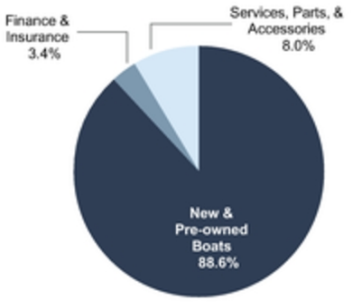
We believe that we are the largest and one of the fastest-growing premium recreational boat retailers in the United States with 63 stores comprising 21 dealer groups in 11 states. Our dealer groups are located within highly attractive markets throughout the Southeast, Gulf Coast, Mid-Atlantic and Northeast, including Texas, Florida, Alabama, North Carolina, South Carolina, Georgia, Ohio and New York, which collectively comprise eight of the top twenty states for marine retail expenditures. We believe that we are a market leader by volume in sales of premium boats in 12 out of the 17 markets where we operate. In 2019, we sold over 8,500 new and pre-owned boats, of which we believe approximately 40% were sold to customers who had a trade-in or with whom we otherwise had established relationships. The combination of our significant scale, diverse inventory, access to premium boat brands and meaningful dealer group brand equity enables us to provide a consistently professional experience as reflected in the number of our repeat customers and same-store sales growth.



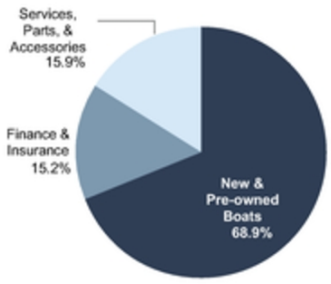
Note: Store count as of December 2019.

We have a diversified revenue profile that is comprised of new boat sales, pre-owned boat sales, F&I products, repair and maintenance services, and parts and accessories. Non-boat sales were approximately 11.4% of revenue and 31.1% of gross profit in fiscal year 2019, approximately 10.5% of revenue and 26.7% of gross profit in fiscal year 2018, and approximately 10.9% of revenue and 28.5% of gross profit in fiscal year 2017. We offer a wide array of new boats at various price points through relationships with over 48 manufacturers covering 72 brands. We are currently a top-three customer for 24 of our 72 brands and the single largest customer for each of our top five highest-selling brands. While our order volume amounts to between 5% to 35% of total sales for those top five brands, no single brand accounts for more than 10% of our sales volume. Our relationships with many of our manufacturers are long-standing and have been developed over multiple decades of experience within the marine industry. We believe that the strength of our relationships combined with our scale enables us to receive among the best pricing and terms available across all of the brands and models that we carry, and we routinely evaluate the sales performance and demand for each respective brand to ensure that the economic relationship we have in place with our manufacturers optimizes our profitability.

Fiscal Year 2019 Revenue by Product



Fiscal Year 2019 Gross Profit by Product



Selected OneWater New Boat Brands

We were formed in 2014 as OneWater LLC through the combination of Singleton Marine and Legendary Marine, which created a marine retail platform that collectively owned and operated 19 stores. Since the combination in 2014, we have acquired a total of 40 additional stores through 17 acquisitions. Our current portfolio as of December 1, 2019 consists of 21 different local and regional dealer groups. Because of this, we believe we are the fastest growing and largest premium recreational boat retailer in the United States based on number of stores and total boats sold. While we have opportunistically opened new stores in select markets, we believe that it is generally more effective economically and operationally to acquire existing stores with experienced staff and established reputations.

We believe that our dealer group branding strategy, which retains the name, logo and trademarks associated with each store or dealer group at the time of acquisition, significantly differentiates us from our largest competitors who employ singular, national branding strategies. We are committed to maintaining local and regional dealer group branding because we believe that the value of retaining the goodwill and long-standing customer relationships of these local businesses, many of which have been built by families over decades, far exceeds the benefits of attempting to establish a potentially unfamiliar “OneWater” national brand. In addition, preserving this established identity maintains the long term engagement of former owners because their name and reputation remain figuratively and literally “on the door.”

Summary of Financial Performance for Fiscal Year 2019 and Key Metrics

We have experienced significant growth in recent years.

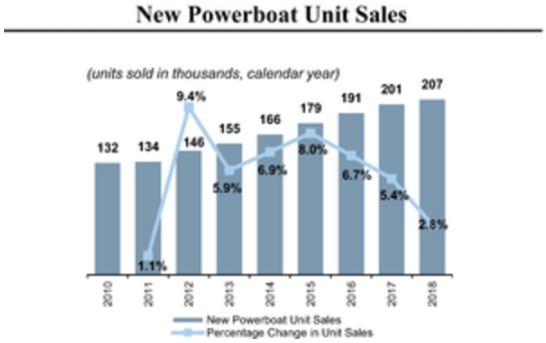
- Revenue increased 27.3% to $767.6 million in fiscal year 2019 from $602.8 million in fiscal year 2018.
- Revenue generated from same-store sales increased 11.8% for fiscal year 2019 as compared to fiscal year 2018.
- Gross profit increased 25.0% to $172.1 million in fiscal year 2019 from $137.7 million in fiscal year 2018.
- Operating expenses as a percentage of revenue decreased 11 basis points in fiscal year 2019 compared to fiscal year 2018.
- Net income increased to $37.3 million in fiscal year 2019 from $1.9 million in fiscal year 2018.

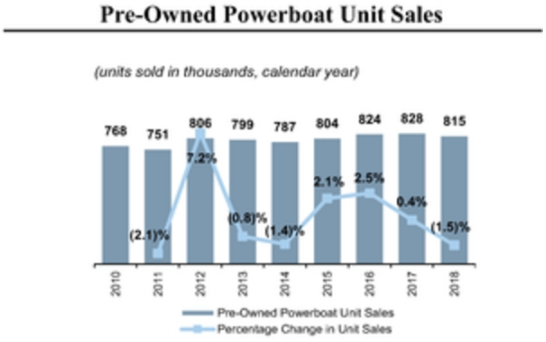
- Adjusted EBITDA increased 13.2% to $46.2 million in fiscal year 2019 from $40.8 million in fiscal year 2018.

For a reconciliation of Adjusted EBITDA to net income (loss), its most directly comparable financial measure presented in accordance with GAAP, see "—Summary Historical and Pro Forma Consolidated Financial and Operating Data."

Our Market and Our Customer

Consumer spending on boats, engines, services, parts, accessories and related purchases reached almost $42 billion in 2018 and has, on average, grown in excess of 5% annually since 2010. New powerboat sales have driven market growth and reached $10.7 billion in 2018, implying a 13% average annual growth rate since 2010. Of the approximately one million powerboats sold in the United States each year, 80% of total units sold (approximately 815,000) are pre-owned. Relative demand for new and late-model boats has increased in recent years in part due to the continuous evolution of boat technology and design including, but not limited to, seating configurations, power, efficiency, instrumentation and electronics, and wakesurf gates, each of which represents a material design improvement that cannot be matched by more dated boat models. We believe the increasing pace of innovation in technology and design will result in more frequent upgrade purchases and ultimately higher sales volumes of new and late-model, pre-owned boat sales.

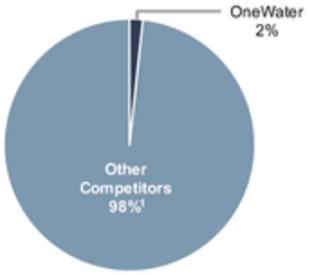




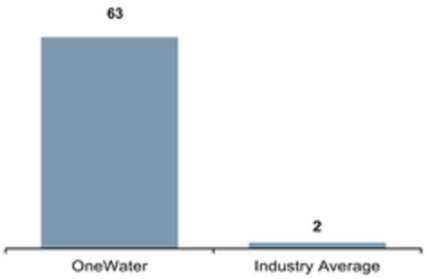
[1] *Note: NMMA Industry Report*

The boat dealership market is highly fragmented and is comprised of over 4,000 stores nationwide. Most competing boat retailers are operated by local business owners who own three or fewer stores. We are one of the largest and fastest-growing premium recreational boat retailers in the United States. Despite our size, we comprise less than 2% of total industry sales. Our scale and business model allow us to leverage our extensive inventory to provide consumers with the ability to find a boat that matches their preferences (e.g., make, model color, configuration and other options) and to deliver the boat within days while providing a personalized sales experience. We are able to operate with a comparatively higher degree of profitability than other independent retailers because we allocate support resources across our store base, focus on high-margin products and services, utilize floor plan financing and provide core back-office functions on a scale that many independent retailers are unable to match. We seek to be the leading boat retailer by total market share within each boating market and within the product segments in which we participate. To the extent that we are not, we will evaluate acquiring other local retailers in order to increase our sales, to add additional brands or to provide us with additional high-quality personnel.

Market Share by Store Count



Store Comparison



[1] *Note: Our industry includes competitors such as MarineMax with 59 retail locations as of December 2019 selling premium boats and Bass Pro Shops, which sells entry-level boats together with other outdoor sporting goods across 171 stores.*

We believe that boating is a lifestyle that brings families and friends together regardless of their stage of life. Whether a person grew up in a household that owned a boat or experiences boating later in life, once a person buys their first boat they often become a boating customer for life. Our customers are typically middle to upper-middle class families who either own a house on the water or live near a body of water where they can engage in boating activities. We serve customers whose boating preferences span from general recreation and cruising to fresh and salt water fishing to watersports, including wakeboarding and wake surfing. The profile of our customers range from those in their early-to-mid 30's who are upgrading their house, cars and lifestyle to those who have owned multiple boats and view boating as a way of life. Our inventory and product selection allow us to cater to a highly diverse customer base with price points and boat types that appeal to a broad spectrum of budgets and preferences. The boating industry's and MarineMax's average selling prices for a new boat were $52,000 in calendar year 2018 and $204,000 in fiscal year 2019, respectively. By comparison, our average selling price for a new boat in fiscal year 2019 was $105,000.

Our Strengths

Leading Market Position and Scale: We are one of the largest and fastest-growing premium recreational boat retailers in the United States, with 63 stores across 11 states. We have a strong presence in Texas, Florida, Alabama, South Carolina, Georgia, Ohio, New York and North Carolina with 55 stores. Collectively these markets comprise eight of the top twenty states for marine retail expenditures.

Differentiated Marketing and Branding Strategy: We are committed to maintaining a local and regional dealer group branding strategy and believe that retaining the goodwill and long-standing customer relationships of dealer groups that we acquire provides significantly more value than establishing a potentially unfamiliar "OneWater" national brand across each of our stores. Preserving the existing brands enables us to retain key staff, including senior management, which reduces or eliminates our need to hire and train new people when we complete an acquisition.

Our marketing department is able to deploy highly efficient and targeted sales campaigns due to the number of customers we have served to date and the analytics we have obtained from prior transactions. Customers who buy boats commonly make ongoing purchases of parts, repair and maintenance services and storage. We proactively send marketing messages to anticipate when a customer may need additional repair and maintenance services in order for us to maximize the value of a customer and to diversify our revenue streams across all revenue categories.

Seasoned Consolidator in a Highly Fragmented Market: We have an extensive acquisition track record within the boating industry and have developed a reputation for treating sellers and their staff in an honest and fair manner. We believe our reputation and scale have positioned us as a buyer of choice for boat dealers who want to sell their businesses. To date, 100% of our acquisitions have been sourced from inbound inquiries, and the number of annual inquiries we receive has consistently increased over time.

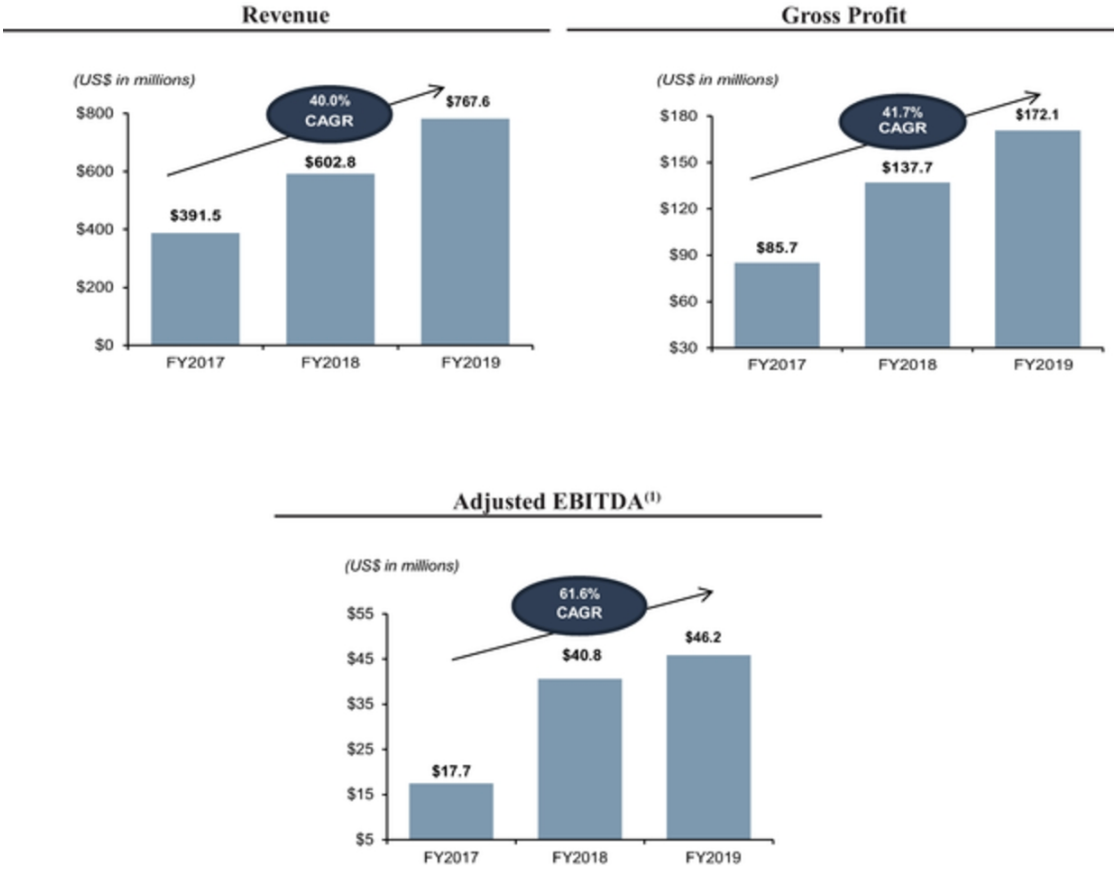
Less than 50% of the inbound leads that we receive meet our criteria but more than 90% of the stores on which we conduct diligence are ultimately acquired. Our acquisition and integration team has executed 17 acquisitions since 2014. Our acquisition team is typically able to convert the selling dealer groups' back-office systems to our IT platform within approximately ten days, with full integration of most acquisitions completed in approximately 45 days. Our strategy is to acquire stores at attractive EBITDA multiples and then grow same-store sales while benefitting from cost-reducing synergies. Historically, we have typically acquired dealer groups for less than 4.0x EBITDA on a trailing twelve months basis and believe that we will be able to continue to make attractive acquisitions within this range.

Strong Yet Flexible Relationships with Leading Boat Manufacturers: Most of our relationships with our manufacturers are long-standing with many dating back two decades or longer. We communicate with our manufacturers on a weekly basis to monitor our orders and make adjustments based on our current inventory levels and forecasted customer demand. Our contracts also exclude any requirements pertaining to mandatory capital expenditures, branding and unit pricing. Furthermore, we have flexibility to change brands, subject to territory availability, at each store based on sales performance or other factors.

We are an essential customer to many of our top manufacturers and do not believe that there is a material risk that they would stop selling boats to us in any of our markets given our scale and long-standing relationships. We were recognized as Dealer of the Year by Boating Industry in 2016 and 2017, were inducted into the Boating Industry Top 100 Hall of Fame in 2018, and have been a Top 100 dealer since 2006. Certain of our local and regional dealer groups, including Singleton Marine, have been recognized among the top dealers worldwide for Cobalt Boats, Regal Boats, Harris and Yamaha Boats, and among the top dealers in the Southeast for Malibu and Axis. Additionally, we are also the top Yamaha Jet Boat dealer by volume in the United States. We began selling Sunseeker yachts in the fourth quarter of fiscal year 2019 through one of our consignors that is the exclusive dealer for certain Sunseeker yachts in select states, including Texas, certain counties in Florida, Alabama, North Carolina, South Carolina and Georgia. From time to time, we may continue to add additional manufacturers whose products match our focus on premium recreational boats.

Diversified Revenue Streams: We offer a broad range of products and services beyond new and pre-owned boats, including repair and maintenance services, parts and accessories, F&I products and ancillary services, including storage. Although non-boat sales contributed approximately 11.4%, 10.5% and 10.9% to revenue in fiscal years 2019, 2018 and 2017, respectively, the higher gross margin on these product and service lines resulted in non-boat sales contributing 31.1%, 26.7% and 28.5% of gross profit in fiscal years 2019, 2018 and 2017, respectively. During different phases of the economic cycle, consumer behavior may shift away from new boats; however, we are well positioned to benefit from revenue from pre-owned boats, repair and maintenance services, and parts and accessories, which have historically increased during periods of economic uncertainty. We have also diversified our business across geographies and dealership types (e.g., fresh water and salt water) in order to reduce the effects of seasonality. For instance, boating activity in South Florida increases during winter months, whereas freshwater boating in the Southeast, Mid-Atlantic and Northeast peaks during late-spring and summer.

Attractive Financial Profile: Since the formation of OneWater LLC in 2014, we have established a high growth financial profile driven by strong same-store sales growth and acquisitions. This growth has resulted in a high level of free cash flow generation, and allows us to maintain a conservative leverage profile. Excluding inventory financing, our business requires a low level of capital with historical maintenance capital expenditures typically under 0.5% of revenue. We are focused on achieving profitable growth and have been able to achieve an increase in Adjusted EBITDA margins by growing revenue at a higher rate than operating expenses have increased.



(1) *Adjusted EBITDA is a non-GAAP financial measure. For the definition of Adjusted EBITDA and a reconciliation to our most directly comparable financial measure calculated and presented in accordance with GAAP, please read "Prospectus Summary—Non-GAAP Financial Measure."*

Highly Experienced Management Team: We have assembled an exceptional team of highly experienced professionals within the boating industry. The average industry tenure of our executive team is 25 years and our Chief Executive Officer, Austin Singleton, who is a second generation boat dealer, has been in the industry for 31 years. In addition, our Chief Operating Officer, Anthony Aisquith, and Chief Financial Officer, Jack Ezzell, have 24 and 18 years of industry experience, respectively, and both have public-company experience with our largest competitor, MarineMax.

Growth Strategy

Organic Growth Strategy: Our business model utilizes our unique scale to drive profitable same-store sales growth. We seek to gain market share by delivering high-quality products and services, with customized attributes tailored to our customers' product specifications. Our management team and business model are extremely agile, allowing us to target sales in specific segments of the industry that are outperforming overall industry trends. Additionally, we are able to leverage our potential customer database to garner new sales. Sales growth from our existing stores is a core component of our current and future strategy. We believe non-boat sales will be a driver of our organic growth strategy in the future. We have implemented a targeted marketing strategy across our platform focused on increasing new and existing customer awareness and usage of our F&I products, repair and maintenance services, and parts and accessories products. We may also develop a dealership if an attractive acquisition is not available in a market we choose to target.

Acquisition Strategy: We believe there is a tremendous opportunity for us to expand in both existing and new markets, given that the industry is highly fragmented with most boat retailers owning

three or fewer stores. We seek to create value by implementing the best tested operational practices to family-owned and operated businesses that previously lacked the resources, management experience and expertise to maximize the profitability of the acquired standalone businesses. We believe that the boat retail market is underpinned by strong fundamental drivers, and that, with the implementation of operational control measures and the injection of resources, local stores can significantly increase revenues and profitability. We believe our status as a consolidator of choice is based on the expertise we have developed through completing 17 acquisitions (40 stores acquired) since the combination of Singleton Marine and Legendary Marine in 2014, our growing cash flow and financial profile, and our footprint of retailers within prime markets. Our ability to acquire additional stores or dealer groups at attractive multiples is further enhanced by our growing reputation for retaining the seller's management team and keeping their branding and legacy intact. Accordingly, the sellers remain actively involved in the business. We typically enter into three-year employment agreements with the owners of the stores or dealer groups that we acquire at salaries commensurate with their positions, although many have remained employed with us beyond the initial term of such agreements. We believe there is significant opportunity to expand our store footprint in regions with strong boating cultures. While we have a strong presence in the Southeastern portion of the United States, there are several areas of opportunity in states adjacent to our current geographic footprint as well as states in new regions in the Midwest and Western United States. We are targeting to complete four to eight potential acquisitions that may contribute an estimated total of $100.0 million to $200.0 million in sales over the next 24 months, though we can provide no assurance as to the timing or completion of such acquisitions. As a result of our reputation in the market place, we expect our pipeline of potential acquisitions to grow over time.

Industry Trends and Market Opportunity

U.S. Recreational Boating Industry

Recreational boating is a well-established American pastime that attracts millions of people each year to the water. While Florida is the leading state for new boating sales and registrations due to its abundance of both fresh water and salt water, boating is very popular throughout North America with Texas, Michigan, North Carolina and Minnesota collectively comprising the rest of the top five states for new marine retail expenditures. There are approximately twelve million boats registered in North America. Although there has been a recent decline in the number of new boat registrations versus prior periods, North American boat registrations have remained stable over time, and have remained above eleven million registrations since 2006. In 2018, there was one registered boat for approximately every 10 households in the United States.

In 2018, nearly $42 billion was spent on retail boating sales which has contributed to annual growth of just under two percent since 2006. Consumer marine spending includes purchases of new and pre-owned boats; marine products such as engines, trailers, equipment, and accessories; and related expenditures, such as fuel, insurance, docking, storage, and repairs. New boat and non-boat sales and pre-owned boat and non-boat sales constituted 60% and 40% of total 2018 boating retail sales, respectively, based on industry data from the NMMA. The NMMA estimates that approximately 976,200 pre-owned boats were sold in 2018. Non-boat sales include aftermarket accessories (17.3% of 2018 boating retail sales) and F&I and Ancillary Services, such as insurance, maintenance and fuel (23.2% of 2018 boating retail sales).

Boat sales volumes are correlated with consumer confidence and the availability of consumer credit. Recent growth in spending has been driven by both an increase in units sold as well as rising average selling prices. Innovation, including updated boat configurations, hull designs, wake gates and other electronics, have contributed to shorter boat upgrade cycles which result in higher unit sales volume. Pre-owned traditional powerboat sales were approximately $8.9 billion in 2018 and have remained relatively consistent since 2006 and through economic cycles. The boat dealership market is highly fragmented with over 4,000 stores nationwide and the majority of retailers are owner-operated with three stores or fewer. Independent retailers typically offer a limited selection of boat brands, and they predominantly focus on new boat sales with less expertise and capacity to create a meaningful business from non-boat sales such as F&I products.

Products and Services

We offer new and pre-owned recreational boats, yachts and related marine products, including parts and accessories, with a specific focus on premium brands. We also provide boat repair and maintenance services, arrange boat financing and boat insurance and offer other ancillary services including indoor and outdoor storage, marina services, and rentals of boats and personal watercraft.

New and Pre-Owned Boat Sales

Our business focuses primarily on the sale of new and pre-owned recreational boats, including pontoon, runabout, saltwater fishing boats, wake/ski boats, and yachts. We offer products from a broad variety of manufacturers and brands without relying on any one manufacturer or brand in particular. No single brand accounted for more than 10% of our sales volume in fiscal year 2019. We also sell pre-owned versions of the brands we offer and pre-owned boats of other brands we take as trade-ins. During fiscal year 2019, new boat sales accounted for approximately $516.8 million or 67.3% of our revenue, and pre-owned boat sales accounted for approximately $163.0 million or 21.2% of our revenue. During fiscal year 2018, new boat sales accounted for approximately $398.6 million or 66.1% of our revenue, and pre-owned boat sales accounted for approximately $140.9 million or 23.4% of our revenue. During fiscal year 2017, new boat sales accounted for approximately $250.3 million or 63.9% of our revenue, and pre-owned boat sales accounting for approximately $98.3 million or 25.1% of our revenue.

We offer new and pre-owned recreational boats in a broad range of market segments. We believe that the product lines and brands we offer are among the highest quality within their respective market segments, with well-established brand recognition and reputations for quality, performance, styling and innovation.

Fishing Boats. The fishing boats we offer range from entry-level models to advanced models, such as Everglades, Pursuit, Scout and SeaFox, each designed for fishing and water sports in lakes, bays and off-shore waters, with cabins with limited live-aboard capability. The fishing boats we offer typically feature livewells, in-deck fishboxes, rodholders, rigging stations, cockpit coaming pads and fresh and saltwater washdowns.

Pontoon Boats and Runabouts. We offer a variety of some of the most innovative, luxurious, and premium pontoon models to fit boaters' needs, such as Bennington, Barletta and Harris. Our runabouts, such as Cobalt, Regal and Chris-Craft, target the family recreational boating markets and come in a variety of configurations to suit each customer's particular recreational boating style. The models we offer may include amenities such as advance navigation electronics and sound systems, a variety of hull, deck, and cockpit designs that can include a swim platform, bow pulpit and raised bridges, and swivel bucket helm seats, lounge seats, sun pads, wet bars, built-in ice chests, and refreshment centers. With a variety of designs and options, the pontoon boats and runabouts we offer appeal to a broad audience of boat enthusiasts and existing customers.

Wake/Ski Boats. The ski boats we offer range from entry-level models to advanced models, such as Axis and Malibu, all of which are designed to generate specific wakes for optimal skiing, surfing and wakeboarding performance and safety. With a broad range of designs and options, the ski boats we offer appeal to both competitive and recreational users.

Yachts. The yachts we offer range from entry-level models to advanced models, such as Absolute, Riviera and Sunseeker. The motor yacht product lines typically include state-of-the-art designs with live-aboard luxuries, offering amenities such as flybridges with extensive guest seating; covered aft deck, which may be fully or partially enclosed, providing the boater with additional living space; an elegant salon; and multiple staterooms for accommodations.

Jet Boats. The jet boats we offer range from entry-level models to advanced models, such as Yamaha, all of which are designed for performance and with exclusive design elements to meet family recreational needs. The jet boats we offer are designed to offer superior handling and reliably high performance. With a broad range of designs and options, the jet boats we offer appeal to a broad audience of customers.

F&I Products

At each of our stores, our customers have the ability to finance their new or pre-owned boat purchase, purchase a third-party extended service contract and arrange insurance covering boat property, disability, gel sealant, fabric protection and casualty insurance coverage (collectively, "F&I"). Our relationships with various national marine product lenders allow buyers to purchase retail installment contracts originated by us in accordance with existing pre-sale agreements between us and the lenders. These retail installment contracts provide us with a portion of the expected finance charges based on a variety of factors, including the buyer's credit rating, the annual percentage rate of the contract and the lender's then-existing minimum required annual percentage rate. These contracts are subject to repayment by us upon buyer prepayment or default within a designated time period (typically within 180 days). To the extent required by applicable state law, our dealer groups are licensed to originate and sell retail installment contracts financing the sale of boats and other marine products.

We offer our customers third-party extended service contracts, which allow us to extend customers' new boat coverage beyond the time frame or scope of the manufacturer's standard hull and engine warranty. We also offer purchasers of pre-owned boats the ability to purchase a third-party extended service contract, even if the applicable boat is no longer covered by the manufacturer's warranty. We also provide the related repair services, when needed by our customers, pursuant to the service contract guidelines during the contract term at no additional charge to the customer above a deductible. Generally, we receive a fee for arranging these extended service contracts and most of the required services under the contracts are provided by us and paid for by the third-party contract holder.

We also assist our customers with obtaining property and casualty insurance. Property and casualty insurance covers loss or damage to their boat. We do not act as an insurance broker or agent or issue insurance policies on behalf of insurers. We provide marketing activities and other related services to insurance companies and brokers for which we receive marketing fees. One of our strategies is to generate increased marketing fees by offering more competitive insurance products.

Fee income generated from F&I products accounted for approximately $26.2 million or 3.4% of our revenue during fiscal year 2019, approximately $16.6 million or 2.8% of our revenue for fiscal year 2018, and approximately $9.9 million or 2.5% of our revenue during fiscal year 2017. We believe that our customers' ability to obtain competitive, prompt and convenient financing at our stores strengthens our ability to sell new and pre-owned boats and gives us an advantage over many of our competitors, particularly our smaller competitors that lack the resources to arrange boat financing at their stores or that do not generate enough F&I product volume to attract the broad range of financing sources that are available to us.

Service, Parts & Other

We provide repair and maintenance services at most of our stores. We believe that our repair and maintenance services help strengthen our customer relationships and that our quality service and emphasis on preventative maintenance increases the quality and supply of well-maintained boats available for our pre-owned boat business. We perform both warranty and non-warranty repair services, with the cost of warranty work reimbursed by the manufacturer in accordance with the manufacturer's warranty reimbursement program. For any warranty work we perform, most of our manufacturers reimburse a percentage of the store's posted service labor rates, with the percentage varying depending

on the store's customer satisfaction index rating and attendance at service training courses. Certain other of our manufacturers reimburse warranty work at a fixed amount per repair. Because boat manufacturers require that warranty work be performed at authorized stores, our stores receive substantially all of the warrantied repair and maintained work required for the boats we offer. We also offer third-party extended warranty contracts, which result in a continuous demand for our repair and maintenance services for the term of the extended warranty contract. Additionally, we offer parts and accessories at our stores, primarily to retail customers to repair their current engines or other marine related parts and equipment. Our offerings include engine parts, oils, lubricants, steering and control systems, electronics, safety products, water sport accessories (such as tubes, wakeboards, surfboards, lines, and lifejackets), products relating to docking and anchoring, boat covers, trailer parts, and a complete line of other boating accessories.

At certain of our stores, we offer marina and boat rental services, which are generally recurring in nature and create additional opportunities to connect with potential buyers. We maintain a small fleet of rental boats, and, after one season, the rental boats are repurposed for pre-owned sales. Additionally, we operate 15 marina locations that provide fueling, docking and indoor and outdoor storage.

Our focus on customer service, which we believe is one of our core competitive advantages in the recreational boating industry, is critical to our efforts in creating and maintaining long-term customers. Service, parts & other accounted for approximately $61.7 million or 8.0% of our revenue during fiscal year 2019, approximately $46.7 million or 7.7% of our revenue during fiscal year 2018, and approximately $33.0 million or 8.4% of our revenue during fiscal year 2017.

Stores

We offer new and pre-owned recreational boats and other related marine products and boat services through 63 stores comprising 21 dealer groups in 11 states, including Texas, Florida, Alabama, North Carolina, South Carolina, Georgia and New York. Each store generally includes an indoor showroom and an outside display area for our new and pre-owned boat inventories, along with a business office to facilitate F&I products and repair and maintenance services facilities.

Operations

Dealership Operations and Management

The operational management of our boat dealer groups is decentralized, with certain administrative functions centralized at the corporate level and the primary responsibility of day-to-day operations localized at the store level. Each store is managed by a general manager, often a former owner, who oversees the day-to-day operations, human resources and financial performance of that particular individual store. Typically, each store also has a staff consisting of sales representatives, an F&I manager, a service manager, a parts manager, maintenance and repair technicians and additional support personnel.

We provide employees with ongoing training, career advancement opportunities and favorable benefit packages as a part of our strategy to attract and retain high quality employees. Sales training sessions are held at various locations, including the manufacturers facilities, and cover a broad array of topics from technical product details, features and benefits, to general sales techniques. Our highly-trained professional sales teams recognize the importance of building relationships with customers, assisting them in selecting the boat that best fits their needs and making the entire sales process enjoyable, all of which are critical to our successful sales efforts. The overall focus of our training program is to provide exemplary customer service.

Members of our sales teams receive compensation on primarily a commission basis. Generally, each manager within a store receives a salary along with incentive compensation based on the performance of the managed store or their respective departments.

Sales and Marketing

Our sales strategy focuses on highlighting the joys of the boating lifestyle while also providing convenient repair and maintenance services to maintain a stress-free boating experience. Our sales

strategy is built on our high levels of customer service, hassle-free sales approach, appealing store layouts, highly-trained sales teams and the ability of our sales teams to educate customers and their families on boating. We constantly aim to provide the highest levels of customer service and support before, during and after each sale.

Each of our stores offers our customers the opportunity to evaluate a variety of new and pre-owned boats in an environment that is convenient, comfortable and professional. Our stores provide a full-service purchasing process, which includes attractive F&I packages and extended third-party service agreements. We have a number of waterfront stores, most of which include marina-type facilities and docks at which we display our new and pre-owned boats. These waterfront stores and marinas are easily accessible to boating customers, operate as in-water showrooms and enable our sales team to give potential customers impromptu in-water demonstrations of our various boat models.

We provide customers a diverse offering of boat brands, which span across a multitude of sizes, uses and activities, including leisure, fishing, watersports, luxury and vacation. We believe this diverse offering of brands allows us to reach a broad expanse of customers and maximizes our ability to provide high quality service to each customer that walks into one of our stores.

An important part of our sales strategy is our participation in boat shows and in-the-water sales events in areas with high levels of boating activity. These shows and events help drive sales during and after the show or event and are typically held in January, February, March and toward the end of the boating season at convention centers or marinas that have been rented out by area dealers.

We focus on customer education through personalized education by our sales representatives and other professionals, before, during and after a sale through product demonstrations on the use and operation of their boat. Typically, one of our delivery professionals or the sales representative delivers the customer's boat to the customer's boating location and thoroughly instructs the customer about the operation of the boat, including hands-on instructions for docking and trailering the boat.

Suppliers and Inventory Management

We purchase substantially all of our new boat inventory directly from manufacturers. Manufacturers typically allocate new boats to stores or dealer groups based on the amount of boats sold by the store or dealer group and their market share. We exchange new boats with other dealers to maintain flexibility, meet customer demand and balance inventory. We also display a select number of boats and yachts through consignment agreements, including with related parties.

We offer a wide array of new boats at various price points through relationships with over 48 manufacturers covering 72 brands. We are currently a top-three customer for 24 of our 72 brands and the single largest customer for each of our top five highest-selling brands. While our order volume amounts to between 5% to 35% of total sales for those top five brands, no single brand accounts for more than 10% of our sales volume. However, sales of new boats from the top ten brands represent approximately 40.4% of our total sales volume for fiscal year 2019.

As part of our business, we enter into renewable annual dealer agreements with boat manufacturers. Provided that we are in compliance with the material obligations of such dealer agreements, they designate an exclusive geographical territory for our store to sell a particular boat brand and typically do not restrict our right to sell any other product lines or competing products.

Manufacturers generally establish suggested prices annually, but the actual sales prices remain subject to the sole discretion of the dealer, which highlights the advantage of our lack of reliance on any one manufacturer. Manufacturers typically offer discounts and increased inventory financing assistance during the manufacturers' slow season (generally October through March). We often capitalize on these opportunities to maximize our profit margins and increase our product availability during the selling season.

We are also able to transfer boats between our stores to maintain flexibility, meet customer demand and balance inventories. This flexibility reduces delays in delivery, helps us maximize inventory turnover and assists in minimizing potential overstock or out-of-stock situations. We actively monitor our inventory levels to maintain levels appropriate to meet current anticipated market demands. We are not bound by

contractual agreements governing the amount of inventory that we must purchase in any year from any manufacturer; however, the failure to purchase at agreed upon levels may result in the loss of certain manufacturer incentives or dealership rights.

Inventory Financing

Boat and related marine manufacturers customarily provide various levels of interest assistance programs to retailers, which may include periods of free financing or reduced interest rate programs. The interest assistance may be paid directly to the retailer or the financial institution depending on the arrangements the manufacturer has established. We believe that our financing arrangements with manufacturers are standard within the industry.

We are party to our Inventory Financing Facility. The interest rate for amounts outstanding under the Inventory Financing Facility is calculated using the one month LIBOR plus an applicable margin of 2.75% to 5.00% for new boats and at the new boat rate plus 0.25% for pre-owned boats. The collateral for the Inventory Financing Facility consists primarily of our inventory that is financed through the Inventory Financing Facility and related assets, including accounts receivable, bank accounts, and proceeds of the foregoing, and excludes the collateral that underlies our GS/BIP Credit Facility. For additional information relating to the terms of our Inventory Financing Facility, please see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Debt Agreements—Inventory Financing Facility.”

Customers

We are not dependent on any one customer or group of customers, and no individual customer, or together with its affiliates, contributed on an aggregate basis 10% or more to our revenues.

Seasonality

Our business, along with the entire recreational boating industry, is highly seasonal, and such seasonality varies by geographic market. 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 stores in Florida serves to offset generally lower winter revenue in our other states and enables us to maintain a more consistent revenue stream. Over the three-year period ended September 30, 2019, the average revenue for the quarters ended December 31, March 31, June 30 and September 30 represented approximately 12%, 24%, 37%, and 27%, respectively, of our average annual revenues. Every January, the onset of consumer boat and recreation shows generally marks the beginning of an increase in boat sales which allows us to begin to reduce our inventory levels and related short-term borrowings for the remainder of the fiscal year.

Our business is also sensitive to weather patterns, such as unseasonably cool weather, prolonged winter conditions, drought conditions (or merely reduced rainfall levels) or excessive rain, which may shorten the selling season, limit access to certain locations for boating or render boating hazardous or inconvenient, thereby curtailing customer demand for our products and services and adversely affecting our results of operations. Additionally, as with Hurricanes Dorian, Florence and Michael in 2019 and 2018, hurricanes and other storms may cause disruptions to our business operations or damage to our inventories and facilities. We believe our geographic diversity is likely to reduce the overall impact to us of adverse weather conditions in any one market area.

Environmental and Other Regulatory Issues

Our business operations, along with the entire retail recreational boating industry, are subject to numerous environmental and occupational health and safety laws and regulations that may be imposed in the United States at the federal, state and local levels. The more significant of these environmental and occupational health and safety laws and regulations include the following legal standards that currently exist in the United States, as amended from time to time:

- the CAA, which restricts the emission of air pollutants from many sources and imposes various pre-construction, operational, monitoring, and reporting requirements, and which the EPA has relied upon as authority for adopting climate change regulatory initiatives relating to GHG emissions, as well as various air emission regulations for outboard marine engines;
- the Federal Water Pollution Control Act, which regulates discharges of pollutants from facilities to state and federal waters;
- the OPA, which subjects owners and operators of vessels, onshore facilities, and pipelines, as well as lessees or permittees of areas in which offshore facilities are located, to liability for removal costs and damages arising from an oil spill in waters of the United States;
- CERCLA, which imposes liability on generators, transporters, and arrangers of hazardous substances at sites where hazardous substance releases have occurred or are threatening to occur;
- RCRA, which governs the generation, treatment, storage, transport, and disposal of solid wastes, including hazardous wastes;
- the Emergency Planning and Community Right-to-Know Act, which requires facilities to implement a safety hazard communication program and disseminate information to employees, local emergency planning committees, and response departments on toxic chemical uses and inventories; and
- the Occupational Safety and Health Act, which establishes workplace standards for the protection of the health and safety of employees, including the implementation of hazard communications programs designed to inform employees about hazardous substances in the workplace, potential harmful effects of these substances, and appropriate control measures.

Additionally, there exist state and local jurisdictions in the United States where we operate that also have, or are developing or considering developing, similar environmental and occupational health and safety laws and regulations governing many of these same types of activities, which requirements may impose additional, or more stringent, conditions or controls that can significantly alter, delay or cancel the permitting, development, or expansion of operations or substantially increase the cost of doing business. Environmental and occupational health and safety laws and regulations, including new or amended legal requirements that may arise in the future to address potential environmental concerns such as air and water impacts or to address perceived human health or safety-related concerns are expected to continue to have a considerable impact on our operations.

As with companies in the retail recreational boat industry generally, and parts and service operations in particular, our business involves the use, handling, storage and contracting for recycling or disposal of petroleum-based products and wastes, as well as other hazardous and toxic substances and wastes, including gasoline, diesel fuels, motor oil, waste motor oil and filters, transmission fluid, antifreeze, freon, waste paint and lacquer thinner, batteries, solvents, lubricants, and degreasing agents. Environmental and occupational health and safety laws and regulations generally impose requirements for the use, management, handling, and disposal of these materials, and restrict the level of pollutants emitted into the environment, including into ambient air, discharges to surface water, and disposals or other releases to surface and below-ground soils and ground water. Failure to comply with these laws and regulations may result in the assessment of sanctions, including administrative, civil, and criminal penalties or liabilities to third parties; the imposition of investigatory, remedial, and corrective action obligations or the incurrence of capital expenditures; the occurrence of restrictions, delays or cancellations in the permitting,

development, or expansion of projects; and the issuance of injunctions restricting or prohibiting some or all of our activities in a particular area. Moreover, there exist environmental laws that provide for citizen suits, which allow environmental organizations to act in the place of the government and sue operators for alleged violations of environmental law.

We are also subject to laws and regulations governing the investigation and remediation of contamination at the facilities we currently or formerly own or operate, as well as at third-party sites to which we send hazardous substances or wastes for treatment, recycling or disposal. Some environmental laws, such as CERCLA and similar state statutes impose strict, and under certain circumstances joint and several, liability for the entire cost of investigation or remediation of a contaminated property and for any related damages to natural resources, upon current or former site owners or operators, as well as persons who arranged for the transportation, treatment or disposal of hazardous substances. We may also be subject to third-party claims alleging property damage and/or personal injury in connection with releases of, or exposure to, hazardous substances at our current or former properties or off-site waste disposal sites or from the products we sell.

Additionally, certain of our stores and/or repair facilities utilize USTs and ASTs, primarily for storing and dispensing petroleum-based products. The USTs and ASTs are generally subject to federal, state and local laws and regulations that require obtaining financial assurance to own or operate USTs and ASTs, testing and upgrading of tanks and remediation of contaminated soils and groundwater resulting from leaking tanks. Additionally, if leakage from our USTs or ASTs migrates onto the property of others, we may be subject to liability to third parties for remediation costs or other damages.

For additional information relating to environmental protection, including releases, discharges and emissions into the environment, as well as worker health and safety requirements, please see “Risk Factors—Environmental and other regulatory issues may impact our operations.” Historically, our environmental compliance costs have not had a material adverse effect on our business, financial condition or 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, financial condition or results of operations.

Product Liability

Our sale and servicing of boats and other watercraft may expose us to potential liabilities for personal injury or property damage claims relating to the use of such products. Historically, product liability claims have not materially affected our business. Our manufacturers generally maintain product liability insurance, and we maintain third-party liability insurance with respect to the sale and servicing of boats and other watercrafts, which we believe to be adequate. However, we may experience legal claims in excess of our insurance coverage, and those claims may not be covered by insurance. Furthermore, any significant claims against us, or an increase in insurance premiums resulting from excessive insurance claims, could adversely affect our business, financial performance and results of operations and result in negative publicity.

Competition

We operate in a highly competitive and fragmented environment. We face competition from businesses relating to recreational activities, which businesses compete for consumers’ leisure time and discretionary spending dollars. We face intense competition within the highly fragmented recreational boat industry for customers, quality products, boat show space and suitable store 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 could have a material adverse effect on our business, financial performance and results of operations.

We compete primarily with local boat dealers who own three or fewer stores, as well as with a limited number of larger operators, including MarineMax and Bass Pro Shops. With respect to sales of marine parts, accessories, and equipment, we compete with national specialty marine parts and accessory stores, online catalog retailers, sporting goods stores, and mass merchants. Competition within the recreational boating industry is generally based on the quality and variety of available products, the price and value of the products and services and attention to customer service. We face significant competition

from our current market and will likely face significant competition in any new markets that we may enter. We also face competition from retailers in certain markets who sell boat brands, parts and engines that we do not currently carry in such markets. Additionally, a number of our competitors are large national or regional chains that have substantially more financial, marketing and other resources than us, especially with regard to those that sell boating accessories. We also face competition from private sellers of pre-owned boats and online merchants entering the resale boating industry. However, we believe that our integrated corporate infrastructure, marketing and sales capabilities, cost structure, industry expertise and customer experience enable us to compete effectively against these competitors.

Intellectual Property

We rely on a number of trade names with respect to the regional dealer groups that we have acquired, which we do not re-brand under our “OneWater” mark. We cannot give any assurance that any trade name and trademark applications that we may file in the future will be granted.

Employees

As of December 1, 2019, we had 1,102 employees, 1,025 of whom were in store-level operations and 77 of whom were in corporate administration and management. We are not a party to any collective bargaining agreements. We consider our relations with our employees to be excellent.

Facilities

Our corporate headquarters are located at 6275 Lanier Islands Parkway, Buford, Georgia 30518. Additionally, we own or lease the following material retail facilities:

Store Location & Dealer Group	Stores Leased	Stores Owned
Alabama		
Singleton Marine	3	—
Rambo Marine	2	—
Sunrise Marine	1	—
Legendary Marine	1	—
Florida		
Grande Yachts	3	—
Legendary Marine	4	—
Sundance Marine	5	—
Marina Mike’s	—	1
Ocean Blue Yacht Sales	3	—
Sunrise Marine	2	—
Caribee Boat	1	—
Central Marine	3	—
Georgia		
Singleton Marine	8	—
American Boat Brokers	1	—
Kentucky		
Lookout Marine	2	—
Massachusetts		
Bosun’s	4	—
Maryland		
Grande Yachts	2	—

Store Location & Dealer Group	Stores Leased	Stores Owned
North Carolina		
Grande Yachts	1	—
New York		
Grande Yachts	1	—
Ohio		
South Shore Marine	1	—
Spend-A-Day Marina	1	—
South Carolina		
Grande Yachts	1	—
Captain's Choice Marine	2	—
Singleton Marine	2	—
Texas		
Texas Marine	3	—
SMG Boats	2	—
Slalom Shop	2	—
Phil Dill Boats	1	—

We believe that our facilities are adequate for our current operations.

Legal Proceedings

Due to the nature of our business, we are, from time to time, involved in other routine litigation or subject to disputes or claims related to our business activities, including workers' compensation claims and employment related disputes. In the opinion of our management, none of the pending litigation, disputes or claims against us, if decided adversely, will have a material adverse effect on our financial condition, cash flows or results of operations.

Recent Developments

On November 26, 2019, OneWater LLC and certain of its subsidiaries further amended the Inventory Financing Facility to, among other things, increase the maximum amount of borrowing available under the Inventory Financing Facility to $392.5 million.

MANAGEMENT

Directors and Executive Officers

Set forth below are the names, ages as of December 1, 2019, positions and descriptions of the business experience of our executive officers, directors and director nominees.

Name	Age	Position with OneWater Inc.
Austin Singleton	46	Founder, Chief Executive Officer and Sole Director
Anthony Aisquith	52	President and Chief Operating Officer
Jack Ezzell	49	Chief Financial Officer
Christopher W. Bodine	64	Director Nominee
Jeffrey B. Lamkin	50	Director Nominee
Mitchell W. Legler	77	Director Nominee
John F. Schraudenbach	60	Director Nominee
Keith R. Style	46	Director Nominee
John G. Troiano	49	Director Nominee

Current Director and Executive Officers

Austin Singleton—Founder, Chief Executive Officer and Sole Director. Austin Singleton has served as our Chief Executive Officer and Sole Director since April 2019, the Chief Executive Officer of OneWater LLC since its formation in 2014, and the Chief Executive Officer of Singleton Marine, which later merged with Legendary Marine to form OneWater LLC, since 2006. Mr. Singleton has served on the Board of Managers of OneWater LLC since its formation in 2016. Mr. Singleton first joined Singleton Marine in 1988, shortly after his family founded Singleton Marine in 1987. Prior to his role as the Chief Executive Officer of OneWater LLC, Mr. Singleton worked in substantially all positions within the dealership from the fuel dock, to the service department, to the sales department, to general manager. Mr. Singleton studied Business and Finance at Auburn University. Mr. Singleton was selected as a director due to his management and extensive industry experience.

Anthony Aisquith—President and Chief Operating Officer. Anthony Aisquith has served as our Chief Operating Officer since April 2019 and as the President and Chief Operating Officer of OneWater LLC (including its predecessor entity, Singleton Marine) since 2008. Mr. Aisquith has served on the Board of Managers of OneWater LLC since 2014. Mr. Aisquith has 24 years of experience in the boating industry, and prior to joining OneWater LLC in 2008, he held several senior management positions at MarineMax (NYSE: HZO). Specifically, from 2003 to 2008, he served as Vice President, and from 2000 to 2008, he served as a Regional President, overseeing MarineMax's operations in Georgia, North and South Carolina, Texas and California. Prior to serving as Regional President, Mr. Aisquith held a variety of management and sales positions at MarineMax. Before joining MarineMax in June of 1985, Mr. Aisquith worked for ten years in the auto industry.

Jack Ezzell—Chief Financial Officer. Jack Ezzell has served as our Chief Financial Officer since April 2019 and as the Chief Financial Officer of OneWater LLC since 2017. Mr. Ezzell has over 25 years of accounting and finance experience, with over 18 years of experience in the boating industry specifically. Immediately prior to beginning his tenure as Chief Financial Officer of OneWater LLC, Mr. Ezzell was a General Manager at MarineMax (NYSE: HZO), where he oversaw all dealership operations at MarineMax's Clearwater and St. Petersburg, Florida locations. From 2010 to 2015, Mr. Ezzell served as Chief Accounting Officer of Masonite International Corporation (NYSE: DOOR), and from 1998 to 2010, he served as the Controller and as the Chief Accounting Officer at MarineMax. Prior to joining MarineMax, Mr. Ezzell began his career as an auditor for Arthur Andersen. Mr. Ezzell is a Certified Public Accountant and obtained his Bachelor of Science in Accounting from Western Carolina University.

Director Nominees

Christopher W. Bodine – Mr. Bodine has been nominated to serve on our board of directors. He retired as President, Health Care Services at CVS Caremark Corporation (NYSE: CVS) ("CVS Caremark") after 24 years with CVS Caremark in 2009. During his tenure as President, Mr. Bodine was

responsible for Strategy, Business Development, Trade Relations, Sales and Account Management, Pharmacy Merchandising, Marketing, Information Technology, and Minute Clinic. Mr. Bodine is currently a Director at Allergan plc (NYSE: AGN) and ContinuumRX Services, Inc. Mr. Bodine is also a Venture Partner at NewSpring Capital. Prior to these positions, he was a Director at Fred's, Inc. (NASDAQ: FRED) and Nash-Finch Company. Mr. Bodine formerly served as a Trustee for Bryant University and is active with the Juvenile Diabetes Research Foundation and the American Heart Association. Mr. Bodine attended Troy State University and received an Honorary Doctorate Degree in Business Administration from Johnson & Wales University. Our board of directors believes Mr. Bodine is qualified to serve on our board of directors because of his prior leadership experience and his public company experience.

Jeffrey B. Lamkin – Mr. Lamkin has been nominated to serve on our board of directors and has served on the Board of Managers and on the Compensation Committee of OneWater LLC (including its predecessor entity, Singleton Marine) since 2012. Mr. Lamkin currently serves as the Chief Executive Officer of Sea Oats Group, a family office focused on luxury lifestyle businesses, and has served in this capacity since 2001. In addition to his role at Sea Oats Group, he serves as the Chief Executive Officer of Cinnamon Shore, a beach town development in Texas. Prior to his positions with Sea Oats Group and Cinnamon Shore, Mr. Lamkin spent approximately 16 years in the advertising and marketing industry, specializing in non-traditional media solutions, where he advised many Fortune 100 companies on marketing investments. Mr. Lamkin received a Bachelor of Science with a concentration in Management and a minor in Economics from Towson State University. Our board of directors believes Mr. Lamkin is qualified to serve on our board of directors because of his extensive business experience and his familiarity with OneWater LLC.

Mitchell W. Legler – Mr. Legler has been nominated to serve on our board of directors and has served as Chairman of the Board of Managers of OneWater LLC since 2015. Mr. Legler is a business lawyer representing clients in corporate, commercial, and real estate law, and is a majority shareholder of the law firm Kirschner & Legler, P.A. Mr. Legler was a director of IMC Mortgage Company and Stein Mart, Inc. (NASDAQ: SMRT) ("Stein Mart"), both public companies, and served as general counsel to Stein Mart until his retirement in 2019. Mr. Legler has served as Director to a number of private companies in the healthcare, software development, international transportation, automotive retail, and real estate development fields. Mr. Legler received a B.A. with honors in Political Science from the University of North Carolina and a J.D. from the University of Virginia. Our board of directors believes Mr. Legler is qualified to serve on our board of directors because of his public company experience and his general legal expertise.

John F. Schraudenbach – Mr. Schraudenbach has been nominated to serve on our board of directors. Mr. Schraudenbach held various positions at Ernst & Young for 37 years until his retirement in June 2019. He served as the Senior Client Service Partner at Ernst & Young beginning in 2014, in which he established structure and policies for Ernst & Young's Americas Assurance practice. Prior to this, Mr. Schraudenbach was the Managing Partner of Business Development for the Southeast U.S. Region and an Audit Partner at Ernst & Young. Mr. Schraudenbach has served on the America's Assurance Operating Committee, National Accounting & Auditing Committee, Southeast Region Operating Committee and Center for Board Matters at Ernst & Young. Mr. Schraudenbach has served as the Alumni Board Chair at the University of Georgia Terry College of Business. Mr. Schraudenbach received both a Bachelor and Masters of Accounting from the University of Georgia. He is a Certified Public Accountant. Our board of directors believes Mr. Schraudenbach is qualified to serve on our board of directors because of his substantial financial and audit expertise.

Keith R. Style – Mr. Style has been nominated to serve on our board of directors and has served on the Board of Managers of OneWater LLC since 2015. Mr. Style has over 20 years of finance and accounting experience and is a Principal at The Presidio Group, a leading merchant bank and investment banking advisor in the retail automotive sector. From March 2017 to February 2018, Mr. Style served as interim Chief Financial Officer of OneWater LLC. Prior to OneWater LLC, Mr. Style served as the Senior Vice President and Chief Financial Officer of Asbury Automotive Group, Inc. (NYSE: ABG) ("Asbury"), a Fortune 500 company and one of the largest automotive retailers in the United States. After joining Asbury in 2003, Mr. Style held various roles in SEC Reporting, Treasury, Compliance, Investor Relations, Risk Management, Dealership Services and Process Innovation. Prior to joining Asbury, Mr. Style served in

several finance and accounting positions at Sirius Satellite Radio, Inc. (NASDAQ: SIRI). Mr. Style holds a B.A. in Economics and Business from Lafayette College. Our board of directors believes that Mr. Style is qualified to serve on our board of directors because of his industry and public company experience, as well as his financial and leadership background.

John G. Troiano – Mr. Troiano has been nominated to serve on our board of directors and has served on the Board of Managers and as Chairman of the Compensation Committee of OneWater LLC since October 2016. Mr. Troiano is the Managing Partner and CEO of Beekman, which he co-founded in 2004. Mr. Troiano spent two years at the mergers and acquisitions boutique firm Gleacher & Company, Inc. before joining Onex Corporation (TSX: ONEX) in 1996, where he became a Managing Director in Onex Corporation's New York office in 1999. Mr. Troiano serves on the Board and is a Chairman of numerous Beekman portfolio companies. Mr. Troiano is on the board of two academic institutions and is involved with various charitable organizations. Mr. Troiano graduated summa cum laude with a B.S. in Economics from the Wharton School of the University of Pennsylvania with concentrations in Finance and Accounting. Mr. Troiano then earned an M.B.A. from Harvard Business School. Our board of directors believes Mr. Troiano is qualified to serve on our board of directors because of his financial expertise and prior professional experience.

There are no family relationships among any of our executive officers or directors.

Composition of Our Board of Directors

Our board of directors currently consists of one member. Prior to the date that the Class A common stock is first traded on the Nasdaq, our board of directors is expected to consist of seven members and be divided into three classes of directors that will serve staggered three-year terms. At each annual meeting of stockholders, the successors to directors whose terms then expire will be elected to serve from the time of election and qualification until the third annual meeting following election. Our directors will be divided among the three classes as follows:

- The Class I directors are expected to be Austin Singleton, Mitchell W. Legler and John Schraudenbach, and their terms will expire at the annual meeting of stockholders to be held in 2021;
- The Class II directors are expected to be Christopher W. Bodine and Jeffrey B. Lamkin, and their terms will expire at the annual meeting of stockholders to be held in 2022; and
- The Class III directors are expected to be Keith R. Style and John G. Troiano, and their terms will expire at the annual meeting of stockholders to be held in 2023.

Our amended and restated certificate of incorporation provides that the number of directors may be set and changed only by resolution of the board of directors. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that each class will consist of as close to one-third of the directors as possible. The division of our board of directors into three classes with staggered three-year terms may delay or prevent a change of our management or a change in control.

Leadership Structure of the Board

Our amended and restated bylaws and our corporate governance guidelines provide our board of directors with flexibility to combine or separate the positions of chairman of our board of directors and chief executive officer and to implement a lead director in accordance with its determination that using one or the other structure would be in the best interests of our company. Mr. Legler will serve as the chairman of our board of directors. Our board of directors has concluded that our current leadership structure is appropriate at this time. Our board of directors will periodically review our leadership structure and may make such changes in the future as it deems appropriate.

Director Independence

Under the listing requirements and rules of the Nasdaq, independent directors must comprise a majority of our board of directors within a specified period after the completion of this offering. In addition, the rules of the Nasdaq require that, subject to specified exceptions, each member of a listed company's

audit, compensation, and nominating and corporate governance committees must be independent. Audit committee members must also satisfy the independence criteria set forth in Rule 10A-3 under the Exchange Act. Under the rules of the Nasdaq, a director will qualify as an "independent director" only if, in the opinion of that company's board of directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Additionally, compensation committee members must not have a relationship with us that is material to the director's ability to be independent from management in connection with the duties of a compensation committee member.

Audit committee members must also satisfy the independence criteria set forth in Rule 10A-3 under the Exchange Act. To be considered to be independent for purposes of Rule 10A-3 of the Exchange Act, a member of an audit committee of a listed company may not, other than in his or her capacity as a member of the audit committee, the board of directors, or any other board committee: (1) accept, directly or indirectly, any consulting, advisory, or other compensatory fee from the listed company or any of its subsidiaries; or (2) be an affiliated person of the listed company or any of its subsidiaries.

Our board of directors has undertaken a review of its composition, the composition of its committees and independence of each director. Based upon information requested from and provided by each director concerning his background, employment and affiliations, including family relationships, our board of directors has determined that Messrs. Bodine, Lamkin, Legler, Schraudenbach, Style and Troiano, representing a majority of our directors, do not have any relationships that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is "independent" as that term is defined under the applicable rules and regulations of the SEC and the listing requirements of the Nasdaq. Our board of directors also determined that Messrs. Lamkin, Legler and Schraudenbach, who will comprise our audit committee, Messrs. Bodine, Style and Troiano, who will comprise our compensation committee, and Messrs. Bodine, Legler and Style, who will comprise our nominating and corporate governance committee, satisfy the respective independence standards for those committees established by applicable rules and regulations of the SEC and the listing requirements of the Nasdaq. In making this determination, our board of directors considered the current and prior relationships that each non-employee director has with our company and all other facts and circumstances our board of directors deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director and the transactions involving each non-employee director, if any, described in "Certain Relationships and Related Party Transactions."

Committees of the Board of Directors

Our board of directors will establish an audit committee, a compensation committee and a nominating and governance committee prior to the completion of this offering. The composition and responsibilities of each of the committees of our board of directors are described below. Following the completion of this offering, copies of the charters for each committee will be available on our website. Members will serve on these committees until their resignation or until otherwise determined by our board of directors. Our board of directors may establish other committees as it deems necessary or appropriate from time to time.

Audit Committee

Rules implemented by the Nasdaq and the SEC require us to have an audit committee comprised of at least three directors who meet the independence and experience standards established by the Nasdaq and the Exchange Act, subject to transitional relief during the one-year period following the completion of this offering. Our audit committee will initially consist of three directors, all of whom are independent under the rules of the SEC. As required by the rules of the SEC and listing standards of the Nasdaq, after the applicable transition period, the audit committee will consist solely of independent directors. Messrs. Schraudenbach, Lamkin and Legler will initially serve as members of our audit committee, with Mr. Schraudenbach serving as chair of the audit committee. Each member of the audit committee is financially literate, and our board of directors has determined that Mr. Schraudenbach qualifies as an "audit committee financial expert" as defined in applicable SEC rules.

This committee will oversee, review, act on and report on various auditing and accounting matters to our board of directors, including: the selection of our independent accountants, the scope of our annual audits,

fees to be paid to the independent accountants, the performance of our independent accountants and our accounting practices. In addition, the audit committee will oversee our compliance programs relating to legal and regulatory requirements. We expect to adopt an audit committee charter defining the committee's primary duties in a manner consistent with the rules of the SEC and applicable Nasdaq standards.

Compensation Committee

Our compensation committee will consist of Messrs. Troiano, Bodine and Style, with Mr. Troiano serving as the chair of the compensation committee. Our board of directors has determined that all members of the Compensation Committee are independent under the current listing standards of the Nasdaq and are "non-employee directors" as defined in Rule 16b-3 promulgated under the Exchange Act.

The compensation committee will review and approve, or recommend that our board of directors approve, the compensation of our chief executive officer, review and recommend to our board of directors the compensation of our non-employee directors, review and approve, or recommend that our board of directors approve, the terms of compensatory arrangements with our executive officers, administer our incentive compensation and benefit plans, select and retain independent compensation consultants and assess whether any of our compensation policies and programs has the potential to encourage excessive risk-taking. We expect to adopt a compensation committee charter defining the committee's primary duties in a manner consistent with the rules of the SEC and applicable Nasdaq standards.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee will consist of Messrs. Bodine, Legler and Style, with Mr. Bodine serving as the chair of the nominating and corporate governance committee. Our board of directors has determined that all members of the Nominating and Corporate Governance Committee are independent under the current listing standards of the Nasdaq.

The nominating and corporate governance committee will identify, evaluate and recommend qualified nominees to serve on our board of directors, consider and make recommendations to our board of directors regarding the composition of our board of directors and its committees, and oversee our internal corporate governance processes, review and approve or disapprove of related party transactions, maintain a management succession plan and oversee an annual evaluation of the board of directors' performance. We expect to adopt a nominating and corporate governance committee charter defining the committee's primary duties in a manner consistent with the rules of the SEC and applicable Nasdaq standards.

Code of Business Conduct and Ethics

Our board of directors has adopted a code of business conduct and ethics applicable to our employees, directors and officers, in accordance with applicable U.S. federal securities laws and the corporate governance rules of the Nasdaq. Any waiver of this code may be made only by our board of directors and will be promptly disclosed as required by applicable U.S. federal securities laws and the corporate governance rules of the Nasdaq.

Corporate Governance Guidelines

Our board of directors has adopted corporate governance guidelines in accordance with the corporate governance rules of the Nasdaq.

Compensation Committee Interlocks and Insider Participation

None of the members of the compensation committee is currently or has been at any time one of our employees with the exception of Mr. Style having served as interim Chief Financial Officer of OneWater LLC from March 1, 2017 to February 19, 2018. None of our executive officers currently serves, or has served during the last year, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of our board of directors or compensation committee. Mr. Troiano, a member of our Compensation Committee, had certain boat purchase and resale transactions relating to OneWater LLC, as disclosed under "Certain Relationships and Related Party Transactions—Historical Transactions with Affiliates—Customers and Service Providers" below.

EXECUTIVE COMPENSATION

OneWater Inc. did not pay any compensation to officers or employees during the 2018 and 2019 fiscal years. However, the operations of our predecessor will be carried on by us and our subsidiaries following this offering, and the executive officers of our predecessor have been our executive officers since April 2019. As such, we believe that disclosure regarding our executive officers' compensation for the full 2018 and 2019 fiscal years, which was established and paid by our predecessor, is generally appropriate and relevant to investors, and as such, is disclosed below.

The tables and narrative disclosure below provide compensation disclosure that satisfies the requirements applicable to emerging growth companies, as defined in the JOBS Act.

Summary Compensation Table for Fiscal Years 2018 and 2019

The following table summarizes the compensation awarded to, earned by or paid to our principal executive officer and our next two most highly-compensated executive officers (our "Named Executive Officers") for the fiscal years ended September 30, 2018 and 2019.

Name and Principal Position	Year	Salary ($)	Option Awards ($)[1]	Non-equity Incentive Plan Compensation ($)[2]	All Other Compensation ($)[3]	Total ($)
Austin Singleton	2019	$ 220,000	$ —	$ —	$ 35,569	$ 255,569
(Founder, Chief Executive Officer and Director)	2018	$ 220,000	$ —	$ —	$ 35,569	$ 255,569
Anthony Aisquith	2019	$ 523,972	$ —	$ —	$ 31,734	$ 555,706
(President & Chief Operating Officer)	2018	$ 523,972	$ —	$ —	$ 33,873	$ 557,845
Jack Ezzell[4]	2019	$ 350,000	$ —	$ 50,000	$ 13,576	$ 413,576
(Chief Financial Officer)	2018	$ 280,769	$ 215,908	$ 62,500	$ 10,691	$ 569,868

(1) Amount reported reflects the aggregate grant date fair value, computed in accordance with FASB ASC Topic 718, of Class B Units in OneWater LLC granted to Mr. Ezzell during fiscal year 2018. For additional information regarding the assumptions underlying this calculation please see Note 14 to our consolidated financial statements, entitled "Equity-Based Compensation," for the fiscal year ended September 30, 2018, included elsewhere in this prospectus. See the discussion below entitled "Long Term Incentive Compensation" for a description of the Class B Units.

(2) Neither Messrs. Singleton nor Aisquith were eligible to receive an annual bonus in fiscal year 2018. Mr. Ezzell's annual incentive arrangement is described below in the discussion entitled "Narrative to the Summary Compensation Table—Annual Bonus."

(3) "All Other Compensation" includes perquisites and other personal benefits consisting of (i) an annual auto allowance for Mr. Singleton of $22,800 for fiscal year 2019, and payments for an automobile used by Mr. Aisquith but owned by us equal to 17,016, and (ii) medical premiums of $10,691, paid by us for the benefit of each of the Named Executive Officers at amounts greater than amounts available to employees generally. As a general rule, we will reimburse our Named Executive Officers for amounts paid by the executives for business travel, including business travel on private, chartered or fractionally owned aircraft but we do not reimburse our Named Executive Officers for any personal use of private aircraft. In addition, we paid premiums with respect to life insurance policies for the benefit of Messrs. Singleton and Aisquith in amounts equal to $2,078 and $4,027, respectively. In fiscal year 2019, Mr. Ezzell participated in our 401(k) plan and received matching contributions of $2,885. The Named Executive Officers are also eligible to receive discounts on certain purchases (including boats), services and storage and have access to demonstration boats for their personal use, but these additional perquisites did not result in any additional cost to us and therefore no amount is being reported in connection with these perquisites.

(4) Mr. Ezzell was appointed Chief Financial Officer on February 19, 2018. Prior to that time he served as our Vice President of Finance. The compensation reported in this Summary Compensation Table includes the compensation earned with respect to both positions.

Narrative to the Summary Compensation Table

Base Salary

Each Named Executive Officer's base salary is a fixed component of annual compensation for performing specific job duties and functions. Historically, our board of directors has established the annual base salary rate for each of the Named Executive Officers at a level necessary to retain the individual's services, and reviews base salaries on an annual basis in consultation with the Chief Executive Officer (other than with respect to his own salary). The board of directors has historically made adjustments to the base salary rates of the Named Executive Officers upon consideration of any factors that it deems relevant, including but not limited to: (a) any increase or decrease in the executive's responsibilities, (b) the executive's job performance, and (c) the level of compensation paid to executives of other companies with which we compete for executive talent, as estimated based on publicly available information and the experience of members of our board of directors and our Chief Executive Officer. In connection with this offering, the compensation committee has engaged the human resources consulting division of Aon, plc ("Aon") as our compensation consultant and will use Aon to determine the base salaries, annual bonuses and other aspects of our compensation practices going forward.

Annual Bonus

In fiscal year 2019, neither Messrs. Singleton nor Aisquith participated in an annual bonus program. However, Mr. Ezzell participated in our annual incentive compensation program pursuant to which specific objectives were communicated to Mr. Ezzell both in his capacity as Vice President of Finance and in his capacity as Chief Financial Officer. His objectives were focused on our achieving certain levels of EBITDA, timely completion of the annual audit, improvements to our internal review and Board reporting processes and making operating improvements to our accounting function.

In connection with this offering and in future fiscal years we intend to adopt a more robust annual incentive program in which all of our Named Executive Officers will participate contingent upon the achievement of metrics and targets to be set annually by the Compensation Committee. It is currently anticipated that pretax income and aged inventory will be utilized as metrics following this offering.

Long Term Incentive Compensation

We have historically offered long-term incentives to our executive officers through grants of Class B Units in OneWater LLC. The Class B Units represent an interest in the future profits of OneWater LLC and are intended to be treated as "profits interests" for federal income tax purposes. The Class B Units enable our executive officers to participate in growth of the OneWater LLC and are subject to a time-vesting requirement. Mr. Ezzell is the only Named Executive Officer who holds Class B Units. 1,010 Class B Units were granted to Mr. Ezzell in fiscal year 2018, which vest with respect to 25% on each of the first four anniversaries of February 19, 2018. Mr. Ezzell's Class B Units will vest upon the closing of this offering. No long-term incentives were awarded in fiscal year 2019.

In addition, prior to the completion of this offering we expect to adopt the 2019 Omnibus Incentive Plan, which is described in the "—Additional Narrative Disclosures—Long Term Incentive Plan" section below.

Other Compensation Elements

We offer participation in broad-based retirement, health and welfare plans to all of our employees. We currently maintain a retirement plan intended to provide benefits under section 401(k) of the Internal Revenue Code, under which employees, including our Named Executive Officers, are allowed to contribute portions of their base compensation to a tax-qualified retirement account and receive discretionary matching contributions. In fiscal year 2019, matching contributions were made to participating employees equal to 50% of the employee's deferral up to 4% of the employee's compensation, subject to applicable nondiscrimination limitations imposed by the Internal Revenue Code. During fiscal year 2019, only Mr. Ezzell participated in our retirement plan.

Outstanding Equity Awards at 2019 Fiscal Year-End

The following table reflects information regarding outstanding equity-based awards held by our Named Executive Officers as of September 30, 2019, which consist exclusively of Class B Units in OneWater LLC. All outstanding equity-based awards held by our Named Executive Officers as of September 30, 2019 are included in the table below.

	Option Awards			
Name	Number of Securities Underlying Unexercised Options (#) (Exercisable)	Number of Securities Underlying Unexercised Options (#) (Unexercisable)[1]	Option Exercise Price ($)[2]	Option Expiration Date[2]
Austin Singleton	—	—	—	—
Anthony Aisquith	—	—	—	—
Jack Ezzell	—	758	N/A	N/A

(1) This column reflects the number of Class B Units in OneWater LLC held by the Named Executive Officer that were unvested as of September 30, 2019. The 758 Class B Units will vest in substantially equal annual installments on February 19, 2020, 2021 and 2022, subject to the Named Executive Officer's continued employment. These units will become 100% vested upon the closing of this offering and will convert into OneWater LLC Units in connection with this offering.

(2) These equity awards, while analogous economically to options in that the recipient receives potential value only with respect to future appreciation, are not traditional options, and therefore, there is no exercise price or expiration date associated with them. However, the participation threshold (which represents the aggregate value of OneWater LLC that must be exceeded for Mr. Ezzell's award to be "in the money") is $100,000,000.

Additional Narrative Disclosures

Employment Agreements

In fiscal year 2019, none of our Named Executive Officers except Mr. Ezzell was subject to an employment agreement. Mr. Ezzell entered into an employment agreement effective February 19, 2018 and Messrs. Singleton and Aisquith will enter into employment agreements (and Mr. Ezzell will amend his employment agreement) in connection with this offering. The employment agreements provide, or will provide, for the following benefits.

Severance Protection under Employment Agreements

Upon termination without cause or resignation for good reason, our Named Executive Officers will continue to receive base salary for a period of two years for Messrs. Singleton and Aisquith and one year for Mr. Ezzell and will receive an annual incentive bonus at target for two years following termination for Messrs. Singleton and Aisquith and one year for Mr. Ezzell. The annual incentive will be paid at the time we process the annual incentive payment for the continuing executives. No severance will be paid to a Named Executive Officer terminated for cause or who resigns without good reason.

Continued Vesting of Unvested Equity upon Termination

Upon termination without cause or resignation for good reason, our Named Executive Officers will continue to vest in all outstanding, unvested restricted stock units and performance stock units for a period of 12 months following the date of termination. Performance stock units that have not yet been measured will not be forfeited but will instead be determined at the end of the one-year performance period.

Non-Competition and Non-Solicitation Agreement

Under the terms of his employment agreement, the Named Executive Officer agrees not to compete against OneWater Inc. or solicit our employees for a period of two years following the date of departure for Messrs. Singleton and Aisquith and one year for Mr. Ezzell. In addition, as discussed below in "Certain Relationships and Related Party Transactions—Historical Transactions with Affiliates—OneWater LLC Warrants," in connection with Goldman's and Beekman's purchases of the Opco Preferred Units and the LLC Warrants, Austin Singleton, our Chief Executive Officer, and Anthony Aisquith, our Chief Operating Officer, entered into non-solicitation and non-competition agreements for a 42-month term ending on March 28, 2020.

Change in Control Provisions

Mr. Ezzell's Class B Units will vest upon the closing of this offering. However, restricted stock units and performance stock units awards granted after the date of this offering will be subject to "double trigger" rather than "single trigger" vesting in connection with a change in control. These equity awards held by our Named Executive Officers will only vest in connection with a change in control if the Named Executive Officer is terminated without cause or resigns for good reason during the 12-month period following the change in control. Upon such a termination, in addition to the severance protection described above, all outstanding, unvested restricted stock units will immediately vest. All unvested performance stock units for which performance achievement had been measured at the time of the change in control will vest immediately upon such termination. Unvested performance stock units for which performance achievement had not been measured at the time of the change in control will not be forfeited but will instead be measured at the end of the initial one year performance period under the grant.

Payments Upon Death of Executive

In connection with this offering, we will implement arrangements pursuant to which the families of each Named Executive Officer will be paid $1 million upon the death of Messrs. Singleton and Aisquith and $500,000 upon the death of Mr. Ezzell.

Accelerated Vesting due to Death or Disability of Executive

All unvested restricted stock units will vest immediately upon the death or disability of a Named Executive Officer. All unvested performance stock units for which performance achievement had been measured prior to the Named Executive Officer's death or disability will vest immediately upon death or disability of the executive. Unvested performance stock units for which performance achievement had not yet been measured prior to the Named Executive Officer's death or disability will be determined at the end of the one-year performance period and will fully vest at the time the measurement is performed.

Long Term Incentive Plan

In order to incentivize individuals providing services to us or our affiliates, our board of directors intends to adopt a long-term incentive plan (the "LTIP") prior to the completion of this offering. We anticipate that the LTIP will provide for the grant, from time to time, at the discretion of our board of directors or a committee thereof, of stock options, stock appreciation rights ("SARs"), restricted stock, restricted stock units, stock awards, dividend equivalents, other stock-based awards, cash awards, substitute awards and performance awards. The description of the LTIP set forth below is a summary of the material anticipated features of the LTIP. Our board of directors is still in the process of developing, approving and implementing the LTIP, and accordingly, this summary is subject to change. Further, this summary does not purport to be a complete description of all of the anticipated provisions of the LTIP and is qualified in its entirety by reference to the LTIP, the form of which is filed as an exhibit to this registration statement.

LTIP Share Limits. Subject to adjustment in the event of certain transactions or changes of capitalization in accordance with the LTIP, the total number of shares of our Class A common stock reserved for issuance pursuant to awards under the LTIP is equal to 10% of our fully diluted shares outstanding from time to time. The total number of shares reserved for issuance under the LTIP that may be issued pursuant to incentive stock options (which generally are stock options that meet the requirements of Section 422 of the Code) is . Class A common stock subject to an award that expires or is cancelled, forfeited, exchanged, settled in cash or otherwise terminated without delivery of shares (including forfeiture of restricted stock awards) and shares withheld to pay the exercise price of, or to satisfy the withholding obligations with respect to, an award will again be available for delivery pursuant to other awards under the LTIP.

Administration. The LTIP will be administered by our board of directors, except to the extent our board of directors elects a committee of directors to administer the LTIP (the "administrator"). The administrator has broad discretion to administer the LTIP, including the power to determine the eligible individuals to whom awards will be granted, the number and type of awards to be granted and the terms

and conditions of awards. The administrator may also accelerate the vesting or exercise of any award and make all other determinations and to take all other actions necessary or advisable for the administration of the LTIP.

Eligibility. Any individual who is our officer or employee or an officer or employee of any of our affiliates, and any other person who provides services to us or our affiliates, including members of our board of directors, are eligible to receive awards under the LTIP at the discretion of the administrator.

Stock Options. The administrator may grant incentive stock options and options that do not qualify as incentive stock options, except that incentive stock options may only be granted to persons who are our employees or employees of one of our subsidiaries, in accordance with Section 422 of the Code. The exercise price of a stock option generally cannot be less than 100% of the fair market value of a share of our Class A common stock on the date on which the option is granted and the option must not be exercisable for longer than ten years following the date of grant. In the case of an incentive stock option granted to an individual who owns (or is deemed to own) at least 10% of the total combined voting power of all classes of our capital stock, the exercise price of the stock option must be at least 110% of the fair market value of a share of our Class A common stock on the date of grant and the option must not be exercisable more than five years from the date of grant.

Stock Appreciation Rights. A SAR is the right to receive an amount equal to the excess of the fair market value of one share of our Class A common stock on the date of exercise over the grant price of the SAR. The grant price of a SAR generally cannot be less than 100% of the fair market value of a share of our Class A common stock on the date on which the SAR is granted. The term of a SAR may not exceed ten years. SARs may be granted in connection with, or independent of, a stock option. SARs may be paid in cash, Class A common stock or a combination of cash and Class A common stock, as determined by the administrator.

Restricted Stock. Restricted stock is a grant of shares of Class A common stock subject to the restrictions on transferability and risk of forfeiture imposed by the administrator. In the discretion of the administrator, dividends distributed prior to vesting may be subject to the same restrictions and risk of forfeiture as the restricted stock with respect to which the distribution was made.

Restricted Stock Units. A restricted stock unit is a right to receive cash, Class A common stock or a combination of cash and Class A common stock at the end of a specified period equal to the fair market value of one share of our Class A common stock on the date of vesting. Restricted stock units may be subject to the restrictions, including a risk of forfeiture, imposed by the administrator.

Stock Awards. A stock award is a transfer of unrestricted shares of our Class A common stock on terms and conditions determined by the administrator.

Dividend Equivalents. Dividend equivalents entitle an individual to receive cash, shares of Class A common stock, other awards, or other property equal in value to dividends or other distributions paid with respect to a specified number of shares of our Class A common stock. Dividend equivalents may be awarded on a free-standing basis or in connection with another award (other than an award of restricted stock or a stock award). The administrator may provide that dividend equivalents will be paid or distributed when accrued or at a later specified date, including at the same time and subject to the same restrictions and risk of forfeiture as the award with respect to which the dividends accrue if they are granted in tandem with another award.

Other Stock-Based Awards. Subject to limitations under applicable law and the terms of the LTIP, the administrator may grant other awards related to our Class A common stock. Such awards may include, without limitation, awards that are convertible or exchangeable debt securities, other rights convertible or exchangeable into our Class A common stock, purchase rights for Class A common stock, awards with value and payment contingent upon our performance or any other factors designated by the administrator, and awards valued by reference to the book value of our Class A common stock or the value of securities of, or the performance of, our affiliates.

Cash Awards. The LTIP will permit the grant of awards denominated in and settled in cash as an element of or supplement to, or independent of, any award under the LTIP.

Substitute Awards. Awards may be granted in substitution or exchange for any other award granted under the LTIP or any other right of an eligible person to receive payment from us. Awards may also be granted under the LTIP in substitution for similar awards held by individuals who become eligible persons as a result of a merger, consolidation or acquisition of another entity or the assets of another entity by or with us or one of our affiliates.

Performance Awards. Performance awards represent awards with respect to which a participant's right to receive cash, shares of our Class A common stock, or a combination of both, is contingent upon the attainment of one or more specified performance measures during a specified period. The administrator will determine the applicable performance period, the performance goals and such other conditions that apply to each performance award. The administrator may use any business criteria and other measures of performance it deems appropriate in establishing the performance goals applicable to a performance award.

Recapitalization. In the event of any change in our capital structure or business or other corporate transaction or event that would be considered an equity restructuring, the administrator shall or may (as required by applicable accounting rules) equitably adjust the (i) aggregate number or kind of shares that may be delivered under the LTIP, (ii) the number or kind of shares or amount of cash subject to an award, (iii) the terms and conditions of awards, including the purchase price or exercise price of awards and performance goals, and (iv) the applicable share-based limitations with respect to awards provided in the LTIP, in each case to equitably reflect such event.

Change in Control. Except to the extent otherwise provided in any applicable award agreement, no award will vest solely upon the occurrence of a change in control. In the event of a change in control or other changes to us or our Class A common stock, our board of directors may, at its discretion, (i) accelerate the time of exercisability of an award, (ii) require awards to be surrendered in exchange for a cash payment (including cancelling a stock option or SAR for no consideration if it has an exercise price or the grant price less than the value paid in the transaction), or (iii) make any other adjustments to awards that the administrator deems appropriate to reflect the applicable transaction or event (including the assumption of awards by a successor).

No Repricing. Except in connection with (i) the issuance of substitute awards granted to new service providers in connection with a transaction or (ii) adjustments to awards granted under the LTIP as a result of a transaction or recapitalization involving us, without the approval of the stockholders of OneWater Inc., the terms of an outstanding option or SAR may not be amended to reduce the exercise price or grant price or to take any similar action that would have the same economic result.

Clawback. All awards granted under the LTIP are subject to reduction, cancellation or recoupment under any written clawback policy that we may adopt and that we determine should apply to awards under the LTIP.

Amendment and Termination. The LTIP will automatically expire on the tenth anniversary of its effective date. Our board of directors may amend or terminate the LTIP at any time, subject to stockholder approval if required by applicable law, rule or regulation, including the rules of the stock exchange on which our shares of Class A common stock are listed. Our board of directors may amend the terms of any outstanding award granted under the LTIP at any time so long as the amendment would not adversely affect the rights of a participant under a previously granted award without the participant's consent (or unless required by law or unless necessary to preserve the economic value of an award).

Cash and Equity Awards in Connection with or Following This Offering

Following this offering, we anticipate granting time-based restricted stock unit grants and performance stock units to our Named Executive Officers under the LTIP. Of the aggregate value of the equity grants, 40% will constitute restricted stock units and 60% will constitute performance stock units. The restricted stock units granted to our Named Executive Officers will have a total value of $208,000 for each of Messrs. Singleton and Aisquith and $120,000 for Mr. Ezzell, with the number of units determined based on the stock price on the date of grant (anticipated to occur on the first trading day of our Class A common stock). The restricted stock units will vest ratably over a 4-year period.

The performance stock unit grants will be granted to our Named Executive Officers with a targeted total value of $312,000 for each of Messrs. Singleton and Aisquith and $180,000 for Mr. Ezzell, with the number of "target units" granted determined based on the stock price on the date of grant. The ultimate number of units earned will be determined based on the performance of OneWater Inc. versus specific objectives over a one-year performance period, with the actual amount earned ranging from 0% to 175% of the "target units". The performance measurement will be similar in structure to annual incentive calculation and will include performance against pre-tax income and aged inventory objectives. Following the initial one-year performance period, the performance stock units contingently earned will vest ratably over a 3-year period, subject to the Named Executive Officer's continued performance of services.

In addition, our Named Executive Officers will receive one time cash transaction bonuses contingent on the continued employment of the executive through the successful completion of this offering. Messrs. Singleton and Aisquith will receive bonuses equal to $1,000,000 each and Mr. Ezzell will receive a bonus equal to $300,000, in each case payable in a lump sum upon the closing of this offering.

Director Compensation for Fiscal Year 2019

OneWater Inc. did not pay any compensation to directors during the 2019 fiscal year. However, we believe that disclosure regarding our directors' compensation for the full 2019 fiscal year, which was established and paid by our predecessor, is generally appropriate and relevant to investors, and as such, is disclosed below.

Employee directors are not compensated for their additional service provided to our board. Prior to this offering, we compensated our non-employee directors with an annual retainer of $30,000 in cash each year. Additionally, each non-employee director that served on the audit and/or compensation committee received an additional $6,000 per committee of service. Cash retainers were paid quarterly in arrears. Non-employee independent directors were not awarded any equity compensation in connection with their service. In addition, the various chairs of board committees received the following additional cash retainers:

- Non-Executive Chair: $30,000
- Audit Committee Chair: $40,000
- Compensation Committee Chair: $20,000

During the fiscal year ended September 30, 2019 each of our non-employee directors received the compensation set forth in the table below.

Name	Fees Earned or Paid in Cash ($)	Total ($)
Mitch Legler	$ 66,000	$ 66,000
Michael Smith	$ 70,000	$ 70,000
John Troiano	$ 56,000	$ 56,000
David Miller(1)	$ —	$ —
Jeffrey Lamkin	$ 36,000	$ 36,000
Pete Knowles	$ 36,000	$ 36,000
Keith Style(2)	$ 36,000	$ 66,000

(1) Mr. Miller is a board representative of Goldman and does not receive any additional compensation (nor do we provide any additional compensation to Goldman) for his services as a director.

(2) Mr. Style was granted 500 restricted preferred units in OneWater LLC on March 9, 2015 and 2,500 Class B Units in OneWater LLC on March 1, 2017. As of September 30, 2019, Mr. Style held 300 unvested restricted preferred units and 313 vested Class B Units (and no unvested Class B Units) which are, as described above under "—Narrative to Summary Compensation Table—Long Term Incentive Compensation," similar to stock options. The unvested restricted preferred units will become 100% vested upon the completion of this offering and convert into OneWater LLC Units.

Following this offering, we believe that attracting and retaining qualified non-employee independent directors will be critical to the future value of our growth and governance. We also believe that the compensation package for our non-employee independent directors should require that a portion of the total compensation package be equity-based to align the interests of these directors with our equity holders. Consequently, we intend to pay our non-employee independent directors an annual retainer of $75,000 in cash each year and award each non-employee independent director with an annual restricted stock unit grant valued, on the date of grant, at $75,000, which will vest one year following the date of grant. In addition, the various chairs of board committees will receive the following additional cash retainers:

- Non-Executive Chair, if any: $30,000
- Audit Committee Chair: $20,000
- Compensation Committee Chair: $15,000
- Governance Committee Chair: $10,000

Cash retainers will be paid quarterly in arrears. In addition, our non-employee independent directors will be required, within five years of joining the board, to hold shares of our common stock with a value of $225,000 (or three times the value of the base annual retainer paid to non-employee independent directors).

CORPORATE REORGANIZATION

OneWater Inc. was incorporated as a Delaware corporation on April 3, 2019. Following this offering and the related transactions, OneWater Inc. will be a holding company whose only material asset will consist of membership interests in OneWater LLC. Following the closing of this offering, OneWater LLC will own all of the outstanding equity interests in Opco, which in turn will own all the outstanding equity interests in the subsidiaries through which OneWater Inc. operates its assets. After the consummation of the Reorganization, OneWater Inc. will be the sole managing member of OneWater LLC and will be responsible for all operational, management and administrative decisions relating to OneWater LLC's business and will consolidate financial results of OneWater LLC and its subsidiaries. The OneWater LLC Agreement will be amended and restated as the Fourth Amended and Restated Limited Liability Company Agreement of OneWater LLC to, among other things, admit OneWater Inc. as the sole managing member of OneWater LLC.

In connection with the offering:

(a) One Legacy Owner holding a preferred distribution right of OneWater LLC will receive a cash payment of approximately $ million in exchange for the surrender of the preferred right;

(b) OneWater LLC will provide the Legacy Owners the right to receive a tax distribution to cover taxable income arising as a result of OneWater LLC's operating income through the period ending on the date of the closing of this offering;

(c) OneWater LLC's limited liability company agreement will be amended and restated to, among other things, provide for a single class of OneWater LLC Units; OneWater Inc.'s certificate of incorporation and bylaws will be amended and restated; and all of the Legacy Owners' existing membership interests in OneWater LLC will be exchanged for OneWater LLC Units;

(d) Goldman and Beekman will receive an aggregate of OneWater LLC Units upon exercise of the LLC Warrants;

(e) the Exchanging Owners will, directly or indirectly, contribute their OneWater LLC Units to OneWater Inc. in exchange for shares of Class A common stock;

(f) OneWater Inc. will issue shares of Class A common stock to purchasers in this offering in exchange for the proceeds of this offering;

(g) Each OneWater Unit Holder will receive a number of shares of Class B common stock equal to the number of OneWater LLC Units held by such OneWater Unit Holder following this offering;

(h) OneWater Inc. will contribute the net proceeds of this offering to OneWater LLC in exchange for an additional number of OneWater LLC Units such that OneWater Inc. holds a total number of OneWater LLC Units equal to the number of shares of Class A common stock outstanding following this offering; and

(i) OneWater LLC will contribute cash to Opco in exchange for additional units therein, and Opco will use such cash, consisting of the net proceeds of the offering, cash on hand and borrowings under the Term and Revolver Credit Facility that we expect to enter into, to redeem all of the outstanding the Opco Preferred Units held by Goldman and Beekman for cash. Please see "Use of Proceeds," "Certain Relationships and Related Party Transactions—Historical Transactions with Affiliates—Opco Preferred Units" and "—OneWater LLC Warrants" for additional information.

After giving effect to these transactions and the offering contemplated by this prospectus, OneWater Inc. will own an approximate % interest in OneWater LLC (or % if the underwriters' option to purchase additional shares is exercised in full), and the OneWater Unit Holders will own an approximate % interest in OneWater LLC (or % if the underwriters' option to purchase additional shares is exercised in full) and all of the Class B common stock. Please see "Principal Stockholders."

Each share of Class B common stock has no economic rights but entitles its holder to one vote on all matters to be voted on by stockholders generally. Holders of Class A common stock and Class B common

stock will vote together as a single class on all matters presented to our stockholders for their vote or approval, except as otherwise required by applicable law or by our amended and restated certificate of incorporation. OneWater Inc. does not intend to list Class B common stock on any exchange.

Following this offering, under the OneWater LLC Agreement, each OneWater Unit Holder will, subject to certain limitations, have the right, pursuant to the Redemption Right, to cause OneWater LLC to acquire all or a portion of its OneWater LLC Units for, at OneWater LLC's election, (i) shares of our Class A common stock at a redemption ratio of one share of Class A common stock for each OneWater LLC Unit redeemed, subject to conversion rate adjustments for stock splits, stock dividends and reclassification and other similar transactions or (ii) an equivalent amount of cash. An independent committee of our board of directors will determine whether to issue shares of Class A common stock or cash based on facts in existence at the time of the decision, which we expect would include the relative value of the Class A common stock (including trading prices for the Class A common stock at the time), the cash purchase price, the availability of other sources of liquidity (such as an issuance of stock) to acquire the OneWater LLC Units and alternative uses for such cash. Alternatively, upon the exercise of the Redemption Right, OneWater Inc. (instead of OneWater LLC) will have the right, pursuant to the Call Right, to , for administrative convenience, acquire each tendered OneWater LLC Unit directly from the redeeming OneWater Unit Holder for, at its election, (x) one share of Class A common stock, subject to conversion rate adjustments for stock splits, stock dividends and reclassification and other similar transactions, or (y) an equivalent amount of cash. In addition, OneWater Inc. has the right to require (i) upon the acquisition by OneWater Inc. of substantially all of the OneWater LLC Units, certain minority unitholders or (ii) upon a change of control of OneWater Inc., each OneWater Unit Holder (other than OneWater Inc.), to exercise its Redemption Right with respect to some or all of such unitholder's OneWater LLC Units. In connection with any redemption of OneWater LLC Units pursuant to the Redemption Right or the Call Right, the corresponding number of shares of Class B common stock will be cancelled. See "Certain Relationships and Related Party Transactions—OneWater LLC Agreement."

Certain Legacy Owners will have the right, under certain circumstances, to cause us to register the offer and resale of their shares of Class A common stock. See "Certain Relationships and Related Party Transactions— Registration Rights Agreement."

OneWater Inc.'s acquisition (or deemed acquisition for U.S. federal income tax purposes) of OneWater LLC Units in connection with this offering or pursuant to an exercise of the Redemption Right or the Call Right is expected to result in adjustments to the tax basis of the tangible and intangible assets of OneWater LLC, and such adjustments will be allocated to OneWater Inc. These adjustments would not have been available to OneWater Inc. absent its acquisition or deemed acquisition of OneWater LLC Units and are expected to reduce the amount of cash tax that OneWater Inc. would otherwise be required to pay in the future.

OneWater Inc. will enter into the Tax Receivable Agreement with certain of the OneWater Unit Holders at the closing of this offering. This agreement will generally provide for the payment by OneWater Inc. to such OneWater Unit Holders of 85% of the net cash savings, if any, in U.S. federal, state and local income tax and franchise tax (computed using the estimated impact of state and local taxes) that OneWater Inc. actually realizes (or is deemed to realize in certain circumstances) in periods after this offering as a result of, as applicable to each such OneWater Unit Holder, (i) certain increases in tax basis that occur as a result of OneWater Inc.'s acquisition (or deemed acquisition for U.S. federal income tax purposes) of all or a portion of such OneWater Unit Holder's OneWater LLC Units pursuant to the exercise of the Redemption Right or the Call Right or that relate to prior transfers of OneWater LLC Units that will be available to OneWater Inc. as a result of its acquisition of those units, and (ii) imputed interest deemed to be paid by OneWater Inc. as a result of, and additional tax basis arising from, any payments OneWater Inc. makes under the Tax Receivable Agreement. OneWater Inc. will be dependent on OneWater LLC to make distributions to OneWater Inc. in an amount sufficient to cover OneWater Inc.'s obligations under the Tax Receivable Agreement.

OneWater Inc. will retain the benefit of the remaining 15% of these net cash savings. For additional information regarding the Tax Receivable Agreement, see "Risk Factors—Risks Related to this Offering and Our Class A Common Stock" and "Certain Relationships and Related Party Transactions—Tax Receivable Agreement."

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

OneWater LLC Agreement

The OneWater LLC Agreement is filed as an exhibit to the registration statement of which this prospectus forms a part, and the following description of the OneWater LLC Agreement is qualified in its entirety by reference thereto.

Redemption Rights

Following this offering, under the OneWater LLC Agreement, the OneWater Unit Holders will, subject to certain limitations, have the right, pursuant to the Redemption Right, to cause OneWater LLC to acquire all or a portion of their OneWater LLC Units for, at OneWater LLC's election, (i) shares of our Class A common stock at a redemption ratio of one share of Class A common stock for each OneWater LLC Unit redeemed, subject to conversion rate adjustments for stock splits, stock dividends and reclassification or (ii) an equivalent amount of cash. Alternatively, upon the exercise of the Redemption Right, OneWater Inc. (instead of OneWater LLC) will have the right (the "Call Right"), to acquire each tendered OneWater LLC Unit directly from the OneWater Unit Holders for, at its election, (x) one share of Class A common stock or (y) an equivalent amount of cash. In addition, OneWater Inc. has the right to require (i) upon the acquisition by OneWater Inc. of substantially all of the OneWater LLC Units, certain minority unitholders or (ii) upon a change of control of OneWater Inc., each OneWater Unit Holder (other than OneWater Inc.), to exercise its Redemption Right with respect to some or all of such unitholder's OneWater LLC Units. As the OneWater Unit Holders cause their OneWater LLC Units to be redeemed, holding other assumptions constant, OneWater Inc.'s membership interest in OneWater LLC will be correspondingly increased, the number of shares of Class A common stock outstanding will be increased, and the number of shares of Class B common stock will be decreased.

Distributions and Allocations

Under the OneWater LLC Agreement, subject to the obligations of OneWater LLC to make tax distributions and to reimburse OneWater Inc. for its corporate and other overhead expenses, OneWater Inc. will have the right to determine when distributions will be made to the holders of OneWater LLC Units and the amount of any such distributions. Following this offering, if OneWater Inc. authorizes a distribution, such distribution will be made to the holders of OneWater LLC Units generally on a pro rata basis in accordance with their respective percentage ownership of OneWater LLC Units.

The holders of OneWater LLC Units, including OneWater Inc., will generally incur U.S. federal, state and local income taxes on their share of any net taxable income of OneWater LLC. Net income and losses of OneWater LLC generally will be allocated to the holders of OneWater LLC Units on a pro rata basis in accordance with their respective percentage ownership of OneWater LLC Units, subject to requirements under U.S. federal income tax law that certain items of income, gain, loss or deduction be allocated disproportionately in certain circumstances. To the extent OneWater LLC has available cash and subject to the terms of any current or future debt instruments, the OneWater LLC Agreement will require 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 it will enter into with certain of the OneWater Unit Holders. In addition, the OneWater LLC Agreement will require 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.

Issuance of Equity

The OneWater LLC Agreement will provide that, except as otherwise determined by us, at any time OneWater Inc. issues a share of its Class A common stock or any other equity security, the net proceeds received by OneWater Inc. with respect to such issuance, if any, shall be concurrently invested in OneWater LLC, and OneWater LLC shall issue to OneWater Inc. one OneWater LLC Unit or other economically equivalent equity interest. Conversely, if at any time, any shares of OneWater Inc.'s Class A

common stock are redeemed, repurchased or otherwise acquired, OneWater LLC shall redeem, repurchase or otherwise acquire an equal number of OneWater LLC Units held by OneWater Inc., upon the same terms and for the same price, as the shares of our Class A common stock are redeemed, repurchased or otherwise acquired.

Competition

Under the OneWater LLC Agreement, the members have agreed that Goldman, Beekman and their respective affiliates will be permitted to engage in business activities or invest in or acquire businesses which may compete with our business or do business with our customers.

Dissolution

OneWater LLC will be dissolved only upon the first to occur of (i) the sale of substantially all of its assets or (ii) an election by us to dissolve the company. Upon dissolution, OneWater LLC will be liquidated and the proceeds from any liquidation will be applied and distributed in the following manner: (a) first, to creditors (including to the extent permitted by law, creditors who are members) in satisfaction of the liabilities of OneWater LLC, (b) second, to establish cash reserves for contingent or unforeseen liabilities and (c) third, to the members in proportion to the number of OneWater LLC Units owned by each of them.

Tax Receivable Agreement

As described in “Corporate Reorganization,” the OneWater Unit Holders may cause their OneWater LLC Units to be redeemed for shares of Class A common stock or cash, as applicable, in the future pursuant to the Redemption Right or the Call Right. OneWater LLC intends to make for itself (and for each of its direct or indirect subsidiaries that is treated as a partnership for U.S. federal income tax purposes and that it controls) an election under Section 754 of the Code that will be effective for the taxable year of this offering and each taxable year in which a redemption of OneWater LLC Units pursuant to the Redemption Right or the Call Right occurs. Pursuant to the Section 754 election, OneWater Inc.’s acquisition (or deemed acquisition for U.S. federal income tax purposes) of OneWater LLC Units pursuant to the Redemption Right or the Call Right are expected to result in adjustments to the tax basis of the tangible and intangible assets of OneWater LLC. These adjustments will be allocated to OneWater Inc. Such adjustments to the tax basis of the tangible and intangible assets of OneWater LLC would not have been available to OneWater Inc. absent its acquisition or deemed acquisition of OneWater LLC Units pursuant to the exercise of the Redemption Right or the Call Right. The anticipated basis adjustments are expected to increase (for tax purposes) OneWater Inc.’s depreciation and amortization deductions and may also decrease OneWater Inc.’s gains (or increase its losses) on future dispositions of certain assets to the extent the increase in tax basis is allocated to those assets. Such increased deductions and losses and reduced gains may reduce the amount of tax that OneWater Inc. would otherwise be required to pay in the future.

OneWater Inc. will enter into the Tax Receivable Agreement with certain of the OneWater Unit Holders at the closing of this offering. The Tax Receivable Agreement generally provides for the payment by OneWater Inc. to such OneWater Unit Holders of 85% of the net cash savings, if any, in U.S. federal, state and local income and franchise tax (computed using the estimated impact of state and local taxes) that OneWater Inc. actually realizes (or is deemed to realize in certain circumstances) in periods after this offering as a result of, as applicable to each such OneWater Unit Holder, (i) certain increases in tax basis that occur as a result of OneWater Inc.’s acquisition (or deemed acquisition for U.S. federal income tax purposes) of all or a portion of such OneWater Unit Holder’s OneWater LLC Units pursuant to the exercise of the Redemption Right or the Call Right or that relate to prior transfers of OneWater LLC Units that will be available to OneWater Inc. as a result of its acquisition of those units and (ii) imputed interest deemed to be paid by OneWater Inc. as a result of, and additional tax basis arising from, any payments OneWater Inc. makes under the Tax Receivable Agreement. Under the Tax Receivable Agreement, OneWater Inc. will retain the benefit of the remaining 15% of these net cash savings. Certain of the 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.

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 will be 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 it 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.

We expect that if there were a redemption of all of the outstanding OneWater LLC Units (other than those held by OneWater Inc.) immediately after this Offering, the estimated tax benefits to OneWater Inc. subject to the Tax Receivable Agreement would be approximately $ million, based on certain assumptions, including but not limited to a $ per share offering price to the public (the mid-point of the range set forth on the cover of this prospectus), a 21% U.S. federal corporate income tax rate and estimated applicable state and local income tax rates, 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. If the Tax Receivable Agreement were terminated immediately after this offering and based on the same assumptions used to estimate the tax benefit, the estimated early termination payment would be approximately $ million (calculated using a discount rate equal to one-year LIBOR plus 100 basis points, applied against an undiscounted liability of approximately $ million, representing an amount equal to 85% of the approximately $ million of estimated tax benefits to OneWater Inc. that are subject to the Tax Receivable Agreement). The foregoing numbers are merely estimates and the actual tax benefits and early termination payments could differ materially.

A delay in the timing of redemptions of OneWater LLC Units, holding other assumptions constant, would be expected to decrease the discounted value of the amounts payable under the Tax Receivable Agreement as the benefit of the depreciation and amortization deductions would be delayed and the estimated increase in tax basis could be reduced as a result of allocations of OneWater LLC taxable income to the redeeming unit holder prior to the redemption. Stock price increases or decreases at the time of each redemption of OneWater LLC Units would be expected to result in a corresponding increase or decrease in the undiscounted amounts payable under the Tax Receivable Agreement in an amount equal to 85% of the tax-effected change in price. The amounts payable under the Tax Receivable Agreement are dependent upon OneWater Inc. having sufficient future taxable income to utilize the tax benefits on which it is required to make payments under the Tax Receivable Agreement. If OneWater Inc.'s projected taxable income is significantly reduced, the expected payments would be reduced to the extent such tax benefits do not result in a reduction of OneWater Inc.'s future income tax liabilities.

The foregoing amounts are merely estimates and the actual payments could differ materially. It is possible that future transactions or events could increase or decrease the actual tax benefits realized and the corresponding Tax Receivable Agreement payments as compared to the foregoing estimates. Moreover, there may be a negative impact on our liquidity if, as a result of timing discrepancies or otherwise, (i) the payments under the Tax Receivable Agreement exceed the actual benefits OneWater Inc. realizes in respect of the tax attributes subject to the Tax Receivable Agreement and/or (ii) distributions to OneWater Inc. by OneWater LLC are not sufficient to permit OneWater Inc. to make payments under the Tax Receivable Agreement after it has paid its taxes and other obligations. Please read "Risk Factors—Risks Related to this Offering and Our Class A Common Stock—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." The payments under the Tax Receivable Agreement will not be conditioned upon a holder of rights under the Tax Receivable Agreement having a continued ownership interest in either OneWater LLC or OneWater Inc.

In addition, although OneWater Inc. is not aware of any issue that would cause the IRS or other relevant tax authorities to challenge potential tax basis increases or other tax benefits covered under the Tax Receivable Agreement, the applicable OneWater Unit Holders will not reimburse OneWater Inc. for any payments previously made under the Tax Receivable Agreement if such basis increases or other benefits are subsequently disallowed, except that excess payments made to any such holder will be netted against future payments otherwise required to be made, if any, to such holder 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 adversely affect OneWater Inc.'s liquidity.

The term of the Tax Receivable Agreement will commence upon the completion of this offering 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. In the event that the Tax Receivable Agreement is not terminated, the payments under the Tax Receivable Agreement are anticipated to commence in 2023, depending on the timing of future exercises of the Redemption Right, and to continue for 20 years after the date of the last redemption of the OneWater LLC Units. Accordingly, it is expected that payments will continue to be made under the Tax Receivable Agreement for more than 23 years. Payments will generally be made under the Tax Receivable Agreement as OneWater Inc. realizes actual cash tax savings in periods after this offering from the tax benefits covered by the Tax Receivable Agreement. However, 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-year LIBOR plus 100 basis points) and such early termination payment is expected to be substantial. The calculation of anticipated future payments will be 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.

The Tax Receivable Agreement provides that in the event that OneWater Inc. breaches any of its material obligations under it, whether (i) as a result of its failure to make any payment when due (including in cases where OneWater Inc. elects to terminate the Tax Receivable Agreement early, the Tax Receivable Agreement is terminated early due to certain mergers, asset sales, or other forms of business combinations or changes of control or OneWater Inc. has available cash but fails to make payments when due under circumstances where OneWater Inc. does not have the right to elect to defer the payment, as described below), (ii) as a result of OneWater Inc.'s failure to honor any other material obligation under it, or (iii) by operation of law as a result of the rejection of the Tax Receivable Agreement in a case

commenced under the U.S. Bankruptcy Code or otherwise, then the applicable OneWater Unit Holders may elect to treat such breach as an early termination, which would cause all OneWater Inc.'s payment and other obligations under the Tax Receivable Agreement to be accelerated and become due and payable applying the same assumptions described above.

As a result of either an early termination or a change of control, OneWater Inc. could be required to make payments under the Tax Receivable Agreement that exceed its actual cash tax savings under the Tax Receivable Agreement. In these situations, 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 that could be in the best interests of holders of Class A common stock or reducing the consideration paid in any such transaction to holders of Class A common stock. There can be no assurance that OneWater Inc. will be able to meet its obligations under the Tax Receivable Agreement.

Decisions we make in the course of running our business, such as with respect to mergers, asset sales, other forms of business combinations or other changes in control, may influence the timing and amount of payments that are received by the applicable OneWater Unit Holders under the Tax Receivable Agreement. For example, the earlier disposition of assets following a redemption of OneWater LLC Units may accelerate payments under the Tax Receivable Agreement and increase the present value of such payments, and the disposition of assets before a redemption of OneWater LLC Units may increase the applicable OneWater Unit Holders' tax liability without giving rise to any rights of the applicable OneWater Unit Holders to receive payments under the Tax Receivable Agreement. Such effects may result in differences or conflicts of interest between the interests of the applicable OneWater Unit Holders and other stockholders.

Payments generally are due under the Tax Receivable Agreement within 5 business days following the finalization of the schedule with respect to which the payment obligation is calculated. However, interest on such payments will begin to accrue from the due date (without extensions) of OneWater Inc.'s U.S. federal income tax return for the period to which such payments relate until such payment due date at a rate equal to one-year LIBOR plus 150 basis points. Except in cases where OneWater Inc. elects to terminate the Tax Receivable Agreement early or it is otherwise terminated as described above, generally OneWater Inc. may elect to defer payments due under the Tax Receivable Agreement if OneWater Inc. does not have available cash to satisfy its payment obligations under the Tax Receivable Agreement or if OneWater Inc.'s contractual obligations limit its ability to make these payments. Any such deferred payments under the Tax Receivable Agreement generally will accrue interest from the due date for such payment until the payment date at a rate of one-year LIBOR plus 550 basis points. However, interest will accrue from the due date for such payment until the payment date at a rate of one-year LIBOR plus 150 basis points if OneWater Inc. is unable to make such payment as a result of limitations imposed by existing credit agreements. OneWater Inc. has no present intention to defer payments under the Tax Receivable Agreement.

The Tax Receivable Agreement generally may be amended if approved in writing by OneWater Inc., the majority of holders of rights under the Tax Receivable Agreement and, so long as Goldman and Beekman hold rights under the Tax Receivable Agreement, Goldman and Beekman. To the extent an amendment would disproportionately affect payments made to certain holders of rights under the Tax Receivable Agreement, such amendment would require the written consent of such holders. Because OneWater Inc. is a holding company with no operations of its own, its ability to make payments under the Tax Receivable Agreement is dependent on the ability of OneWater LLC to make distributions to OneWater Inc. in an amount sufficient to cover OneWater Inc.'s 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. The ability of OneWater LLC, its subsidiaries and other entities in which it directly or indirectly holds an equity interest to make such distributions will be subject to, among other things, the applicable provisions of Delaware law (or other applicable jurisdiction) that may limit the amount of funds available for distribution and restrictions in relevant debt instruments issued by 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 Tax Receivable Agreement is filed as an exhibit to the registration statement of which this prospectus forms a part, and the foregoing description of the Tax Receivable Agreement is qualified by reference thereto.

Registration Rights Agreement

In connection with the closing of this offering, we plan to enter into a registration rights agreement with certain of the Legacy Owners. We expect that the agreement will contain provisions by which we agree to register under the federal securities laws the offer and resale of shares of our Class A common stock by certain of the Legacy Owners or certain of their affiliates or permitted transferees under the registration rights agreement. These registration rights will be subject to certain conditions and limitations. We will generally be obligated to pay all registration expenses in connection with these registration obligations, regardless of whether a registration statement is filed or becomes effective.

Historical Transactions with Affiliates

GS/BIP Credit Facility

On October 28, 2016, OneWater LLC and certain of our subsidiaries entered into the GS/BIP Credit Facility, which consists of a $60.0 million multi-draw term loan and a $5.0 million revolving line of credit. OWM BIP Investor, LLC is an affiliate of Beekman and Goldman Sachs Specialty Lending Group, L.P. is an affiliate of Goldman. As of September 30, 2019, we had $58.0 million outstanding under the multi-draw term loan and no amount outstanding under the revolving line of credit. As of September 30, 2018, we had $28.6 million outstanding under the multi-draw term loan and no amount outstanding under the revolving line of credit. All amounts owed are guaranteed by us and certain of our subsidiaries. The multi-draw term loan may be used to fund certain Permitted Acquisitions, and the revolving line of credit may be used for working capital and general corporate matters.

The annual interest rate on the GS/BIP Credit Facility is equal to (i) the Applicable Cash Rate, which ranges from 0.0% to 8.0% based on the time period and is payable in cash, plus (ii) the Applicable PIK Rate, which ranges from 2.0% to 10.0% based on the time period and is payable in kind by increasing the principal amount of the underlying loan. Additionally, we pay a commitment fee calculated based on the unused amount under the multi-draw term loan and revolving line of credit, times 0.50% per annum.

We are required to comply with certain financial and non-financial covenants under the GS/BIP Credit Facility, including maintaining a Fixed Charge Coverage Ratio (as defined in the GS/BIP Credit Facility) of 1.25 to 1.00 for each fiscal quarter. We are also subject to additional restrictions to maintain a maximum Senior Leverage Ratio (as defined in the GS/BIP Credit Facility) of 1.50 to 1.00 for the fiscal quarters ending during the period between October 1, 2019 and September 30, 2020; and 1.25 to 1.00 for fiscal quarters ending after September 30, 2020, and a Total Leverage Ratio (as defined in the GS/BIP Credit Facility) of no more than 2.00 to 1.00 for the fiscal quarters ending during the period between October 1, 2019 and September 30, 2020; and 1.75 to 1.00 for fiscal quarters after September 30, 2020. We must also maintain Consolidated Liquidity (as defined in the GS/BIP Credit Facility) of at least $1.0 million at all times. Further, until amounts under the GS/BIP Credit Facility are repaid in full, we may not, subject to certain exceptions, (i) incur any additional debt, (ii) permit liens on our property, assets or revenues, (iii) make certain investments, (iv) engage in certain fundamental changes and dispositions of assets, (v) amend our organizational documents or certain of our material contracts, (vi) enter into certain transactions with our stockholders or affiliates, and (vii) prepay certain other indebtedness. OneWater LLC and its subsidiaries are generally restricted from making cash dividends or distributions on shares or units of their outstanding capital stock (other than a dividend payable solely in shares of such capital stock), except that, so long as no default has occurred, certain subsidiaries of OneWater LLC may make intercompany distributions to certain other subsidiaries of OneWater LLC, and Opco may make distributions to OneWater LLC as necessary (i) to permit OneWater LLC to pay administrative costs and expenses (such distributions not to exceed $200,000 in any trailing twelve month period), (ii) for certain permitted tax payments or (iii) to make scheduled payments of accrued interest and principal on certain subordinated debt (subject to certain restrictions). OneWater LLC may also make distributions to the OneWater Unit Holders to the extent necessary for certain permitted tax payments. Additionally, OneWater LLC's subsidiaries are generally restricted from making loans or advances to OneWater LLC subject to a general investments basket of $100,000 in the aggregate.

We are also subject to mandatory prepayment (in whole or in part) upon the occurrence of certain events and transactions, including, among other things, issuance of securities pursuant to this offering.

Concurrent with the closing of this offering, we expect to refinance the GS/BIP Credit Facility (referred to herein as the Term and Revolver Credit Facility) to, among other things, increase the amount we may borrow under such facility, permit the transactions contemplated by this offering, and ensure that OneWater LLC will be permitted to make pro rata cash distributions to the 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. For additional information relating to the GS/BIP Credit Facility and the Term and Revolver Credit Facility, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Debt Agreements.”

Opco Preferred Units

On October 28, 2016, Goldman and Beekman entered into a Subscription Agreement with us and certain of our subsidiaries, pursuant to which Goldman and Beekman purchased 45,000 and 23,000 Opco Preferred Units, representing 66.2% and 33.8% of the total Opco Preferred Units outstanding for purchase prices of approximately $44.4 million and $22.7 million, respectively. The Opco Preferred Holders are entitled to (i) a “preferred return” at a rate of 10% per annum, compounded quarterly, on (a) the aggregate amount of capital contributions made, minus any prior distributions (the “unreturned preferred amount”), plus (b) any unpaid preferred returns for prior periods, and (ii) a “preferred target distribution” at a rate of 10% per annum on the unreturned preferred amount multiplied by (a) 40% for the calendar quarters ending March 31, 2019, June 30, 2019 and September 30, 2019, (b) 60% for each calendar quarters ending December 31, 2019, March 31, 2020, June 30, 2020 and September 30, 2020, and (c) 80% for each calendar quarter thereafter. The preferred target distribution proportionally adjusts the amount of capital contribution of each Opco Preferred Holder. Repayment in full or acceleration of the obligations under the GS/BIP Credit Facility will permit a majority of the Opco Preferred Holders to require us to purchase all Opco Preferred Units equal to the unreturned preferred amount plus any unpaid preferred returns (the “redemption amount”).

We intend to use the net proceeds from this offering, together with cash on hand and borrowings under the Term and Revolver Credit Facility, to redeem all of the shares of Opco Preferred Units held by Goldman and Beekman. As of September 30, 2019 and December 1, 2019, the redemption amount in the aggregate was $86.0 million and $87.6 million, respectively. For additional information relating to the Opco Preferred Units, see “Use of Proceeds” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Opco Preferred Units.”

OneWater LLC Warrants

Additionally, pursuant to the Subscription Agreement dated October 28, 2016, Goldman purchased warrants (“Goldman Warrants”) to acquire OneWater LLC Units, and Beekman purchased warrants (“Beekman Warrants,” and together with the Goldman Warrants, the “LLC Warrants”) to acquire OneWater LLC Units, each under private placement exemptions. The LLC Warrants will be exercised in full for OneWater LLC Units in connection with our corporate reorganization. Please see “Corporate Reorganization” for additional information related to the exercise of the LLC Warrants.

Goldman purchased the Goldman Warrants for an aggregate purchase price of approximately $0.6 million, which warrants are exercisable for OneWater LLC Units that represent 16.6% of the OneWater LLC Units outstanding. Beekman purchased the Beekman Warrants for an aggregate purchase price of approximately $0.3 million, which warrants are exercisable for OneWater LLC Units that represent 8.4% of the OneWater LLC Units outstanding. The LLC Warrants are exercisable at a price of $0.0001 per OneWater LLC Unit and expire on October 28, 2026. The LLC Warrants may be exercised for cash or by cashless exercise.

The LLC Warrants also contain certain anti-dilution provisions that apply in connection with, among other things, any issuance, split, combination, recapitalization or similar transactions with respect to the OneWater LLC Units. Additionally, if OneWater LLC declares a dividend or other distribution, excluding certain tax distributions, or redemptions on or with respect to any of its equity securities, Goldman and Beekman will be entitled to receive their pro rata share of such dividend or distribution on all OneWater

LLC Units underlying the LLC Warrants, regardless of whether the LLC Warrants have been exercised. Additionally, Goldman and Beekman are entitled to vote together with the other holders of the OneWater LLC Units as though the LLC Warrants had been exercised into OneWater LLC Units.

Goldman and Beekman also have certain rights under the OneWater LLC Agreement with respect to the shares of OneWater LLC Units underlying the LLC Warrants, including the right to receive certain tax distributions and certain preemptive rights. The LLC Warrants also contain customary rights of first offer and tag-along rights. Additionally, upon the occurrence of certain events, including repayment in full or acceleration of the obligations under the GS/BIP Credit Facility, Goldman and Beekman have the right to require us to purchase all of the LLC Warrants at an applicable put price.

In connection with the Corporate Reorganization, the LLC Warrants will be exercised for common units of OneWater LLC, which will eliminate the liability accounting and fair value adjustments for the LLC Warrants for all periods after the Corporate Reorganization. Goldman and Beekman will receive an aggregate of OneWater LLC Units upon exercise of the LLC Warrants.

In connection with Goldman and Beekman's purchases of the Opco Preferred Units and the LLC Warrants, Austin Singleton, our Chief Executive Officer, and Anthony Aisquith, our Chief Operating Officer, entered into non-solicitation and non-competition agreements for a 42-month term.

Personal Guarantees Under the Inventory Financing Facility

In connection with our Inventory Financing Facility, in their individual capacities, (i) Austin Singleton, our Chief Executive Officer and Sole Director, entered into that Third Amended and Restated Guaranty dated June 14, 2018, and (ii) Anthony Aisquith, our Chief Operating Officer entered into that Third Amended and Restated Guaranty dated June 14, 2018, for the benefit of Wells Fargo Commercial Distribution Finance, LLC, as Agent to the Inventory Financing Facility. Mr. Singleton and Mr. Aisquith have each personally guaranteed $225.4 million, $157.5 million and $97.9 million as of September 30, 2019, 2018 and 2017, respectively, of the amounts due under the Inventory Financing Facility. Mr. Aisquith's guarantee is limited to circumstances involving fraud or disposal of collateral without payment to the lenders. In connection with the personal guarantee, we paid Mr. Singleton a guarantee fee in the amount of $690,950, $502,232 and $331,169 in fiscal years 2019, 2018 and 2017, respectively. No guarantee fees were paid by us to Mr. Aisquith in the last three fiscal years.

Leases

We enter into store leases with certain related parties, all of whom are Legacy Owners, for which we incurred an aggregate of $1.9 million, $1.8 million and $2.0 million in lease expense in the fiscal years ended September 30, 2019, 2018 and 2017, respectively. We currently lease the following retail facilities with the following related parties:

Location	Legacy Owner	Fiscal Year 2019 Lease Amount	Fiscal Year 2018 Lease Amount	Fiscal Year 2017 Lease Amount
Alabama				
Dadeville and Equality	Austin Singleton	$ 279,000	$ 255,750	$ 302,250
Florida				
Destin	Peter and Teresa Bos	638,510	630,493	619,363
Panama City Beach (Location No. 1)	Peter and Teresa Bos	125,016	125,567	86,265
Panama City Beach (Location No. 2)	Peter and Teresa Bos	363,854	378,382	449,800
Georgia / Texas				
Buford, GA	Austin Singleton	162,000	148,500	175,500
Fortson, GA and Conroe, TX	Austin Singleton	316,500	290,125	342,875

The Teresa D. Bos 2015 Trust holds more than 10% of the outstanding equity securities in OneWater LLC. Austin Singleton currently serves as a Director and as our Chief Executive Officer.

Consignment Inventory

We currently have inventory consignment relationships with Global Marine Finance, LLC and Grande Yachts International, LLC, entities in which Austin Singleton, our Chief Executive Officer and a Director, and Anthony Aisquith, our Chief Operating Officer, maintain ownership interests. Under the inventory

consignment arrangements, we display certain boats and yachts for sale in our stores, and once we enter into a retail sales agreement with a customer, we purchase the consigned boats or yachts from these entities. We made payments to Global Marine Finance, LLC in the amounts of $30.7 million, $32.2 million and $1.7 million in fiscal years 2019, 2018 and 2017, respectively. We made payments to Grande Yachts International, LLC in the amounts of $1.9 million and $3.1 million in fiscal years 2018 and 2017, respectively, and no payments in fiscal year 2019.

Maintenance, Repair and Other Services

We have entered into various arrangements with related parties for the purchase and sale of new and pre-owned boats and for maintenance, repair and other services. The related party, nature of the transaction, and the amounts involved are set forth in the table below:

		Amount for the Fiscal Year Ended September 30,		
Related Party	**Nature of Transaction**	**2019**	**2018**	**2017**
Peter and Teresa Bos, through Legendary Boating Club, LLC	Boat purchase and repair services	$ 266,018	$ 121,993	$ 185,672
Peter and Teresa Bos, through LYC Destin, LLC	Boat purchase and repair services	70,525	119,711	141,829
Austin Singleton	Boat purchase, advancement of expenses and guarantee fee	962,892	482,577	343,267
Anthony Aisquith, through Cobalt Boats of Atlanta	Boat purchases and repair services	52,011	859,809	152,981
John Troiano	Boat purchase and resale	—	241,579	266,904
Austin Singleton and Anthony Aisquith, through Diverse Offerings, LLC	Financing for boat purchases by customers paid to us	2,236,107	500,048	—
Anthony Aisquith	Boat purchase and repair services	120,878	17,738	72,128

The Teresa D. Bos 2015 Trust holds more than 10% of the outstanding equity securities in OneWater LLC. Austin Singleton currently serves as a Director and as our Chief Executive Officer. Anthony Aisquith currently serves on the Board of Managers of OneWater LLC and is our Chief Operating Officer. John Troiano currently serves on the Board of Managers of OneWater LLC.

Corporate Reorganization

In connection with our corporate reorganization, we engaged in certain transactions with certain affiliates and the members of OneWater LLC. Please read “Corporate Reorganization.”

Policies and Procedures for Review of Related Party Transactions

A “Related Party Transaction” is a transaction, arrangement or relationship in which we or any of our subsidiaries was, is or will be a participant, the amount of which involved exceeds $120,000, and in which any related person had, has or will have a direct or indirect material interest. A “related person” means:

- any person who is, or at any time during the applicable period was, one of our executive officers or one of our directors;
- any person who is known by us to be the beneficial owner of more than 5.0% of our Class A common stock;
- any immediate family member of any of the foregoing persons, which means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of a director, executive officer or a beneficial owner of more than 5.0% of our Class A common stock, and any person (other than a tenant or employee) sharing the household of such director, executive officer or beneficial owner of more than 5.0% of our Class A common stock; and
- any firm, corporation or other entity in which any of the foregoing persons is a partner or principal or in a similar position or in which such person has a 10.0% or greater beneficial ownership interest.

Our board of directors will adopt a written related party transactions policy prior to the completion of this offering. Pursuant to this policy, our nominating and corporate governance committee will review all

material facts of all Related Party Transactions and either approve or disapprove entry into the Related Party Transaction, subject to certain limited exceptions. In determining whether to approve or disapprove entry into a Related Party Transaction, our nominating and corporate governance committee shall take into account, among other factors, the following: (i) whether the Related Party Transaction is on terms no less favorable than terms generally available to an unaffiliated third-party under the same or similar circumstances and (ii) the extent of the Related Person's interest in the transaction. Furthermore, the policy requires that all Related Party Transactions required to be disclosed in our filings with the SEC be so disclosed in accordance with applicable laws, rules and regulations.

Additionally, any amounts due under advances or loans that we have entered into with our directors, executive officers or principal stockholders have been retired or repaid in full prior to the public filing of this registration statement with the SEC.

PRINCIPAL STOCKHOLDERS

The following table sets forth information with respect to the beneficial ownership of our Class A common stock and Class B common stock that, upon the consummation of this offering and the transactions related thereto, and, unless otherwise stated, assuming the underwriters do not exercise their option to purchase additional common shares, will be owned by:

- each person known to us to beneficially own more than 5% of any class of our outstanding voting securities;
- each member of our board of directors and each nominee to our board of directors;
- each of our named executive officers; and
- all of our directors, director nominees and executive officers as a group.

Except as otherwise noted, the person or entities listed below have sole voting and investment power with respect to all shares of our common stock beneficially owned by them, except to the extent this power may be shared with a spouse. All information with respect to beneficial ownership has been furnished by the respective 5% or more stockholders, directors and director nominees or executive officers, as the case may be. Unless otherwise noted, the mailing address of each listed beneficial owner is 6275 Lanier Islands Parkway, Buford, Georgia 30518.

Certain of our Legacy Owners, including affiliates of Beekman, our Chief Executive Officer, Austin Singleton, LMI Holding, LLC and Dr. A. Derrill Crowe, have indicated an interest in purchasing up to an aggregate of $ million of shares of our Class A common stock in this offering at the initial public offering price per share. In addition, Regal Marine Industries, Inc., one of our boat manufacturers, has indicated an interest in purchasing up to $ of shares of our Class A common stock in this offering at the initial public offering price per share. However, because indications of interest are not binding agreements or commitments to purchase, these parties may elect to purchase more, less or no shares in this offering or the underwriters may elect to sell more, less or no shares in this offering to these parties. The information set forth in the table below does not reflect any purchases of any shares of Class A common stock in this offering by these stockholders or their affiliated entities. However, the percentage of shares beneficially owned after this offering by each of these existing principal stockholders, assuming each such stockholder purchases all of the shares it has indicated an interest in purchasing in this offering, is reflected in the footnote for each such stockholder.

The information set forth in the table below does not reflect any shares of Class A common stock that 5% stockholders, directors, director nominees and executive officers may purchase in this offering through the directed share program described under “Underwriting.”

	Shares of Class A Common Stock Beneficially Owned After this Offering		Shares of Class B Common Stock Beneficially Owned After this Offering		Combined Voting Power After this Offering[1]	
Name of Beneficial Holders	Number	%	Number	%	Number	%
5% Stockholders						
Teresa D. Bos 2015 Trust[2]						
Entities affiliated with Austin Singleton[3]						
Anthony Aisquith						
Entities affiliated with Jeffrey B. Lamkin[4]						
Special Situations Investing Group II, LLC[5]						
Entities affiliated with Beekman[6]						
Directors, Director Nominees and Named Executive Officers						
Austin Singleton[3]						
Anthony Aisquith						
Jack Ezzell						
Christopher W. Bodine						

Name of Beneficial Holders	Shares of Class A Common Stock Beneficially Owned After this Offering		Shares of Class B Common Stock Beneficially Owned After this Offering		Combined Voting Power After this Offering[1]	
	Number	%	Number	%	Number	%
Jeffrey B. Lamkin[4]						
Mitchell W. Legler[7]						
John F. Schraudenbach						
Keith R. Style						
John G. Troiano[6]						
Directors, director nominees and executive officers as a group (9 persons)						

* indicates beneficial ownership of less than 1%.

(1) Represents percentage of voting power of our Class A common stock and Class B common stock voting together as a single class. The OneWater Unit Holders will hold one share of Class B common stock for each OneWater LLC Unit.

(2) The mailing address of the Teresa D. Bos 2015 Trust is 4471 Legendary Drive, Destin, Florida 32541. The beneficiary of the Teresa D. Bos 2015 Trust is affiliated with Legendary Marine, which combined with Singleton Marine in 2014 to form OneWater LLC. The percentage of Class A common stock beneficially owned and combined voting power after this offering of the Teresa D. Bos 2015 Trust would be % and %, respectively, assuming the purchase of shares of Class A common stock (based on the mid-point of the range set forth on the cover of this prospectus) that LMI Holding, LLC and/or its affiliates have indicated an interest in purchasing in this offering. The Teresa D. Bos 2015 Trust is a member of LMI Holding, LLC, and shares of Class A common stock of such purchase may be attributable to the Teresa D. Bos 2015 Trust based on its ownership in LMI Holding, LLC.

(3) Includes shares of Class B common stock directly owned by Auburn OWMH, LLLP, shares of Class B common stock directly owned by the Philip Singleton Irrevocable Trust, dated December 24, 2015 (the "12/24 Trust") and shares of Class B common stock directly owned by the Austin Singleton Irrevocable Trust, dated December 30, 2015 (the "12/30 Trust"). The general partner of Auburn OWMH, LLLP is Singleton Asset Management, LLC, for which Austin Singleton is the sole manager and has sole voting and investment control over shares held by Auburn OWMH, LLLP. Austin Singleton serves as the trustee of the each of the 12/24 Trust and 12/30 Trust and has sole voting and investment control over shares held by the trusts. The mailing address for Auburn OWMH, LLLP and the trusts is 2876 Hamilton Rd., Auburn, Alabama 36830. The percentage of Class A common stock beneficially owned and combined voting power after this offering would be % and %, respectively, assuming the purchase of shares of Class A common stock (based on the mid-point of the range set forth on the cover of this prospectus) that Austin Singleton and/or his affiliates have indicated an interest in purchasing in this offering.

(4) Includes shares of Class B common stock directly owned by L13, LLLP and shares of Class B common stock directly owned by JBL Investment Holdings, LLLP. The general partner of both L13, LLLP and JBL Investment Holdings, LLLP is Sea Oats Management, LLC, for which Jeffrey Lamkin serves as sole manager and has sole voting and investment control over shares held by L13, LLLP and JBL Investment Holdings, LLLP. The mailing address of L13, LLLP and JBL Investment Holdings, LLLP is 5009 State Highway 361, Port Aransas, Texas 78373.

(5) Special Situations Investing Group II, LLC is an affiliate of Goldman Sachs, a New York limited liability company. Goldman Sachs is a member of the New York Stock Exchange and other national exchanges. Goldman Sachs is a direct and indirect wholly-owned subsidiary of The Goldman Sachs Group, Inc. ("GS Group"). GS Group is a public entity and its common stock is publicly traded on the NYSE. The shares of common stock held by Goldman Sachs were acquired in the ordinary course of its investment business and not for the purpose of resale or distribution. GS Group may be deemed to beneficially own the securities held by Goldman Sachs. GS Group disclaims beneficial ownership of such securities except to the extent of its pecuniary interest therein. The mailing address for Goldman Sachs is 200 West Street, New York, New York 10282.

(6) Includes (a) shares of Class B common stock directly owned by OWM BIP Investor, LLC and (b) shares of Class A common stock directly owned by OWM TBG Corporation. OWM BIP Investor, LLC is an investment vehicle wholly owned by Beekman Investment Partners AIV III – OWM, L.P ("AIV III"). OWM TBG Corporation will be, after the reorganization described herein, wholly owned by BIP Feeder AIV III – OWM, L.P. AIV III and BIP Feeder AIV III –OWM, L.P. are investment funds that are managed by a general partner, Beekman Investment Group III, LLC. Mr. Troiano is the sole manager of Beekman Investment Group III, LLC. The mailing address for OWM BIP Investor, LLC and OWM TBG Corporation is c/o The Beekman Group, 530 Fifth Avenue, 23rd Floor, New York, New York 10036. The percentage of Class A common stock beneficially owned and combined voting power after this offering would be % and %, respectively, assuming the purchase of shares of Class A common stock (based on the mid-point of the range set forth on the cover of this prospectus) that Beekman and/or its affiliates have indicated an interest in purchasing in this offering.

(7) The percentage of Class A common stock beneficially owned and combined voting power after this offering by and of Mr. Legler would be % and %, respectively, assuming the purchase of shares of Class A common stock (based on the mid-point of the range set forth on the cover of this prospectus) that LMI Holding, LLC and/or its affiliates have indicated an interest in purchasing in this offering. Based on Mr. Legler's ownership in LMI Holding, LLC, shares of Class A common stock of such purchase may be attributable to Mr. Legler.

DESCRIPTION OF CAPITAL STOCK

Upon completion of this offering, the authorized capital stock of OneWater Inc. will consist of shares of Class A common stock, $0.01 par value per share, of which shares will be issued and outstanding, shares of Class B common stock, $0.01 par value per share, of which shares will be issued and outstanding and shares of preferred stock, $0.01 par value per share, of which no shares will be issued and outstanding.

The following summary of the capital stock and amended and restated certificate of incorporation and amended and restated bylaws of OneWater Inc., each of which will be in effect upon the completion of this offering, does not purport to be complete and is qualified in its entirety by reference to the provisions of applicable law and to our amended and restated certificate of incorporation and bylaws, which are filed as exhibits to the registration statement of which this prospectus is a part.

Class A Common Stock

Voting Rights. Holders of shares of Class A common stock are entitled to one vote per share held of record on all matters to be voted upon by the stockholders. The holders of Class A common stock do not have cumulative voting rights in the election of directors.

Dividend Rights. Holders of shares of our Class A common stock are entitled to ratably receive dividends when and if declared by our board of directors out of funds legally available for that purpose, subject to any statutory or contractual restrictions on the payment of dividends and to any prior rights and preferences that may be applicable to any outstanding preferred stock.

Liquidation Rights. Upon our liquidation, dissolution, distribution of assets or other winding up, the holders of Class A common stock are entitled to receive ratably the assets available for distribution to the stockholders after payment of liabilities and the liquidation preference of any of our outstanding shares of preferred stock.

Other Matters. The shares of Class A common stock have no preemptive or conversion rights and are not subject to further calls or assessment by us. There are no redemption or sinking fund provisions applicable to the Class A common stock. All outstanding shares of our Class A common stock, including the Class A common stock offered in this offering, are fully paid and non-assessable.

Class B Common Stock

Generally. In connection with the reorganization and this offering, the OneWater Unit Holders will receive one share of Class B common stock for each OneWater LLC Unit that they hold. Accordingly, the OneWater Unit Holders will have a number of votes in OneWater Inc. equal to the aggregate number of OneWater LLC Units that they hold.

Voting Rights. Holders of shares of our Class B common stock are entitled to one vote per share held of record on all matters to be voted upon by the stockholders. Holders of shares of our Class A common stock and Class B common stock vote together as a single class on all matters presented to our stockholders for their vote or approval.

Dividend and Liquidation Rights. Holders of our Class B common stock do not have any right to receive dividends, unless the dividend consists of shares of our Class B common stock or of rights, options, warrants or other securities convertible or exercisable into or exchangeable for shares of Class B common stock paid proportionally with respect to each outstanding share of our Class B common stock and a dividend consisting of shares of Class A common stock or of rights, options, warrants or other securities convertible or exercisable into or exchangeable for shares of Class A common stock on the same terms as simultaneously paid to the holders of Class A common stock. Holders of our Class B common stock do not have any right to receive a distribution upon a liquidation or winding up of OneWater Inc.

Preferred Stock

Our amended and restated certificate of incorporation authorizes our board of directors, subject to any limitations prescribed by law, without further shareholder approval, to establish and to issue from time to time one or more classes or series of preferred stock, par value $0.01 per share, covering up to an

aggregate of shares of preferred stock. Each class or series of preferred stock will cover the number of shares and will have the powers, preferences, rights, qualifications, limitations and restrictions determined by the board of directors, which may include, among others, dividend rights, liquidation preferences, voting rights, conversion rights, preemptive rights and redemption rights. Except as provided by law or in a preferred stock designation, the holders of preferred stock will not be entitled to vote at or receive notice of any meeting of stockholders.

Anti-Takeover Effects of Provisions of Our Amended and Restated Certificate of Incorporation, our Bylaws and Delaware Law

Some provisions of Delaware law, and our amended and restated certificate of incorporation and our bylaws, as will be in effect upon the closing of this offering and as described below, will contain provisions that could make the following transactions more difficult: acquisitions of us by means of a tender offer, a proxy contest or otherwise; or removal of our incumbent officers and directors. These provisions may also have the effect of preventing changes in our management. It is possible that these provisions could make it more difficult to accomplish or could deter transactions that stockholders may otherwise consider to be in their best interest or in our best interests, including transactions that might result in a premium over the market price for our shares.

These provisions, summarized below, are expected to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with us. We believe that the benefits of increased protection and our potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging these proposals because, among other things, negotiation of these proposals could result in an improvement of their terms.

Delaware Law

We will be subject to the provisions of Section 203 of the DGCL, regulating corporate takeovers. In general, those provisions prohibit a Delaware corporation, including those whose securities are listed for trading on the Nasdaq, from engaging in any business combination with any interested shareholder for a period of three years following the date that the shareholder became an interested shareholder, unless:

- the transaction is approved by the board of directors before the date the interested shareholder attained that status;
- upon consummation of the transaction that resulted in the shareholder becoming an interested shareholder, the interested shareholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced; or
- on or after such time the business combination is approved by the board of directors and authorized at a meeting of stockholders by at least two-thirds of the outstanding voting stock that is not owned by the interested shareholder.

Amended and Restated Certificate of Incorporation and Bylaws

Provisions of our amended and restated certificate of incorporation and our bylaws, which will become effective upon the closing of this offering, may delay or discourage transactions involving an actual or potential change in control or change in our management, including transactions in which stockholders might otherwise receive a premium for their shares, or transactions that our stockholders might otherwise deem to be in their best interests. Therefore, these provisions could adversely affect the price of our Class A common stock.

Among other things, upon the completion of this offering, our amended and restated certificate of incorporation and amended and restated bylaws will:

- establish advance notice procedures with regard to shareholder proposals relating to the nomination of candidates for election as directors or new business to be brought before meetings of our stockholders. These procedures provide that notice of shareholder proposals must be timely given in writing to our corporate secretary prior to the meeting at which the action is to be taken. Generally, to be timely, notice must be received at our principal executive offices not less than 90 days nor more than 120 days prior to the first anniversary date of the annual meeting for the preceding year. Our amended and restated bylaws specify the requirements as to form and content of all stockholders' notices. These requirements may preclude stockholders from bringing matters before the stockholders at an annual or special meeting;
- provide our board of directors the ability to authorize undesignated preferred stock. This ability makes it possible for our board of directors to issue, without shareholder approval, preferred stock with voting or other rights or preferences that could impede the success of any attempt to change control of us. These and other provisions may have the effect of deferring hostile takeovers or delaying changes in control or management of our company;
- provide that the authorized number of directors may be changed only by resolution of the board of directors, subject to the rights of the holders of any series of our preferred stock to elect directors under specified circumstances;
- provide 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, be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum;
- provide that any action required or permitted to be taken by the stockholders must be effected at a duly called annual or special meeting of stockholders and may not be effected by any consent in writing in lieu of a meeting of such stockholders, subject to the rights of the holders of any series of preferred stock with respect to such series;
- provide that our amended and restated certificate of incorporation may only be amended by the affirmative vote of the holders of at least 66 2⁄3% of our then outstanding Class A common stock and Class B common stock, voting together as a single class;
- provide that special meetings of our stockholders may only be called by the board of directors, the chief executive officer or the chairman of the board;
- provide for our board of directors to be divided into three classes of directors, with each class as nearly equal in number as possible, serving staggered three-year terms, other than directors which may be elected by holders of preferred stock, if any. This system of electing and removing directors may tend to discourage a third party from making a tender offer or otherwise attempting to obtain control of us, because it generally makes it more difficult for stockholders to replace a majority of the directors; and
- provide that our amended and restated bylaws can be amended by the board of directors.

No Cumulative Voting

Under Delaware law, the right to vote cumulatively does not exist unless the certificate of incorporation specifically authorizes cumulative voting. Our amended and restated certificate of incorporation will not authorize cumulative voting. Therefore, stockholders holding a majority in voting power of the shares of our stock entitled to vote generally in the election of directors will be able to elect all our directors.

Forum Selection

Our amended and restated certificate of incorporation will provide 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:

- any derivative action or proceeding brought on our behalf;

- any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, employees or agents to us or our stockholders;
- any action asserting a claim against us or any director or officer or other employee of ours arising pursuant to any provision of the DGCL, our amended and restated certificate of incorporation or our bylaws; or
- 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. Our amended and restated certificate of incorporation will also provide that any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock will be deemed to have notice of, and to have consented to, this forum selection provision. Although we believe these provisions will benefit us by providing increased consistency in the application of Delaware law for the specified types of actions and proceedings, the provisions may have the effect of discouraging lawsuits against our directors, officers, employees and agents. The enforceability of similar exclusive forum provisions in other companies' certificates of incorporation has been challenged in legal proceedings, and it is possible that, in connection with one or more actions or proceedings described above, a court could rule that this provision in our amended and restated certificate of incorporation is inapplicable or unenforceable.

Limitation of Liability and Indemnification Matters

Our amended and restated certificate of incorporation will limit the liability of our directors for monetary damages for breach of their fiduciary duty as directors, except for liability that cannot be eliminated under the DGCL. Delaware law provides that directors of a company will not be personally liable for monetary damages for breach of their fiduciary duty as directors, except for liabilities:

- for any breach of their duty of loyalty to us or our stockholders;
- for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- for unlawful payment of dividend or unlawful stock repurchase or redemption, as provided under Section 174 of the DGCL; or
- for any transaction from which the director derived an improper personal benefit.

Any amendment, repeal or modification of these provisions will be prospective only and would not affect any limitation on liability of a director for acts or omissions that occurred prior to any such amendment, repeal or modification.

Our amended and restated bylaws will also provide that we will indemnify our directors and officers to the fullest extent permitted by Delaware law. Our amended and restated bylaws also will permit us to purchase insurance on behalf of any officer, director, employee or other agent for any liability arising out of that person's actions as our officer, director, employee or agent, regardless of whether Delaware law would permit indemnification. We intend to enter into indemnification agreements with each of our current and future directors and officers. These agreements will require us to indemnify these individuals to the fullest extent permitted under Delaware law against liability that may arise by reason of their service to us, and to advance expenses incurred as a result of any proceeding against them as to which they could be indemnified. We believe that the limitation of liability provision that will be in our amended and restated certificate of incorporation and the indemnification agreements will facilitate our ability to continue to attract and retain qualified individuals to serve as directors and officers.

Registration Rights

For a description of registration rights with respect to our Class A common stock, see the information under the heading "Certain Relationships and Related Party Transactions—Registration Rights Agreement."

Dissenters' Rights of Appraisal and Payment

Under the DGCL, with certain exceptions, our stockholders will have appraisal rights in connection with a merger or consolidation. Pursuant to the DGCL, stockholders who properly request and perfect appraisal rights in connection with such merger or consolidation will have the right to receive payment of the fair value of their shares as determined by the Delaware Court of Chancery.

Stockholders' Derivative Actions

Under the DGCL, any of our stockholders may bring an action in our name to procure a judgment in our favor, also known as a derivative action, provided that the stockholder bringing the action is a holder of our shares at the time of the transaction to which the action relates or such stockholder's stock thereafter devolved by operation of law.

Transfer Agent and Registrar

The transfer agent and registrar for our Class A common stock is Broadridge Corporate Issuer Solutions, Inc.

Listing

We have been approved to list our Class A common stock on The Nasdaq Global Market under the symbol "ONEW."

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our Class A common stock. Future sales of our Class A common stock in the public market, or the availability of such shares for sale in the public market, could adversely affect the market price of our Class A common stock prevailing from time to time. As described below, only a limited number of shares will be available for sale shortly after this offering due to contractual and legal restrictions on resale. Nevertheless, sales of a substantial number of shares of our Class A common stock in the public market after such restrictions lapse, or the perception that those sales may occur, could adversely affect the prevailing market price of our Class A common stock at such time and our ability to raise equity-related capital at a time and price we deem appropriate.

Sales of Restricted Shares

Upon the closing of this offering, we will have outstanding an aggregate of shares of Class A common stock (or shares of Class A common stock if the underwriters' option to purchase additional shares is exercised). Of these shares, all of the shares of Class A common stock (or shares of Class A common stock if the underwriters' option to purchase additional shares is exercised) to be sold in this offering will be freely tradable without restriction or further registration under the Securities Act, unless the shares are held by any of our "affiliates" as such term is defined in Rule 144 under the Securities Act. All remaining shares of Class A common stock held by the OneWater Unit Holders and other recipients of Class A common stock in the Reorganization in connection with the offering will be deemed "restricted securities" as such term is defined under Rule 144. The restricted securities were issued and sold by us in private transactions and are eligible for public sale only if registered under the Securities Act or if they qualify for an exemption from registration under Rule 144 or Rule 701 under the Securities Act, which rules are summarized below.

Each OneWater Unit Holder will, subject to certain limitations, have the right, pursuant to the Redemption Right, to cause OneWater LLC to acquire all or a portion of its OneWater LLC Units for shares of Class A common stock (on a one-for-one basis, subject to conversion rate adjustments for stock splits, stock dividends and reclassification and similar transactions). See "Certain Relationships and Related Party Transactions—OneWater LLC Agreement." The shares of Class A common stock we issue upon such redemptions would be "restricted securities" as defined in Rule 144 described below. However, upon the closing of this offering, we will enter into a registration rights agreement with certain of the OneWater Unit Holders that will require us to register under the Securities Act these shares of Class A common stock. See "Certain Relationships and Related Party Transactions—Registration Rights Agreement."

As a result of the lock-up agreements described below and the provisions of Rule 144 and Rule 701 under the Securities Act, the shares of our Class A common stock (excluding the shares to be sold in this offering) that will be available for sale in the public market are as follows:

- no shares will be eligible for sale on the date of this prospectus or prior to 180 days after the date of this prospectus; and
- shares (assuming redemption of all applicable OneWater LLC Units along with a corresponding number of shares of Class B common stock) will be eligible for sale upon the expiration of the lock-up agreements, beginning 180 days after the date of this prospectus when permitted under Rule 144 or Rule 701.

Lock-up Agreements

We, all of our directors and officers and substantially all of our Legacy Owners have agreed not to sell any Class A common stock for a period of 180 days from the date of this prospectus, subject to certain exceptions and extensions. See "Underwriting" for a description of these lock-up provisions.

Rule 144

In general, under Rule 144 under the Securities Act as currently in effect, a person (or persons whose shares are aggregated) who is not deemed to have been an affiliate of ours at any time during the three months preceding a sale, and who has beneficially owned restricted securities within the meaning of

Rule 144 for at least six months (including any period of consecutive ownership of preceding non-affiliated holders) would be entitled to sell those shares, subject only to the availability of current public information about us. A non-affiliated person (who has been unaffiliated for at least the past three months) who has beneficially owned restricted securities within the meaning of Rule 144 for at least one year would be entitled to sell those shares without regard to the provisions of Rule 144.

A person (or persons whose shares are aggregated) who is deemed to be an affiliate of ours and who has beneficially owned restricted securities within the meaning of Rule 144 for at least six months would be entitled to sell within any three-month period a number of shares that does not exceed the greater of one percent of the then outstanding shares of our Class A common stock or the average weekly trading volume of our Class A common stock reported through the Nasdaq during the four calendar weeks preceding the filing of notice of the sale. Such sales are also subject to certain manner of sale provisions, notice requirements and the availability of current public information about us.

Rule 701

In general, under Rule 701 under the Securities Act, any of our employees, directors, officers, consultants or advisors who purchases shares from us in connection with a compensatory stock or option plan or other written agreement before the effective date of this offering is entitled to sell such shares 90 days after the effective date of this offering in reliance on Rule 144, without having to comply with the holding period requirement of Rule 144 and, in the case of non-affiliates, without having to comply with the public information, volume limitation or notice filing provisions of Rule 144. The SEC has indicated that Rule 701 will apply to typical stock options granted by an issuer before it becomes subject to the reporting requirements of the Exchange Act, along with the shares acquired upon exercise of such options, including exercises after the date of this prospectus.

Stock Issued Under Employee Plans

We intend to file a registration statement on Form S-8 under the Securities Act to register stock issuable under our long-term incentive plan. This registration statement on Form S-8 is expected to be filed following the effective date of the registration statement of which this prospectus is a part and will be effective upon filing. Accordingly, shares registered under such registration statement will be available for sale in the open market following the effective date, unless such shares are subject to vesting restrictions with us or the lock-up restrictions described above.

MATERIAL U.S. FEDERAL TAX CONSIDERATIONS FOR NON-U.S. HOLDERS

The following is a summary of the material U.S. federal income tax considerations and, to the extent specifically described below, U.S. federal estate tax considerations related to the purchase, ownership and disposition of our Class A common stock by a non-U.S. holder (as defined below), that holds our Class A common stock as a "capital asset" (generally property held for investment). This summary is based on the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), U.S. Treasury regulations, administrative rulings and judicial decisions, all as in effect on the date hereof, and all of which are subject to change, possibly with retroactive effect. We cannot assure you that a change in law will not significantly alter the tax considerations that we describe in this summary. We have not sought any ruling from the Internal Revenue Service ("IRS") with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS or a court will agree with such statements and conclusions.

This summary does not address all aspects of U.S. federal income or estate taxation that may be relevant to non-U.S. holders in light of their personal circumstances. In addition, this summary does not address the Medicare tax on certain investment income, U.S. federal gift tax laws, any state, local or non-U.S. tax laws or any tax treaties. This summary also does not address tax considerations applicable to investors that may be subject to special treatment under the U.S. federal income tax laws, such as:

- banks, insurance companies or other financial institutions;
- tax-exempt or governmental organizations;
- dealers in securities or foreign currencies;
- persons whose functional currency is not the U.S. dollar;
- "controlled foreign corporations," "passive foreign investment companies," and corporations that accumulate earnings to avoid U.S. federal income tax;
- traders in securities that use the mark-to-market method of accounting for U.S. federal income tax purposes;
- persons subject to the alternative minimum tax;
- partnerships or other pass-through entities for U.S. federal income tax purposes or holders of interests therein;
- persons deemed to sell our Class A common stock under the constructive sale provisions of the Code;
- persons that acquired our Class A common stock through the exercise of employee stock options or otherwise as compensation or through a tax-qualified retirement plan;
- certain former citizens or long-term residents of the United States;
- persons that hold our Class A common stock as part of a straddle, appreciated financial position, synthetic security, hedge, conversion transaction or other integrated investment or risk reduction transaction; and
- accrual method taxpayers for U.S. federal income tax purposes required to accelerate the recognition of any item of gross income with respect to our Class A common stock as a result of such income being recognized on an applicable financial statement.

PROSPECTIVE INVESTORS ARE ENCOURAGED TO CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS, AS WELL AS ANY TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR CLASS A COMMON STOCK ARISING UNDER THE U.S. FEDERAL ESTATE OR GIFT TAX LAWS OR UNDER THE LAWS OF ANY STATE, LOCAL, NON-U.S. OR OTHER TAXING JURISDICTION OR UNDER ANY APPLICABLE INCOME TAX TREATY.

Non-U.S. Holder Defined

For purposes of this discussion, a "non-U.S. holder" is a beneficial owner of our Class A common stock that is not for U.S. federal income tax purposes a partnership or any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust (i) whose administration is subject to the primary supervision of a U.S. court and which has one or more United States persons who have the authority to control all substantial decisions of the trust or (ii) which has made a valid election under applicable U.S. Treasury regulations to be treated as a United States person.

If a partnership (including an entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds our Class A common stock, the tax treatment of a partner in the partnership generally will depend upon the status of the partner, upon the activities of the partnership and upon certain determinations made at the partner level. Accordingly, we urge partners in partnerships (including entities or arrangements treated as partnerships for U.S. federal income tax purposes) considering the purchase of our Class A common stock to consult their tax advisors regarding the U.S. federal income tax considerations of the purchase, ownership and disposition of our Class A common stock by such partnership.

Dividends and Other Distributions

As described in the section entitled "Dividend Policy," we do not plan to make any distributions on our Class A common stock for the foreseeable future. However, in the event we do make distributions of cash or other property on our Class A common stock, such distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. To the extent those distributions exceed our current and accumulated earnings and profits, the distributions will instead be treated as a non-taxable return of capital to the extent of the non-U.S. holder's tax basis in our Class A common stock (and will reduce such tax basis, but not below zero) and thereafter as capital gain from the sale or exchange of such Class A common stock. See "—Gain on Disposition of Class A Common Stock." Subject to the withholding requirements under "—Backup Withholding and Information Reporting" and FATCA (as defined below) and provided that such distributions are not effectively connected dividends, each of which is discussed below, any distribution made to a non-U.S. holder on our Class A common stock generally will be subject to U.S. withholding tax at a rate of 30% of the gross amount of the distribution unless an applicable income tax treaty provides for a lower rate or another exception applies. To receive the benefit of a reduced treaty rate, a non-U.S. holder must provide the applicable withholding agent with a properly executed IRS Form W-8BEN or IRS Form W-8BEN-E (or other applicable or successor form) certifying qualification for the reduced rate. In the event that we determine that a portion of a distribution does not constitute a dividend, we may determine not to withhold U.S. federal income tax from such portion of the distribution or a non-U.S. holder may be entitled to claim a refund of excess amounts withheld.

Distributions treated as dividends paid to a non-U.S. holder that are effectively connected with a trade or business conducted by the non-U.S. holder in the United States (and, if required by an applicable income tax treaty, are treated as attributable to a permanent establishment maintained by the non-U.S. holder in the United States) generally will be taxed on a net income basis at the rates and in the manner generally applicable to United States persons (as defined under the Code). Such effectively connected dividends will not be subject to U.S. withholding tax (including backup withholding described below) if the non-U.S. holder satisfies certain certification requirements by providing the applicable withholding agent with a properly executed IRS Form W-8ECI certifying eligibility for exemption. If the non-U.S. holder is a corporation for U.S. federal income tax purposes, it may also be subject to a branch profits tax (at a 30% rate or such lower rate as specified by an applicable income tax treaty) on its effectively connected earnings and profits (as adjusted for certain items), which will include effectively connected dividends.

Gain on Disposition of Class A Common Stock

Subject to the discussion below under "—Backup Withholding and Information Reporting" and the discussion below of FATCA, a non-U.S. holder generally will not be subject to U.S. federal income tax or withholding on any gain realized upon the sale or other disposition of our Class A common stock unless:

- the non-U.S. holder is an individual who is present in the United States for a period or periods aggregating 183 days or more during the calendar year in which the sale or disposition occurs and certain other conditions are met;
- the gain is effectively connected with a trade or business conducted by the non-U.S. holder in the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment maintained by the non-U.S. holder in the United States); or
- our Class A common stock constitutes a United States real property interest as a result of our becoming a United States real property holding corporation ("USRPHC") for U.S. federal income tax purposes at any time during the shorter of the five-year period ending on the date of the disposition of or the non-U.S. holder's holding period for the Class A common stock and, as a result, such gain is treated as effectively connected with a trade or business conducted by the non-U.S. holder in the United States.

A non-U.S. holder described in the first bullet point above will be subject to U.S. federal income tax at a rate of 30% (or such lower rate as specified by an applicable income tax treaty) on the amount of such gain, which generally may be offset by U.S. source capital losses.

A non-U.S. holder whose gain is described in the second bullet point above or, subject to the exceptions described in the next paragraph, the third bullet point above generally will be taxed on a net income basis at the rates and in the manner generally applicable to United States persons (as defined under the Code) unless an applicable income tax treaty provides otherwise. If the non-U.S. holder is a corporation for U.S. federal income tax purposes whose gain is described in the second bullet point above, then such gain would also be included in its effectively connected earnings and profits (as adjusted for certain items), which may be subject to a branch profits tax (at a 30% rate or such lower rate as specified by an applicable income tax treaty).

With respect to the third bullet point above, generally, a corporation is a USRPHC if the fair market value of its United States real property interests equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests and its other assets used or held for use in a trade or business. We believe that we currently are not a USRPHC for U.S. federal income tax purposes, and we do not expect to become a USRPHC for the foreseeable future. However, because the determination of whether we are a USRPHC is made from time to time and depends on the relative fair market value of our assets, there can be no assurance in this regard. In the event that we become a USRPHC, as long as our Class A common stock is and continues to be "regularly traded on an established securities market" (within the meaning of applicable U.S. Treasury regulations), only a non-U.S. holder that actually or constructively owns, or owned at any time during the shorter of the five-year period ending on the date of the disposition or the non-U.S. holder's holding period for the Class A common stock, more than 5% of our Class A common stock will be treated as disposing of a U.S. real property interest and will be taxable on gain realized on the disposition of our Class A common stock as a result of our status as a USRPHC. If we were to become a USRPHC and our Class A common stock were not considered to be regularly traded on an established securities market, such holder (regardless of the percentage of stock owned) would be treated as disposing of a U.S. real property interest and would be subject to U.S. federal income tax on a taxable disposition of our Class A common stock (as described in the preceding paragraph), and a 15% withholding tax would apply to the gross proceeds from such disposition. No assurance can be provided that our Class A common stock will be treated as regularly traded on an established securities market for purposes of the rules described above.

Non-U.S. holders should consult their tax advisors with respect to the application of the foregoing rules to their ownership and disposition of our Class A common stock.

U.S. Federal Estate Tax

Our Class A common stock that is owned (or treated as owned) by an individual who is not a U.S. citizen or resident of the United States (as specially defined for U.S. federal estate tax purposes) at the time of death will be included in the individual's gross estate for U.S. federal estate tax purposes, unless an applicable estate tax or other treaty provides otherwise and, therefore, may be subject to U.S. federal estate tax.

Backup Withholding and Information Reporting

Any dividends paid to a non-U.S. holder must be reported annually to the IRS and to the non-U.S. holder. Copies of these information returns may be made available to the tax authorities in the country in which the non-U.S. holder resides or is established. Payments of dividends to a non-U.S. holder generally will not be subject to backup withholding if the non-U.S. holder establishes an exemption by properly certifying its non-U.S. status on an IRS Form W-8BEN or IRS Form W-8BEN-E (or other applicable or successor form).

Payments of the proceeds from a sale or other disposition by a non-U.S. holder of our Class A common stock effected by or through a U.S. office of a broker generally will be subject to information reporting and backup withholding (at the applicable rate) unless the non-U.S. holder establishes an exemption by properly certifying its non-U.S. status on an IRS Form W-8BEN or IRS Form W-8BEN-E (or other applicable or successor form) and certain other conditions are met. Information reporting and backup withholding generally will not apply to any payment of the proceeds from a sale or other disposition of our Class A common stock effected outside the United States by a non-U.S. office of a broker. However, unless such broker has documentary evidence in its records that the non-U.S. holder is not a United States person and certain other conditions are met, or the non-U.S. holder otherwise establishes an exemption, information reporting will apply to a payment of the proceeds of the disposition of our Class A common stock effected outside the United States by such a broker if it has certain relationships within the United States.

Backup withholding is not an additional tax. Rather, the U.S. federal income tax liability (if any) of persons subject to backup withholding will be reduced by the amount of tax withheld. If backup withholding results in an overpayment of taxes, a refund may be obtained, provided that the required information is timely furnished to the IRS.

Additional Withholding Requirements under FATCA

Sections 1471 through 1474 of the Code, and the U.S. Treasury regulations and administrative guidance issued thereunder ("FATCA"), impose a 30% withholding tax on any dividends paid on our Class A common stock if paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code) (including, in some cases, when such foreign financial institution or non-financial foreign entity is acting as an intermediary), unless (i) in the case of a foreign financial institution, such institution enters into an agreement with the U.S. government to withhold on certain payments, and to collect and provide to the U.S. tax authorities substantial information regarding U.S. account holders of such institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are non-U.S. entities with U.S. owners); (ii) in the case of a non-financial foreign entity, such entity certifies that it does not have any "substantial United States owners" (as defined in the Code) or provides the applicable withholding agent with a certification identifying the direct and indirect substantial United States owners of the entity (in either case, generally on an IRS Form W-8BEN-E); or (iii) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules and provides appropriate documentation (such as an IRS Form W-8BEN-E). Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing these rules may be subject to different rules. FATCA also imposes a 30% withholding tax on any gross proceeds on a sale or other disposition of our Class A common stock. However, proposed U.S. Treasury regulations, which may be relied upon pending finalization, would eliminate this withholding tax on gross proceeds. Accordingly, FATCA withholding on gross proceeds is not expected to apply. Under certain circumstances, a holder might be eligible for refunds or credits of such taxes. Non-U.S. holders are encouraged to consult their own tax advisors regarding the effects of FATCA on an investment in our Class A common stock.

INVESTORS CONSIDERING THE PURCHASE OF OUR CLASS A COMMON STOCK ARE URGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS AND THE APPLICABILITY AND EFFECT OF U.S. FEDERAL ESTATE AND GIFT TAX LAWS AND ANY STATE, LOCAL OR NON-U.S. TAX LAWS AND TAX TREATIES.

CERTAIN ERISA CONSIDERATIONS

The following is a summary of certain considerations associated with the acquisition and holding of shares of common stock by employee benefit plans that are subject to Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), plans, individual retirement accounts and other arrangements that are subject to Section 4975 of the Code or employee benefit plans that are governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA), non-U.S. plans (as described in Section 4(b)(4) of ERISA) or other plans that are not subject to the foregoing but may be subject to provisions under any other federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively, "Similar Laws"), and entities whose underlying assets are considered to include "plan assets" of any such plan, account or arrangement (each, a "Plan").

This summary is based on the provisions of ERISA and the Code (and related regulations and administrative and judicial interpretations) as of the date of this registration statement. This summary does not purport to be complete, and no assurance can be given that future legislation, court decisions, regulations, rulings or pronouncements will not significantly modify the requirements summarized below. Any of these changes may be retroactive and may thereby apply to transactions entered into prior to the date of their enactment or release. This discussion is general in nature and is not intended to be all inclusive, nor should it be construed as investment or legal advice.

General Fiduciary Matters

ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan subject to Title I of ERISA or Section 4975 of the Code (an "ERISA Plan") and prohibit certain transactions involving the assets of an ERISA Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of an ERISA Plan or the management or disposition of the assets of an ERISA Plan, or who renders investment advice for a fee or other compensation to an ERISA Plan, is generally considered to be a fiduciary of the ERISA Plan.

In considering an investment in shares of common stock with a portion of the assets of any Plan, a fiduciary should consider the Plan's particular circumstances and all of the facts and circumstances of the investment and determine whether the acquisition and holding of shares of common stock is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code, or any Similar Law relating to the fiduciary's duties to the Plan, including, without limitation:

- whether the investment is prudent under Section 404(a)(1)(B) of ERISA and any other applicable Similar Laws;
- whether, in making the investment, the ERISA Plan will satisfy the diversification requirements of Section 404(a)(1)(C) of ERISA and any other applicable Similar Laws;
- whether the investment is permitted under the terms of the applicable documents governing the Plan;
- whether the acquisition or holding of the shares of common stock will constitute a "prohibited transaction" under Section 406 of ERISA or Section 4975 of the Code (please see discussion under "—Prohibited Transaction Issues" below); and
- whether the Plan will be considered to hold, as plan assets, (i) only shares of common stock or (ii) an undivided interest in our underlying assets (please see the discussion under "—Plan Asset Issues" below).

Prohibited Transaction Issues

Section 406 of ERISA and Section 4975 of the Code prohibit ERISA Plans from engaging in specified transactions involving plan assets with persons or entities who are "parties in interest," within the meaning of ERISA, or "disqualified persons," within the meaning of Section 4975 of the Code, unless an exemption is available. A party in interest or disqualified person who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code.

In addition, the fiduciary of the ERISA Plan that engages in such a non-exempt prohibited transaction may be subject to excise taxes, penalties and liabilities under ERISA and the Code. The acquisition and/or holding of shares of common stock by an ERISA Plan with respect to which the issuer, the initial purchaser, or a guarantor is considered a party in interest or a disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired and is held in accordance with an applicable statutory, class or individual prohibited transaction exemption.

Because of the foregoing, shares of common stock should not be acquired or held by any person investing "plan assets" of any Plan, unless such acquisition and holding will not constitute a non-exempt prohibited transaction under ERISA and the Code or a similar violation of any applicable Similar Laws.

Plan Asset Issues

Additionally, a fiduciary of a Plan should consider whether the Plan will, by investing in us, be deemed to own an undivided interest in our assets, with the result that we would become a fiduciary of the Plan and our operations would be subject to the regulatory restrictions of ERISA, including its prohibited transaction rules, as well as the prohibited transaction rules of the Code and any other applicable Similar Laws.

The Department of Labor (the "DOL") regulations provide guidance with respect to whether the assets of an entity in which ERISA Plans acquire equity interests would be deemed "plan assets" under some circumstances. Under these regulations, an entity's assets generally would not be considered to be "plan assets" if, among other things:

(a) the equity interests acquired by ERISA Plans are "publicly offered securities" (as defined in the DOL regulation)—i.e., the equity interests are part of a class of securities that is widely held by 100 or more investors independent of the issuer and each other, are freely transferable, and are either registered under certain provisions of the federal securities laws or sold to the ERISA Plan as part of a public offering under certain conditions;

(b) the entity is an "operating company" (as defined in the DOL regulation)—i.e., it is primarily engaged in the production or sale of a product or service, other than the investment of capital, either directly or through a majority-owned subsidiary or subsidiaries; or

(c) there is no significant investment by "benefit plan investors" (as defined in the DOL regulation)—i.e., immediately after the most recent acquisition by a ERISA Plan of any equity interest in the entity, less than 25% of the total value of each class of equity interest (disregarding certain interests held by persons (other than benefit plan investors) with discretionary authority or control over the assets of the entity or who provide investment advice for a fee (direct or indirect) with respect to such assets, and any affiliates thereof) is held by ERISA Plans, IRAs and certain other Plans (but not including governmental plans, foreign plans and certain church plans), and entities whose underlying assets are deemed to include plan assets by reason of a Plan's investment in the entity.

Due to the complexity of these rules and the excise taxes, penalties and liabilities that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries, or other persons considering acquiring and/or holding shares of our common stock on behalf of, or with the assets of, any Plan, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any Similar Laws to such investment and whether an exemption would be applicable to the acquisition and holding of shares of common stock. Purchasers of shares of common stock have the exclusive responsibility for ensuring that their acquisition and holding of shares of common stock complies with the fiduciary responsibility rules of ERISA and does not violate the prohibited transaction rules of ERISA, the Code or applicable Similar Laws. The sale of shares of common stock to a Plan is in no respect a representation by us or any of our affiliates or representatives that such an investment meets all relevant legal requirements with respect to investments by any such Plan or that such investment is appropriate for any such Plan.

UNDERWRITING

The Company and the underwriters named below have entered into an underwriting agreement with respect to the shares of Class A common stock being offered. Subject to certain conditions, each underwriter has severally agreed to purchase the number of shares of Class A common stock indicated in the following table. Raymond James & Associates, Inc., Robert W. Baird & Co. Incorporated and SunTrust Robinson Humphrey, Inc. are the representatives of the underwriters.

Underwriters	Number of Shares
Raymond James & Associates, Inc.	
Robert W. Baird & Co. Incorporated	
SunTrust Robinson Humphrey, Inc.	
Total	

The underwriters are committed to take and pay for all of the shares of Class A common stock being offered, if any are taken, other than the shares covered by the option described below unless and until this option is exercised.

The underwriters have an option to buy up to an additional shares of Class A common stock from the Company. They may exercise that option for 30 days. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above.

Certain of our Legacy Owners, including affiliates of Beekman, our Chief Executive Officer, Austin Singleton, LMI Holding, LLC and Dr. A. Derrill Crowe, have indicated an interest in purchasing up to an aggregate of $ million of shares of our Class A common stock in this offering at the initial public offering price per share. In addition, Regal Marine Industries, Inc., one of our boat manufacturers, has indicated an interest in purchasing up to $ of shares of our Class A common stock in this offering at the initial public offering price per share. However, because indications of interest are not binding agreements or commitments to purchase, these parties may elect to purchase more, less or no shares in this offering or the underwriters may elect to sell more, less or no shares in this offering to these parties. The number of shares of Class A common stock available for sale to the general public will be reduced to the extent these parties purchase shares of Class A common stock in the offering. The underwriters will receive the same discount from any Class A common stock purchased by these parties as they will from any other shares of Class A common stock sold to the public in this offering. Any shares purchased by such parties in this offering will be subject to a 180-day lock-up agreement with the underwriters.

In addition, the underwriters have reserved for sale at the initial public offering price up to 5.0% of the shares of Class A common stock being offered by this prospectus for sale to our employees, executive officers, directors, business associates and related persons who have expressed an interest in purchasing common stock in this offering. Pursuant to the underwriting agreement, the sales will be made by Raymond James & Associates, Inc. through a directed share program. We do not know if these persons will choose to purchase all or any portion of these reserved shares, but any purchases they make will reduce the number of shares available to the general public. Any reserved shares not so purchased will be offered by the underwriters to the general public on the same basis as the other shares of Class A common stock offered hereby. Substantially all of the persons buying shares of Class A common stock through the directed share program will be subject to a 180-day lock-up period with respect to such shares. We have agreed to indemnify the underwriters in connection with the directed share program, including for the failure of any participant to pay for its shares of Class A common stock. Other than the underwriting discount described on the front cover of this prospectus, the underwriters will not be entitled to any commission with respect to shares of Class A common stock sold pursuant to the directed share program.

The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters by the Company. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares of Class A common stock.

Paid by the Company	No Exercise	Full Exercise
Per Share	$	$
Total	$	$

Shares sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus. Any shares sold by the underwriters to securities dealers may be sold at a discount of up to $ per share from the initial public offering price. After the initial offering of the shares, the representatives may change the offering price and the other selling terms. The offering of the shares by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

The Company and its officers, directors, and holders of substantially all of the Company's shares of common stock have agreed with the underwriters, subject to certain exceptions, not to dispose of or hedge any of their common stock or securities convertible into or exchangeable for shares of Class A common stock during the period from the date of this prospectus continuing through the date 180 days after the date of this prospectus, except with the prior written consent of both Raymond James & Associates, Inc. and one of the other representatives. This agreement does not apply to any existing employee benefit plans. See "Shares Eligible for Future Sale" for a discussion of certain transfer restrictions.

Prior to the offering, there has been no public market for the Class A common stock. The initial public offering price will be negotiated among the Company and the representatives. Among the factors to be considered in determining the initial public offering price of the Class A common stock, in addition to prevailing market conditions, will be the Company's historical performance, estimates of the business potential and earnings prospects of the Company, an assessment of the Company's management and the consideration of the above factors in relation to market valuation of companies in related businesses.

We have been approved to list our Class A common stock on The Nasdaq Global Market under the symbol "ONEW."

In connection with the offering, the underwriters may purchase and sell shares of Class A common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering, and a short position represents the amount of such sales that have not been covered by subsequent purchases. A "covered short position" is a short position that is not greater than the amount of additional shares for which the underwriters' option described above may be exercised. The underwriters may cover any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to cover the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase additional shares pursuant to the option described above. "Naked" short sales are any short sales that create a short position greater than the amount of additional shares for which the option described above may be exercised. The underwriters must cover any such naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the shares of the Company's Class A common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of common stock made by the underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the market

price of the shares of the Company's Class A common stock, and together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the shares of the Company's Class A common stock. As a result, the price of the shares of the Company's Class A common stock may be higher than the price that otherwise might exist in the open market. The underwriters are not required to engage in these activities and may end any of these activities at any time. These transactions may be effected on The Nasdaq Global Market, in the over-the-counter market or otherwise.

We estimate that the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately $ million.

We have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State") an offer to the public of our common shares may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State of our common shares may be made at any time under the following exemptions under the Prospectus Directive:

- to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the representatives for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of shares of our common shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to public" in relation to our common shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and our common shares to be offered so as to enable an investor to decide to purchase our common shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (as amended), including by Directive 2010/73/EU, and includes any relevant implementing measure in the Relevant Member State.

This European Economic Area selling restriction is in addition to any other selling restrictions set out below.

United Kingdom

In the United Kingdom, this prospectus is only addressed to and directed as qualified investors who are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); or (ii) high net worth entities and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). Any investment or investment activity to which this prospectus relates is available only to relevant persons and will only be engaged with relevant persons. Any person who is not a relevant person should not act or relay on this prospectus or any of its contents.

Canada

The shares may be sold in Canada only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions, and Ongoing Registrant Obligations. Any resale of the shares must be made in accordance with an exemption form, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a

misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Hong Kong

The shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) ("Companies (Winding Up and Miscellaneous Provisions) Ordinance") or which do not constitute an invitation to the public within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) ("Securities and Futures Ordinance"), or (ii) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance, and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" in Hong Kong as defined in the Securities and Futures Ordinance and any rules made thereunder.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined under Section 4A of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA")) under Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to conditions set forth in the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor, the securities (as defined in Section 239(1) of the SFA) of that corporation shall not be transferable for 6 months after that corporation has acquired the shares under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer in that corporation's securities pursuant to Section 275(1A) of the SFA, (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore ("Regulation 32").

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is a trust (where the trustee is not an accredited investor (as defined in Section 4A of the SFA)) whose sole purpose is to hold investments and each beneficiary of the trust is an accredited investor, the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for 6 months after that trust has acquired the shares under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA),

(2) where such transfer arises from an offer that is made on terms that such rights or interest are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction (whether such amount is to be paid for in cash or by exchange of securities or other assets), (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32.

Japan

The shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended), or the FIEA. The securities may not be offered or sold, directly or indirectly, in Japan or to or for the benefit of any resident of Japan (including any person resident in Japan or any corporation or other entity organized under the laws of Japan) or to others for reoffering or resale, directly or indirectly, in Japan or to or for the benefit of any resident of Japan, except pursuant to an exemption from the registration requirements of the FIEA and otherwise in compliance with any relevant laws and regulations of Japan.

LEGAL MATTERS

The validity of our Class A common stock offered by this prospectus will be passed upon for us by Vinson & Elkins L.L.P., Houston, Texas. Certain legal matters in connection with this offering will be passed upon for the underwriters by Fried, Frank, Harris, Shriver & Jacobson LLP, New York, New York.

EXPERTS

The audited balance sheet of OneWater Marine Inc. included in this prospectus and elsewhere in the registration statement has been so included in reliance upon the report of Grant Thornton LLP, independent registered public accountants, upon the authority of said firm as experts in accounting and auditing.

The audited financial statements of One Water Marine Holdings, LLC included in this prospectus and elsewhere in the registration statement have been so included in reliance upon the reports of Grant Thornton LLP, independent registered public accountants, upon the authority of said firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 (including the exhibits, schedules and amendments thereto) under the Securities Act, with respect to the shares of our Class A common stock offered hereby. This prospectus does not contain all of the information set forth in the registration statement and the exhibits and schedules thereto. For further information with respect to us and the Class A common stock offered hereby, we refer you to the registration statement, including all amendments, supplements, exhibits and schedules thereto. Statements contained in this prospectus as to the contents of any contract, agreement or any other document are summaries of the material terms of this contract, agreement or other document. With respect to each of these contracts, agreements or other documents filed as an exhibit to the registration statement, reference is made to the exhibits for a more complete description of the matter involved. The SEC maintains a website at *www.sec.gov* that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC.

As a result of this offering, we will become subject to full information requirements of the Exchange Act. We will fulfill our obligations with respect to such requirements by filing periodic reports and other information with the SEC. We intend to furnish our stockholders with annual reports containing financial statements certified by an independent public accounting firm.

INDEX TO FINANCIAL STATEMENTS

One Water Marine Holdings, LLC and Subsidiaries

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Members
One Water Marine Holdings, LLC

Opinion on the financial statements

We have audited the accompanying consolidated balance sheets of One Water Marine Holdings, LLC (a Delaware limited liability company) and subsidiaries (the "Company") as of September 30, 2019 and 2018, the related consolidated statements of operations, members' equity, and cash flows for each of the three years in the period ended September 30, 2019, and the related notes (collectively referred to as the "financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2019 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended September 30, 2019, in conformity with accounting principles generally accepted in the United States of America.

Basis for opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ GRANT THORNTON LLP

We have served as the Company's auditor since 2017.

Atlanta, Georgia
January 6, 2020

One Water Marine Holdings, LLC and Subsidiaries
Consolidated Balance Sheets

September 30	2019	2018
	($ in thousands)	
Assets		
Current assets:		
Cash	$ 11,108	$ 15,346
Restricted cash	384	412
Accounts receivable	15,294	10,889
Inventories	277,338	184,361
Prepaid expenses and other current assets	9,969	1,506
Total current assets	314,093	212,514
Property and equipment, net	15,954	18,587
Other assets		
Deposits	345	347
Identifiable intangible assets	61,304	47,732
Goodwill	113,059	96,180
Total other assets	174,708	144,259
Total assets	$ 504,755	$ 375,360
Liabilities and Members' Equity		
Current liabilities:		
Accounts payable	$ 5,546	$ 6,340
Other payables and accrued expenses	16,567	9,764
Customer deposits	4,880	4,198
Notes payable - floor plan	225,377	157,483
Current portion of long-term debt	11,124	1,890
Total current liabilities	263,494	179,675
Long-term Liabilities		
Other long-term liabilities	1,598	2,487
Warrant liability	50,887	52,223
Long-term debt, net of current portion and unamortized debt issuance costs	64,789	39,954
Total liabilities	380,768	274,339
Redeemable preferred interest in subsidiary	86,018	79,965
Members' Equity:		
Members' Equity attributable to One Water Marine Holdings, LLC	31,770	15,963
Equity attributable to non-controlling interests	6,199	5,093
Total liabilities and Members' Equity	$ 504,755	$ 375,360

The accompanying notes are an integral part of these consolidated financial statements.

One Water Marine Holdings, LLC and Subsidiaries
Consolidated Statements of Operations

For the years ended September 30	2019	2018	2017
	($ in thousands, except per share data)		
Revenues			
New boat sales	$ 516,789	$ 398,586	$ 250,298
Pre-owned boat sales	162,994	140,931	98,320
Finance and insurance income	26,152	16,623	9,896
Service, parts and other sales	61,689	46,665	32,969
Total revenues	767,624	602,805	391,483
Cost of sales (exclusive of depreciation and amortization shown separately below)			
New boat sales	425,022	322,126	204,207
Pre-owned boat sales	136,238	116,457	83,115
Service, parts and other sales	34,238	26,568	18,460
Total cost of sales	595,498	465,151	305,782
Selling, general and administrative expenses	116,503	91,297	65,352
Depreciation and amortization	2,682	1,685	1,055
Gain on settlement of contingent consideration	(1,674)	—	—
Income from operations	54,615	44,672	19,294
Other expense (income)			
Interest expense - floor plan	9,395	5,534	2,686
Interest expense - other	6,568	3,836	2,266
Transaction costs	1,323	438	327
Change in fair value of warrant liability	(1,336)	33,187	18,057
Other expense (income), net	1,402	(269)	217
Total other expense, net	17,352	42,726	23,553
Net income (loss)	37,263	1,946	(4,259)
Less: Net income attributable to non-controlling interest	1,606	830	13
Net income (loss) attributable to One Water Marine Holdings, LLC	35,657	1,116	(4,272)
Redeemable preferred interest, dividends and accretion	9,417	8,270	6,732
OneWater LLC Preferred distribution	191	225	129
Net income (loss) attributable to common interest holders	$ 26,049	$ (7,379)	$ (11,133)
Earnings (loss) per unit attributable to common interest holders:			
Basic	$ 342.21	$ (97.95)	$ (148.44)
Diluted	$ 252.18	$ (97.95)	$ (148.44)

The accompanying notes are an integral part of these consolidated financial statements.

One Water Marine Holdings, LLC and Subsidiaries
Consolidated Statements of Members' Equity

($ in thousands)	Redeemable Preferred Interest in Subsidiary	Members' Equity		
		Common Interest	Non-controlling interest in Subsidiary	Total Members' Equity
Balance at September 30, 2016	$ —	$ 84,086	$ —	$ 84,086
Non-controlling interest in subsidiary	—	—	1,750	1,750
Net (loss) income	—	(4,272)	13	(4,259)
Distributions to members	—	(47,202)	—	(47,202)
Issuance of redeemable preferred interest in subsidiary, net of issuance costs of $2.1 million	64,963	—	—	—
Accumulated unpaid preferred returns	6,175	(6,175)	—	(6,175)
Accretion of redeemable preferred and issuance costs	557	(557)	—	(557)
Equity-based compensation	—	432	—	432
Balance at September 30, 2017	$ 71,695	$ 26,312	$ 1,763	$ 28,075
Non-controlling interest in subsidiary	—	—	2,500	2,500
Net income	—	1,116	830	1,946
Distributions to members	—	(3,256)	—	(3,256)
Accumulated unpaid preferred returns	7,737	(7,737)	—	(7,737)
Preferred issuance costs	(93)	—	—	—
Accretion of redeemable preferred and issuance costs	626	(626)	—	(626)
Equity-based compensation	—	154	—	154
Balance at September 30, 2018	$ 79,965	$ 15,963	$ 5,093	$ 21,056
Net income	—	35,657	1,606	37,263
Distributions to members	(3,364)	(10,587)	(500)	(11,087)
Accumulated unpaid preferred returns	8,768	(8,768)	—	(8,768)
Accretion of redeemable preferred and issuance costs	649	(649)	—	(649)
Equity-based compensation	—	154	—	154
Balance at September 30, 2019	86,018	31,770	6,199	37,969

The accompanying notes are an integral part of these consolidated financial statements.

One Water Marine Holdings, LLC and Subsidiaries
Consolidated Statements of Cash Flows

For the year ended September 30	2019	2018	2017
		($ in thousands)	
Cash flows from operating activities			
Net income (loss)	$ 37,263	$ 1,946	$ (4,259)
Adjustments to reconcile net income (loss) to net cash (used in) provided by operating activities:			
Depreciation and amortization	2,682	1,685	1,055
Equity-based awards	154	154	432
Loss (gain) on asset disposals	1,371	(49)	31
(Gain) loss on extinguishment of debt	—	(209)	94
Change in fair value of long-term warrant liability	(1,336)	33,187	18,057
Non-cash interest expense	3,478	2,441	554
Non-cash gain on settlement of contingent consideration	(1,674)	—	—
(Increase) decrease in assets:			
Restricted cash	27	(404)	948
Accounts receivable	(2,344)	(4,743)	(1,745)
Inventories	(38,954)	(39,858)	(13,283)
Prepaid expenses and other current assets	(5,565)	111	(302)
Deposits	2	(49)	(51)
Increase (decrease) in liabilities:			
Accounts payable	(966)	11	1,791
Other payables and accrued expenses	614	1,605	1,407
Customer deposits	(450)	(482)	1,785
Net cash (used in) provided by operating activities	(5,698)	(4,654)	6,514
Cash flows from investing activities			
Purchases of property and equipment and construction in progress	(7,291)	(10,135)	(4,112)
Proceeds on disposal of property and equipment	73	—	61
Proceeds from sales and leaseback	15,623	—	—
Cash used in Acquisitions	(19,403)	(13,785)	(19,253)
Net cash used in investing activities	(10,998)	(23,920)	(23,304)
Cash flows from financing activities			
Net borrowings from floor plan	24,401	35,421	6,970
Net payment (to) from related party	—	(300)	1,569
Proceeds from long-term debt	13,801	7,046	11,464
Payments on long-term debt	(9,942)	(3,899)	(21,043)
Payments of debt issuance costs	(203)	(662)	(707)
Payments of deferred offering costs	(1,148)	—	—
Payments of preferred issuance costs	—	(93)	(2,058)
Issuance of redeemable preferred interest in subsidiary	—	—	68,000
Distributions to redeemable preferred interest members	(3,364)	—	—
Distributions to members	(11,087)	(3,256)	(47,202)
Net cash provided by financing activities	12,458	34,257	16,993
Net change in cash	(4,238)	5,683	203
Cash at beginning of period	15,346	9,663	9,460
Cash at end of period	$ 11,108	$ 15,346	$ 9,663
Supplemental cash flow disclosures			
Cash paid for interest	$ 12,485	$ 6,929	$ 4,398
Noncash items			
Acquisition purchase price funded by long-term debt	$ 18,800	$ 9,000	$ —
Acquisition purchase price funded by seller notes payable	10,438	3,042	5,025
Acquisition purchase price funded by contingent consideration	—	2,644	900
Purchase of property and equipment funded by long-term debt	1,067	—	—
Deferred offering costs, accrued not yet paid	1,500	—	—

The accompanying notes are an integral part of these consolidated financial statements.

One Water Marine Holdings, LLC and Subsidiaries
Notes to the Consolidated Financial Statements

1 Description of Company and Basis of Presentation

Description of the Business

One Water Marine Holdings, LLC ("OneWater LLC" or the "Company") was organized as a limited liability company under the law of the State of Delaware in 2014. OneWater LLC does not have revenue generating operations of its own and is dependent on the earnings and cash flows of its operating subsidiaries. After formation of OneWater LLC the assets of Singleton Marine and Legendary Marine were contributed in 2014 in exchange for an equity interest in OneWater LLC. Subsequently, the Company has completed the acquisition of 17 dealer groups comprised of 40 stores and as of September 30, 2019, operates a total of 63 stores in eleven states, consisting of Alabama, Florida, Georgia, Kentucky, Maryland, Massachusetts, New York, North Carolina, Ohio, South Carolina, and Texas.

The Company is one of the largest recreational boat retailers in the United States. The Company engages primarily in the retail sale, brokerage, and service of new and pre-owned boats, motors, trailers, marine parts and accessories, and offers slip and storage accommodations in certain locations. The Company also arranges related boat financing, insurance, and extended service contracts for customers with third-party lenders and insurance companies.

Operating results are generally subject to seasonal variations. Demand for products are generally highest during the third and fourth quarters of the fiscal year and, accordingly, revenues are generally expected to be higher during these periods. General economic conditions and consumer spending patterns can negatively impact the Company's operating results. Unfavorable local, regional, national, or global economic developments or uncertainties could reduce consumer spending and adversely affect the Company's business. Consumer spending on discretionary goods may also decline as a result of lower consumer confidence levels, even if prevailing economic conditions are otherwise favorable. Economic conditions in areas in which the Company operates stores, particularly in the Southeast, can have a major impact on the Company's overall results of operations. Local influences such as corporate downsizing, inclement weather such as hurricanes and other storms, environmental conditions, and other events could adversely affect the Company's operations in certain markets and in certain periods. Any extended period of adverse economic conditions or low consumer confidence is likely to have a negative effect on the Company's business.

Sales of new boats from the Company's top ten brands represent approximately 40.4%, 40.0% and 44.7% of total sales for the fiscal years ended September 30, 2019, 2018 and 2017, respectively, making them major suppliers of the Company. Of this amount, Malibu Boats, Inc, including its brands Malibu, Axis, Cobalt and Pursuit, accounted for 15.9%, 13.4% and 13.2% of our consolidated revenue for the fiscal years ended September 30, 2019, 2018 and 2017, respectively. Pre-owned boats are usually trade-ins from retail customers who are purchasing a boat from the Company. As is typical in the industry, the Company contracts with most manufacturers under renewable annual dealer agreements, each of which provides the right to sell various makes and models of boats within a given geographic region. Any change or termination of these agreements, or the agreements discussed above, for any reason, or changes in competitive, regulatory, or marketing practices, including rebate or incentive programs, could adversely affect results of operations.

Principles of Consolidation

The consolidated financial statements include the accounts of OneWater LLC and its wholly-owned subsidiaries. Additionally, the Company consolidates two subsidiaries with minority members: South Shore Assets and Operations (SSAO) and Bosun's Assets and Operations (BAO). The Company maintains control over both SSAO and BAO as it has 100.0% voting rights of each entity but only a 75.0% ownership interest. Accordingly, the results of operations of SSAO and BAO have been included in the accompanying consolidated financial statements from the date of their respective acquisition and their minority interest in these subsidiaries has been recorded accordingly. Singleton Assets and Operations

(SAO), Legendary Assets and Operations (LAO), South Florida Assets and Operations (SFAO), Midwest Assets and Operations (MAO), One Water Assets & Operations (OWAO), BAO and SSAO are collectively referred to herein as “the Company”. All significant intercompany accounts and transactions have been eliminated in consolidation.

Basis of Financial Statement Preparation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and reflect the consolidated accounts of OneWater LLC and wholly-owned subsidiaries. All intercompany transactions have been eliminated in consolidation. In addition, certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements in order to conform to current presentation. The Company operates on a fiscal year basis with the first day of the fiscal year being October 1, and the last day of the year ending on September 30. For ease of presentation, we may refer to the 12 month period ended September 30, 2019, September 30, 2018 and September 30, 2017 as Fiscal 2019, Fiscal 2018 and Fiscal 2017, respectively. Additionally, since there are no differences between net income and comprehensive income, all references to comprehensive income have been excluded from the consolidated financial statements.

2 Summary of Significant Accounting Policies

Cash

At times the amount of cash on deposit may exceed the federally insured limit of the bank. Deposit accounts at each of the institutions are insured up to $250,000 by the Federal Deposit Insurance Corporation (FDIC). At September 30, 2019 and 2018, the Company exceeded FDIC limits at various institutions. The Company has not experienced any losses in such accounts and believes there is little to no exposure to any significant credit risk.

Restricted Cash

Restricted cash relates to amounts collected for pre-owned sales, in certain states, which are held in escrow on behalf of the respective buyers and sellers for future purchases of boats. Total customers deposits are shown as a liability on the consolidated balance sheets. These liabilities may be more than the applicable restricted cash balances and fluctuate due to timing differences and because in certain states the deposits are not restricted from use.

Fair Value of Financial Instruments

The Company’s financial instruments include cash, accounts receivable, accounts payable, other payables and accrued expenses and debt. The carrying values of cash, accounts receivable, accounts payable and other payables and accrued expenses approximate their fair values due to their short-term nature. The carrying value of debt approximates its fair value due to the debt agreements bearing interest at rates that approximate current market rates for debt agreements with similar maturities and credit quality.

Inventories

Inventories are stated at the lower of cost or net realizable value. The cost of the new and pre-owned boat inventory is determined using the specific identification method. In assessing lower of cost or net realizable value the Company considers the aging of the boats, historical sales of a brand and current market conditions. The cost of parts and accessories is determined using the weighted average cost method.

Deferred Offering Costs

Deferred offering costs, consisting primarily of legal, accounting, printing and filing services, and other direct fees and costs related to the proposed initial public offering are capitalized. The deferred offering costs will be offset against proceeds from the planned initial public offering upon the closing of the

offering. In the event the planned offering is terminated, all deferred costs will be expensed. As of September 30, 2019, $2.6 million of deferred offering costs have been recorded in prepaid expenses and other current assets. There were no deferred offering costs as of September 30, 2018.

Vendor Consideration Received

Consideration received from vendors is accounted for in accordance with FASB Accounting Standards Codification 605-50, "*Revenue Recognition - Customer Payments and incentives*" ("ASC 605-50"). Pursuant to ASC 605-50, manufacturer incentives based upon cumulative volume of sales and purchases are recorded when the amounts are probable and reasonably estimable and are recorded as a reduction of inventory cost and related cost of sales. Pursuant to ASC 605-50, amounts received by us under our co-op assistance programs from our manufacturers are netted against related advertising expenses.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Depreciation of property and equipment is calculated using a straight-line method over the estimated useful lives. Leasehold improvements are amortized over the shorter of the lease period or the estimated useful lives. The estimated useful lives of assets are as follows:

	Years
Company vehicles	5
Buildings and improvements	10-39
Leasehold improvements	15
Machinery and equipment	5-7
Office equipment	5-7

Expenditures for property and equipment or additions and major improvements that extend the useful life of assets are capitalized. Minor replacements, maintenance and repairs which do not extend the useful life of an asset are expensed as incurred. Property and equipment is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. Management believes there are no long-lived assets which are considered to be impaired at September 30, 2019, 2018 and 2017.

The carrying value of property and equipment and other long-term assets (other than goodwill and indefinite life intangible assets) is evaluated for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If such an indication is present, the carrying amount of the asset is compared to the estimated undiscounted cash flows related to that asset. The Company would conclude that an asset is impaired if the sum of such expected future cash flows is less than the carrying amount of the related asset. If an asset is impaired, the impairment loss would be the amount by which the carrying amount of the related asset exceeds its fair value.

Lease Commitments

The Company leases certain land, buildings, machinery, equipment, wet slips and vehicles related to its dealership's operations under third-party operating leases. Certain leases include provisions for renewal periods and rent escalations. Rent expense under these agreements and month-to-month rentals were recognized on a straight-line basis and totaled $10.1 million, $8.0 million and $6.0 million for the fiscal years ended September 30, 2019, 2018 and 2017, respectively.

Goodwill and Other Identifiable Intangible Assets

Goodwill and intangible assets are accounted for in accordance with FASB Accounting Standards Codification 350, "*Intangibles - Goodwill and Other*" ("ASC 350"), which provides that the excess of cost over the fair value of the net assets of businesses acquired, including other identifiable intangible assets, is recorded as goodwill. Goodwill is an asset representing operational synergies and future economic

benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. In accordance with ASC 350, goodwill is tested for impairment at least annually, or more frequently when events or circumstances indicate that impairment might have occurred. ASC 350 also states that if an entity determines, based on an assessment of certain qualitative factors, that it is more likely than not that the fair value of a reporting unit is greater than its carrying amount, then a quantitative goodwill impairment test is unnecessary.

In January 2017, the FASB issued ASU 2017-04, "*Simplifying the Test for Goodwill Impairment*," that removes step two of the goodwill impairment test, which requires a hypothetical purchase price allocation. Under the new guidance, a goodwill impairment is now the amount by which a reporting unit's carrying value exceeds its fair value. The guidance is effective for annual and interim periods in fiscal years beginning after December 15, 2019 with early adoption permitted for any goodwill impairment tests performed after January 1, 2017. We early adopted ASU 2017-04 and the guidance has been applied for all goodwill impairment tests performed after January 1, 2017.

The Company reviews goodwill for impairment annually in the fourth quarter, or more often if events or circumstances indicate that impairment may have occurred. The Company has elected to early adopt ASU 2017-04, accordingly, in evaluating goodwill for impairment, if the fair value of a reporting unit is less than its carrying value, the difference would represent the amount of required goodwill impairment. To the extent the reporting unit's earnings decline significantly or there are changes in one or more of these inputs that would result in a lower valuation, it could cause the carrying value of the reporting unit to exceed its fair value and thus require OneWater LLC to record goodwill impairment. The Company engaged a valuation specialist to assist management in performing a qualitative assessment used in testing goodwill for impairment. Based on this assessment, management concluded that it was more likely than not that the fair value of the reporting unit was greater than its carrying amount at September 30, 2019, 2018 and 2017, and as a result, no impairment for goodwill was required for the years then ended.

Identifiable intangible assets consist of trade names related to the acquisitions the Company has completed. The Company has determined that trade names have an indefinite life, as there is no economic, contractual or other factors that limit their useful lives and they are expected to generate value as long as the trade name is utilized by the dealer group, and therefore, are not subject to amortization.

Financial statement risk exists to the extent identifiable intangibles become impaired due to the decrease in the fair value of the identifiable assets. The Company engaged a valuation specialist to assist management in performing a qualitative assessment used in testing identifiable intangible assets for impairment. Based on this assessment, management concluded that it was more likely than not that the fair value of the Company's identifiable intangible assets was greater than their carrying amount at September 30, 2019, 2018 and 2017, and as a result, no impairment for identifiable intangible assets was required for the years then ended.

Sales Tax

The Company collects sales tax on all of the Company's sales to nonexempt customers and remits the entire amount to the states that imposed the sales tax on and concurrent with specific sales transactions. The Company's accounting policy is to exclude the tax collected and remitted to the states from revenues and cost of sales.

Advertising Costs

We expense advertising and promotional costs as incurred and include them in selling, general, and administrative expenses in the accompanying consolidated statements of operations. Pursuant to ASC 605-50, we net amounts received under our co-op assistance programs from our manufacturers against the related advertising expenses. Advertising costs are expensed as incurred. Total advertising costs for the years ended September 30, 2019, 2018 and 2017, were $7.0 million, $4.8 million and $3.7 million, which are net of related co-op assistance of $0.9 million, $0.8 million and $0.3 million, respectively.

One Water Marine Holdings, LLC and Subsidiaries
Notes to the Consolidated Financial Statements

Equity-Based Compensation

Equity-based compensation plans are accounted for following the provisions of FASB Accounting Standards Codification 718, "*Compensation — Stock Compensation*" ("ASC 718"). Equity-based awards are designed to reward employees for their long-term contributions to the Company and to provide incentives for them to remain with the Company. Valuation models are used to value all equity-based compensation. Compensation for awards is measured at fair value on the grant date based on the number of shares expected to vest. The Company recognizes compensation cost for all awards on a straight-line basis over the requisite service period of the award.

Revenue Recognition

Revenue is recognized from the sale of products and commissions earned on new and pre-owned boats (including used, brokerage, consignment and wholesale) when ownership is transferred to the customer. Revenue from new, used, consignment and wholesale sales is recorded at the gross sales price, while revenue from brokerage transactions is recorded on a net basis. Revenue from sales of parts, accessories, and supplies is recognized when they are delivered to the customer. Service revenue, including repairs under manufacturers' warranties, is recognized when the customer accepts the serviced boat. Deferred revenue from storage and marina operations is recognized on a straight-line basis over the term of the contract as services are completed. Revenue from arranging financing, insurance and extended warranty contracts to customers through various third-party financial institutions and insurance companies is recognized when the related boats are sold and is recorded on a net basis. A chargeback fee may be assessed in the event of an early cancellation of a loan or insurance contract by the customer. The Company does not currently maintain a chargeback reserve as these amounts are not material to the consolidated financial statements taken as a whole. Deposits received from customers are recorded as a liability on the balance sheet until the related sales orders have been fulfilled by the Company.

Per Share Data

Basic earnings (loss) per common interest is computed by dividing net income (loss) attributable to common interest holders by the weighted-average common units outstanding during the period. Diluted earnings (loss) per common interest is computed by dividing net earnings (loss) attributable to common interest holders by the weighted-average common units and common unit equivalents outstanding during the period. Earnings (loss) attributable to common interest holders reflects accretion of redeemable preferred interest in subsidiary, dividends and issuance costs.

The following table illustrates the dilutive effect of profits in interest unit agreements and common warrants outstanding:

	2019	2018	2017
Common units outstanding	76,121	75,333	75,000
Weighted average common unit equivalents outstanding	27,175	28,371	25,379
Diluted common unit equivalents	103,296	103,704	100,379

For the fiscal years ended September 30, 2018 and 2017, the diluted common unit equivalents were not utilized in calculating loss per unit attributable to common interest holders as the impact would be anti-dilutive.

Income Taxes

No provision for income taxes is made in the accompanying consolidated financial statements since the Company, as a limited liability company (LLC), is treated as a partnership for federal and state income tax purposes whereby the members are responsible for recording their proportionate share of the Company's income or loss in their tax returns.

Management does not believe there are any uncertain tax positions as defined by FASB Accounting Standards Codification (ASC) 740, "*Income Taxes*", at September 30, 2019 and 2018.

The Company could be subject to income tax examinations for its U.S. federal and state income tax returns for the current tax year and previous filings for tax years 2018, 2017 and 2016, which are still open under the statute of limitations.

Loan costs

The Company accounts for its loan costs in accordance with FASB ASU No. 2015-03, "*Interest-Imputation Subtopic (835-30): Simplifying the Presentation of Debt Issuance Costs"*, which requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction of the carrying amount of that debt liability.

Loan costs are amortized to interest expense on a straight-line basis over the life of the loan, which approximates the effective interest method.

Sale and Leaseback

In accordance with ASC 840-40 "*Sales-Leaseback Transactions,*" the Company has recorded a deferred gain in relationship to the sale and leaseback of certain of the Company's operating facilities and equipment. As such, the gains have been deferred and are being amortized on a straight-line basis over the life of the leases.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the periods presented. Actual results could differ materially from these estimates. Estimates and assumptions are reviewed periodically, and the effects of any revisions are reflected in the consolidated financial statements in the period they are determined to be necessary. Significant estimates made in the accompanying consolidated financial statements include, but are not limited to, those relating to inventory mark downs, certain assumptions related to intangible and long-lived assets, share based compensation, fair value of warrants and accruals for expenses relating to business operations.

Segment Information

As of September 30, 2019 and 2018, the Company had one operating segment. The marine retail segment consists of retail boat dealerships offering the sale of new and pre-owned boats, arrangement of finance and insurance products, performance of repair and maintenance services and offering marine related parts and accessories. The marine retail business has discrete financial information and is regularly reviewed by the Company's chief operating decision maker (CODM) to assess performance and allocate resources. The Company has identified its Chief Executive Officer as its CODM. The Company has determined its marine retail operating segment is its reporting unit and is also the reportable segment.

3 New Accounting Pronouncements

As an "emerging growth company" ("EGC"), the Jumpstart Our Business Startups Act ("JOBS Act") allows the Company to delay adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are made applicable to private companies. The Company has elected to use this extended transition period under the JOBS Act. The adoption dates discussed below reflect this election.

In May 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014-09, "*Revenue from Contracts with Customers (Topic 606)*" ("ASU 2014-09"), as subsequently amended, a converged standard on revenue recognition. The new pronouncement requires revenue recognition to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance also specifies the

accounting for some costs to obtain or fulfil a contract with a customer, as well as enhanced disclosure requirements. ASU 2014-09 is effective for a public company's annual reporting periods beginning after December 15, 2017. As an EGC the Company has elected to adopt ASU 2014-09 following the effective dates for private companies beginning with annual reporting periods beginning after December 15, 2018, and interim reporting periods within annual reporting periods beginning after December 15, 2019. The Company plans to adopt ASU 2014-09 in fiscal year 2020. The adoption of this standard will not cause a significant change to the current accounting policies or internal control over financial reporting for revenue recognition on boat, motor, and trailer sales, brokerage commissions, slip and storage services, and fee income generated from finance and insurance products. However, the timing of revenue recognition for certain parts and service operations will be accelerated, as the Company has determined these performance obligations are satisfied over time under the new standard. The Company will adopt the standard using the modified retrospective approach applied only to contracts not completed as of the date of adoption, with no restatement of comparative periods. The adoption of this standard will not have a material impact on the consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, "*Leases (Topic 842)*" ("ASU 2016-02"). This update requires organizations to recognize lease assets and lease liabilities on the balance sheet and disclose key information about leasing arrangements. ASU 2016-02 is effective for a public company's annual reporting periods beginning after December 15, 2018, and interim periods within those annual periods. As an EGC the Company has elected to adopt ASU 2016-02 following the effective dates for private companies beginning with annual reporting periods beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021, earlier application is permitted. The Company is currently in the process of evaluating the effects of this pronouncement on its consolidated financial statements, related disclosures and internal controls over financial reporting. The Company plans to adopt ASU 2016-02 in the fiscal year 2022 and expects the adoption of ASU 2016-02 to have a significant and material impact on the consolidated balance sheet given the current lease agreements for the Company's stores. Based on the current assessment, it is expected that most of the operating lease commitments will be subject to the new guidance and recognized as operating lease liabilities and right-of use assets upon adoption, resulting in a material increase in the assets and liabilities recorded on the consolidated balance sheet. The Company is continuing its assessment, which may identify additional impacts this standard will have on the consolidated financial statements and related disclosures and internal control over financial reporting.

In March 2016, the FASB issued ASU 2016-09, "*Compensation – Stock Compensation (Topic 718)*" ("ASU 2016-09"). This update is part of the FASB's Simplification Initiative. The objective of the Simplification Initiative is to identify, evaluate, and improve areas of GAAP for which cost and complexity can be reduced while maintaining or improving the usefulness of the information provided to users of financial statements. This guidance is effective for public companies prospectively for fiscal years beginning after December 15, 2017, with early adoption permitted for any interim or annual periods. As an EGC the Company has elected to early adopt ASU 2016-09, reflecting the adoption for all periods presented.

In August 2016, the FASB issued ASU 2016-15, "*Statement of Cash Flows (Topic 230)*" ("ASU 2016-15"). Additionally, in November 2016, the FASB issued ASU 2016-18, "*Statement of Cash Flows (Topic 230)*" ("ASU 2016-18"). These updates require organizations to reclassify certain cash receipts and cash payments within the Statement of Cash Flows and modify the classification and presentation of restricted cash. These ASU's are effective for a public company's annual reporting periods beginning after December 15, 2017, and interim periods within those annual periods. As an EGC, the Company has elected to adopt these ASU's following the effective dates for private companies beginning with annual reporting periods beginning after December 15, 2018, including interim reporting periods within fiscal years beginning after December 15, 2019. The adoption of this standard will not have a material impact on its consolidated financial statements, related disclosures and internal controls over financial reporting. The Company plans to adopt ASU 2016-15 and ASU 2016-18 in fiscal year 2020.

One Water Marine Holdings, LLC and Subsidiaries
Notes to the Consolidated Financial Statements

In January 2017, the FASB issued ASU 2017-01, "*Business Combinations (Topic 805)*" ("ASU 2017-01"). This update clarifies the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The definition of a business affects many areas of accounting including acquisitions, disposals, goodwill, and consolidation. As an EGC the Company has elected to adopt ASU 2017-01 following the effective dates for private companies beginning with annual reporting periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. The adoption of this standard will not have a material impact on its consolidated financial statements, related disclosures and internal controls over financial reporting. The Company plans to adopt ASU 2017-01 in fiscal year 2020.

In August 2018, the FASB issued ASU 2018-15, "*Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That is a Service Contract*," which aligns the accounting for implementation costs incurred in a cloud computing arrangement that is a service contract with the guidance on capitalizing costs associated with developing or obtaining internal-use software. The guidance amends Accounting Standards Codification (ASC) 350 to include in its scope implementation costs of a cloud computing arrangement that is a service contract and clarifies that a customer should apply ASC 350 to determine which implementation costs should be capitalized in such a cloud computing arrangement. ASU 2018-15 is effective for a public company's annual reporting periods beginning after December 15, 2019, and interim periods within those annual periods. As an EGC, the Company has elected to adopt ASU 2018-15 following the effective date for private companies beginning with annual reporting periods beginning after December 15, 2020, and interim periods within annual periods beginning after December 15, 2021. The Company is currently evaluating the impact that this standard will have on the consolidated financial statements. The Company plans to adopt ASU 2018-15 in fiscal year 2021.

In June 2016, the FASB issued ASU 2016-13, "*Financial instruments — Credit Losses*." ASU 2016-13 requires entities to report "expected" credit losses on financial instruments and other commitments to extend credit rather than the current "incurred loss" model. These expected credit losses for financial assets held at the reporting date are to be based on historical experience, current conditions, and reasonable and supportable forecasts. This ASU will also require enhanced disclosures relating to significant estimates and judgments used in estimating credit losses, as well as the credit quality. ASU 2016-13 is effective for a public company's annual reporting periods beginning after December 15, 2019, and interim periods within those annual periods. As an EGC, the Company has elected to adopt ASU 2016-13 following the effective date for private companies beginning with annual reporting periods beginning after December 15, 2022, including interim periods within those annual periods. The Company is currently evaluating the impact that this standard will have on the consolidated financial statements. The Company plans to adopt ASU 2016-13 in fiscal year 2024.

In January 2017, the FASB issued ASU 2017-04, "*Simplifying the Test for Goodwill impairment (Topic 350)*" ("ASU 2017-04"). This update removes the requirement to compare the implied fair value of goodwill with its carrying amount as part of step 2 of the goodwill impairment test. As a result, under ASU 2017-04, an entity should perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount and should recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the impairment loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. This guidance is effective for public companies prospectively for fiscal years beginning after December 15, 2019. Early adoption is permitted for interim or annual goodwill impairment tests performed after January 1, 2017. As an EGC the Company has elected to early adopt ASU 2017-04 with annual impairment tests performed after January 1, 2017.

4 Investors

On October 28, 2016, the Company entered into equity and debt terms with Goldman Sachs & Co. (GS) and OWM BIP Investor, LLC (BIP). The Company issued 68,000 shares of preferred units, in its wholly owned subsidiary OWAO, in exchange for $67.0 million in cash consideration. Additionally, the Company issued 25,000 OneWater LLC common unit warrants in exchange for $1.0 million in cash consideration. The proceeds were used to repay $20.4 million in outstanding notes payable, $2.2 million in line of credit borrowings, $1.0 million in related party payables and $41.3 million in equity distributions to the members of the Company, net of $1.5 million in satisfaction of a related party advance. In completing the transaction, the Company incurred costs related to the equity syndication of $2.1 million and debt issuance costs of $0.9 million. The remaining funds were held by the Company for working capital use.

As part of the transaction the Company entered into a $20.0 million multi-draw term loan. The loans are subject to an applicable interest rate of 10.0% per annum. The multi-draw term loan shall be repaid in equal consecutive quarterly payments in the annual amount equal to 5.0% of the aggregate principal amount outstanding immediately prior to December 31, 2019. The loans mature on October 28, 2021 and the full principal and loan balance is due in full on that date. The combined loan is subject to an excess cash flow provision in which the loan amount shall be paid down by the excess cash flow starting for the fiscal year ending September 30, 2017. The loan is collateralized by all real, personal and mixed property (including capital units) of the Company.

On February 1, 2018, the Company expanded the multi-draw term loan with GS and BIP. The maximum available under the facility was increased from $20.0 million to $50.0 million. The applicable interest rate, maturity, terms, conditions and covenants were unchanged.

On May 1, 2019, the Company expanded the multi-draw term loan with GS and BIP. The maximum available under the facility was increased from $50.0 million to $60.0 million. The applicable interest rate, maturity, terms, conditions and covenants were unchanged.

Under the agreement, the Company is required to be in compliance with various financial covenants. The Company was in compliance with these covenants as of September 30, 2019 and 2018.

5 Acquisitions

In the years ended September 30, 2019, 2018 and 2017, the Company has completed acquisitions of multiple retail boat dealer groups in the United States. The results of operations of acquisitions are included in the accompanying consolidated financial statements from the acquisition date forward. The purchase price of acquisitions was allocated to identifiable tangible assets and intangible assets acquired based on their estimated fair values at the acquisition date, with the excess being allocated to goodwill. Costs related to acquisitions are included in transaction costs and primarily relate to legal, accounting, and valuation fees, which are charged directly to operations in the accompanying consolidated statements of operations as incurred in the amount of $1.3 million, $0.4 million and $0.3 million for the years ended September 30, 2019, 2018 and 2017, respectively.

The following unaudited pro forma results of operations for the fiscal years ended September 30, 2019, 2018 and 2017 assumes that all 2019, 2018 and 2017 acquisitions were completed on October 1, 2016.

	2019	2018	2017
	($ in thousands, except per share data)		
Pro forma revenues	$ 827,488	$ 765,992	$ 659,263
Pro forma net income (loss) attributable to common interest holders	28,686	(415)	(946)
Pro forma income (loss) per share:			
Basic	$ 376.85	$ (5.51)	$ (12.62)
Diluted	$ 277.71	$ (5.51)	$ (12.62)

Included in our results for the fiscal years ended September 30, 2019, 2018 and 2017, the acquisitions contributed $62.0 million, $68.4 million and $87.5 million to our consolidated revenue, respectively. Included in our results for the fiscal years ended September 30, 2019, 2018, and 2017, the acquisitions contributed $4.0 million, $6.1 million and $1.6 million to our net income, respectively.

Acquisitions completed during the year ended September 30, 2019:

On December 1, 2018, the Company purchased The Slalom Shop, LLC ("Slalom Shop"), a Texas boat retailer comprised of two stores. The acquisition expands the Company's presence in the state of Texas, expands the Company's product offering and strengthens its market share in a top boating market. The purchase price was $7.9 million with $1.6 million paid at closing, $5.1 million due to seller note payable which was paid in full during Fiscal 2019 and $1.3 million financed through a note payable to the seller bearing interest at a rate of 5.0% per year. The note is payable in one lump sum three years from the closing date, with interest payments due quarterly.

On February 1, 2019, the Company purchased Ocean Blue Yacht Sales ("Ocean Blue"), a Florida boat retailer comprised of three stores. The acquisition expands the Company's presence on the east coast of Florida, expands the Company's product offering and strengthens the Company's market share in a top boating market. The purchase price was $10.7 million, with $8.7 million paid at closing ($8.5 million financed by long-term debt), and $1.9 million financed through a note payable to the seller bearing interest at a rate of 5.0% per year. The note is payable in one lump sum three years from the closing date, with interest payments due quarterly.

On February 1, 2019, the Company purchased Ray Clepper, Inc. d/b/a Ray Clepper Boat Center ("Ray Clepper"), a South Carolina boat retailer comprised of a single location. The acquisition expands the Company's presence in South Carolina, expands the Company's product offering and strengthens the Company's market share in a top boating market. The purchase price was $0.3 million, paid at closing.

On May 1, 2019, the Company purchased Caribee Boat Sales and Marina, Inc. ("Caribee"), a Florida boat retailer and storage facility comprised of a single store. The acquisition expands the Company's presence in the state of Florida, expands the Company's product offering and strengthens its market share in a top boating market. The purchase price was $10.3 million ($10.3 million financed by long-term debt) and includes both the retail boat operations and the related real estate.

On August 1, 2019, the Company purchased Central Marine Services, Inc., Central Marine Outboard, Inc, Central Marine Sales of Stuart, LLC and Central Marine Stuart, LLC ("Central Marine"), a Florida boat retailer comprised of three retail stores. The acquisition expands the Company's presence in the state of Florida, expands the Company's product offering and strengthens its market share in a top boating market. The purchase price was $19.4 million with $17.3 million paid at closing, $2.2 million financed through a note payable to the seller bearing interest at a rate of 5.5% per year. The note is payable in one lump sum thirty months from the closing date, with interest payments due monthly.

Acquisitions completed during the year ended September 30, 2018:

On February 1, 2018, the Company purchased substantially all the assets of Texas Marine ("Texas Marine"), a Texas based boat retailer. The acquisition expands the Company's presence in the state of Texas, expands the Company's product offering and strengthens its market share in a top boating market. The purchase price was $11.8 million, with $8.3 million paid at closing ($8.0 million financed by long-term debt), $0.8 million financed through a note payable to the seller bearing interest at a rate of 4.5% per year and an estimated payment of contingent consideration of $2.6 million. The estimated contingent consideration is based on the performance of the acquired assets. The amount of contingent consideration has been included in other payables and accrued expenses and other long-term liabilities. The note is payable in one lump sum thirty months from the closing date, with interest payments due quarterly.

On April 1, 2018, the Company purchased substantially all the assets of Spend-A-Day Marina ("Spend-A-Day"), an Ohio based boat retailer. The acquisition expands the Company's presence in the

state of Ohio and expands its product offering. The purchase price was $7.7 million, with $6.7 million paid at closing ($1.0 million financed by long-term debt) and $1.0 million financed through a note payable to the seller bearing interest at a rate of 5.5% per year. The note is payable in one lump sum three years from the closing date, with interest payments due quarterly.

On June 1, 2018, the Company purchased substantially all the assets of Bosun's Marine, ("Bosun's"), a Massachusetts based boat retailer through its subsidiary BAO. The acquisition expands the Company's presence to include the state of Massachusetts and expands its product offering. The former owners of Bosun's invested $2.5 million of the purchase price to obtain a 25.0% ownership interest in the subsidiary BAO. The Company maintains control over BAO as it has 100.0% of the voting rights of the entity but only a 75.0% ownership interest. The purchase price was $11.5 million, subject to a working capital adjustment, with $7.8 million cash consideration paid at closing and $2.5 million reinvested in BAO. Additionally, the purchase agreement contained an earnout provision whereby an additional payment was due should BAO's operating results exceed a threshold. The operations exceeded the threshold and an additional payment of $1.2 million is due to the seller. The earnout payment is to be repaid in the form of a sellers note payable bearing interest at 4.5%. The note is payable in one lump sum three years from the closing date, with interest payments due quarterly.

The table below summarizes the fair values of the assets acquired at the acquisition date, including the goodwill recorded as a result of these transactions.

	2019	2018
	($ in thousands)	
Prepaid expenses	$ 249	$ 430
Accounts receivable	2,062	—
Inventory	54,023	29,154
Property and equipment	7,045	731
Identifiable intangible assets	13,572	13,020
Goodwill	16,879	14,255
Liabilities assumed	(45,189)	(26,619)
Total purchase price	$ 48,641	$ 30,971

6 Accounts Receivable

The accounts receivable balance at September 30, 2019 and 2018, represents trade and other receivables. Accounts receivable primarily consists of contracts in transit. These amounts represent anticipated funding from the loan agreement customers execute at the store when they purchase their new or pre-owned boat. These finance contracts are typically funded within 30 days. Trade receivables include amounts due from customers on the sale of boats, parts, service, and storage. Amounts due from manufacturers represent receivables for various manufacturer incentive programs and parts and service work performed pursuant to the manufacturers' warranties.

Accounts Receivable consisted of the following at September 30:

	2019	2018
	($ in thousands)	
Contracts in transit	$ 8,453	$ 5,449
Trade and other accounts receivable	1,544	3,519
Manufacturer receivable	5,297	1,921
Total accounts receivable	$ 15,294	$ 10,889

As of September 30, 2019 and 2018, all accounts receivable amounts are deemed collectible. Management closely monitors outstanding accounts receivable for collectability based on the age of the receivable and the history of past collections and will write off any balances that are considered to be uncollectable. Historically, these amounts were immaterial and as a result the Company does not maintain an allowance for doubtful accounts.

7 Inventories

Inventories consisted of the following at September 30:

	2019	2018
	($ in thousands)	
New vessels	$ 234,312	$ 158,909
Used vessels	33,729	18,856
Work in process, parts and accessories	9,297	6,596
Total inventories	$ 277,338	$ 184,361

8 Property and Equipment

Property and equipment consisted of the following as of September 30:

	2019	2018
	($ in thousands)	
Land	$ 1,066	$ 4,640
Buildings and improvements	336	2,402
Leasehold improvements	5,197	3,558
Machinery and equipment	4,743	3,837
Office equipment	3,795	2,758
Company vehicles	4,537	3,218
Construction in progress	1,601	1,256
	21,275	21,669
Less accumulated depreciation	(5,321)	(3,082)
	$ 15,954	$ 18,587

For the years ended September 30, 2019, 2018 and 2017, depreciation and amortization expense totaled $2.7 million, $1.7 million and $1.1 million, respectively.

9 Identifiable Intangible Assets

Intangible assets are initially measured at fair value on the date of an acquisition and consisted of the following:

	Intangibles
	($ in thousands)
Balance as of September 30, 2017	$ 34,712
Intangibles acquired during the year	13,020
Balance as of September 30, 2018	$ 47,732
Intangibles acquired during the year	13,572
Balance as of September 30, 2019	$ 61,304

10 Goodwill

Goodwill is initially measured at fair value on the date of an acquisition and consisted of the following:

	Goodwill ($ in thousands)
Balance as of September 30, 2017	$ 81,925
Goodwill acquired during the year	14,255
Balance as of September 30, 2018	$ 96,180
Goodwill acquired during the year	16,879
Balance as of September 30, 2019	$ 113,059

11 Other Payables and Accrued Expenses

Other payables and accrued expenses consisted of the following at September 30:

	2019	2018
	($ in thousands)	
Payroll accrual	$ 3,999	$ 3,407
Sales taxes payable	1,870	1,430
Other payables and accrued expenses	4,784	1,096
Acquisition contingent consideration	—	1,058
Accrued interest	5,914	2,773
	$ 16,567	$ 9,764

12 Notes Payable — Floor Plan

The Company maintains an ongoing wholesale marine products inventory financing program with a syndicate of banks and administered by Wells Fargo Commercial Distribution Finance, LLC (Wells Fargo). The facility provides a capacity of $292.5 million and $275.0 million, to purchase new and used inventory (boats, engines, and trailers), as of September 30, 2019 and 2018, respectively. The outstanding balance of the facility was $225.4 million and $157.5 million, as of September 30, 2019 and 2018, respectively. Interest on new boats is calculated using the one month LIBOR rate plus an applicable margin of 2.75% to 5.00% depending on the days the boat has been in inventory. Interest on pre-owned boats is calculated at the new boat rate plus 0.25%. Wells Fargo will finance 100.0% of the vendor invoice price for new boats, engines and trailers. The advances are subject to a curtailment payment of 2.5% at 180 days and an additional 3.0% each month thereafter. All boats and engines are on a pay as sold program. Trailers are on a scheduled liquidation program and are paid in 1/3 increments at 90, 120 and 150 days on inventory. All unsold financed units are held as collateral.

13 Long-term Debt and Line of Credit

As part of the transaction with GS and BIP, the Company entered into a $20.0 million multi-draw term loan. The loans are subject to an applicable interest rate of 10.0% per annum. The multi-draw term loan is also subject to a 0.5% unused line fee. The multi-draw term loan shall be repaid in equal consecutive quarterly payments in the annual amount equal to 5.0% of the aggregate principal amount outstanding immediately prior to December 31, 2019. The loan matures on October 28, 2021 and the full principal and any accrued unpaid interest is due in full on that date.

On February 1, 2018, the Company expanded the multi-draw term loan with GS and BIP. The maximum available under the facility was increased from $20.0 million to $50.0 million. The applicable interest rate, maturity, terms, conditions and covenants were unchanged.

On May 1, 2019, the Company expanded the multi-draw term loan with GS and BIP. The maximum available under the facility was increased from $50.0 million to $60.0 million. The applicable interest rate, maturity, terms, conditions and covenants were unchanged.

One Water Marine Holdings, LLC and Subsidiaries
Notes to the Consolidated Financial Statements

As part of the transaction with GS and BIP, the Company entered into a $5.0 million revolving line of credit. Advances on the line are subject to an applicable interest rate of 10.0% per annum. Repayments on the revolving line of credit can be made at any time. The loan matures on October 28, 2021 and the full principal and any accrued unpaid interest is due in full on that date.

The term loan and revolving line of credit are collateralized by all real, personal and mixed property (including capital units) of the Company. Under the agreement, the Company is required to be in compliance with various financial covenants. The Company was in compliance with these covenants as of September 30, 2019 and 2018.

The table below summarizes the key terms and outstanding balances of long-term debt as of September 30:

	2019	2018
	($ in thousands)	
Multi-draw term note payable to Goldman Sachs Specialty Lending Group, L.P. and OWM BIP Investor, LLC, secured and bearing interest at 10.0% per annum. The note requires payments of principal and interest, as discussed above, and is due on October 28, 2021	$ 58,000	$ 28,605
Revolving note payable to Goldman Sachs Specialty Lending Group, L.P. and OWM BIP Investor, LLC, secured and bearing interest at 10.0% per annum. The note requires payments of interest and principal, as discussed above, and is due on October 28, 2021	—	—
Note payable to Rambo Marine, Inc., unsecured and bearing interest at 7.5% per annum. The note requires annual interest payments, with a balloon payment of principal due on July 1, 2020	3,133	3,133
Note payable to commercial vehicle lenders secured by the value of the vehicles bearing interest at rates ranging from 0.0% to 8.9% per annum. The note requires monthly installment payments of principal and interest ranging from $100 to $4,690 through July 2025	2,371	1,819
Note payable to Central Marine Services, Inc., unsecured and bearing interest at 5.5% per annum. The note requires monthly interest payments, with a balloon payment of principal due on February 1, 2022	2,164	—
Note payable to Marina Mikes, LLC, unsecured and bearing interest at 5.0% per annum. The note requires annual interest payments, with a balloon payment of principal due on June 1, 2020	2,125	2,125
Note payable to Ocean Blue Yacht Sales, unsecured and bearing interest at 5.0% per annum. The note requires quarterly interest payments, with a balloon payment of principal due on February 1, 2022	1,920	—
Note payable to Lab Marine, Inc., unsecured and bearing interest at 6.0% per annum. The note requires annual interest payments, with a balloon payment of principal due on March 1, 2021	1,500	1,500
Note payable to Sunrise Marine, Inc. and Sunrise Marine of Alabama, Inc., unsecured and bearing interest at 6.0% per annum. The note requires annual interest payments, with a balloon payment of principal due on November 1, 2019	1,400	1,400
Note payable to Slalom Shop, LLC, unsecured and bearing interest at 5.0% per annum. The note requires quarterly interest payments, with a balloon payment of principal due on December 1, 2021	1,271	—
Note payable to Bosun's Marine, Inc., unsecured and bearing interest at 4.5% per annum. The note requires annual interest payments with a balloon payment due on June 1, 2021 .	1,227	1,227

One Water Marine Holdings, LLC and Subsidiaries
Notes to the Consolidated Financial Statements

	2019	2018
	($ in thousands)	
Note payable to Rebo, Inc., unsecured and bearing interest at 5.5% per annum. The note requires annual interest payments with a balloon payment due on April 1, 2021	1,000	1,000
Note payable to Texas Marine, Inc., unsecured and bearing interest at 4.5% per annum. The note requires annual interest payments, with a balloon payment of principal due on August 1, 2020	815	815
Note payable to Lookout Marine, Inc., unsecured and bearing interest at 4.0% per annum. The note was paid in full during 2019	—	650
Note payable to Lookout Marine, Inc., unsecured and bearing interest at 4.0% per annum. The note was paid in full during 2019	—	488
Note payable to USA Marine Sales, Inc., unsecured and bearing interest at 1.0% per annum. Repayment of the note was contingent upon certain performance metrics that were not met and the note was settled during 2019	—	211
	$ 76,926	$ 42,973
Less current portion	(11,124)	(1,890)
Less unamortized portion of debt issuance costs	(1,013)	(1,129)
	$ 64,789	$ 39,954

Principal repayment requirements of long-term debt at September 30, 2019 are as follows:

For the year ending September 30:	($ in thousands)
2020	$ 11,124
2021	7,075
2022	58,204
2023	356
2024	157
Thereafter	10
	76,926
Less: Unamortized portion of capitalized debt issuance costs	(1,013)
	$ 75,913

Debt issuance costs are amortized on a straight-line basis over the life of the loan, which approximates the effective interest method. During 2019 and 2018, the Company capitalized loan costs of $0.2 million and $0.7 million, respectively, and had accumulated amortization of $0.7 million and $0.4 million as of September 30, 2019 and 2018, respectively. Amortization for the fiscal years ended September 30, 2019, 2018 and 2017 amounted to $0.3 million, $0.2 million and $0.2 million, respectively, and is included in interest expense.

14 Equity-Based Compensation

The Company accounts for equity-based compensation plans in accordance with the provisions of FASB ASC 718, "*Compensation — Stock Compensation*". Equity-based awards are designed to reward employees for their long-term contributions to the Company and to provide incentives for them to remain with the Company. Valuation models are utilized to value all equity-based compensation. Compensation for awards are measured at fair value on the grant date based on the number of shares expected to vest. The Company recognizes compensation cost for all awards on a straight-line basis over the requisite service period of the award.

One Water Marine Holdings, LLC and Subsidiaries
Notes to the Consolidated Financial Statements

The Company has issued Profit in Interests awards to select members of executive management. These awards are for Class B units which represent non-voting units. These awards vest over three to five years and are designed to motivate and retain the executives through long-term performance incentives. Profit in Interests awards are as follows:

	Non-Vested Profits in Interests	Vested Profits in Interests	Weighted Average Grant Date Fair Value Per Share
Balance as of September 30, 2017	3,500	—	$ 356
Granted	2,529	—	193
Forfeited	(2,187)	—	189
Vested	(513)	513	437
Balance as of September 30, 2018	3,329	513	$ 352
Vested	(756)	756	366
Balance as of September 30, 2019	2,573	1,269	$ 348

There were no awards granted during the year ended September 30, 2019. During the year ended September 30, 2018, there were 5 awards granted totaling 2,529 units awarded with a grant date fair value of $0.5 million. The Company engaged a valuation specialist to assist management in completing a fair value measurement of equity and equity-based awards using a combination of a market and income approaches to arrive at fair value. These approaches use earnings multiples of comparable public companies, the Company's 5-year income projections and weighted average cost of capital, as the main inputs to the valuation. There were 2,188 unit awards with a grant date fair value or $0.4 million forfeited during the year ended September 30, 2018. There were 756 and 513 unit awards which vested during the years ended September 30, 2019 and 2018 with a grant date fair value of $0.3 million and $0.2 million, respectively. For the year ended September 30, 2019 and 2018, $0.2 million and $0.2 million was expensed related to equity awards. The Company expects to recognize $0.5 million of compensation cost related to non-vested equity awards over a weighted-average period of 1.4 years.

During the year ended September 30, 2017, there were 3 awards granted totalling 2,500 units awarded with a grant date fair value of $0.5 million. For the year ended September 30, 2017, $0.4 million was expensed for compensation cost related to non-vested equity awards.

15 Retirement Plan

The Company offers a 401(k) retirement plan to its full-time employees over the age of 21. The Company currently makes discretionary matching contributions of 50.0% for the first 4.0% of employee salary deferrals. The Company made discretionary contributions of $0.6 million, $0.4 million and $0.3 million for the years ended September 30, 2019, 2018 and 2017, respectively.

16 Fair Value Measurements

In determining fair value, OneWater LLC uses various valuation approaches including market, income and/or cost approaches. FASB standard "*Fair Value Measurements*" (Topic 820) establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from independent sources. Unobservable inputs are those that reflect the Company's expectation of the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities that OneWater LLC has the ability to access. Assets utilizing Level 1 inputs include marketable securities that are actively traded.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement. Asset and liability measurements utilizing Level 3 inputs include those used in estimating fair value of non-financial assets and non-financial liabilities in purchase acquisitions, those used in assessing impairment of property, plant and equipment and other intangibles and those used in the reporting unit valuation in the annual goodwill impairment evaluation contingent consideration and those used in the valuation of the warrant liability.

The availability of observable inputs can vary and is affected by a wide variety of factors. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment required in determining fair value is greatest for assets and liabilities categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement is disclosed is determined based on the lowest level input that is significant to the fair value measurement. Fair value measurements can be volatile based on various factors that may or may not be within the Company's control.

17 Members' Equity

The Company was organized as a Delaware limited liability company on March 28, 2014. Each member's liability is limited to its capital contribution. Within members' equity, there are three classes of membership units as follows:

	Units Outstanding	Equity Interest
Common Voting Membership Interests (Class A)	73,140	73.1%
Common Non-Voting Membership Interests (Class B)	1,860	1.9%
Investor Voting Warrants	25,000	25.0%
	100,000	100.0%

Investor Voting Warrants

In connection with the transaction discussed in the Investors footnote, the Company issued 25,000 OneWater LLC common unit warrants in exchange for $1.0 million. The common unit warrants have a ten-year life from the date of issuance and provide the holders with a put right after 5 years, or potentially earlier, under certain circumstances. The holders of the warrants maintain full voting rights in OneWater LLC. The common unit warrants can be exercised for $0.0001 per unit in exchange for cash or common units of OneWater LLC. As the common unit warrants may be settled in cash at the election of the holder, the fair value of the common unit warrants has been included in warrant liability in the accompanying consolidated balance sheet.

The Company engaged a third-party valuation specialist to assist management in performing a valuation of the fair value of the common unit warrants outstanding. Accordingly, the warrant liability has been accounted for based on inputs that are unobservable and significant to the overall fair value measurement (Level 3). The valuation considered both a market and a discounted cash flows approach in arriving at the fair value of the common unit warrants. As of September 30, 2019 and 2018, the fair value of the warrant liability was $50.9 million and $52.2 million, respectively. The Company recognized (income) expense of $(1.3) million, $33.2 million and $18.1 million for the years ended September 30, 2019, 2018 and 2017, respectively, and this increase in the fair value was recorded as a change in the fair value of warrants in the accompanying consolidated statements of operations.

OneWater LLC Preferred Distribution

During the year ended September 30, 2015, the Company amended the Limited Liability Company Agreement to require a payment to a founding common member in the form of a preferred distribution of

$3.8 million prior to any distributions to common members (including the founding common member that will receive the preferred distribution). This preferred distribution is paid only if and when distributions are declared by the Company's Board of Directors. As of September 30, 2016, the balance of the preferred distribution was $3.8 million.

During the year ended September 30, 2017, the Limited Liability Company Agreement was amended. Under the terms of the amendment, the preferred distribution will accrue interest at the rate of 5.0% per annum, compounded quarterly commencing on December 31, 2016. If and when distributions are declared by the Board of Directors, the preferred distribution shall be paid until the aggregate preferred distribution is reduced to zero. In the event of liquidation, the Company's property shall be distributed among the members to first satisfy any remaining preferred distribution and thereafter in accordance with their ownership interest within 90 days after the event of liquidation.

As of September 30, 2019 and 2018, the unpaid balance of the preferred distribution was $3.2 million and $3.4 million, respectively. The 5% cumulative interest on the preferred distribution is recognized as a distribution when declared by the Board of Directors. As of September 30, 2019 and 2018, unpaid cumulative interest on the preferred distribution was zero.

Non-Controlling Interest

On June 1, 2018, the Company purchased Bosun's Marine, a Massachusetts based boat retailer through its subsidiary BAO. The former owner of Bosun's Marine invested $2.5 million of the purchase price to obtain a 25.0% ownership interest in BAO, with no voting rights in the subsidiary BAO. The results of operations for Bosun's Marine have been included in the Company's consolidated financial statements from that date and the former owner's minority interest in the subsidiary BAO has been recorded accordingly.

On August 1, 2017, the Company purchased South Shore Marine, an Ohio based boat retailer through its subsidiary SSAO. The former owner of South Shore Marine invested $1.8 million of the purchase price to obtain a 25.0% ownership interest in SSAO, with no voting rights in the subsidiary SSAO. The results of operations for South Shore Marine have been included in the Company's consolidated financial statements from that date and the former owner's minority interest in the subsidiary SSAO has been recorded accordingly.

Dividend Restrictions

Under the credit agreement with GS and BIP and the redeemable preferred interest agreement, the Company and its subsidiaries are generally restricted from making cash dividends or distributions and are required to obtain consent from GS and BIP prior to the payment of dividends, excluding distributions related to the payment of taxes by members and payments of the preferred dividends. These restrictions apply to all income and net assets of the Company and its consolidated subsidiaries. Additionally, certain of the Company's subsidiaries designated as "Dealers" under its inventory financing program are generally restricted from incurring indebtedness, including certain restrictions on intercompany loans or advances.

18 Redeemable Preferred Interest in Subsidiary

On September 1, 2016, the Company organized OWAO. As of September 30, 2016, OWAO was not funded. In conjunction with the new investor described in the Investors footnote, OneWater LLC contributed a majority of its assets, including subsidiaries operating all of its retail operations, to OWAO in return for 100,000 common units. Additionally, as a part of the transaction described in the Investors footnote, OWAO issued 68,000 preferred units in OWAO to GS and BIP. The preferred interest has a stated 10.0% rate of return and there is no allocation of profits in excess of the stated return. The preferred interests are not convertible but may be redeemed by the holder after 5 years or upon certain triggering events at face value plus accrued interest.

The Company has classified the redeemable preferred interest as temporary equity in the consolidated balance sheets. The discount on the issuance of the redeemable preferred interest is being accreted to retained common interests as a dividend from the date of issuance through the fifth anniversary of the issuance date.

19 Contingencies and Commitments

The Company recorded rent expense of $10.1 million, $8.0 million and $6.0 million during the years ended September 30, 2019, 2018 and 2017, respectively. The Company leases certain facilities and equipment under noncancelable operating lease agreements having terms in excess of one year expiring through 2031.

Future minimum lease payments under these noncancelable leases as of September 30, 2019, are summarized as follows:

For the year ending September 30:	($ in thousands)
2020	$ 10,261
2021	9,407
2022	8,799
2023 .	8,473
2024	8,317
Thereafter	55,793
	$ 101,050

Sale and Leaseback

In accordance with ASC 840-40 “*Sales-Leaseback Transactions*,” at September 30, 2019 the Company has a deferred gain of $1.7 million, related to the sale and leaseback of certain operating facilities and equipment. The deferred gain is being amortized over the life of the leases through July 2024. The Company recognized a loss of $1.4 million related to the sale and leaseback of certain operating facilities and equipment. Total proceeds from sales and leaseback in Fiscal 2019 were $15.6 million.

Acquisition Contingent Consideration

A portion of the purchase price of the Texas Marine and Grande Yachts acquisitions was contingent upon certain performance criteria. There were no outstanding contingencies recorded as of September 30, 2019. As of September 30, 2018, the Company has recorded an estimate of contingent consideration for Texas Marine and Grande Yachts of $2.6 million and $0.9 million, respectively. The acquisition contingent consideration liability has been accounted for based on inputs that are unobservable and significant to the overall fair value measurement (Level 3). These amounts have been recorded in other payables and accrued expenses and other long-term liabilities in the consolidated financial statements.

Employment Agreements

The Company is party to employment agreements with certain executives, which provide for compensation, other benefits and severance payments under certain circumstances. The Company also has consulting and noncompete agreements in place with previous owners of acquired companies.

Claims and Litigation

The Company is involved in various legal proceedings as either the defendant or plaintiff. Due to their nature, such legal proceedings involve inherent uncertainties including, but not limited to, court rulings, negotiations between the affected parties and other actions. Management assesses the probability of losses or gains for such contingencies and accrues a liability and/or discloses the relevant circumstances as appropriate. In the opinion of management, it is not reasonably probable that the pending litigation, disputes or claims against the Company, if decided adversely, will have a material adverse effect on its financial condition, results of operations or cash flows. Additionally, based on the Company’s review of the various types of claims currently known, there is no indication of a material reasonably possible loss in

excess of amounts accrued. The Company currently does not anticipate that any known claim will materially adversely affect our financial condition, liquidity, or results of operations. However, the outcome of any matter cannot be predicted with certainty, and an unfavorable resolution of one or more matters presently known or arising in the future could have a material adverse effect on the Company's financial condition, liquidity or results of operations.

Risk Management

The Company is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions and natural disasters for which the Company carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past years.

Major Vendors

Sales of new boats from the Company's top ten brands represents approximately 40.4%, 40.0% and 44.7% of total sales for the years ended September 30, 2019, 2018 and 2017, respectively, making them major suppliers of the Company.

20 Related Party Transactions

In accordance with agreements approved by the Board of Directors of the Company, we purchased inventory, in conjunction with our retail sale of the products, from certain entities affiliated with common members of the Company. For the years ended September 30, 2019, 2018 and 2017, $30.8 million, $34.2 million and $4.9 million, respectively, in total purchases were incurred under these arrangements. A subsidiary of the Company holds a warrant to purchase one such entity for fair value that expires on March 1, 2021.

In accordance with agreements approved by the Board of Directors of the Company, certain entities affiliated with common members of the Company receive fees for rent of commercial property. For the years ended September 30, 2019, 2018 and 2017, $2.1 million, $2.0 million and $2.2 million, respectively, in total expenses were incurred under these arrangements.

In accordance with agreements approved by the Board of Directors of the Company, the Company received fees from certain entities and individuals affiliated with common members of the Company for goods and services. For the years ended September 30, 2019, 2018 and 2017, $2.9 million, $2.1 million and $0.9 million, respectively, were recorded under these arrangements.

In accordance with agreements approved by the Board of Directors of the Company, the Company made payments to certain entities and individuals affiliated with common members of the Company for goods and services. For the years ended September 30, 2019, 2018 and 2017, $1.0 million, $1.0 million and $0.7 million, respectively, were recorded under these arrangements. Included in these amounts and in connection with our notes payable floor plan financing, our Chief Executive Officer was paid a guarantee fee of $0.7 million, $0.5 million and $0.3 million for each of the years ended September 30, 2019, 2018 and 2017, respectively, for his personal guarantee associated with this arrangement.

In connection with transactions noted above, the Company was due certain amounts as recorded within accounts receivable as of September 30, 2019, 2018, and 2017, of $0.1 million, $0.9 million and $0.5 million, respectively.

One Water Marine Holdings, LLC and Subsidiaries
Notes to the Consolidated Financial Statements

21 Subsequent events

Management evaluated events occurring subsequent to September 30, 2019 through January 6, 2020, the date these consolidated financial statements were available for issuance and other than as noted below determined that no material recognizable subsequent events occurred.

Notes Payable - Floor plan

The Company maintains an ongoing wholesale marine products inventory financing program with a syndicate of banks and administered by Wells Fargo Commercial Distribution Finance, LLC (Wells Fargo). On November 26, 2019 the Company increased the capacity of the facility to $392.5 million from $292.5 million, to purchase new and used inventory (boats, engines, and trailers). The other terms and conditions of the facility, including interest rate and covenants, remain unchanged.

OneWater Marine Inc.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
OneWater Marine Inc.

Opinion on the financial statements

We have audited the accompanying balance sheets of OneWater Marine Inc. (a Delaware corporation) (the “Company”) as of September 30, 2019 and April 3, 2019 (date of inception) and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2019 and April 3, 2019 in conformity with accounting principles generally accepted in the United States of America.

Basis for opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ GRANT THORNTON LLP

We have served as the Company’s auditor since 2019.

Atlanta, Georgia
January 6, 2020

OneWater Marine Inc.
Balance Sheets

	September 30, 2019	April 3, 2019
Assets		
Cash	$ 10	$ 10
Total assets	$ 10	$ 10
Liabilities and Stockholder's Equity		
Commitments and Contingencies (Note 4)		
Stockholder's Equity:		
Common stock, $0.01 par value per share, 1,000 shares authorized, 1,000 shares issued and outstanding at September 30, 2019 and April 3, 2019	$ 10	$ 10
Total liabilities and stockholder's equity	$ 10	$ 10

The accompanying notes are an integral part of these financial statements.

OneWater Marine Inc.
Notes to Balance Sheets

1 Organization

OneWater Marine Inc (the "Company") was incorporated in Delaware on April 3, 2019 and was a wholly owned subsidiary of One Water Marine Holdings, LLC ("OneWater LLC") as of April 3, 2019 and September 30, 2019. Pursuant to a reorganization into a holding company structure, the Company will be a holding company and its sole material asset will be a minority equity interest in OneWater LLC, which holds all of the equity interest in One Water Assets & Operations ("OWAO"). As the sole managing member of OneWater LLC, the Company will operate and control all of the business and affairs of OneWater LLC, and through OneWater LLC and its subsidiaries, conduct its business.

2 Summary of Significant Accounting Policies

Basis of Presentation

The balance sheets were prepared in conformity with U.S. generally accepted accounting principles. Separate statements of operations, changes in stockholder's equity and cash flows have not been presented because the Company has not engaged in any business or other activities except in connection with its formation and initial capitalization.

3 Stockholder's Equity

The Company is authorized to issue 1,000 shares of common stock, par value $0.01 per share, all of which were issued and outstanding as of April 3, 2019 and September 30, 2019. On April 3, 2019, the Company issued 1,000 shares of common stock to OneWater LLC for $10.00.

4 Commitments and Contingencies

We did not have any commitments or contingencies as of April 3, 2019 or September 30, 2019.

5 Subsequent Events

Management evaluated events occurring subsequent to September 30, 2019 through January 6, 2020, the date these financial statements were available for issuance and determined that no material recognizable subsequent events occurred.

Shares

OneWater Marine Inc.

Class A Common Stock

Raymond James
Baird
SunTrust Robinson Humphrey

Through and including , 2020 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

Part II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution

The following table sets forth an itemized statement of the amounts of all expenses (excluding underwriting discounts and commissions) payable by us in connection with the registration of the common stock offered hereby. With the exception of the SEC registration fee, FINRA filing fee and the Nasdaq listing fee, the amounts set forth below are estimates.

	Amount
SEC registration fee	$ 13,938
FINRA filing fee	15,500
Nasdaq listing fee	150,000
Accountants' fees and expenses	*
Legal fees and expenses	*
Printing and engraving expenses	150,000
Transfer agent and registrar fees	5,000
Blue Sky fees and expenses	15,000
Miscellaneous expenses	*
Total	$ *

* To be filed by amendment

Item 14. Indemnification of Directors and Officers

Our amended and restated certificate of incorporation will provide that a director will not be liable to the corporation or its stockholders for monetary damages for breach of fiduciary duties to the fullest extent permitted by the Delaware General Corporation Law ("DGCL"). In addition, if the DGCL is amended to authorize the further elimination or limitation of the liability of directors, then the liability of a director of the corporation, in addition to the limitation on personal liability provided for in our certificate of incorporation, will be limited to the fullest extent permitted by the amended DGCL. Our amended and restated bylaws will provide that the corporation will indemnify, and advance expenses to, any officer or director to the fullest extent authorized by the DGCL.

Section 145 of the DGCL provides that a corporation may indemnify directors and officers as well as other employees and individuals against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement in connection with specified actions, suits and proceedings whether civil, criminal, administrative, or investigative, other than a derivative action by or in the right of the corporation, if they acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe their conduct was unlawful. A similar standard is applicable in the case of derivative actions, except that indemnification extends only to expenses, including attorneys' fees, incurred in connection with the defense or settlement of such action and the statute requires court approval before there can be any indemnification where the person seeking indemnification has been found liable to the corporation. The statute provides that it is not exclusive of other indemnification that may be granted by a corporation's certificate of incorporation, bylaws, disinterested director vote, stockholder vote, agreement or otherwise.

Our amended and restated certificate of incorporation will also contain indemnification rights for our directors and our officers. Specifically, our amended and restated certificate of incorporation will provide that we shall indemnify our officers and directors to the fullest extent authorized by the DGCL. Furthermore, we may maintain insurance on behalf of our officers and directors against expense, liability or loss asserted against, or incurred by, them in their capacities as officers and directors.

We have obtained directors' and officers' insurance to cover our directors, officers and some of our employees for certain liabilities.

We will enter into written indemnification agreements with our directors and executive officers. Under these proposed agreements, if an officer or director makes a claim of indemnification to us, either a majority of the independent directors or independent legal counsel selected by the independent directors must review the relevant facts and make a determination whether the officer or director has met the standards of conduct under Delaware law that would permit (under Delaware law) and require (under the indemnification agreement) us to indemnify the officer or director.

The underwriting agreement provides for indemnification by the underwriters of us and our officers and directors, and by us of the underwriters, for certain liabilities arising under the Securities Act or otherwise in connection with this offering.

Item 15. Recent Sales of Unregistered Securities

In connection with our incorporation on April 3, 2019 under the laws of the State of Delaware, we issued 1,000 shares of our common stock to One Water Marine Holdings, LLC for an aggregate purchase price of $10.00. These securities were offered and sold by us in reliance upon the exemption from the registration requirements provided by Section 4(a)(2) of the Securities Act in a transaction by an issuer not involving any public offering. These shares will be redeemed for nominal value in connection with our reorganization described in “Corporate Reorganization.”

Item 16. Exhibits and financial statement schedules

See the Exhibit Index immediately preceding the signature page hereto, which is incorporated by reference as if fully set forth herein.

Item 17. Undertakings

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

INDEX TO EXHIBITS

Exhibit Number	Description
1.1	Form of Underwriting Agreement
**2.1¥	Form of Master Reorganization Agreement
**3.1	Form of Amended and Restated Certificate of Incorporation of OneWater Marine Inc., to be effective prior to or upon the closing of this offering
**3.2	Form of Amended and Restated Bylaws of OneWater Marine Inc., to be effective prior to or upon the closing of this offering
**5.1	Opinion of Vinson & Elkins L.L.P. as to the legality of the securities being registered
**10.1†	Form of OneWater Marine Inc. 2019 Omnibus Incentive Plan
**10.2†	Form of Indemnification Agreement
**10.3	Form of Tax Receivable Agreement, to be effective prior to or upon the closing of this offering
**10.4	Form of the Fourth Amended and Restated Limited Liability Company Operating Agreement of One Water Marine Holdings, LLC, to be effective prior to or upon the closing of this offering
**10.5	Form of Registration Rights Agreement, to be effective prior to or upon the closing of this offering
**10.6#	Credit and Guaranty Agreement, dated as of October 28, 2016, by and among One Water Assets & Operations, LLC, Singleton Assets & Operations, LLC, Legendary Assets & Operations, LLC, South Florida Assets & Operations, LLC, Sundance Lauderdale Realty, Inc., One Water Marine Holdings, LLC, and certain subsidiaries of One Water Marine Holdings, LLC, as Guarantors, the Lenders party thereto from time to time, and Goldman Sachs Specialty Lending Group, L.P. as Administrative Agent, Collateral Agent and Lead Arranger (as conformed through the fifteenth amendment)
**10.7	Fourth Amended and Restated Inventory Financing Agreement, dated as of June 14, 2018, by and among Wells Fargo Commercial Distribution Finance, LLC as Agent to the Lenders party thereto from time to time, One Water Marine Holdings, LLC, One Water Assets & Operations, LLC, and certain of its other subsidiaries thereto, and the lenders thereto (as conformed through the fourth amendment)
**10.8†	Form of Employment Agreement, by and between One Water Marine Holdings, LLC and Austin Singleton
**10.9†	Form of Employment Agreement, by and between One Water Marine Holdings, LLC and Anthony Aisquith
**10.10†	Form of Employment Agreement, by and between One Water Marine Holdings, LLC and Jack Ezzell
**10.11	Third Amended and Restated Guaranty, dated June 14, 2018, entered into by Anthony Aisquith, for the benefit of Wells Fargo Commercial Distribution Finance, LLC, as Agent to the Inventory Financing Facility
**10.12	Third Amended and Restated Guaranty, dated June 14, 2018, entered into by Philip Austin Singleton, Jr., for the benefit of Wells Fargo Commercial Distribution Finance, LLC, as Agent to the Inventory Financing Facility
**10.13	Non-Competition and Non-Solicitation Agreement, dated as of October 28, 2016, by and among Anthony Aisquith, One Water Marine Holdings, LLC, One Water Assets & Operations, LLC, Goldman, Sachs & Co. and OWM BIP Investor, LLC
**10.14	Non-Competition and Non-Solicitation Agreement, dated as of October 28, 2016, by and among Philip Austin Singleton, Jr., One Water Marine Holdings, LLC, One Water Assets & Operations, LLC, Goldman, Sachs & Co. and OWM BIP Investor, LLC
**10.15	Consignment Agreement, dated as of June 1, 2019, by and between Bosuns Assets & Operations LLC and Global Marine Finance, LLC
**10.16	Consignment Agreement, dated as of June 1, 2019, by and between Midwest Assets & Operations LLC and Global Marine Finance, LLC
**10.17	Consignment Agreement, dated as of June 1, 2019, by and between Legendary Assets & Operations LLC and Global Marine Finance, LLC

Exhibit Number	Description
**10.18	Consignment Agreement, dated as of June 1, 2019, by and between Singleton Assets & Operations LLC and Global Marine Finance, LLC
**10.19†	Form of Performance-Based Restricted Stock Unit Agreement
**10.20†	Form of Restricted Stock Unit Agreement
**10.21	Limited Consent, Waiver and Sixteenth Amendment to Credit and Guaranty Agreement, dated as of August 5, 2019, by and among One Water Marine Holdings, LLC Singleton Assets & Operations, LLC, Legendary Assets & Operations, LLC, South Florida Assets & Operations, LLC, Sundance Lauderdale Realty, Inc., One Water Marine Holdings, LLC, and certain subsidiaries of One Water Marine Holdings, LLC, as Guarantors, the Lenders party thereto from time to time, and Goldman Sachs Specialty Lending Group, L.P. as Administrative Agent and Collateral Agent
10.22	Fifth Amended and Restated Inventory Financing Agreement, dated as of November 26, 2019, by and among Wells Fargo Commercial Distribution Finance, LLC as Agent to the Lenders party thereto from time to time, certain subsidiaries of One Water Marine Holdings, LLC thereto, and the lenders thereto
*10.23	Commitment Letter, by and among Goldman Sachs Specialty Lending Group, L.P., OneWater Marine Inc., One Water Marine Holdings, LLC and certain subsidiaries of One Water Marine Holdings, LLC
**21.1	List of subsidiaries of OneWater Marine Inc.
23.1	Consent of Grant Thornton LLP
23.2	Consent of Grant Thornton LLP
**23.3	Consent of Vinson & Elkins L.L.P. (included as part of Exhibit 5.1 hereto)
**24.1	Power of Attorney (included on the signature page of this Registration Statement)
**99.1	Consent of Director Nominee (Christopher W. Bodine)
**99.2	Consent of Director Nominee (Jeffrey B. Lamkin)
**99.3	Consent of Director Nominee (Mitchell W. Legler)
**99.4	Consent of Director Nominee (John Schraudenbach)
**99.5	Consent of Director Nominee (Keith R. Style)
**99.6	Consent of Director Nominee (John G. Troiano)

* To be filed by amendment.

** Previously filed.

† Indicates a management contract or compensatory plan or arrangement.

Specific terms in this exhibit (indicated therein by asterisks) have been omitted because such terms are both not material and would likely cause competitive harm to the Company if publicly disclosed.

¥ Certain schedules and exhibits to this agreement have been omitted in accordance with Item 601(a)(5) of Regulation S-K. A copy of any omitted schedule and/or exhibit will be furnished to the Securities and Exchange Commission on request.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Buford, State of Georgia, on January 6, 2020.

OneWater Marine Inc.

By: /s/ Philip Austin Singleton, Jr.
Philip Austin Singleton, Jr.
Founder and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed below by the following persons in the capacities indicated below as of January 6, 2020.

Name	Title	Date
/s/ Philip Austin Singleton, Jr. Philip Austin Singleton, Jr.	Founder, Chief Executive Officer and Director (Principal Executive Officer)	January 6, 2020
* Jack Ezzell	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	January 6, 2020

*By: /s/ Philip Austin Singleton, Jr.
Philip Austin Singleton, Jr.
Attorney-in-fact

Exhibit 1.1

OneWater Marine Inc.

Class A Common Stock, par value $0.01 per share

Underwriting Agreement

[●], 20[●]

Raymond James & Associates, Inc.
Robert W. Baird & Co. Incorporated
SunTrust Robinson Humphrey, Inc.
As representatives of the several Underwriters
named in Schedule I hereto,

c/o Raymond James & Associates, Inc.
880 Carillon Parkway
St. Petersburg, Florida 33716

c/o Robert W. Baird & Co. Incorporated
777 East Wisconsin Avenue
Milwaukee, Wisconsin 53202

c/o SunTrust Robinson Humphrey, Inc.
3333 Peachtree Road NE
Atlanta, Georgia 30326

Ladies and Gentlemen:

OneWater Marine Inc., a Delaware corporation (the "Company"), proposes, subject to the terms and conditions stated in this agreement (this "Agreement"), to issue and sell to the Underwriters named in Schedule I hereto (the "Underwriters"), for whom Raymond James & Associates, Inc. ("Raymond James"), Robert W. Baird & Co. Incorporated and SunTrust Robinson Humphrey, Inc. are acting as representatives (the "Representatives"), an aggregate of [●] shares of Class A common stock, par value $0.01 per share ("Class A Common Stock"), of the Company (the "Firm Shares") and, at the election of the Underwriters, up to [●] additional shares of Class A Common Stock (the "Optional Shares"). The Firm Shares and the Optional Shares that the Underwriters elect to purchase pursuant to Section 2 hereof are herein collectively called the "Shares."

As part of the offering contemplated by this Agreement, the Underwriters have agreed to reserve out of the Firm Shares purchased by them under this Agreement up to [●] shares for sale to the Company's employees, directors, business associates and related persons (collectively, "Participants"), as set forth in the Prospectus (as defined herein) under the heading "Underwriting (Conflicts of Interest)" (the "Directed Share Program"). The Directed Share Program shall be administered by Raymond James (the "Directed Share Provider"). The Firm Shares to be sold by the Directed Share Provider pursuant to the Directed Share Program are referred to hereinafter as the "Directed Shares". Any Directed Shares not subscribed for by the end of the business day on which this Agreement is executed will be offered to the public by the Underwriters as set forth in the Prospectus.

On the date hereof, the business of the Company is conducted through One Water Marine Holdings, LLC, a Delaware limited liability company ("OneWater LLC"), and its subsidiaries, including One Water Assets & Operations, LLC, a Delaware limited liability company ("Opco"). In connection with the offering contemplated by this Agreement, the "Reorganization" (as such term is defined in the Registration Statement and the Pricing Prospectus (each as defined below)) was or will be effected prior to the First Time of Delivery (as defined below), pursuant to which the Company will become the sole manager of OneWater LLC and OneWater LLC will own all of the outstanding equity interests of Opco. As the sole manager of OneWater LLC, the Company will operate and control all of the business and affairs of OneWater LLC and will conduct its business through OneWater LLC and its subsidiaries, including Opco.

1. Each of the Company, OneWater LLC and Opco (each, a "OneWater Party" and collectively, the "OneWater Parties"), jointly and severally, represents and warrants to, and agrees with, each of the Underwriters that:

(a) A registration statement on Form S-1 (File No. 333-232639) (the "Initial Registration Statement") in respect of the Shares has been filed with the Securities and Exchange Commission (the "Commission"); the Initial Registration Statement and any post-effective amendment thereto, each in the form heretofore delivered to you, have been declared effective by the Commission in such form; other than a registration statement, if any, increasing the size of the offering (a "Rule 462(b) Registration Statement"), filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended (the "Act"), which became effective upon filing, no other document with respect to the Initial Registration Statement has been filed with the Commission; and no stop order suspending the effectiveness of the Initial Registration Statement, any post-effective amendment thereto or the Rule 462(b) Registration Statement, if any, has been issued and no proceeding for that purpose has been initiated or, to the knowledge of the Company, threatened by the Commission (any preliminary prospectus included in the Initial Registration Statement or filed with the Commission pursuant to Rule 424(a) of the rules and regulations of the Commission under the Act is hereinafter called a "Preliminary Prospectus"; the various parts of the Initial Registration Statement and the Rule 462(b) Registration Statement, if any, including all exhibits thereto and including the information contained in the form of final prospectus filed with the Commission pursuant to Rule 424(b) under the Act in accordance with Section 5(a) hereof and deemed by virtue of Rule 430A under the Act to be part of the Initial Registration Statement at the time it was declared effective, each as amended at the time such part of the Initial Registration Statement became effective or such part of the Rule 462(b) Registration Statement, if any, became or hereafter becomes effective, are hereinafter collectively called the "Registration Statement"; the Preliminary Prospectus relating to the Shares that was included in the Registration Statement immediately prior to the Applicable Time (as defined in Section 1(c) hereof) is hereinafter called the "Pricing Prospectus"; such final prospectus, in the form first filed pursuant to Rule 424(b) under the Act, is hereinafter called the "Prospectus"; any oral or written communication with potential investors undertaken in reliance on Section 5(d) of the Act is hereinafter called a "Section 5(d) Communication"; any Section 5(d) Communication that is a written communication within the meaning of Rule 405 under the Act is hereinafter called a "Section 5(d) Writing"; and any "issuer free writing prospectus" as defined in Rule 433 under the Act relating to the Shares is hereinafter called an "Issuer Free Writing Prospectus");

(b) (A) No order preventing or suspending the use of any Preliminary Prospectus or any Issuer Free Writing Prospectus has been issued by the Commission, and (B) each Preliminary Prospectus, at the time of filing thereof, conformed in all material respects to the requirements of the Act and the rules and regulations of the Commission thereunder, and did not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided*, *however*, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with the Underwriter Information (as defined in Section 9(b) of this Agreement);

(c) For the purposes of this Agreement, the "Applicable Time" is [●] p.m. (New York City time) on the date of this Agreement. The Pricing Prospectus, as supplemented by the information listed on Schedule III(b) hereto, taken together (collectively, the "Pricing Disclosure Package"), as of the Applicable Time, did not, and as of each Time of Delivery (as defined in Section 4(a) of this Agreement) will not, include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and each Issuer Free Writing Prospectus and each Section 5(d) Writing does not conflict with the information contained in the Registration Statement, the Pricing Prospectus or the Prospectus and each Issuer Free Writing Prospectus and each Section 5(d) Writing, as supplemented by and taken together with the Pricing Disclosure Package, as of the Applicable Time, did not, and as of each Time of Delivery will not, include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that this representation and warranty shall not apply to statements or omissions made in reliance upon and in conformity with the Underwriter Information;

(d) The Registration Statement conforms, and the Prospectus and any further amendments or supplements to the Registration Statement and the Prospectus will conform, in all material respects to the requirements of the Act and the rules and regulations of the Commission thereunder and do not and will not, as of the applicable effective date as to each part of the Registration Statement and any amendment thereto, as of the applicable filing date as to the Prospectus and any amendment or supplement thereto, and as of each Time of Delivery, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with the Underwriter Information;

(e) None of the OneWater Parties or any of their respective subsidiaries has, since the date of the latest audited financial statements included in the Pricing Prospectus, (i) sustained any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree or (ii) entered into any transaction or agreement (whether or not in the ordinary course of business) that is material to the OneWater Parties and their subsidiaries, taken as a whole, otherwise than as set forth or contemplated in the Pricing Prospectus or (iii) incurred any liability or obligation, direct or contingent, that is material to the OneWater Parties and their subsidiaries taken as a whole, in each case, otherwise than as set forth or contemplated in the Pricing Prospectus; and, since the respective dates as of which information is given in the Registration Statement and the Pricing Prospectus, there has not been (x) any change in the capital stock (other than as a result of (i) the exercise, if any, of stock options or the award, if any, of stock options or restricted stock in the ordinary course of business pursuant to each of the OneWater Party's equity plans that are described in the Pricing Prospectus and the Prospectus or (ii) the issuance, if any, of stock upon conversion of securities of the OneWater Parties as described in the Pricing Prospectus and the Prospectus) or long-term debt of any of the OneWater Parties or any of their subsidiaries or (y) any Material Adverse Effect (as defined below); as used in this Agreement, "Material Adverse Effect" shall mean any material adverse change or effect, or any development involving a prospective material adverse change or effect, in or affecting (i) the business, properties, general affairs, management, financial position, stockholders' equity or results of operations of the OneWater Parties and their subsidiaries, taken as a whole, except, in each case as set forth or contemplated in the Pricing Prospectus, or (ii) the ability of the OneWater Parties to perform their respective obligations under this Agreement, OneWater LLC's fourth amended and restated limited liability company agreement, which will become effective on or prior to the First Time of Delivery (as so amended and restated, the "OneWater LLC Agreement"), Opco's second amended and restated limited liability company agreement, which will become effective on or prior to the First Time of Delivery (as so amended and restated, the "Opco LLC Agreement"), the tax receivable agreement (the "Tax Receivable Agreement") between the Company, OneWater LLC and certain holders of LLC Units of OneWater LLC (the "LLC Units"), the registration rights agreement (the "Registration Rights Agreement") between the Company, OneWater LLC and certain stockholders of the Company party thereto and the master reorganization agreement between the Company, OneWater LLC and the other parties thereto (the "Master Reorganization Agreement" and, together with this Agreement, the OneWater LLC Agreement, the Opco LLC Agreement, the Tax Receivable Agreement and the Registration Rights Agreement, the "Transaction Documents"), including the issuance and sale of the Shares, or to consummate the Reorganization or the transactions contemplated in the Pricing Prospectus and the Prospectus;

(f) The OneWater Parties and their subsidiaries have good and marketable title to all real property and good and marketable title to all personal property owned by them, in each case free and clear of all liens, encumbrances and defects except such as are described in the Pricing Prospectus or such as do not materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the OneWater Parties and their subsidiaries; and any real property and buildings held under lease by the OneWater Parties and their subsidiaries are held by them under valid, subsisting and enforceable leases, and none of the OneWater Parties or their subsidiaries have notice of any claim affecting or questioning the rights of any of the OneWater Parties or any of their subsidiaries to the continued possession of the property or buildings held under any lease, in each case with such exceptions as are not material and do not materially interfere with the use made and proposed to be made of such property and buildings, taken as a whole, by the OneWater Parties and their subsidiaries;

(g) Each of the OneWater Parties and their subsidiaries has been (i) duly organized and is validly existing and in good standing under the laws of its respective jurisdiction of organization, with power and authority (corporate, limited liability company and other, as applicable) to own its respective properties and conduct its respective businesses as described in the Pricing Prospectus, and (ii) duly qualified as a foreign corporation or limited liability company, as applicable, for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification, except, in the case of this clause (ii), where the failure to be so qualified or in good standing would not, individually or in the aggregate, have a Material Adverse Effect, and each subsidiary of the OneWater Parties has been listed in the Registration Statement;

(h) The Company has an authorized capitalization as set forth in the Pricing Prospectus and, after giving effect to the Reorganization and the issuance of the Firm Shares and the use of the net proceeds therefrom as described in the Pricing Prospectus, the Company would have an authorized capitalization as set forth under the pro forma column of the capitalization table in the section entitled "Capitalization"; following the filing of the Company's amendment to its certificate of incorporation with the State of Delaware on or prior to the First Time of Delivery, all of the issued shares of capital stock of the Company (including the Shares) will have been duly and validly authorized and, when issued and delivered against payment therefor as provided herein, will be validly issued, fully paid and non-assessable and will conform to the descriptions thereof contained in the Pricing Prospectus and the Prospectus; upon the effectiveness of the OneWater LLC Agreement, and after giving effect to the Reorganization, all of the issued equity interests of OneWater LLC and each of its subsidiaries will have been duly and validly authorized and issued, are fully paid and non-assessable and except as otherwise set forth in the Pricing Prospectus, all of the issued equity interests of each subsidiary of OneWater LLC are owned, directly or indirectly by OneWater LLC free and clear of all liens, encumbrances, equities or claims, except for such liens or encumbrances described in the Pricing Prospectus and the Prospectus; and except as described in the Pricing Prospectus, there are no outstanding instruments convertible into or exchangeable for, or warrants, rights or options to purchase from the OneWater Parties, or obligations of the OneWater Parties to issue, any shares of capital stock or other equity interests of the OneWater Parties or any of their subsidiaries;

(i) The issuance and sale of the Shares is not subject to any preemptive or similar rights;

(j) The issue and sale of the Shares, the compliance by the OneWater Parties with this Agreement and the consummation of the transactions contemplated in this Agreement, each of the Transaction Documents, the Reorganization and the Pricing Prospectus will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, as applicable, (A) any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which any OneWater Party or any of its subsidiaries is a party or by which any OneWater Party or any of its subsidiaries is bound or to which any of the property or assets of any OneWater Party or any of its subsidiaries is subject, (B) the certificate of incorporation or by-laws (or other applicable organizational document) of any OneWater Party or any of its subsidiaries or (C) any statute or law or any judgment, order, rule or regulation of any court or governmental agency or body having jurisdiction over any OneWater Party or any of its subsidiaries or any of their properties, except, in the case of clauses (A) and (C), for such conflicts, breaches, violations or defaults that would not, individually or in the aggregate, have a Material Adverse Effect; and no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the issue and sale of the Shares, the compliance by the OneWater Parties with this Agreement or the consummation of the transactions contemplated in this Agreement, each of the Transaction Documents, the Reorganization or the Pricing Prospectus, except (A) registration under the Act, the approval by FINRA of the underwriting terms and arrangements and such consents, approvals, authorizations, orders, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Shares by the Underwriters and (B) the filing of (i) the Certificate of Merger of [OneWater Merger Sub], a Delaware corporation, with and into OWM TBG Corporation, a Delaware corporation ("OWM TBG"), (ii) the Certificate of Merger of OWM TBG with and into the Company, and (iii) any other comparable filings required under applicable state law in connection with the Reorganization which filings provided for in this clause (B) shall be made at or prior to the First Time of Delivery (as defined in Section 4 hereof);

(k) None of the OneWater Parties or any of their subsidiaries is (i) in violation of its respective certificate of incorporation or by-laws (or other applicable organizational document), (ii) in violation of any statute or law or any judgment, order, rule or regulation of any court or governmental agency or body having jurisdiction over any of the OneWater Parties or any of their subsidiaries or any of their properties, or (iii) in default in the performance or observance of any obligation, agreement, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which it is a party or by which it or any of its properties or assets may be bound, except, in the case of the foregoing clauses (ii) and (iii), for such violations or defaults as would not, individually or in the aggregate, have a Material Adverse Effect;

(l) The statements set forth in the Pricing Prospectus and Prospectus under the caption "Description of Capital Stock", insofar as they purport to constitute a summary of the terms of the Class A Common Stock, and under the caption "Material U.S. Federal Tax Considerations for Non-U.S. Holders", insofar as they purport to describe the provisions of the laws and documents referred to therein, are accurate, complete and fair in all material respects;

(m) Other than as set forth in the Pricing Prospectus, there are no legal, governmental or regulatory proceedings pending to which the OneWater Parties or any of their subsidiaries or, to the OneWater Parties' knowledge, any officer or director of any of the OneWater Parties, is a party or of which any property of any of the OneWater Parties or any of their subsidiaries or, to the OneWater Parties' knowledge, any officer or director of the any of the OneWater Parties, is the subject which, if determined adversely to any of the OneWater Parties or any of their subsidiaries (or such officer or director), would, individually or in the aggregate, have a Material Adverse Effect; and, to the OneWater Parties' knowledge, no such proceedings are threatened or contemplated by governmental authorities, regulatory organizations or others;

(n) None of the OneWater Parties is and, after giving effect to the offering and sale of the Shares and the application of the proceeds thereof, none will be an "investment company", as such term is defined in the Investment Company Act of 1940, as amended (the "Investment Company Act");

(o) At the time of filing the Initial Registration Statement and any post-effective amendment thereto, at the earliest time thereafter that the Company or any offering participant made a bona fide offer (within the meaning of Rule 164(h)(2) under the Act) of the Shares, and at the date hereof, the Company was not and is not an "ineligible issuer," as defined under Rule 405 under the Act;

(p) Grant Thornton LLP, who has certified the financial statements of the Company, OneWater LLC and their respective subsidiaries, is an independent public accountant as required by the Act and the rules and regulations of the Commission thereunder and the Public Company Accounting Oversight Board;

(q) The Company maintains a system of internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) that (i) complies with the requirements of the Exchange Act, (ii) has been designed by the Company's principal executive officer and principal financial officer, or under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and (iii) is sufficient to provide reasonable assurance that (A) transactions are executed in accordance with management's general or specific authorization, (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets, (C) access to assets is permitted only in accordance with management's general or specific authorization and (D) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences; and except as disclosed in the Pricing Prospectus, the Company's internal control over financial reporting is effective and the Company is not aware of any material weaknesses in its internal control over financial reporting (whether or not remediated);

(r) Except as disclosed in the Pricing Prospectus, since the date of the latest audited financial statements included in the Pricing Prospectus, there has been no change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting;

(s) The Company maintains disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the Exchange Act) that comply with the requirements of the Exchange Act; such disclosure controls and procedures have been designed to ensure that material information relating to the Company, OneWater LLC and their respective subsidiaries is made known to the Company's principal executive officer and principal financial officer by others within those entities; and except as described in the Pricing Disclosure and Prospectus, such disclosure controls and procedures are effective to perform the functions for which they were established;

(t) This Agreement has been duly authorized, executed and delivered by each of the OneWater Parties; each of the other Transaction Documents to which any of the OneWater Parties is a party has been duly authorized by each such OneWater Party and, when duly executed and delivered in accordance with its terms by each of the other parties thereto, will constitute a valid and legally binding obligation of each such OneWater Party enforceable against it in accordance with its terms, except, in the case of each Transaction Document, as enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally or by equitable principles relating to enforceability; and each such Transaction Document conforms in all material respects to the description thereof contained in the Pricing Prospectus;

(u) None of the OneWater Parties or any of their subsidiaries or any of their respective directors or officers, or, to the knowledge of the OneWater Parties, any of their agents, employees, affiliates or other persons acting on behalf of any of the OneWater Parties or any of their subsidiaries have, directly or indirectly, (i) made, offered, promised or authorized any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity (or taken any act in furtherance thereof); (ii) made, offered, promised or authorized any direct or indirect unlawful payment to any foreign or domestic government official or government employee or any other person (or taken any act in furtherance thereof); or (iii) violated or is in violation of any provision of the Foreign Corrupt Practices Act of 1977, the Bribery Act 2010 of the United Kingdom or any other applicable anti-bribery or anti-corruption law. The OneWater Parties and their subsidiaries, and, to the knowledge of the OneWater Parties, any affiliates of the OneWater Parties or any of their subsidiaries have conducted their businesses in compliance with applicable anti-bribery and anti-corruption laws and have instituted and maintain policies and procedures relating to the use of corporate funds and record keeping relating thereto. None of the OneWater Parties or any of their subsidiaries has received any communication from any governmental agency or body alleging that any of the OneWater Parties or any of their subsidiaries or any of their respective directors, officers, agents, employees, affiliates or other persons acting on behalf of any of the OneWater Parties or any of their subsidiaries is or may be in violation of, or has, or may have, any unresolved liability under, any applicable anti-bribery and anti-corruption laws;

(v) The operations of each of the OneWater Parties and their respective subsidiaries are and have been conducted at all times in compliance with applicable financial record keeping and reporting requirements of the Bank Secrecy Act of 1970, as amended by the USA PATRIOT ACT of 2001, and the rules and regulations promulgated thereunder, and the anti-money laundering laws of all jurisdictions in which the OneWater Parties and their subsidiaries conduct business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency having jurisdiction over any of the OneWater Parties or any of their subsidiaries (collectively, the "Money Laundering Laws") and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the OneWater Parties or any of their subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of the OneWater Parties, threatened;

(w) None of the OneWater Parties or any of their subsidiaries or, to the knowledge of the OneWater Parties, any director, officer, agent, employee, affiliate or other person acting on behalf of any OneWater Party or any of their subsidiaries is, or is owned or controlled by one or more individuals or entities that is, (i) currently the subject or the target of any sanctions administered or enforced by the U.S. Government, including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State and including, without limitation, the designation as a "specially designated national" or "blocked person," the European Union, Her Majesty's Treasury, the United Nations Security Council, or other relevant sanctions authority (collectively, "Sanctions") or (ii) located, organized or resident in a country or territory that is the subject or target of Sanctions ("Sanctioned Country"); the OneWater Parties will not directly or indirectly use the proceeds of the offering of the Shares hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity (i) to fund or facilitate any activities of or business with any person, or in any country or territory, that, at the time of such funding, is the subject or the target of Sanctions or (ii) in any other manner that will result in a violation by any person (including any person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions; and for the past five years, the OneWater Parties and their respective subsidiaries have not knowingly engaged in and are not now knowingly engaged in any dealings or transactions with any person that at the time of the dealing or transaction is or was the subject or the target of Sanctions or in or with any Sanctioned Country;

(x) The financial statements of OneWater LLC and its subsidiaries included in the Registration Statement, the Pricing Prospectus and the Prospectus, together with the related schedules and notes, present fairly in all material respects the financial position of OneWater LLC and its subsidiaries at the dates indicated and the statement of operations, stockholders' and members' equity and cash flows of OneWater LLC and its subsidiaries for the periods specified; the balance sheet of the Company included in the Registration Statement, the Pricing Prospectus and the Prospectus, together with the related notes, present fairly in all material respects the financial position of the Company at the date indicated; said financial statements of the OneWater Parties have been prepared in conformity with U.S. generally accepted accounting principles ("GAAP") applied on a consistent basis throughout the periods involved. The supporting schedules, if any, present fairly in all material respects in accordance with GAAP the information required to be stated therein. The selected financial data and the summary financial information included in the Registration Statement, the Pricing Prospectus and the Prospectus present fairly in all material respects the information shown therein and have been compiled on a basis consistent with that of the audited financial statements included therein. Except as included therein, no historical or pro forma financial statements or supporting schedules are required to be included in the Registration Statement, the Pricing Prospectus or the Prospectus under the Act or the rules and regulations promulgated thereunder. The pro forma financial statements and the related notes thereto included under the caption "Unaudited Pro Forma Consolidated Financial Information" present fairly in all material respects the information contained therein, have been prepared in accordance with the Commission's rules and guidelines with respect to pro forma financial statements and the assumptions used in the preparation thereof are believed by the OneWater Parties to be reasonable and the adjustments used therein are believed by the OneWater Parties to be appropriate to give effect to the transactions and circumstances referred to therein. All disclosures contained in the Registration Statement, the Pricing Prospectus and the Prospectus regarding "non-GAAP financial measures" (as such term is defined by the rules and regulations of the Commission) comply with Regulation G of the Exchange Act and Item 10 of Regulation S-K of the Act, to the extent applicable;

(y) Except as disclosed in the Registration Statement, the Pricing Prospectus and the Prospectus, or as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, with respect to each "employee benefit plan" (within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")) that is sponsored, maintained or contributed to by the OneWater Parties (each, a "Plan"), (i) no failure to satisfy the minimum funding standards of Sections 302 and 303 of ERISA or Section 412 of the Internal Revenue Code of 1986, as amended from time to time (the "Code"), or other event of the kind described in Section 4043(c) of ERISA (other than events with respect to which the 30-day notice requirement under Section 4043 of ERISA has been waived) has occurred; (ii) to the extent required by applicable law to be funded, the fair market value of the assets under each Plan exceeds the present value of all benefits accrued under such Plan (determined based on those assumptions used to fund such Plan); (iii) no prohibited transaction, within the meaning of Section 406 of ERISA or Section 4975 of the Code, has occurred, excluding transactions effected pursuant to a statutory or administrative exemption and (iv) each Plan is in compliance with applicable law, including, without limitation, ERISA and the Code. Except as would not have a Material Adverse Effect, none of the OneWater Parties or, to the knowledge of the OneWater Parties, any trade or business, whether or not incorporated, that, together with the OneWater Parties, would be deemed to be a "single employer" within the meaning of Section 4001(b) of ERISA or Section 414 of the Code (an "ERISA Affiliate") have incurred or reasonably expect to incur any liability with respect to any Plan under Title IV of ERISA (other than contributions to the Plan or premiums to the Pension Benefit Guaranty Corporation in the ordinary course and without default). Except as would not have a Material Adverse Effect, none of the OneWater Parties or any of their subsidiaries have any liability in respect of any post-employment health, medical or life insurance benefits for former, current or future employees of any of the OneWater Parties or any of their subsidiaries, except as required to avoid excise tax under Section 4980B of the Code or any similar law. None of the OneWater Parties, any of their subsidiaries or, except as would not reasonably be expected to have a Material Adverse Effect to any of the OneWater Parties or any of their subsidiaries, any of its ERISA Affiliates, sponsors, contribute to or have any obligation to contribute to any "multiemployer pension plan" (as defined in Section 3(37) of ERISA). Except as would not have a Material Adverse Effect, each Plan that is intended to be qualified under Section 401(a) of the Code has received a favorable determination or opinion letter from the Internal Revenue Service upon which it can rely and, to the knowledge of the OneWater Parties, nothing has occurred, whether by action or by failure to act, which could reasonably be expected to cause the loss of such qualification. To the knowledge of the OneWater Parties, there is no pending audit or investigation by the Internal Revenue Service, the U.S. Department of Labor, the Pension Benefit Guaranty Corporation or any other governmental agency or any foreign regulatory agency with respect to any Plan that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect to any of the OneWater Parties or their subsidiaries;

(z) The OneWater Parties and their subsidiaries have paid all federal, state, local and foreign taxes and filed all tax returns required to be paid or filed through the date hereof, except for any taxes which are being contested in good faith by appropriate proceedings and for which adequate reserves have been provided in accordance with GAAP, or where the failure to pay or file would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and except as otherwise disclosed in the Registration Statement, the Pricing Prospectus and the Prospectus, there is no tax deficiency that has been asserted in writing against any of the OneWater Parties or any of their subsidiaries or any of their respective properties or assets, except for such deficiencies as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect;

(aa) From the time of initial confidential submission of a registration statement relating to the Shares with the Commission (or, if earlier, the first date on which a Section 5(d) Communication was made) through the date hereof, the Company has been and is an "emerging growth company" as defined in Section 2(a)(19) of the Act (an "Emerging Growth Company");

(bb) The OneWater Parties and their subsidiaries possess all licenses, certificates, permits and other authorizations (collectively, the "Government Licenses") issued by, and have made all declarations and filings with, the appropriate federal, state, local or foreign governmental or regulatory authorities that are necessary for the ownership or lease of their respective properties or the conduct of their respective businesses as described in the Registration Statement, the Pricing Prospectus and the Prospectus, except where the failure to possess or make the same would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; the OneWater Parties and their subsidiaries are in compliance with the terms and conditions of all such Governmental Licenses, except where the failure so to comply would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and none of the OneWater Parties or any of their subsidiaries have received notice of any revocation or modification (or proceedings related thereto) of any Governmental License or have any reason to believe that any Governmental License will not be renewed in the ordinary course, in each case, except where such revocation, modification, or non-renewal would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect;

(cc) The OneWater Parties and their subsidiaries own or possess rights to use all material patents, patent applications, trademarks, service marks, trade names, trademark registrations, service mark registrations, copyrights, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information) and other intellectual property rights (collectively, "Intellectual Property") used in and necessary for the conduct of their respective businesses as currently conducted and as currently proposed to be conducted. The OneWater Parties and their subsidiaries have not received any written notice of any claim of infringement, misappropriation or violation of any Intellectual Property of any third party or written notice of any facts or circumstances that the OneWater Parties or their subsidiaries know or reasonably believe would render any Intellectual Property owned by the OneWater Parties invalid, in each case, except as would not reasonably be expected to have a Material Adverse Effect;

(dd) The OneWater Parties and their subsidiaries carry or are entitled to the benefits of insurance in amounts and insures against such losses and risks as are customary for businesses such as those of the OneWater Parties' and their subsidiaries'; and none of the OneWater Parties or any of their subsidiaries have (i) received notice from any insurer or agent of such insurer that capital improvements or other expenditures are required or necessary to be made in order to continue such insurance or (ii) any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage at reasonable cost from similar insurers as may be necessary to continue its business;

(ee) (i) Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect or as described in the Registration Statement, the Pricing Prospectus or the Prospectus: (A) the OneWater Parties and their subsidiaries and their respective operations and facilities are and have been in compliance with Environmental Laws (as defined below), which compliance includes, without limitation, having timely applied for and received and being in compliance with all permits, licenses, approvals or other governmental authorizations or approvals, and having made all filings and provided all financial assurances and notices required under Environmental Laws (as defined below) for the (1) ownership and operation of the business as currently conducted (and having timely and properly applied for those required for the operation of the business as currently proposed to be conducted), and (2) properties and facilities of any of the OneWater Parties or any of their subsidiaries; (B) none of the OneWater Parties or any of their subsidiaries have received any written, or to the knowledge of the OneWater Parties, any other notice, whether from a governmental authority, citizens group, employee or other person, that alleges that any OneWater Parties or any of their subsidiaries are in violation of, or have actual or potential liability (including, without limitation, any liability or obligation for any investigatory or remedial action in response to the presence or Release (as defined below) of Materials of Environmental Concern (as defined below) or any liability or obligation for a lien, charge, encumbrance or restriction that has been recorded) under, any Environmental Law (as defined below) arising out of any of their respective operations and, to the knowledge of the OneWater Parties, there is no action, activity, circumstance, event, condition or occurrence (including without limitation, the Release (as defined below) or threatened Release (as defined below) of Materials of Environmental Concern (as defined below)) with respect to any of their respective operations, properties and facilities that would reasonably be expected to result in the receipt of such notice or in a violation of or liability under any Environmental Law (as defined below) on the part of the OneWater Parties or any of their subsidiaries; (C) there is no claim, action or cause of action filed with a governmental authority (including, without limitation, a court) based on or pursuant to any Environmental Law (as defined below) pending or, to the knowledge of the OneWater Parties, threatened, against any of the OneWater Parties or any of their subsidiaries; (D) none of the OneWater Parties or any of their subsidiaries are conducting or paying for, in whole or in part, any investigation, response or other corrective action pursuant to any Environmental Law (as defined below) at any site or facility, nor is any of them subject or a party to any order, judgment or decree issued by a governmental authority, which imposes any obligation or liability under any Environmental Law (as defined below); and (E) no lien, charge, encumbrance or restriction has been recorded pursuant to any Environmental Law (as defined below) with respect to any assets, facility or property owned, operated or leased by the OneWater Parties;

(ii) Except as described in the Registration Statement, the Pricing Prospectus or the Prospectus, (A) there are no proceedings that are pending, or that are known to be contemplated, against any of the OneWater Parties or any of their subsidiaries under any Environmental Laws (as defined below) in which a governmental entity is also a party, other than such proceedings regarding which it is reasonably believed no monetary sanctions of $100,000 or more will be imposed; and (B) to the knowledge of the OneWater Parties, there are no any facts or issues (including anticipated capital expenditures) regarding the OneWater Parties' or any of their subsidiaries' compliance with Environmental Laws (as defined below), or incurrence of liabilities or other obligations under Environmental Laws (as defined below), including the Release (as defined below) or threat of Release (as defined below) of Materials of Environmental Concern (as defined below), that would reasonably be expected to have a material effect on the capital expenditures, earnings or competitive position of the OneWater Parties or any of their subsidiaries;

For purposes of this Agreement, "Environment" means ambient air, indoor air, surface water, groundwater, drinking water, soil, surface and subsurface strata, and wetlands, flora and fauna. "Environmental Laws" means, to the extent applicable to any of the OneWater Parties or any of their subsidiaries or any of their respective operations and facilities, all federal, state, local and foreign laws (including fundamental principles of common law), regulations, ordinances, codes, orders, decrees, judgments, injunctions, decisions, or other legally enforceable requirements relating to pollution or protection of the Environment or human health or safety (to the extent such health or safety relate to exposure to Materials of Environmental Concern), including without limitation, those relating to (i) the Release (as defined below) of Materials of Environmental Concern (as defined below); and (ii) the manufacture, processing, distribution, use, generation, treatment, storage, transport, handling or recycling of Materials of Environmental Concern (as defined below). "Materials of Environmental Concern" means any substance, material, pollutant, contaminant, chemical, waste, compound, or constituent, in any form, including, without limitation, petroleum and its byproducts, polychlorinated byphenyls, per- and polyfluoroalkyl substances, and asbestos-containing materials, regulated or which can give rise to liability or obligations under any Environmental Law. "Release" means any release, spill, emission, discharge, deposit, disposal, leaking, pumping, pouring, dumping, emptying, migrating, injection or leaching into the Environment or in, into or from any building or structure;

(ff) The OneWater Parties and their subsidiaries have operated their respective businesses in a manner compliant in all material respects with all privacy, data security and data protection laws and regulations and all contractual data privacy, security and protection obligations applicable to the OneWater Parties' and their subsidiaries' collection, transmission, transfer, handling, usage, disclosure, storage, and/or disposal of all personally identifiable data of their respective customers, employees and other third parties ("Personal Data"). The OneWater Parties' and their subsidiaries' information technology assets and equipment, computers, systems, networks, hardware and databases (collectively, "IT Systems") are reasonably adequate in all material respects for the operation of the business of the OneWater Parties and their subsidiaries as currently conducted, and are free and clear, to the knowledge of the OneWater Parties and their subsidiaries, of all material bugs, viruses, errors, defects, Trojan horses, time bombs, malware and other corruptants. The OneWater Parties and their subsidiaries have implemented and maintain commercially reasonable controls, policies, procedures, and safeguards reasonably designed to maintain and protect material confidential information owned by the OneWater Parties and their subsidiaries. The OneWater Parties and their subsidiaries have implemented and maintain commercially reasonable back-up and disaster recovery procedures for the back-up and recovery of IT Systems and Personal Data, and have taken commercially reasonable steps consistent with industry standard practices to ensure that third parties to which they provide any Personal Data maintain the privacy and security of such Personal Data. The OneWater Parties and their subsidiaries have taken commercially reasonable measures to protect the confidentiality and secrecy of any material trade secrets or Personal Data owned, retained, possessed or controlled by the OneWater Parties and their subsidiaries. The OneWater Parties and their subsidiaries have not experienced any security incident or breach that has compromised the privacy and/or security of any Personal Data or IT System, except as would not reasonably be expected to have a Material Adverse Effect;

(gg) No labor disturbance by or dispute with employees of the OneWater Parties or any of their subsidiaries exists or, to the knowledge of the OneWater Parties, is contemplated or threatened, the OneWater Parties are not aware of any existing or imminent labor disturbance by, or dispute with, the employees of any of its or its subsidiaries' principal suppliers, contractors or customers, and none of the OneWater Parties or their subsidiaries has violated any federal, state or local law or foreign law relating to discrimination in hiring, promotion or pay of employees or any applicable wage or hour laws, in each case, except as would not reasonably be expected to have a Material Adverse Effect;

(hh) Except as disclosed in the Registration Statement, the Pricing Prospectus and the Prospectus, no person has the right to require any of the OneWater Parties or any of their subsidiaries to register any securities for sale under the Act by reason of the filing of the Registration Statement with the Commission or the issuance and sale of the Shares;

(ii) No relationship, direct or indirect, exists between or among the OneWater Parties or any of their subsidiaries, on the one hand, and the directors, officers, stockholders, customers or suppliers of any of the OneWater Parties or any of their subsidiaries, on the other, that is required by the Act to be described in the Registration Statement and the Prospectus and that is not so described in such documents and in the Pricing Prospectus;

(jj) No forward-looking statement (within the meaning of Section 27A of the Act and Section 21E of the Exchange Act) contained in the Registration Statement, the Pricing Prospectus or the Prospectus has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith;

(kk) Nothing has come to the attention of any of the OneWater Parties that has caused any of the OneWater Parties to believe that the statistical and market-related data included in the Registration Statement, the Pricing Disclosure Package and the Prospectus is not based on or derived from sources that are reliable and accurate in all material respects and, to the extent required, the Company has obtained the written consent to the use of such data from such sources;

(ll) There are no contracts or other documents which are required to be described in the Registration Statement or the Pricing Prospectus or to be filed as exhibits to the Registration Statement which have not been so described and filed as required;

(mm) None of the OneWater Parties or any of their affiliates have taken, directly or indirectly, any action which is designed to or which has constituted or which would reasonably be expected to cause or result in stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares;

(nn) The application of the proceeds received by the Company from the issuance, sale and delivery of the Shares as described in the Registration Statement, the Pricing Prospectus and the Prospectus will not violate Regulation T, Regulation U or Regulation X of the Board of Governors of the Federal Reserve System or any other regulation of such Board of Governors;

(oo) There is and has been no failure on the part of the Company or, to the knowledge of the Company, any of the Company's directors or officers, in their capacities as such, to comply with any provision of the Sarbanes-Oxley Act of 2002, as amended and the rules and regulations promulgated in connection therewith (the "Sarbanes-Oxley Act"), applicable as of the effective date of the Registration Statement, including Section 402 related to loans and Sections 302 and 906 related to certifications;

(pp) There are no debt securities or preferred stock issued, or guaranteed by, any of the OneWater Parties or any of their subsidiaries that are rated by a "nationally recognized statistical rating organization," as such term is defined in Section 3(a)(62) of the Exchange Act;

(qq) None of the OneWater Parties or any of their subsidiaries are parties to any contract, agreement or understanding with any person (other than this Agreement) that would give rise to a valid claim against the OneWater Parties or any of their subsidiaries or any Underwriter for a brokerage commission, finder's fee or like payment in connection with the offering and sale of the Shares; and

(rr) (i) The Registration Statement, the Pricing Disclosure Package and the Prospectus, any Preliminary Prospectus and any Issuer Free Writing Prospectuses comply, and any further amendments or supplements thereto will comply, with any applicable laws or regulations of foreign jurisdictions in which the Pricing Disclosure Package, the Prospectus, any Preliminary Prospectus and any Issuer Free Writing Prospectus, as amended or supplemented, if applicable, are distributed in connection with the Directed Share Program, and that (ii) no authorization, approval, consent, license, order, registration or qualification of or with any government, governmental instrumentality or court, other than such as have been obtained, is necessary under the securities laws and regulations of any jurisdiction where the Directed Shares are being offered. The OneWater Parties have not offered, or caused the Underwriters to offer, Shares to any person pursuant to the Directed Share Program with the specific intent to unlawfully influence (i) a customer or supplier of the OneWater Parties or their subsidiaries to alter such customer's or supplier's level or type of business with the OneWater Parties, or (ii) a trade journalist or publication to write or publish favorable information about the OneWater Parties or its products.

2. Subject to the terms and conditions herein set forth, (a) the Company agrees to issue and sell to each of the Underwriters, and each of the Underwriters agrees, severally and not jointly, to purchase from the Company, at a purchase price per share of $[●], the number of Firm Shares set forth opposite the name of such Underwriter in Schedule I hereto and (b) in the event and to the extent that the Underwriters shall exercise the election to purchase Optional Shares as provided below, the Company agrees to issue and sell to each of the Underwriters, and each of the Underwriters agrees, severally and not jointly, to purchase from the Company, at the purchase price per share set forth in clause (a) of this Section 2 (provided that the purchase price per Optional Share shall be reduced by an amount per share equal to any dividends or distributions declared by the Company and payable on the Firm Shares but not payable on the Optional Shares), that portion of the number of Optional Shares as to which such election shall have been exercised (to be adjusted by you so as to eliminate fractional shares) determined by multiplying such number of Optional Shares by a fraction, the numerator of which is the maximum number of Optional Shares which such Underwriter is entitled to purchase as set forth opposite the name of such Underwriter in Schedule I hereto and the denominator of which is the maximum number of Optional Shares that all of the Underwriters are entitled to purchase hereunder.

The Company hereby grants to the Underwriters the right to purchase at their election up to [●] Optional Shares, at the purchase price per share set forth in the paragraph above, for the sole purpose of covering sales of shares of Class A Common Stock in excess of the number of Firm Shares, provided that the purchase price per Optional Share shall be reduced by an amount per share equal to any dividends or distributions declared by the Company and payable on the Firm Shares but not payable on the Optional Shares. Any such election to purchase Optional Shares may be exercised only by written notice from you to the Company, given within a period of 30 calendar days after the date of this Agreement, setting forth the aggregate number of Optional Shares to be purchased and the date on which such Optional Shares are to be delivered, as determined by you but in no event earlier than the First Time of Delivery or, unless you and the Company otherwise agree in writing, earlier than two or later than ten business days after the date of such notice.

3. Upon the authorization by you of the release of the Firm Shares, the several Underwriters propose to offer the Firm Shares for sale upon the terms and conditions set forth in the Pricing Prospectus and the Prospectus.

4. (a) The Shares to be purchased by each Underwriter hereunder, in book-entry form, and in such authorized denominations and registered in such names as the Representatives may request upon at least forty-eight hours' prior notice to the Company shall be delivered by or on behalf of the Company to the Representatives, through the facilities of the Depository Trust Company, for the account of such Underwriter, against payment by or on behalf of such Underwriter of the purchase price therefor by wire transfer of Federal (same-day) funds to the account specified by the Company to the Representatives at least forty-eight hours in advance. The time and date of such delivery and payment shall be, with respect to the Firm Shares, 9:30 a.m., New York City time, on [●], 2020 or such other time and date as the Representatives and the Company may agree upon in writing, and, with respect to the Optional Shares, 9:30 a.m., New York time, on the date specified by the Representatives in each written notice given by the Representatives of the Underwriters' election to purchase such Optional Shares, or such other time and date as the Representatives and the Company may agree upon in writing. Such time and date for delivery of the Firm Shares is herein called the "First Time of Delivery", each such time and date for delivery of the Optional Shares, if not the First Time of Delivery, is herein called the "Second Time of Delivery", and each such time and date for delivery is herein called a "Time of Delivery".

(b) The documents to be delivered at each Time of Delivery by or on behalf of the parties hereto pursuant to Section 8 hereof, including the cross receipt for the Shares and any additional documents requested by the Underwriters pursuant to Section 8(l) hereof, will be delivered at the offices of Fried, Frank, Harris, Shriver & Jacobson LLP, One New York Plaza, New York, NY 10004 (the "Closing Location"), and the Shares will be delivered at the Designated Office, all at such Time of Delivery. A meeting will be held at the Closing Location at [●] p.m., New York City time, on the New York Business Day next preceding such Time of Delivery, at which meeting the final drafts of the documents to be delivered pursuant to the preceding sentence will be available for review by the parties hereto. For the purposes of this Section 4, "New York Business Day" shall mean each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in New York City are generally authorized or obligated by law or executive order to close.

5. Each of the OneWater Parties agrees, jointly and severally, with each of the Underwriters:

(a) To prepare the Prospectus in a form approved by you and to file such Prospectus pursuant to Rule 424(b) under the Act not later than the Commission's close of business on the second business day following the execution and delivery of this Agreement, or, if applicable, such earlier time as may be required by Rule 430A(a)(3) under the Act; to make no further amendment or any supplement to the Registration Statement or the Prospectus prior to the last Time of Delivery which shall be disapproved by you promptly after reasonable notice thereof; to advise you, promptly after it receives notice thereof, of the time when any amendment to the Registration Statement has been filed or becomes effective or any amendment or supplement to the Prospectus has been filed and to furnish you with copies thereof; to file promptly all material required to be filed by the Company with the Commission pursuant to Rule 433(d) under the Act; to advise you, promptly after it receives notice thereof, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or other prospectus in respect of the Shares, of the suspension of the qualification of the Shares for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding for any such purpose, or of any request by the Commission for the amending or supplementing of the Registration Statement or the Prospectus or for additional information; and, in the event of the issuance of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or other prospectus or suspending any such qualification, to promptly use its best efforts to obtain the withdrawal of such order;

(b) Promptly from time to time to take such action as you may reasonably request to qualify the Shares for offering and sale under the securities laws of such jurisdictions as you may request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution of the Shares, provided that in connection therewith the Company shall not be required to qualify as a foreign corporation (where not otherwise required) or to file a general consent to service of process in any jurisdiction (where not otherwise required);

(c) Prior to 10:00 a.m., New York City time, on the New York Business Day next succeeding the date of this Agreement (or such other time as may be agreed to by the Representatives and the Company) and from time to time, to furnish the Underwriters with written and electronic copies of the Prospectus in New York City in such quantities as you may reasonably request, and, if the delivery of a prospectus (or in lieu thereof, the notice referred to in Rule 173(a) under the Act) is required at any time prior to the expiration of nine months after the time of issue of the Prospectus in connection with the offering or sale of the Shares and if at such time any event shall have occurred as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Prospectus (or in lieu thereof, the notice referred to in Rule 173(a) under the Act) is delivered, not misleading, or, if for any other reason it shall be necessary during such same period to amend or supplement the Prospectus in order to comply with the Act, to promptly notify you and upon your request to prepare and furnish without charge to each Underwriter and to any dealer in securities as many written and electronic copies as you may from time to time reasonably request of an amended Prospectus or a supplement to the Prospectus which will correct such statement or omission or effect such compliance; and in case any Underwriter is required to deliver a prospectus (or in lieu thereof, the notice referred to in Rule 173(a) under the Act) in connection with sales of any of the Shares at any time nine months or more after the time of issue of the Prospectus, upon your request but at the expense of such Underwriter, to prepare and deliver to such Underwriter as many written and electronic copies as you may request of an amended or supplemented Prospectus complying with Section 10(a)(3) of the Act;

(d) To make generally available to its securityholders as soon as practicable (which may be satisfied by filing such information with the Commission's Electronic Data Gathering Analysis and Retrieval System ("EDGAR")), but in any event not later than sixteen months after the effective date of the Registration Statement (as defined in Rule 158(c) under the Act), an earnings statement of the OneWater Parties and their subsidiaries (which need not be audited) complying with Section 11(a) of the Act and the rules and regulations of the Commission thereunder (including, at the option of the Company, Rule 158);

(e)(1) During the period beginning from the date hereof and continuing to and including the date 180 days after the date of the Prospectus (the "Lock-Up Period"), not to (i) offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise transfer or dispose of, directly or indirectly, or file with or confidentially submit to the Commission a registration statement under the Act relating to, any securities of the Company that are substantially similar to the Shares, including but not limited to any options or warrants to purchase shares of Class A Common Stock, Class B Common Stock, par value $[●] per share (the "Class B Common Stock" and, together with the Class A Common Stock, the "Common Stock") or any securities that are convertible into or exchangeable for, or that represent the right to receive, shares of any series of Common Stock (including, without limitation, LLC Units) or any such substantially similar securities, or publicly disclose the intention to make any offer, sale, pledge, disposition, filing or submission or (ii) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the shares of any series of Common Stock or any such other securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of shares of Common Stock or such other securities, in cash or otherwise (other than (A) the Shares to be sold hereunder, (B) securities issued, transferred, redeemed or exchanged in connection with the Reorganization, (C) shares of any series of Common Stock issued pursuant to employee stock option plans existing on, or upon the conversion or exchange of convertible or exchangeable securities outstanding as of, the date of this Agreement (including for the avoidance of doubt, Class A Common Stock issuable in exchange for LLC Units or Class B Common Stock)) or (D) the filing of any registration statement on Form S-8 relating to securities granted or to be granted pursuant to the Company's equity incentive plans that are described in the Pricing Prospectus, without the prior written consent of the Representatives;

(e)(2) If the Representatives in their sole discretion, agree to release or waive the restrictions set forth in a lock-up letter described in Section 8(h) hereof for an officer or director of any of the OneWater Parties and provide the Company with notice of the impending release or waiver at least three business days before the effective date of the release or waiver, the Company agrees to announce the impending release or waiver by a press release substantially in the form of Exhibit B hereto, through a major news service at least two business days before the effective date of the release or waiver;

(f) So long as the Company is subject to the reporting requirements of either Section 13 or Section 15(d) of the Exchange Act, to furnish to its stockholders as soon as practicable after the end of each fiscal year an annual report (including a balance sheet and statements of income, stockholders' equity and cash flows of the Company and its consolidated subsidiaries certified by independent public accountants) and, as soon as practicable after the end of each of the first three quarters of each fiscal year (beginning with the fiscal quarter ending after the effective date of the Registration Statement), to make available to its stockholders consolidated summary financial information of the Company and its subsidiaries for such quarter in reasonable detail; provided, however, that the Company may satisfy the requirements of this subsection by filing such information on EDGAR;

(g) During a period of five years from the effective date of the Registration Statement, to furnish to you copies of all reports or other communications (financial or other) furnished to stockholders, and to deliver to you (i) as soon as they are available, copies of any reports and financial statements furnished to or filed with the Commission or any national securities exchange on which any class of securities of the Company is listed; and (ii) such additional information concerning the business and financial condition of the Company as you may from time to time reasonably request (such financial statements to be on a consolidated basis to the extent the accounts of the Company and its subsidiaries are consolidated in reports furnished to its stockholders generally or to the Commission); provided, however, that the Company may satisfy the requirements of this subjection by filing such information on EDGAR;

(h) To use the net proceeds received by it from the sale of the Shares pursuant to this Agreement in the manner specified in the Pricing Prospectus under the caption "Use of Proceeds";

(i) To use its best efforts to list, subject to notice of issuance, the Shares on the Nasdaq Stock Market (the "Exchange");

(j) To not take, directly or indirectly, any action designed to or that could reasonably be expected to cause or result in any stabilization or manipulation of the price of the Shares;

(k) To file with the Commission such information on Form 10-Q or Form 10-K as may be required by Rule 463 under the Act;

(l) If the Company elects to rely upon Rule 462(b), the Company shall file a Rule 462(b) Registration Statement with the Commission in compliance with Rule 462(b) by 10:00 p.m., Washington, D.C. time, on the date of this Agreement, and the Company shall at the time of filing either pay to the Commission the filing fee for the Rule 462(b) Registration Statement or give irrevocable instructions for the payment of such fee pursuant to Rule 3a(c) of the Commission's Informal and Other Procedures (16 CFR 202.3a);

(m) Upon request of any Underwriter, to furnish, or cause to be furnished, to such Underwriter an electronic version of the OneWater Parties' trademarks, servicemarks and corporate logo for use on the website, if any, operated by such Underwriter for the purpose of facilitating the on-line offering of the Shares (the "License"); provided, however, that the License shall be used solely for the purpose described above, is granted without any fee and may not be assigned or transferred;

(n) To promptly notify you if the Company ceases to be an Emerging Growth Company at any time prior to the later of (i) completion of the distribution of the Shares within the meaning of the Act and (ii) the last Time of Delivery; and

(o) To comply with all applicable securities and other laws, rules and regulations, including the rules of FINRA, in each jurisdiction in which the Directed Shares are offered in connection with the Directed Share Program.

6. (a) The Company represents and agrees that, without the prior consent of the Representatives, it has not made and will not make any offer relating to the Shares that would constitute a "free writing prospectus" as defined in Rule 405 under the Act; each Underwriter represents and agrees that, without the prior consent of the Company and the Representatives, it has not made and will not make any offer relating to the Shares that would constitute a free writing prospectus required to be filed with the Commission; any such free writing prospectus the use of which has been consented to by the Company and the Representatives is listed on Schedule III(a) or Schedule III(b) hereto;

(b) The Company has complied and will comply with the requirements of Rule 433 under the Act applicable to any Issuer Free Writing Prospectus, including timely filing with the Commission or retention where required and legending; and the Company represents that it has satisfied and agrees that it will satisfy the conditions under Rule 433 under the Act to avoid a requirement to file with the Commission any electronic road show;

(c) The Company agrees that if at any time following issuance of an Issuer Free Writing Prospectus or Section 5(d) Writing any event occurred or occurs as a result of which such Issuer Free Writing Prospectus or Section 5(d) Writing would conflict with the information in the Registration Statement, the Pricing Prospectus or the Prospectus or would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances then prevailing, not misleading, the Company will give prompt notice thereof to the Representatives and, if requested by the Representatives, will prepare and furnish without charge to each Underwriter an Issuer Free Writing Prospectus, Section 5(d) Writing or other document which will correct such conflict, statement or omission;

(d) Each of the OneWater Parties represents and agrees that (i) it has not engaged in, or authorized any other person to engage in, any Section 5(d) Communications, other than Section 5(d) Communications with the prior consent of the Representatives with entities that are qualified institutional buyers as defined in Rule 144A under the Act or institutions that are accredited investors as defined in Rule 501(a) under the Act; and (ii) it has not distributed, or authorized any other person to distribute, any Section 5(d) Writings, other than those distributed with the prior consent of the Representatives that are listed on Schedule III(c) hereto; and the Company reconfirms that the Underwriters have been authorized to act on its behalf in engaging in Section 5(d) Communications; and

(e) Each Underwriter represents and agrees that any Section 5(d) Communications undertaken by it were with entities that are qualified institutional buyers as defined in Rule 144A under the Act or institutions that are accredited investors as defined in Rule 501(a) under the Act.

7. Each of the OneWater Parties covenants and agrees with one another and with the several Underwriters that the OneWater Parties will pay or cause to be paid the following: (i) the fees, disbursements and expenses of the OneWater Parties' counsel and the OneWater Parties' accountants in connection with the registration of the Shares under the Act and all other fees and expenses in connection with the preparation, printing, reproduction and filing of the Registration Statement, any Preliminary Prospectus, any Section 5(d) Writing, any Issuer Free Writing Prospectus and the Prospectus and amendments and supplements thereto and the mailing and delivering of copies thereof to the Underwriters and dealers; (ii) the cost of printing or producing any agreement among Underwriters, this Agreement, the Blue Sky Memorandum, closing documents (including any compilations thereof) and any other documents in connection with the offering, purchase, sale and delivery of the Shares; (iii) all expenses in connection with the qualification of the Shares for offering and sale under state securities laws as provided in Section 5(b) hereof, including the fees and disbursements of counsel for the Underwriters in connection with such qualification and in connection with the Blue Sky Memorandum; (iv) all fees and expenses in connection with listing the Shares on the Exchange; (v) the filing fees incident to, and the fees and disbursements of counsel for the Underwriters in connection with, any required review by FINRA of the terms of the sale of the Shares; (vi) the cost of preparing stock certificates, if applicable; (vii) the cost and charges of any transfer agent or registrar; (viii) the costs and expenses of the Company relating to investor presentations on any "road show" undertaken in connection with the marketing of the Shares, including, without limitation, expenses associated with the preparation or dissemination of any electronic road show, expenses associated with the production of road show slides and graphics, fees and expenses of any consultants engaged with the prior approval of the Company in connection with the road show presentations, travel and lodging expenses of the representatives (which, for the avoidance of doubt, does not include the Underwriters for purposes of this Section 7) and officers of the Company and any such consultants, and 50% of the cost of any aircraft chartered in connection with the road show; (ix) all of the fees and disbursements of counsel, including non-U.S. counsel, if any, incurred by the Underwriters in connection with the Directed Share Program and any duties, stamp, transfer or similar taxes, if any, incurred by the Underwriters in connection with the Directed Share Program, as well as the fees and disbursements incurred by the Directed Share Provider in accordance with the description of the Directed Share Program in the Prospectus, provided that the fees and disbursements of counsel for the Underwriters described in clauses (iii), (v) and (ix) shall not exceed $55,000 in the aggregate; (x) any duties, stamp, transfer or similar taxes, if any, incurred by the Underwriters in connection with the sale, issuance or delivery of the Shares to the Underwriters; and (xi) all other costs and expenses incident to the performance of its obligations hereunder which are not otherwise specifically provided for in this Section. It is understood, however, that, except as provided in this Section, and Sections 9 and 12 hereof, the Underwriters will pay all of their own costs and expenses, including the fees of their counsel, duties, stamp, stock transfer or similar taxes on resale of any of the Shares by them, and any advertising expenses connected with any offers they may make, all travel and lodging expenses of the Underwriters and their representatives and 50% of the cost of any aircraft chartered in connection with the road show.

8. The obligations of the Underwriters hereunder, as to the Shares to be delivered at each Time of Delivery, shall be subject, in their discretion, to the condition that all representations and warranties and other statements of the OneWater Parties herein are, at and as of the Applicable Time and such Time of Delivery, true and correct, the condition that the OneWater Parties shall have performed all of their respective obligations hereunder theretofore to be performed, and the following additional conditions:

(a) The Prospectus shall have been filed with the Commission pursuant to Rule 424(b) under the Act within the applicable time period prescribed for such filing by the rules and regulations under the Act and in accordance with Section 5(a) hereof; all material required to be filed by the Company pursuant to Rule 433(d) under the Act shall have been filed with the Commission within the applicable time period prescribed for such filing by Rule 433; if the Company has elected to rely upon Rule 462(b) under the Act, the Rule 462(b) Registration Statement shall have become effective by 10:00 p.m., Washington, D.C. time, on the date of this Agreement; no stop order suspending the effectiveness of the Registration Statement or any part thereof shall have been issued and no proceeding for that purpose shall have been initiated or threatened by the Commission; no stop order suspending or preventing the use of the Pricing Prospectus, Prospectus or any Issuer Free Writing Prospectus shall have been initiated or threatened by the Commission; and all requests for additional information on the part of the Commission shall have been complied with to your reasonable satisfaction;

(b) Fried, Frank, Harris, Shriver & Jacobson LLP, counsel for the Underwriters, shall have furnished to you their written opinion, dated such Time of Delivery, in form and substance satisfactory to you and such counsel shall have received such papers and information as they may reasonably request to enable them to pass upon such matters;

(c) Vinson & Elkins LLP, counsel for the OneWater Parties, shall have furnished to you their written opinion and negative assurance letter, dated such Time of Delivery, in form and substance satisfactory to you, to the effect set forth in Exhibit A hereto;

(d) On the date of the Prospectus at a time prior to or contemporaneously with the execution of this Agreement, at 9:30 a.m., New York City time, on the effective date of any post-effective amendment to the Registration Statement filed subsequent to the date of this Agreement and also at each Time of Delivery, Grant Thornton LLP shall have furnished to you a letter or letters, dated the respective dates of delivery thereof, in form and substance satisfactory to you;

(e) (i) None of the OneWater Parties or any of their respective subsidiaries shall have sustained since the date of the latest audited financial statements included in the Pricing Prospectus any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Pricing Prospectus, and (ii) since the respective dates as of which information is given in the Pricing Prospectus there shall not have been any change in the capital stock or long-term debt of any of the OneWater Parties or any of their subsidiaries, except as set forth or contemplated in the Pricing Prospectus, or any change or effect, or any development involving a prospective change or effect, in or affecting (x) the business, properties, general affairs, management, financial position, stockholders' equity or results of operations of the OneWater Parties and their subsidiaries, taken as a whole, except as set forth or contemplated in the Pricing Prospectus and the Prospectus, or (y) the ability of the OneWater Parties to perform their respective obligations under this Agreement and the Transaction Documents, including the issuance and sale of the Shares, or to consummate the Reorganization or the transactions contemplated in the Pricing Prospectus and the Prospectus, the effect of which, in any such case described in clause (i) or (ii), is in the judgment of the Representatives so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Shares being delivered at such Time of Delivery on the terms and in the manner contemplated in the Pricing Prospectus and the Prospectus;

(f) On or after the Applicable Time there shall not have occurred any of the following: (i) a suspension or material limitation in trading in securities generally on the New York Stock Exchange or on the Exchange; (ii) a suspension or material limitation in trading in the Company's securities on the Exchange; (iii) a general moratorium on commercial banking activities declared by either Federal or New York State authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States; (iv) the outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war or (v) the occurrence of any other calamity or crisis or any change in financial, political or economic conditions in the United States or elsewhere, if the effect of any such event specified in clause (iv) or (v) in the judgment of the Representatives makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Shares being delivered at such Time of Delivery on the terms and in the manner contemplated in the Pricing Prospectus and the Prospectus;

(g) (i) The Shares to be sold at such Time of Delivery shall have been duly listed, subject to notice of issuance, on the Exchange and (ii) FINRA shall not have raised any objection with respect to the fairness or reasonableness of the underwriting, or other arrangements of the transactions, contemplated hereby;

(h) The OneWater Parties shall have obtained and delivered to the Underwriters executed copies of an agreement from the persons listed on Schedule II hereto, substantially to the effect set forth in Exhibit C hereto (the "Lock-Up Agreement") in form and substance satisfactory to you;

(i) Prior to or substantially concurrent with the First Time of Delivery, the Reorganization shall have been consummated in a manner substantially consistent with the description thereof in the Registration Statement, Pricing Prospectus and the Prospectus;

(j) The Company shall have complied with the provisions of Section 5(c) hereof with respect to the furnishing of prospectuses on the New York Business Day next succeeding the date of this Agreement;

(k) The OneWater Parties shall have furnished or caused to be furnished to you at such Time of Delivery certificates of the chief financial officer and one additional executive officer of each OneWater Party satisfactory to you as to the accuracy of the respective representations and warranties of the OneWater Parties herein at and as of such Time of Delivery, as to the performance by the OneWater Parties of all of their respective obligations hereunder to be performed at or prior to such Time of Delivery, as to the matters set forth in subsections (a) and (e) of this Section, as to such other matters as you may reasonably request and confirming that such officers have carefully reviewed the Registration Statement, the Pricing Disclosure Package and the Prospectus;

(l) On the date of the Prospectus at a time prior to or contemporaneously with the execution of this Agreement and also at each Time of Delivery, the chief financial officer of each OneWater Party shall have furnished to you a certificate as to the accuracy of certain data contained in the Pricing Prospectus and the Prospectus, dated the respective dates of delivery thereof, in a form and substance satisfactory to you; and

(m) On or prior to each Time of Delivery, each OneWater Party shall have furnished to the Representatives such further certificates and documents as the Representatives may reasonably request.

9. (a) Each of the OneWater Parties, jointly and severally, will indemnify and hold harmless each Underwriter against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (i) an untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any amendment thereto, or the omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or (ii) an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, or any amendment or supplement thereto, any Issuer Free Writing Prospectus, any "roadshow" as defined in Rule 433(h) under the Act (a "roadshow"), or any "issuer information" filed or required to be filed pursuant to Rule 433(d) under the Act or any Section 5(d) Writing, or the omission or alleged omission to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and will reimburse each Underwriter for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such action or claim as such expenses are incurred; *provided*, *however*, that the OneWater Parties shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in the Registration Statement, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, or any amendment or supplement thereto, or any Issuer Free Writing Prospectus or any Section 5(d) Writing, in reliance upon and in conformity with the Underwriter Information.

(b) Each Underwriter will, severally and not jointly, indemnify and hold harmless each OneWater Party against any losses, claims, damages or liabilities to which such OneWater Party may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (i) an untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any amendment thereto, or the omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or (ii) an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, or any amendment or supplement thereto, or any Issuer Free Writing Prospectus, or any roadshow or any Section 5(d) Writing, or the omission or alleged omission to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in the Registration Statement, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, or any amendment or supplement thereto, or any Issuer Free Writing Prospectus, or any roadshow or any Section 5(d) Writing, in reliance upon and in conformity with the Underwriter Information; and will reimburse each OneWater Party for any legal or other expenses reasonably incurred by such OneWater Party in connection with investigating or defending any such action or claim as such expenses are incurred. As used in this Agreement with respect to an Underwriter and an applicable document, "Underwriter Information" shall mean the written information furnished to the Company by such Underwriter through the Representatives expressly for use therein; it being understood and agreed upon that the only such information furnished by any Underwriter consists of the following information in the Prospectus furnished on behalf of each Underwriter: the first three sentences of the fifth paragraph concerning the terms of the offering by the Underwriters under the caption "Underwriting (Conflicts of Interest)" and the information contained in the ninth, tenth and eleventh paragraphs concerning short sales, stabilizing transactions and purchases to cover positions created by short sales by the Underwriters under the caption "Underwriting (Conflicts of Interest)".

(c) Promptly after receipt by an indemnified party under subsection (a) or (b) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; provided that the failure to notify the indemnifying party shall not relieve it from any liability that it may have under the preceding paragraphs of this Section 9 except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and provided further that the failure to notify the indemnifying party shall not relieve it from any liability that it may have to an indemnified party otherwise than under the preceding paragraphs of this Section 9. In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the written consent of the indemnified party, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release of the indemnified party from all liability arising out of such action or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any indemnified party. Notwithstanding anything contained herein to the contrary, if indemnity may be sought pursuant to Section 9(k) hereof in respect of such action or proceeding, then in addition to such separate firm of attorneys for the indemnified parties, the indemnifying party shall be liable for the reasonable fees and expenses of not more than one separate firm of attorneys (in addition to any local counsel) for Raymond James in its capacity as QIU and all persons, if any, who control Raymond James within the meaning of either Section 15 of the Act or Section 20 of the Exchange Act, if, in the reasonable opinion of counsel, there is a conflict of interest between Raymond James and the other indemnified parties.

(d) If the indemnification provided for in this Section 9 is unavailable to or insufficient to hold harmless an indemnified party under subsection (a) or (b) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the OneWater Parties on the one hand and the Underwriters on the other from the offering of the Shares. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the OneWater Parties on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the OneWater Parties on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the OneWater Parties bear to the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table on the cover page of the Prospectus. Benefits received by the QIU shall be deemed to be equal to the compensation received by the QIU for acting in such capacity. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the OneWater Parties on the one hand or the Underwriters on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The OneWater Parties and the Underwriters agree that it would not be just and equitable if contribution pursuant to this subsection (d) were determined by *pro rata* allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this subsection (d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subsection (d), (i) no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Shares underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission and (ii) the QIU, in its capacity as such, shall not be responsible for any amount in excess of the compensation received by the QIU for acting in such capacity. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations in this subsection (d) to contribute are several in proportion to their respective underwriting obligations and not joint.

(e) Each of the OneWater Parties, jointly and severally, will indemnify and hold harmless the Underwriters (each a "Directed Share Underwriter Entity") against any losses, claims, damages and liabilities (or actions in respect thereof) (i) caused by any untrue statement or alleged untrue statement of a material fact contained in any material prepared by or with the consent of the OneWater Parties for distribution to Participants in connection with the Directed Share Program or caused by any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (ii) caused by the failure of any Participant to pay for and accept delivery of Directed Shares that the Participant agreed to purchase; or (iii) related to, arising out of, or in connection with the Directed Share Program, other than losses, claims, damages or liabilities (or expenses relating thereto) that are finally judicially determined to have resulted from the bad faith, willful misconduct or gross negligence of the Directed Share Underwriter Entities.

(f) Promptly after receipt by a Directed Share Underwriter Entity under subsection (e) of this Section 9 of notice of the commencement of any action, such Directed Share Underwriter Entity shall, if a claim in respect thereof is to be made against any OneWater Party, notify such OneWater Party in writing of the commencement thereof; provided that the failure to notify such OneWater Party shall not relieve it from any liability that it may have under subsection (e) of this Section 9 except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and provided further that the failure to notify such OneWater Party shall not relieve it from any liability that it may have to a Directed Share Underwriter Entity otherwise than under the preceding paragraphs of this Section 9. In case any such action shall be brought against any Directed Share Underwriter Entity and it shall notify any OneWater Party providing indemnification of the commencement thereof, such OneWater Party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other OneWater Party similarly notified, to assume the defense thereof, with counsel satisfactory to such Directed Share Underwriter Entity (who shall not, except with the consent of such Directed Share Underwriter Entity, be counsel to the OneWater Party providing indemnification), and, after notice from such OneWater Party to such Directed Share Underwriter Entity of its election so to assume the defense thereof, such OneWater Party shall not be liable to such Directed Share Underwriter Entity under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such Directed Share Underwriter Entity, in connection with the defense thereof other than reasonable costs of investigation. No OneWater Party providing indemnification shall, without the written consent of such Directed Share Underwriter Entity, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release of such Directed Share Underwriter Entity from all liability arising out of such action or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any Directed Share Underwriter Entity.

(g) If the indemnification provided for in paragraph (e) above is unavailable to a Directed Share Underwriter Entity or insufficient in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then the OneWater Parties, in lieu of indemnifying the Directed Share Underwriter Entity thereunder, shall contribute to the amount paid or payable by the Directed Share Underwriter Entity as a result of such losses, claims, damages or liabilities (or actions in respect thereof) (1) in such proportion as is appropriate to reflect the relative benefits received by the OneWater Parties on the one hand and the Directed Share Underwriter Entities on the other hand from the offering of the Reserved Shares or (2) if the allocation provided by clause 9(g)(1) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause 9(g)(1) above but also the relative fault of the OneWater Parties on the one hand and of the Directed Share Underwriter Entities on the other hand in connection with any statements or omissions that resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the OneWater Parties on the one hand and the Directed Share Underwriter Entities on the other hand in connection with the offering of the Directed Shares shall be deemed to be in the same respective proportions as the net proceeds from the offering of the Directed Shares (before deducting expenses) and the total underwriting discounts and commissions received by the Directed Share Underwriter Entities for the Directed Shares, bear to the aggregate public offering price of the Directed Shares. If the loss, claim, damage or liability is caused by an untrue or alleged untrue statement of material fact or the omission or alleged omission to state a material fact, the relative fault of the OneWater Parties on the one hand and the Directed Share Underwriter Entities on the other hand shall be determined by reference to, among other things, whether the untrue or alleged untrue statement or the omission or alleged omission relates to information supplied by the OneWater Parties or by the Directed Share Underwriter Entities and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(h) The OneWater Parties and the Directed Share Underwriter Entities agree that it would be not just or equitable if contribution pursuant to paragraph (g) above were determined by pro rata allocation (even if the Directed Share Underwriter Entities were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in paragraph (g) above. The amount paid or payable by the Directed Share Underwriter Entities as a result of the losses, claims, damages and liabilities (or actions in respect thereof) referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by the Directed Share Underwriter Entities in connection with investigating or defending such any action or claim. Notwithstanding the provisions of paragraph (g) above, no Directed Share Underwriter Entity shall be required to contribute any amount in excess of the amount by which the total price at which the Directed Shares distributed to the public were offered to the public exceeds the amount of any damages that such Directed Share Underwriter Entity has otherwise been required to pay. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The remedies provided for in paragraphs (e) through (h) are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

(i) The indemnity and contribution provisions contained in paragraphs (e) through (h) shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of any Directed Share Underwriter Entity or the OneWater Parties and (iii) acceptance of and payment for any of the Directed Shares.

(j) The obligations of the OneWater Parties under this Section 9 shall be in addition to any liability which the OneWater Parties may otherwise have and shall extend, upon the same terms and conditions, to each employee, officer and director of each Underwriter and each person, if any, who controls any Underwriter within the meaning of the Act and each broker-dealer or other affiliate of any Underwriter; and the obligations of the Underwriters under this Section 9 shall be in addition to any liability which the respective Underwriters may otherwise have and shall extend, upon the same terms and conditions, to each officer and director of the OneWater Parties (including any person who, with his or her consent, is named in the Registration Statement as about to become a director of the Company) and to each person, if any, who controls the Company within the meaning of the Act.

(k) Without limitation of and in addition to its obligations under the other paragraphs of this Section 9, each OneWater Party agrees to indemnify and hold harmless the QIU, its directors, officers, employees and agents and each person who controls the QIU (within the meaning of either the Act or the Exchange Act) in connection with the offering of the Shares, against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject, insofar as such losses, claims, damages or liabilities (or action in respect thereof) arise out of or are based upon the QIU's acting as a "qualified independent underwriter" (within the meaning of Rule 5121) in connection with the offering of the Shares contemplated by this Agreement, and agrees to reimburse each such indemnified party, as incurred for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that none of the OneWater Parties will be liable in any such case to the extent that any such loss, claim, damage or liability results from the gross negligence or willful misconduct of the QIU.

10. (a) If any Underwriter shall default in its obligation to purchase the Shares which it has agreed to purchase hereunder at a Time of Delivery, you may in your discretion arrange for you or another party or other parties to purchase such Shares on the terms contained herein. If within thirty-six hours after such default by any Underwriter you do not arrange for the purchase of such Shares, then the Company shall be entitled to a further period of thirty-six hours within which to procure another party or other parties satisfactory to you to purchase such Shares on such terms. In the event that, within the respective prescribed periods, you notify the Company that you have so arranged for the purchase of such Shares, or the Company notifies you that it has so arranged for the purchase of such Shares, you or the Company shall have the right to postpone such Time of Delivery for a period of not more than seven days, in order to effect whatever changes may thereby be made necessary in the Registration Statement or the Prospectus, or in any other documents or arrangements, and the Company agrees to file promptly any amendments or supplements to the Registration Statement or the Prospectus which in your opinion may thereby be made necessary. The term "Underwriter" as used in this Agreement shall include any person substituted under this Section with like effect as if such person had originally been a party to this Agreement with respect to such Shares.

(b) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by you and the Company as provided in subsection (a) above, the aggregate number of such Shares which remains unpurchased does not exceed one-eleventh of the aggregate number of all the Shares to be purchased at such Time of Delivery, then the Company shall have the right to require each non-defaulting Underwriter to purchase the number of Shares which such Underwriter agreed to purchase hereunder at such Time of Delivery and, in addition, to require each non-defaulting Underwriter to purchase its pro rata share (based on the number of Shares which such Underwriter agreed to purchase hereunder) of the Shares of such defaulting Underwriter or Underwriters for which such arrangements have not been made; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

(c) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by you and the Company as provided in subsection (a) above, the aggregate number of such Shares which remains unpurchased exceeds one-eleventh of the aggregate number of all the Shares to be purchased at such Time of Delivery, or if the Company shall not exercise the right described in subsection (b) above to require non-defaulting Underwriters to purchase Shares of a defaulting Underwriter or Underwriters, then this Agreement (or, with respect to the Second Time of Delivery, the obligations of the Underwriters to purchase and of the Company to sell the Optional Shares) shall thereupon terminate, without liability on the part of any non-defaulting Underwriter or the OneWater Parties, except for the expenses to be borne by the OneWater Parties and the Underwriters as provided in Section 7 hereof and the indemnity and contribution agreements in Section 9 hereof; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

11. The respective indemnities, rights of contribution, agreements, representations, warranties and other statements of the OneWater Parties and the several Underwriters, as set forth in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement, shall remain in full force and effect, regardless of any investigation (or any statement as to the results thereof) made by or on behalf of any Underwriter or any controlling person of any Underwriter, or the OneWater Parties, or any officer or director or controlling person of the OneWater Parties, and shall survive delivery of and payment for the Shares.

12. If this Agreement shall be terminated pursuant to Section 10 hereof, the OneWater Parties shall not then be under any liability to any Underwriter except as provided in Sections 7 and 9 hereof; but, if for any other reason, any Shares are not delivered by or on behalf of the Company as provided herein, the OneWater Parties, jointly and severally, will reimburse the Underwriters through you for all out-of-pocket expenses approved in writing by you, including fees and disbursements of counsel, reasonably incurred by the Underwriters in making preparations for the purchase, sale and delivery of the Shares not so delivered, but the OneWater Parties shall then be under no further liability to any Underwriter except as provided in Sections 7 and 9 hereof.

13. In all dealings hereunder, you shall act on behalf of each of the Underwriters, and the parties hereto shall be entitled to act and rely upon any statement, request, notice or agreement on behalf of any Underwriter made or given by you jointly or by Raymond James & Associates, Inc., Robert W. Baird & Co. Incorporated and SunTrust Robinson Humphrey, Inc. on behalf of you as the representatives.

All statements, requests, notices and agreements hereunder shall be in writing, and if to the Underwriters shall be delivered or sent by mail, telex or facsimile transmission to you as the Representatives in care of Raymond James & Associates, Inc., 880 Carillon Parkway, St. Petersburg, Florida 33716, Attention: ECM General Counsel, Robert W. Baird & Co. Incorporated, 777 East Wisconsin Avenue, Milwaukee, Wisconsin 53202, and SunTrust Robinson Humphrey, Inc., 3333 Peachtree Road NE, Atlanta, Georgia 30326; and, if to the Company shall be delivered or sent by mail, telex or facsimile transmission to the address of the Company set forth in the Registration Statement, Attention: Jack Ezzell, Chief Financial Officer; provided, however, that any notice to an Underwriter pursuant to Section 9(c) hereof shall be delivered or sent by mail, telex or facsimile transmission to such Underwriter at its address set forth in its Underwriters' Questionnaire, or telex constituting such Questionnaire, which address will be supplied to the Company by you upon request; provided, however, that notices under subsection 5(e) shall be in writing, and if to the Underwriters shall be delivered or sent by mail, telex or facsimile transmission to you as the Representatives at Raymond James & Associates, Inc., 880 Carillon Parkway, St. Petersburg, Florida 33716, Attention: [●], Robert W. Baird & Co. Incorporated, 777 East Wisconsin Avenue, Milwaukee, Wisconsin 53202, and SunTrust Robinson Humphrey, Inc., 3333 Peachtree Road NE, Atlanta, Georgia 30326. Any such statements, requests, notices or agreements shall take effect upon receipt thereof.

In accordance with the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), the Underwriters are required to obtain, verify and record information that identifies their respective clients, including the OneWater Parties, which information may include the name and address of their respective clients, as well as other information that will allow the Underwriters to properly identify their respective clients.

14. This Agreement shall be binding upon, and inure solely to the benefit of, the Underwriters, the OneWater Parties and, to the extent provided in Sections 9 and 11 hereof, the officers and directors of the OneWater Parties and each person who controls the OneWater Parties or any Underwriter, and their respective heirs, executors, administrators, successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement. No purchaser of any of the Shares from any Underwriter shall be deemed a successor or assign by reason merely of such purchase.

15. Time shall be of the essence of this Agreement. As used herein, the term "business day" shall mean any day when the Commission's office in Washington, D.C. is open for business.

16. Each OneWater Party acknowledges and agrees that (i) the purchase and sale of the Shares pursuant to this Agreement is an arm's-length commercial transaction between the OneWater Parties, on the one hand, and the several Underwriters, on the other, (ii) in connection therewith and with the process leading to such transaction each Underwriter is acting solely as a principal and not the agent or fiduciary of the OneWater Parties, (iii) no Underwriter has assumed an advisory or fiduciary responsibility in favor of any of the OneWater Parties with respect to the offering contemplated hereby or the process leading thereto (irrespective of whether such Underwriter has advised or is currently advising any of the OneWater Parties on other matters) or any other obligation to any of the OneWater Parties except the obligations expressly set forth in this Agreement and (iv) each of the OneWater Parties has consulted its own legal and financial advisors to the extent it deemed appropriate. Each of the OneWater Parties agrees that it will not claim that the Underwriters, or any of them, has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to any of the OneWater Parties, in connection with such transaction or the process leading thereto.

17. This Agreement supersedes all prior agreements and understandings (whether written or oral) between or among the OneWater Parties and the Underwriters, or any of them, with respect to the subject matter hereof.

18. **This Agreement and any transaction contemplated by this Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to principles of conflict of laws that would result in the application of any other law than the laws of the State of New York. The Company agrees that any suit or proceeding arising in respect of this Agreement or any transaction contemplated by this Agreement will be tried exclusively in the U.S. District Court for the Southern District of New York or, if that court does not have subject matter jurisdiction, in any state court located in The City and County of New York and the Company agrees to submit to the jurisdiction of, and to venue in, such courts.**

19. Each of the OneWater Parties and each of the Underwriters hereby irrevocably waive, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

20. This Agreement may be executed by any one or more of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

21. Notwithstanding anything herein to the contrary, the OneWater Parties are authorized to disclose to any persons the U.S. federal and state income tax treatment and tax structure of the potential transaction and all materials of any kind (including tax opinions and other tax analyses) provided to the OneWater Parties relating to that treatment and structure, without the Underwriters imposing any limitation of any kind. However, any information relating to the tax treatment and tax structure shall remain confidential (and the foregoing sentence shall not apply) to the extent necessary to enable any person to comply with securities laws. For this purpose, "tax structure" is limited to any facts that may be relevant to that treatment.

22. Recognition of the U.S. Special Resolution Regimes.

(a) In the event that any Underwriter that is a Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer from such Underwriter of this Agreement, and any interest and obligation in or under this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.

(b) In the event that any Underwriter that is a Covered Entity or a BHC Act Affiliate of such Underwriter becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under this Agreement that may be exercised against such Underwriter are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

(c) As used in this section:

"BHC Act Affiliate" has the meaning assigned to the term "affiliate" in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k).

"Covered Entity" means any of the following:

(i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"U.S. Special Resolution Regime" means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

[Remainder of Page Intentionally Left Blank]

If the foregoing is in accordance with your understanding, please sign and return to us counterparts hereof, and upon the acceptance hereof by you, on behalf of each of the Underwriters, this letter and such acceptance hereof shall constitute a binding agreement among each of the Underwriters, the Company, OneWater LLC and Opco. It is understood that your acceptance of this letter on behalf of each of the Underwriters is pursuant to the authority set forth in a form of agreement among Underwriters, the form of which shall be submitted to the Company, OneWater LLC and Opco for examination upon request, but without warranty on your part as to the authority of the signers thereof.

Very truly yours,

OneWater Marine Inc.

By: _____
Name:
Title:

One Water Marine Holdings, LLC

By: _____
Name:
Title:

One Water Assets & Operations, LLC

By: _____
Name:
Title:

Accepted as of the date hereof:

Raymond James & Associates, Inc.

By: _____
Name:
Title:

Robert W. Baird & Co. Incorporated

By: _____
Name:
Title:

SunTrust Robinson Humphrey, Inc.

By: _____
Name:
Title:

On behalf of each of the Underwriters named in Schedule I to this Agreement

SCHEDULE I

Underwriter	Total Number of Firm Shares to be Purchased	Number of Optional Shares to be Purchased if Maximum Option Exercised
Raymond James & Associates, Inc.		
Robert W. Baird & Co. Incorporated		
SunTrust Robinson Humphrey, Inc.		
[●]		
Total		

SCHEDULE II

Parties to Lock-Up Agreements

SCHEDULE III

(a) Issuer Free Writing Prospectuses not included in the Pricing Disclosure Package:

Electronic roadshow dated [●], 2020

(b) Information other than the Pricing Prospectus that comprise the Pricing Disclosure Package:

The initial public offering price per share for the Shares is $[●].

The number of Firm Shares purchased by the Underwriters is [●].

The number of Optional Shares to be sold by the Company at the option of the Underwriters is up to [●].

[Issuer Free Writing Prospectuses: [●].]

(c) Section 5(d) Writings:

Testing-the-Waters presentation, dated March 2019.

Exhibit A

Form of Vinson & Elkins LLP Opinion

Exhibit B

Form of Press Release

OneWater Marine Inc.
[Date]

OneWater Marine Inc. (the "Company") announced today that Raymond James & Associates, Inc. and [●], on behalf of the underwriters, in the Company's recent public sale of shares of the Company's Class A Common Stock, is [waiving] [releasing] a lock-up restriction with respect to shares of the Company's Class A Common Stock held by [certain officers or directors] [an officer or director] of the Company. The [waiver] [release] will take effect on , 20 , and the shares may be sold on or after such date.

This press release is not an offer for sale of the securities in the United States or in any other jurisdiction where such offer is prohibited, and such securities may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933, as amended.

Exhibit C

Form of Lock-Up Agreement

OneWater Marine Inc.

Lock-Up Agreement

[ ], 2020

Raymond James & Associates, Inc.
Robert W. Baird & Co. Incorporated
SunTrust Robinson Humphrey, Inc.
As representatives of the several Underwriters
named in Schedule I of the Underwriting Agreement,

c/o Raymond James & Associates, Inc.
880 Carillon Parkway
St. Petersburg, Florida 33716

c/o Robert W. Baird & Co. Incorporated
777 East Wisconsin Avenue
Milwaukee, Wisconsin 53202

c/o SunTrust Robinson Humphrey, Inc.
3333 Peachtree Road NE
Atlanta, Georgia 30326

Re: OneWater Marine Inc. - Lock-Up Agreement

Ladies and Gentlemen:

The undersigned understands that Raymond James & Associates, Inc., Robert W. Baird & Co. Incorporated and SunTrust Robinson Humphrey, Inc. as representatives (the "Representatives"), propose to enter into an underwriting agreement (the "Underwriting Agreement") on behalf of the several Underwriters named in Schedule I to such agreement (collectively, the "Underwriters"), with OneWater Marine Inc., a Delaware corporation (the "Company"), One Water Marine Holdings, LLC, a Delaware limited liability company ("OWM LLC"), and One Water Assets & Operations, LLC, a Delaware limited liability company ("OWAO"), providing for a public offering (the "Offering") of shares (the "Shares") of Class A common stock of the Company, par value $0.01 per share (the "Class A Common Stock") pursuant to a registration statement on Form S-1 (the "Registration Statement") to be filed with the Securities and Exchange Commission (the "SEC"). Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Underwriting Agreement.

In consideration of the agreement by the Underwriters to offer and sell the Shares, and of other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the undersigned agrees that, during the period beginning from the date of this agreement (the "Lock-Up Agreement") and continuing to and including the date 180 days after the date set forth on the final prospectus used to sell the Shares (the "Lock-Up Period"), the undersigned shall not, and shall not cause or direct any of its affiliates to, (i) offer, sell, contract to sell, pledge, grant any option to purchase, lend or otherwise dispose of any shares of Class A Common Stock or Class B common stock of the Company, par value $0.01 per share (the "Class B Common Stock" and, together with the Class A Common Stock, the "Common Stock"), or any options or warrants to purchase any shares of Common Stock, or any securities convertible into, exchangeable for or that represent the right to receive shares of Common Stock, including, without limitation, any limited liability company interests in OWM LLC (the "LLC Units") (such options, warrants or other securities, collectively, "Derivative Instruments"), including without limitation any such shares of Common Stock or Derivative Instruments now owned or hereafter acquired by the undersigned, (ii) engage in any hedging or other transaction or arrangement (including, without limitation, any short sale or the purchase or sale of, or entry into, any put or call option, or combination thereof, forward, swap or any other derivative transaction or instrument, however described or defined) which is designed to or which reasonably could be expected to lead to or result in a sale, loan, pledge or other disposition (whether by the undersigned or someone other than the undersigned), or transfer of any of the economic consequences of ownership, in whole or in part, directly or indirectly, of any shares of Common Stock or Derivative Instruments, whether any such transaction or arrangement (or instrument provided for thereunder) would be settled by delivery of Common Stock, LLC Units or other securities, in cash or otherwise (any such sale, loan, pledge or other disposition, or transfer of economic consequences, a "Transfer") or (iii) otherwise publicly announce any intention to engage in or cause any action or activity described in clause (i) above or transaction or arrangement described in clause (ii) above. The undersigned represents and warrants that the undersigned is not, and has not caused or directed any of its affiliates to be or become, currently a party to any agreement or arrangement that provides for, is designed to or which reasonably could be expected to lead to or result in any Transfer during the Lock-Up Period, other than any agreements or arrangements regarding those transactions described below that are not subject to the restrictions on Transfer contained herein. For the avoidance of doubt, the undersigned agrees that the foregoing provisions shall be equally applicable to any issuer-directed or other Shares the undersigned may purchase in the Offering.

If the undersigned is not a natural person, the undersigned represents and warrants that no single natural person, entity or "group" (within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), other than a natural person, entity or "group" (as described above) that has executed a Lock-Up Agreement in substantially the same form as this Lock-Up Agreement, beneficially owns, directly or indirectly, 50% or more of the common equity interests, or 50% or more of the voting power, in the undersigned.

If the undersigned is an officer or director of the Company, (i) the Representatives agree that, at least three business days before the effective date of any release or waiver of the foregoing restrictions in connection with a transfer of shares of Common Stock, the Representatives will notify the Company of the impending release or waiver, and (ii) the Company has agreed in the Underwriting Agreement to announce the impending release or waiver by press release through a major news service at least two business days before the effective date of the release or waiver. Any release or waiver granted by the Representatives hereunder to any such officer or director (in his capacity as such) shall only be effective two business days after the publication date of such press release. The provisions of this paragraph will not apply if (a) the release or waiver is effected solely to permit a transfer not for consideration and (b) the transferee has agreed in writing to be bound by the same terms described in this Lock-Up Agreement to the extent and for the duration that such terms remain in effect at the time of the transfer.

Notwithstanding the foregoing, the undersigned may transfer or become party to any agreement or arrangement to transfer the undersigned's shares of Common Stock or LLC Units:

(i) as a *bona fide* gift or gifts;

(ii) (a) to an immediate family member of the undersigned;

(b) to a trust, family limited liability company or like entity formed for the direct or indirect benefit of the undersigned or the immediate family member of the undersigned;

(c) to a partnership, limited liability company or other entity of which the undersigned and the immediate family member are the legal and beneficial owners of all the outstanding equity securities or similar interests;

(d) by will, other testamentary document or intestate succession;

(e) pursuant to a domestic order, divorce settlement, divorce decree or separation agreement or order of a court or regulatory agency;

(iii) as a distribution to direct or indirect partners, members or stockholders of the undersigned;

(iv) to the undersigned's affiliates or to any investment fund or other entity controlled by, under the control of or under common control with the undersigned;

(v) to the Company in connection with the net exercise or net settlement of an award granted under the equity incentive plan or any other plan or agreement described in the Pricing Prospectus, where any Shares received by the undersigned upon any such exercise or settlement will be subject to the terms of this Lock-Up Agreement;

(vi) with the prior written consent of both (a) Raymond James & Co. Incorporated and (b) one of the other Representatives on behalf of the Underwriters;

(vii) in connection with transfers or dispositions of shares of Class A Common Stock purchased in the open market following the Offering;

provided that in the case of each transfer or distribution pursuant to clauses (i) through (iv) above, (x) each donee, trustee, distribute or transferee, as the case may be, agrees to be bound in writing by the restrictions set forth herein and (y) any such transfer or distribution shall not involve a disposition for value, provided, further, that in the case of each transfer or distribution pursuant to clauses (i) through (iv) and clause (vii) above, no filing or public announcement by any party (donor, donee, transferor or transferee) under the Exchange Act or otherwise shall be required or shall be voluntarily made reporting a reduction in beneficial ownership of Common Stock in connection with such transfer (other than a filing on a Form 5 made after the expiration of the Lock-Up Period); and provided, further, that in the case of each transfer pursuant to clause (v) above, if a filing under the Exchange Act is required by, or voluntarily made with respect to, such transfer, the undersigned shall disclose in such filing that the transfer is in connection with the net exercise or net settlement of an award granted under the equity incentive plan or any other plan or agreement described in the Pricing Prospectus. For purposes of this Lock-Up Agreement, "immediate family" shall mean any relationship by blood, marriage or adoption, not more remote than first cousin. In addition, notwithstanding the foregoing, if the undersigned is a corporation, the corporation may transfer the shares of Common Stock or LLC Units to any wholly-owned subsidiary of such corporation; provided, however, that in any such case, it shall be a condition to the transfer that the transferee execute an agreement stating that the transferee is receiving and holding such shares of Common Stock or LLC Units subject to the provisions of this Lock-Up Agreement and there shall be no further transfer of such shares of Common Stock or LLC Units except in accordance with this Lock-Up Agreement, and provided further that any such transfer shall not involve a disposition for value. The undersigned now has, and, except as contemplated by clauses (i) through (vii) above, for the duration of this Lock-Up Agreement will have, good and marketable title to the undersigned's Shares and LLC Units, free and clear of all liens, encumbrances, and claims whatsoever. The undersigned also agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of the undersigned's Shares and LLC Units except in compliance with the foregoing restrictions.

In addition, the undersigned may establish any written contract, instruction or plan that satisfies all of the requirements of Rule 10b5-1 (a "Rule 10b5-1 Plan") under the Exchange Act; provided, however, that no sales of the undersigned's shares of Class A Common Stock or securities convertible into, or exchangeable or exercisable for, shares of Class A Common Stock, shall be made pursuant to such a Rule 10b5-1 Plan prior to the expiration of the Lock-Up Period and provided further, that no party is required to publicly announce, file or report the establishment of such Rule 10b5-1 Plan in any public report, announcement or filing with the SEC under the Exchange Act during the Lock-Up Period and does not otherwise voluntarily effect any such public report, announcement or filing regarding such Rule 10b5-1 Plan.

The restrictions described in this Lock-Up Agreement shall not apply to (i) any exchange or transfer in connection with, and as contemplated by, the Reorganization (as such term is defined in the Pricing Prospectus); or (ii) any exchange of LLC Units and a corresponding number of shares of the Class B Common Stock, as the case may be, for shares of the Class A Common Stock provided that, in the case of this clause (ii), exchanges shall be in accordance with the OWM LLC Agreement, provided further that, in the case of this clause (ii), such shares of Common Stock shall be subject to the provisions of this Lock-Up Agreement.

[Notwithstanding anything herein to the contrary, nothing herein shall restrict the undersigned or any of its affiliates (except for the Specialty Lending Group within the Merchant Banking Division of The Goldman Sachs Group, Inc.), from engaging in any activities, including brokerage, investment advisory, financial advisory, anti-raid advisory, merger advisory, financing, asset management, trading, market making, arbitrage, principal investing and other similar activities conducted in the ordinary course of its or its affiliates' business.][1]

The undersigned understands that the Company and the Underwriters are relying upon this Lock-Up Agreement in proceeding toward consummation of the Offering. The undersigned further understands that this Lock-Up Agreement is irrevocable and shall be binding upon the undersigned's heirs, legal representatives, successors, and assigns.

This Lock-Up Agreement shall automatically terminate upon the earliest of: (i) [●], if the Offering shall not have been completed on or before that date, (ii) the date that the Company advises the Representatives, in writing, prior to the execution of the Underwriting Agreement, that it has determined not to proceed with the Offering, (iii) the date that the Representatives, on behalf of the Underwriters, advise the Company, in writing, prior to the execution of the Underwriting Agreement, that they have determined not to proceed with the Offering, and (iv) termination of the Underwriting Agreement (other than the provisions thereof which survive termination) prior to the sale of any of the shares of Class A Common Stock to the Underwriters.

This Lock-Up Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to principles of conflict of laws that would result in the application of any other law than the laws of the State of New York.

Very truly yours,

_____

Exact Name of Stockholder, Director or Officer

_____

Authorized Signature

_____

Title

[1] *This paragraph to be included in the lock-up agreements for the GS SLG Entities.*

Exhibit 10.22

Execution Version

FIFTH AMENDED AND RESTATED INVENTORY FINANCING AGREEMENT

This Fifth Amended and Restated Inventory Financing Agreement (as from time to time amended, restated, amended and restated, supplemented or otherwise modified, and together with any Transaction Statements, as hereinafter defined, this "***Agreement***"), dated as of November 26, 2019, is among the persons listed in the section of this Agreement entitled "List of Dealers" (each, individually, a "***Dealer***" and collectively, the "***Dealers***"), Wells Fargo Commercial Distribution Finance, LLC (in its individual capacity, "***CDF***") as Agent (CDF, in such capacity as agent, is herein referred to as "***Agent***") for the several financial institutions that may from time to time become party to this Agreement (collectively, the "***Lenders***" and individually each a "***Lender***") and for itself as a Lender, and such Lenders.

RECITALS

(a) Dealers, Agent and Lenders entered into that certain Fourth Amended and Restated Inventory Financing Agreement, dated as of June 14, 2018, as modified and amended from time to time, along with all addendums thereto, all Transaction Statements, as defined therein, and all program letters, and all other documents, instruments and agreements of every type or nature issued under, in connection with, or pursuant to such Fourth Amended and Restated Inventory Financing Agreement (collectively the "***Existing IFA***").

(b) Dealers, Agent and Lenders desire to enter into this Agreement to amend and restate the Existing IFA and to set forth the terms and conditions of CDF's financing of certain inventory.

NOW, THEREFORE, the parties agree to amend and restate the Existing IFA as follows:

1. Definitions.

"***AAA***" shall have the meaning set forth in Section 27(b) hereof.

"***Advance Date***" shall have the meaning set forth in Section 2(b) hereof.

"***Affiliate***" means any Person that: (a) directly or indirectly controls, is controlled by or is under common control any other Person, (b) directly or indirectly owns 5% or more of any other Person, (c) is a director, partner, manager, or officer of any other Person or an affiliate of any other Person, or (d) any natural person related to any such Person or an affiliate of such Person.

"***Agent Companies***" shall have the meaning set forth in Section 27(a) hereof.

"***Agent Report***" shall have the meaning assigned to it in Section 21(e)(iii).

"***Aggregate Allocations***" means the aggregate amount of all Lenders' Allocations from time to time.

"***Aggregate Excess Funding Amount***" of a Non-Funding Lender shall be the aggregate amount of all unpaid obligations owing by such Lender to Agent and other Lenders under the Loan Documents, including such Lender's Ratable Share of Loans.

"***Allocation***" means, with respect to each Lender, the amount set forth opposite such Lender's name on Schedule 1, under the heading "Allocation", as such amount by be reduced or increased from time to time in accordance with this Agreement.

"***Anti-Terrorism Laws***" shall mean any applicable law relating to terrorism, trade sanctions programs and embargoes, money laundering, corruption or bribery, and any regulation, or order promulgated, issued or enforced pursuant to such laws by an applicable governmental authority, all as amended, supplemented or replaced from time to time.

"***Approval***" means Agent's indication to a Vendor that the Lenders will provide financing to Dealers with respect to a particular Invoice or Invoices

"***Approval Date***" shall have the meaning set forth in Section 2(b) hereof.

"***Assignment***" means an assignment agreement entered into by a Lender, as assignor, and any Person, as assignee, pursuant to the terms and provisions of Section 20 (with the consent of any party whose consent is required by Section 20), accepted by Agent.

"***Automatic Default***" shall have the meaning set forth in Section 13 hereof.

"***BAO***" means Bosun's Assets & Operations, LLC, a Delaware limited liability company.

"***BAO Operating Agreement***" means that certain First Amended and Restated Limited Liability Company Agreement of BAO dated effective as of June 1, 2018, as it exists as of June 14, 2018.

"***Beekman***" means OWM BIP Investor, LLC and its successors and assigns.

"***BMI***" means Bosun's Marine, Inc., a Massachusetts corporation.

"***BMI Stock***" means the 25% of the Capital Securities of BAO owned by BMI as of the date hereof, as such percentage interest may be reduced in accordance with the BAO Operating Agreement.

"***BMI Subordination Agreement***" means that certain Subordination Agreement between Agent, Subordinated Creditors (as defined therein) and acknowledged and accepted by BAO and Parent, dated June 14, 2018 (as it may be amended, restated, amended and restated, supplemented or otherwise modified from time to time).

"***Business Day***" shall have the meaning set forth in Section 10(a) hereof.

"***Capital Expenditures***" means all expenditures which, in accordance with GAAP, would be required to be capitalized and shown on the consolidated balance sheet of Holdings including expenditures in respect of capital leases and capitalized software, but excluding expenditures made in connection with the replacement, substitution or restoration of assets to the extent financed (a) from insurance proceeds (or other similar recoveries) paid on account of the loss of or damage to the assets being replaced or restored or (b) with awards of compensation arising from the taking by eminent domain or condemnation of the assets being replaced.

"***Capital Lease***" means, as applied to any Person, any lease of any property (whether real, personal or mixed) by that Person (a) as lessee that, in conformity with GAAP, is or should be accounted for as a capital lease on the balance sheet of that Person or (b) as lessee which is a transaction of a type commonly known as a "synthetic lease" (i.e., a transaction that is treated as an operating lease for accounting purposes but with respect to which payments of rent are intended as payments of principal and interest on a loan for Federal income tax purposes).

"*Capital Securities*" means, with respect to any Person, all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) of such Person's capital, whether now outstanding or issued or acquired after the date of this Agreement, including common shares, preferred shares, membership interests in a limited liability company, limited or general partnership interests in a partnership, interests in a trust, interests in other unincorporated organizations or any other equivalent of such ownership interest.

"***Change in Control***" shall mean each occurrence of any of the following:

(a) One Water Ventures, LLC and LMI Holding, LLC, collectively, shall cease beneficially and of record to own and control, directly or indirectly, at least 51% of the aggregate outstanding voting or economic power of the Holdings' Capital Securities after giving effect to any dilution in connection with an exercise of the Purchase Warrant;

(b) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board of Managers of Holdings (or its direct or indirect ultimate parent holding company) (together with any new Managers whose election by such Board of Managers or whose nomination for election by the holders of the Capital Securities interests of Holdings (or its direct or indirect ultimate parent holding company) was approved by a vote of at least a majority of the Board of Managers of Holdings (or its direct or indirect ultimate parent holding company) then still in office who were either directors at the beginning of such period, or whose election or nomination for election was previously approved) cease for any reason to constitute a majority of the Board of Managers of Holdings (or its direct or indirect ultimate parent holding company);

(c) Holdings shall cease to have beneficial ownership (as defined in Rule 13d-3 under the Exchange Act of 1934, as amended) of: (i) 100% of the aggregate voting or economic power of the Capital Securities of each Dealer, other than SSAO, and each of such Dealer's Subsidiaries; or (ii) 75% on a fully diluted basis of the economic interest or 100% on a fully diluted basis of the voting interest of the Capital Securities of SSAO and each of its Subsidiaries, provided that foregoing clauses (i) and (ii) are subject to the rights of GS and Beekman with respect to the Preferred Stock;

(d) Philip A. Singleton shall cease to be involved in the day to day operations and management of the business of the Dealers, and successors reasonably acceptable to Agent are not appointed on terms reasonably acceptable to Agent within 60 days of such cessation of involvement;

(e) Thomas Mack shall cease to beneficially own and control all of the Mack Stock, unless acquired by Parent; or

(f) BMI shall cease to beneficially own and control all of the BMI Stock, unless acquired by Parent.

"***Change in Law***" shall mean the occurrence, after the date of this Agreement, of any of the following: (i) the adoption or taking effect of any law, rule, regulation or treaty, (ii) any change in any law, rule, regulation or treaty, or in the administration, interpretation, implementation or application thereof by any governmental authority, or (iii) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) of any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"***Charges***" shall have the meaning set forth in Section 11(a) hereof.

"***Code***" shall mean the Internal Revenue Code of 1986, as amended from time to time.

"***Collateral***" shall have the meaning set forth in Section 5(c) hereof.

"***Collections***" mean all monies that Agent receives from a Dealer or other sources (other than Lenders) on account of the Obligations.

"***Computation Period***" means any Quarterly Computation Period or Monthly Computation Period, as applicable.

"***Consolidated Net Income***" means, with respect to the Dealers for any period, the consolidated net income (or loss) of Holdings for such period, excluding (i) any gains or losses from dispositions of assets, (ii) any extraordinary gains or losses, (iii) any gains or losses from discontinued operations, (iv) the income of any Person (other than a direct or indirect Subsidiary of Holdings) in which Holdings or any of its Subsidiaries has an ownership interest, except to the extent that any such income is actually received by Holdings or such Subsidiary in the form of dividends or similar distributions, (v) the undistributed earnings of any direct or indirect Subsidiary of Holdings to the extent that the declaration of payment of dividends or similar distributions by such Subsidiary is not at the time permitted by the terms of any contractual obligation, governing document or law applicable to such Subsidiary, and (vi) the income or loss of any direct or indirect Subsidiary of Holdings which is not a Dealer or Guarantor.

"***Credit Facility Agent***" means GSSLG in its capacity as "Administrative Agent" and "Collateral Agent" under the Credit Facility Agreement, together with its successors and assigns in such capacity.

"***Credit Facility Agreement***" means that certain Credit and Guaranty Agreement dated as of October 28, 2016, between Credit Facility Agent, Holdings, Dealers, and the lenders party thereto, as amended, restated, amended and restated, supplemented, or otherwise modified from time to time in accordance with the Intercreditor Agreement.

"***Credit Facility Collateral***" shall have the meaning set forth in Section 5(d) hereof.

"***Daily Interest***" means, with respect to a Lender, for each calendar day of each calendar month, the product of: (A) the outstanding principal amount of Outstandings that are actually funded by Lender pursuant to this Agreement, multiplied by (B) the applicable interest rate set forth in Section 2(a)(iii) of this Agreement.

"***Daily Rate***" shall have the meaning set forth in Section 11(a) hereof.

"***Dealer Affiliate***" means any Affiliate of a Dealer.

"***Dealer Representative***" shall have the meaning set forth in Section 28(b) hereof.

"*Default*" shall have the meaning set forth in Section 13 hereof.

"*Default Rate*" shall have the meaning set forth in Section 11(a) hereof.

"***Disputes***" shall have the meaning set forth in Section 27(a) hereof.

"***EBITDA***" means, for any period, Consolidated Net Income for such period plus:

(a) to the extent added or deducted in determining such Consolidated Net Income, Interest Expense, Income Tax Expense, depreciation and amortization, in each case for such period less any non-recurring income or expenses, including, without limitation, any non-cash income or expenses related to (i) the valuation of the Purchase Warrants and (ii) transaction costs incurred for the initial public offerings attempted in calendar year 2019 and corporate restructings and modifications to the Loan Documents and Credit Facility Agreement related thereto, in each case, as approved by Agent in its sole discretion, and

(b) (i) for the Quarterly Computation Period ending on September 30, 2019, an amount equal to $803,000;

(ii) for the Quarterly Computation Period ending on December 31, 2019, an amount equal to $229,000; and

(iii) for all Quarterly Computation Periods thereafter, an amount equal to $0.

(c) For all purposes, EBITDA attributable to (i) SSAO shall be reduced by a percentage equal to the percentage interest the Mack Stock represents in SSAO, and (ii) BAO shall be reduced by a percentage equal to the percentage interest the BMI Stock represents in BAO.

"***Eligible Collateral***" shall have the meaning set forth in Section 3(a) hereof.

"***ERISA***" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"***ERISA Affiliate***" shall mean any trade or business (whether or not incorporated) under common control with any Dealer within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code) or Section 4001 of ERISA.

"***ERISA Event***" shall mean (a) any of the events set forth in Section 4043(c) of ERISA, other than events for which the 30 day notice period has been waived, with respect to a pension plan; (b) a withdrawal by any Dealer or any ERISA Affiliate from a pension plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by any Dealer or any ERISA Affiliate from a multi-employer plan or notification that a multi-employer plan is in reorganization; (d) the filing of a notice of intent to terminate, the treatment of a plan amendment as a termination under Sections 4041 or 4041A of ERISA, or the commencement of proceedings by the Pension Benefit Guaranty Corporation to terminate a pension plan or multi-employer plan; (e) an event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any pension plan or multi-employer plan; or (f) the imposition of any liability under Title IV of ERISA, other than for Pension Benefit Guaranty Corporation premiums due but not delinquent under Section 4007 of ERISA, upon any Dealer or any ERISA Affiliate.

"***FAA***" shall have the meaning set forth in Section 27(a) hereof.

"***Fees and Terms***" shall have the meaning set forth in Section 12(b) hereof.

"***Fixed Charge Coverage Ratio***" means, for any Computation Period, the ratio of (a) the total for such period of EBITDA minus the sum of (i) Income Tax Expense and distributions made to allow holders of equity (including holders of any warrants) to pay income taxes based on the earnings of the Person making such distributions plus (ii) all unfinanced Capital Expenditures to (b) the sum for such period of (i) cash Interest Expense plus, (ii) required payments of principal with respect to Indebtedness consisting of borrowed money or pursuant to a writing evidencing a monetary obligation, plus (iii) preferred dividends paid in cash, plus (iv) management fees paid in cash, plus (v) payments made in respect of any subordinated debt not otherwise included in (b)(i), (b)(ii), b(iii), or b(iv) above but specifically excluding payments made in connection with any redemption of the Preferred Stock.

"***Free Floor Period***" shall have the meaning set forth in Section 11(a) hereof.

"***Funded Debt to EBITDA Ratio***" means, for any Computation Period, a ratio of:

(a) the total for such period of

(i) Total Funded Debt as of the last day of such Computation Period, minus

(ii) the lesser of (1) Subordinated Acquisition Indebtedness existing as of the last day of such Computation Period, or (2) $9,000,000.00, to

(b) EBITDA for such Computation Period.

"***GAAP***" means generally accepted accounting principles.

"***GS***" means Goldman Sachs & Co. LLC and its successors and assigns.

"***GSSLG***" means Goldman Sachs Specialty Lending Group, L.P., a Delaware limited partnership.

"***Guarantor***" shall have the meaning set forth in Section 13 hereof.

"***Holdings***" means One Water Marine Holdings, LLC, a Delaware limited liability company.

"***Holdings Company Agreement***" means that certain Third Amended & Restated Limited Liability Company Agreement of Holdings dated effective as of March 1, 2017 (as amended as permitted herein).

"***Income Tax Expense***" means income taxes paid or payable in cash by Holdings and any of its Subsidiaries.

"***Indebtedness***" of any Person means, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all indebtedness evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person as lessee under capital leases which have been or should be recorded as liabilities on a balance sheet of such Person in accordance with GAAP, (d) all obligations of such Person to pay the deferred purchase price of property or services (excluding (i) trade accounts payable in the ordinary course of business and compensation or bonus arrangements with persons who are employees or independent contractors of a person, (ii) any obligation under this Agreement or any other inventory financing agreement among Dealers and CDF, and (iii) any obligation under the TCF Agreement), (e) all indebtedness secured by a Lien on the property of such Person, whether or not such indebtedness shall have been assumed by such Person; provided that if such Person has not assumed or otherwise become liable for such indebtedness, such indebtedness shall be measured at the fair market value of such property securing such indebtedness at the time of determination, (f) all obligations, contingent or otherwise, with respect to the face amount of all letters of credit (whether or not drawn), bankers' acceptances and similar obligations issued for the account of such Person, (g) all hedging obligations of such Person, (h) all contingent liabilities of such Person, (i) all debt of any partnership of which such Person is a general partner, (j) all non-compete payment obligations, earn-outs and similar obligations and (k) any Capital Securities or other equity instrument, whether or not mandatorily redeemable, that under GAAP is characterized as debt, whether pursuant to financial accounting standards board issuance No. 150 or otherwise.

"***Intellectual Property***" shall mean any intellectual property (including, without limitation, all copyrights, copyright licenses, patents, patent licenses, trademarks, trademark licenses, trade secrets and trade secret licenses).

*"**Intercreditor Agreement***" shall mean that certain Amended and Restated Intercreditor Agreement among Agent and Credit Facility Agent dated as of November 26, 2019, as amended, restated, amended and restated, supplemented, or otherwise modified from time to time.

"***Interest Expense***" means for any period the consolidated interest expense of Holdings for such period (including all imputed interest on capital leases).

"***Intervening Default***" shall have the meaning set forth in Section 2(b) hereof.

"***Inventory***" means all of Dealers' presently owned and hereafter acquired goods which are held for sale or lease.

"***Invoice***" means any invoice issued by a Vendor related to an Approval.

"***Law***" means, with respect to any Person, the common law and any federal, state, local, foreign, multinational or international laws, statutes, codes, treaties, standards, rules and regulations, guidelines, ordinances, orders, judgments, writs, injunctions, decrees (including administrative or judicial precedents or authorities) and the interpretation or administration thereof by, and other determinations, directives, requirements or requests of, any governmental authority, in each case whether or not having the force of law and that are applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"***Lender Affiliate***" means the Affiliate of a Lender.

"***Lender Credit***" shall have the meaning set forth in Section 4(a) hereof.

"***Lender Rate***" means the "Dealer Rate" as set forth in the applicable Program Terms Letter, less any applicable Performance Rebate as set forth therein.

"***LIBOR***" shall have the meaning of "One month Libor" or "Three Month Libor," as applicable, set forth in Section 11 hereof.

"***Liens***" shall have the meaning set forth in Section 7(a) hereof.

"***Loan***" means an extension of credit to or on behalf of one or more Dealers by Agent and Lenders under and pursuant to this Agreement.

"***Loan Document***" means this Agreement, any Program Terms Letter or Transaction Statement entered into pursuant to this Agreement, and all documents delivered to Agent and/or any Lender in connection with any of the foregoing.

"***Mack Stock***" means the 25% of the Capital Securities of SSAO owned by Thomas W. Mack as of the date hereof, as such percentage interest may be reduced in accordance with the SSAO Operating Agreement.

"***Mack Subordination Agreement***" means that certain Subordination Agreement between Agent, Subordinated Creditors (as defined therein) and acknowledged and accepted by SSAO and Parent, dated as of August 2, 2017 (as it may be amended, restated, supplemented or otherwise modified from time to time).

"***Monthly Computation Period***" means each period of twelve consecutive months ending on the last day of a month.

"***Monthly Interest***" means, with respect to each Lender, for each calendar month, the sum of the Daily Interest for each calendar day of such calendar month.

"***Net Cash Flow After Taxes***" means EBITDA minus Income Tax Expense and distributions made to allow holders of equity (including holders of any warrants) to pay income taxes based on the earnings of the Person making such distributions.

"***Non-Funding Lender***" means any Lender that has (a) failed to fund any payments required to be made by it under the Loan Documents within two (2) Business Days after any such payment is due (excluding expense and similar reimbursements that are subject to good faith disputes), (b) given written notice (and Agent has not received a revocation in writing), to Agent, any Lender, or Dealer, or has otherwise publicly announced (and Agent has not received notice of a public retraction) that such Lender believes it will fail to fund payments required to be funded by it under the Loan Documents or (c) (or any Person that directly or indirectly controls such Lender has), (i) become subject to a voluntary or involuntary case under the Federal Bankruptcy Reform Act of 1978, or any similar bankruptcy laws, (ii) a custodian, conservator, receiver or similar official appointed for it or any substantial part of such Person's assets, or (iii) made a general assignment for the benefit of creditors, been liquidated, or otherwise been adjudicated as, or determined by any governmental authority having regulatory authority over such Person or its assets to be, insolvent or bankrupt, and for this clause (iii), Agent has determined that such Lender is reasonably likely to fail to fund any payments required to be made by it under the Loan Documents.

"***Obligations***" shall have the meaning set forth in Section 5(e) hereof.

"***Open Approval***" means any Approval for which CDF has not financed an Invoice for the inventory subject thereto.

"***Other Lenders***" shall have the meaning set forth in Section 2(d) hereof.

"***Outstandings***" means, at any time, an amount equal to the aggregate unpaid amount of all Invoices which have been financed by Agent on behalf of Dealers.

"***PAS***" shall have the meaning set forth in Section 10(a) hereof.

"***Parent***" mean One Water Assets & Operations, LLC, a Delaware limited liability company, which owns 100% of the Capital Securities of each other Dealer and each of its Subsidiaries.

"***Parent Company Agreement***" means that certain First Amended & Restated Limited Liability Company Agreement of Parent dated as of October 28, 2016, as amended by that certain Amendment to First Amended and Restated Limited Liability Company Agreement dated as of September 30, 2017.

"***Performance Rebate***" shall have the meaning set forth in the applicable Program Terms Letter.

"***Permitted Acquisition***" means an acquisition by Holdings or any of its Subsidiaries of the assets or ownership interest of any other Person which is presented to Agent prior to execution and approved by Agent in its sole discretion.

"***Permitted Indebtedness***" means:

(a) any Indebtedness owing under the Credit Facility Agreement in an aggregate principal amount at any time outstanding not to exceed $65,000,000.00; provided, however, this limit shall not include Indebtedness that is payable in-kind;

(b) Indebtedness incurred in the ordinary course of business under statutory and appeal bonds;

(c) Indebtedness owed to any Person providing property, casualty, liability, or other insurance to the Dealers, so long as the amount of such Indebtedness is not in excess of the amount of the unpaid cost of, and shall be incurred only to defer the cost of, such insurance for the year in which such Indebtedness is incurred and such Indebtedness is outstanding only during such year;

(d) Subordinated Acquisition Indebtedness (including Indebtedness referred to in the BMI Subordination Agreement and Mack Subordination Agreement);

(e) Indebtedness evidenced or secured by or incurred under the TCF Agreement not to exceed $500,000 at any time outstanding;

(f) Indebtedness with respect to Capital Leases not to exceed an aggregate amount outstanding at any time of $1,200,000.00.

"***Permitted Locations***" shall have the meaning set forth in Section 6 hereof.

"***Permitted Restricted Payment***" means a Restricted Payment made by Holdings and any of its Subsidiaries:

(a) (i) in the form of a dividend or distribution to holders of Holdings's Capital Securities;

(ii) during the period beginning on the date in which Dealers' audited financial statements are delivered to Agent under and pursuant to Section 9(a) of this Agreement and ending on the date which is thirty (30) days following such date;

(iii) which is in an aggregate amount not exceeding 50% of the consolidated Net Cash Flow After Taxes for the Dealers' preceding fiscal year, and

(iv) provided that no Default has occurred or would occur as a result of such payment;

(b) in connection with any exercise of the Purchase Warrant; provided, however, such exercise shall be limited to an issuance of Holdings's Capital Securities and shall not include the payment of any cash by Holdings under or pursuant to the Purchase Warrant unless Holdings delivers to Agent:

(i) a certificate (in form and content acceptable to Agent) certifying that no Default exists before or, on a pro-forma basis, immediately after giving effect to such exercise and for the 12 months immediately following such exercise (based on the projections in clause (ii) below); and

(ii) financial projections for Holdings and all of its Subsidiaries for the 12 months immediately following such exercise;

(c) in the form of tax distributions made to allow holders of equity (including holders of any warrants) to pay income taxes based on the earnings of the Person making such distributions so long as:

(i) such distributions are made in accordance with Holdings Company Agreement as the same exists as of the date hereof;

(ii) no Dealer has failed to pay any Obligations when due and no remittance for any Obligations has been dishonored when first presented for payment, in each case that has not been cured or waived;

(iii) no payment default exists or is continuing under the Credit Facility Agreement that has not been cured or waived; and

(iv) Dealers have provided evidence to Agent in form and substance acceptable to Agent in its sole discretion that: (A) Holdings and its Subsidiaries shall have a Funded Debt to EBITDA Ratio of equal to or less than 2.00 : 1.00, and (B) shall have a Fixed Charge Coverage Ratio of 1.50 : 1.00 or higher, in each case, on a pro forma basis after taking such distributions into account.

(d) in the form of distributions and/or redemptions by Parent with respect to Preferred Stock subject to the limitations set forth in the Subordination Agreement;

(e) in the form of cash payments by Holdings to the holders of the Purchase Warrants so long as:

(i) such cash is derived by Holdings solely from the proceeds from the issuance of Holdings's Capital Securities; and

(ii) such cash payments do not exceed the amount of the proceeds of such issuance;

(f) in the form of fees payable to GS and Beekman under the Credit Facility Agreement and the other "Credit Documents" referred to therein;

(g) in the form of legal and financial services fees and other out-of-pocket costs payable to third parties in connection with the Purchase Warrant and the Preferred Stock so long as such fees and costs do not exceed $100,000 per fiscal year;

(h) in the form of distributions, redemptions or other payments that are made among Holdings and any of its Subsidiaries;

(i) in the form of scheduled principal and interest payments with respect to any subordinated debt as expressly permitted under a subordination agreement in favor of, and in form and content acceptable to, Agent;

(j) in the form of distributions or any other payments made to Thomas Mack pursuant to the SSAO Operating Agreement, provided, however, that no Default has occurred or would occur as a result of such distribution or payment; and

(k) in the form of distributions in order to pay transaction costs incurred for the initial public offerings attempted in calendar year 2019 and corporate restructings and modifications to the Loan Documents and Credit Facility Agreement related thereto, in each case, as approved by Agent in its sole discretion.

"***Person***" means any individual, partnership, corporation (including a business trust and a public benefit corporation), joint stock company, estate, association, firm, enterprise, trust, limited liability company, unincorporated association, joint venture and any other entity or governmental authority.

"***Preferred Stock***" means those certain preferred units of Parent issued to GS and Beekman on or about October 28, 2016, which GS assigned its Preferred Stock to Special Situations Investing Group II, LLC on or about September 16, 2019.

"***Principal***" shall have the meaning set forth in Section 28(b) hereof.

"***Program Terms Letters***" shall have the meaning set forth in Section 4(a) hereof.

"***Purchase Warrant***" means those certain Purchase Warrants for Common Units dated as of October 28, 2016, by Holdings for the benefit of the Holders (as defined therein).

"***Quarterly Computation Period***" means each period of four consecutive fiscal quarters ending on the last day of a fiscal quarter.

"***Ratable Share***" means, with respect to each Lender, the percentage equal, from time to time, to such Lender's Allocation divided by the Aggregate Allocations, as such percentage is set forth opposite such Lender's name on Schedule 1, under the heading "Ratable Share".

"***Related Persons***" means, with respect to any Person, each Affiliate of such Person and each director, officer, employee, agent, trustee, representative, attorney, accountant and each insurance, environmental, legal, financial and other advisor (including those retained in connection with the satisfaction or attempted satisfaction of any condition precedent to the execution this Agreement) and other consultants and agents of or to such Person or any of its Affiliates.

"***Rental Contracts***" shall have the meaning set forth in Section 3(a) hereof.

"***Rental Units***" shall have the meaning set forth in Section 3(a) hereof.

"***Replacement Lender***" shall have the meaning set forth in Section 2(d) hereto.

"***Reporting Date***" means (a) November 27, 2019, and each Wednesday thereafter that this Agreement is in effect or, if such Wednesday is not a Business Day, the next succeeding Business Day, or (b) any other Business Day selected by Agent in its reasonable discretion. Agent and Lenders hereby acknowledge and agree that the Ratable Shares set forth in Schedule 1 attached hereto shall not take effect until the date set forth in subsection (a) above. Until such Reporting Date, the Ratable Shares of Lenders immediately prior to the date of this Agreement shall continue to be in effect.

"***Required Lenders***" shall mean Lenders whose combined Ratable Share exceeds 50%.

"***Restricted Payment***" means (a) any distribution including, without limitation, dividends, to any holders of any Dealer's or any Guarantor's Capital Securities, (b) any purchase or redemption of any Dealer's or any Guarantor's Capital Securities, (c) any payment of management fees, transaction-based fees or similar fees to any of its Capital Securities holders or any Dealer Affiliate (including, without limitation, any fees under any management agreement), (d) any redemption, prepayment (whether mandatory or optional), defeasance, repurchase or any other payment in respect of any subordinated debt except as expressly permitted under a subordination agreement in favor of, and in form and content acceptable to, Agent, or (e) set aside funds for any of the foregoing.

"***Sanctioned Country***" shall mean a country or territory which is itself the subject or target of a comprehensive economic or financial sanctions program maintained by any Sanctions Authority under any Anti-Terrorism Law, including, without limitation, as of the date of this Agreement, the Crimea region of Ukraine, Cuba, Iran, North Korea, Sudan and Syria.

"***Sanctioned Person***" shall mean (1) any Person listed in any sanctions list maintained by any Sanctions Authority, (2) any Person operating, organized or resident in a Sanctioned Country, or (3) any Person owned or controlled by any such Person set forth in clauses (1) or (2) above.

"***Sanctions Authority***" shall mean the United States, Canada, the United Nations Security Council, the European Union (and its member states), the United Kingdom and the respective governmental institutions of any of the foregoing, including, without limitation, Her Majesty's Treasury, OFAC, the U.S. Department of State, and any other agency of the United States government or Canadian government.

"***Sale***" shall have the meaning set forth in Section 20(b) hereof.

"***sale out of trust***" or "***SOT***" shall have the meaning set forth in Section 10(b) hereof.

"***SPP***" shall have the meaning set forth in Section 10(a) hereof.

"***SPV***" means any special purpose funding vehicle identified as such in a writing by any Lender to Agent.

"**SSAO**" means South Shore Lake Erie Assets & Operations, LLC.

"***SSAO Operating Agreement***" means that certain First Amended and Restated Limited Liability Company Agreement for South Shore Lake Erie Assets & Operations, LLC, in existence as of August 2, 2018.

"***Subordinated Acquisition Indebtedness***" means Indebtedness incurred, created, assumed, or guaranteed by Holdings or any of its Subsidiaries that is junior and subordinate in all respects to the Obligations under this Agreement under and pursuant to an agreement which is satisfactory to Agent in its sole and absolute discretion.

"***Subordination Agreement***" means that certain Second Amended and Restated Subordination Agreement dated as of November 26, 2019, by and between the CDF and Subordinated Creditors thereto, as amended, restated, amended and restated, supplemented, or otherwise modified from time to time.

"***Subsidiary***" means, with respect to any Person, a corporation, partnership, limited liability company or other entity of which such Person owns, directly or indirectly, such number of outstanding Capital Securities as have more than 50% of the ordinary voting power for the election of directors or other managers of such corporation, partnership, limited liability company or other entity. Unless the context otherwise requires, each reference to Subsidiaries herein shall be a reference to all direct and indirect Subsidiaries of Holdings.

"***TCF Agreement***" means that certain Inventory Security Agreement dated as of June 19, 2015, by and between Singleton Assets & Operations, Holdings, and TCF Inventory Finance, Inc.

"***Total Funded Debt***" means all Indebtedness of Holdings and its Subsidiaries, determined on a consolidated basis, excluding (a) contingent obligations in respect of contingent liabilities (except to the extent constituting (i) contingent liabilities in respect of Indebtedness of a Person other than any Dealer, or (ii) contingent liabilities in respect of undrawn letters of credit), (b) hedging obligations, (c) Indebtedness of Holdings to Subsidiaries and Indebtedness of Subsidiaries to Holdings or to other Subsidiaries, and (d) Preferred Stock; provided, that Total Funded Debt specifically includes any "Unpaid Amount" following a "Redemption Failure" as such terms are defined in the Parent Company Agreement (provided that at no time shall "Redemption Failure" be modified to occur sooner than as set forth in the Parent Company Agreement as in effect as of October 28, 2016).

"***Transaction Statement***" shall have the meaning set forth in Section 4(a) hereof.

"***UCC***" shall have the meaning set forth in Section 13 hereof.

"***USA&M***" shall have the meaning set forth in Section 27(b) hereof.

"***Vendor Contracts***" shall mean contracts with an original equipment manufacturer that supplies any Dealer; provided that Vendor Contracts specifically excludes Vendor Credits.

"***Vendor Credits***" shall have the meaning set forth in Section 5(f) hereof.

"***Vendors***" shall have the meaning set forth in Section 2 hereof.

2. Extensions of Credit.

(a) Advances. Subject to the terms of this Agreement, the Lenders severally and not jointly may provide Loans in an amount equal to each such Lender's Ratable Share of such Loan to any one or more Dealers from time to time to enable such Dealer or Dealers to purchase inventory from Agent approved vendors ("***Vendors***") and for other purposes. No Loan will be made to the extent such Loan would cause any Lender to have outstanding Loans in a principal amount in excess of such Lender's Allocation nor will any Loan be made which would cause the principal amount of all Loans outstanding to exceed the Aggregate Allocations. (For the avoidance of doubt, neither the Aggregate Allocation nor each Lender's Allocation shall constitute a commitment by the Agent or any Lender to advance the amount of the Aggregate Allocation or such Allocation to the Dealers.) If the aggregate principal amount of Loans outstanding at any time exceeds the Aggregate Allocations, Dealers shall immediately pay such excess to the Agent for the benefit of the Lenders. The decision to advance funds is at the discretion of the Agent. Without limiting the discretionary nature of this credit facility, Agent may, without notice to Dealer, elect not to finance any inventory sold by particular Vendors. All advances and other transactions hereunder are for business purposes and not for personal, family, household or any other consumer purposes.

(b) Payments by the Lenders to Agent; Settlement.

(i) Each Lender shall have the obligation to fund its Ratable Share of a Loan upon issuance by CDF of an Approval. Lenders acknowledge and agree that: (A) CDF typically issues Approvals on a date (each, an "***Approval Date***") prior to the date CDF is required actually to fund the Loan (each, an "***Advance Date***") that is based on such Approval, (B) once an Approval has been issued, and the Vendor receiving such Approval shall have shipped its product based thereon, CDF may deem itself obligated to fund the related Loan on the Advance Date, notwithstanding any Automatic Default or other Default that may arise on or prior to an Approval Date (each, an "***Intervening Default***"), and (C) each Lender shall be obligated to fully fund in cash such Lender's Ratable Share in any Loans which derive from all Approvals issued by CDF in good faith, as well as any Open Approvals based thereon, notwithstanding any Intervening Default.

(ii) On each Reporting Date on or before 2:00 p.m. central time, Agent shall deliver notice to each Lender of the amount of Loans Lender has funded and such Lender's Ratable Share multiplied by Outstandings, and: (A) if the amount of Loans Lender has funded is less than Lender's Ratable Share multiplied by the Outstandings calculated as of such Reporting Date, then Lender shall remit such deficiency to Agent (on behalf of CDF) by 5:00 p.m. central time on the Business Day immediately following such Reporting Date, and (B) if the amount of Loans Lender has funded is more than Lender's Ratable Share multiplied by the Outstandings calculated as of such Reporting Date, then Agent (on behalf of CDF) will remit such excess to such Lender by 5:00 p.m. central time on the Business Day immediately following such Reporting Date. Each payment due to Agent or Lenders will be paid in immediately available funds according to the electronic transfer instructions set forth on Schedule 2 attached hereto, and, if not timely paid in accordance with this Agreement, will bear interest until paid at a rate per annum equal to the Lender Rate. If CDF is acting as Agent, it shall be deemed to have paid its deficiency or received its excess as set forth above on each Reporting Date. Each Lender hereby waives any right it may now or in the future have to set-off its obligation to make any payment to CDF or Agent under this Agreement against any obligation of CDF or Agent to such Lender, whether under this Agreement or any other agreement between CDF and such Lender or Agent and such Lender.

(iii) The amount of Loans each Lender has funded shall bear interest at the Lender Rate, as such rate may change pursuant to the terms of the applicable Program Terms Letter. Interest will be computed on the basis of a 360-day year and assess for the actual number of days elapsed. Provided Lender is not a Non-Funding Lender, then the amount of Monthly Interest, if any, payable to Lender, less any administration fees due to Agent pursuant to any fee letter between Agent and Lender, shall be distributed by Agent to Lender monthly in arrears on the latter of: (A) the fifteenth (15th) day of the applicable month, or if the fifteenth (15th) is not a Business Day, the next succeeding Business Day, or (B) within five (5) Business Days after Agent's receipt thereof from Dealers. To the extent that Lender is entitled to receive interest income in excess of the Monthly Interest, if such additional interest has not previously been distributed to Lender, then Lender shall be entitled to receive an additional payment from Agent equivalent to Lender's Ratable Share of such interest income. Any amounts due to Lender for income in excess of the Monthly Interest shall be reflected and paid with Monthly Interest as set forth above. Lenders acknowledge and agree that the rate of return paid on any Loan is dependent on numerous factors, including discounts and subsidies offered by Vendors. Application of any Collections received by Agent as interest in cash or good collected funds representing payment of interest on the Loans may result in the payment of interest to Lender in excess of the rate set forth in this subsection.

(iv) Lenders acknowledge Dealers may be entitled to receive a Performance Rebate on a calendar year basis pursuant to the terms of the applicable Program Terms Letter. Notwithstanding anything herein to the contrary, if the Performance Rebate is not earned by or otherwise paid to Dealers during any calendar year, each Lender may be entitled to receive an additional payment from Agent equivalent to such Lender's share of such portion of the Performance Rebate not earned by or otherwise paid to Dealers. Any amounts due to Lenders under this Section 2(b)(iv) shall reflected in a notice to be delivered in the manner set forth in Section 2(b)(ii), above, within ninety (90) days following the end of the applicable calendar year.

(c) Return of Payments.

(i) If Agent pays an amount to a Lender under this Agreement in the belief or expectation that a related payment has been or will be received by Agent from the Dealers and such related payment is not received by Agent, then Agent will be entitled to recover such amount from such Lender on demand without setoff, counterclaim or deduction of any kind.

(ii) If Agent determines at any time that any amount received by Agent under this Agreement or any other Loan Document must be returned to Dealers or paid to any Vendor or any to other Person pursuant to any insolvency law or otherwise, then, notwithstanding any other term or condition of this Agreement or any other Loan Document, Agent will not be required to distribute any portion thereof to any Lender. In addition, each Lender will repay to Agent on demand any portion of such amount that Agent has distributed to such Lender, together with interest at such rate, if any, as Agent is required to pay to any Dealer or such other Person, without setoff, counterclaim or deduction of any kind, and Agent will be entitled to set-off against future distributions to such Lender any such amounts (with interest) that are not repaid on demand.

(d) Non-Funding Lenders; Replacement of Lenders.

(i) Non-Funding Lenders.

(1) Responsibility. The failure of any Non-Funding Lender to make any Loan or any payment required by it under any Loan Document on the date specified therefor shall not relieve any other Lender (each such other Lender, an "***Other Lender***") of its obligations to make such Loan or make any other such required payment on such date, and neither Agent nor, other than as expressly set forth herein, any Other Lender shall be responsible for the failure of any Non-Funding Lender to make a Loan or make any other required payment under any Loan Document.

(2) Voting Rights. Notwithstanding anything set forth herein to the contrary, a Non-Funding Lender shall not have any voting or consent rights under or with respect to any Loan Document or constitute a "Lender" (or be, or have its Loans included in the determination of "Required Lenders") for any voting or consent rights under or with respect to any Loan Document, provided that (A) the Allocation of a Non-Funding Lender may not be increased, extended or reinstated, (B) the principal of a Non-Funding Lender's Loans may not be reduced or forgiven, and (C) the interest rate applicable to Obligations owing to a Non-Funding Lender may not be reduced in such a manner that by its terms affects such Non-Funding Lender more adversely than other Lenders, in each case without the consent of such Non-Funding Lender.

(3) Payments to a Non-Funding Lender. Agent shall be authorized to use all payments received by Agent for the benefit of any Non-Funding Lender pursuant to this Agreement to pay in full the Aggregate Excess Funding Amount to the appropriate Lenders. Following such payment in full of the Aggregate Excess Funding Amount, Agent shall be entitled to hold such funds as cash collateral in a non-interest bearing account up to an amount equal to such Non-Funding Lender's unfunded Allocation and to use such amount to pay such Non-Funding Lender's funding obligations hereunder until the Obligations are paid in full in cash and this Agreement terminated. Upon any such unfunded obligations owing by a Non-Funding Lender becoming due and payable, Agent shall be authorized to use such cash collateral to make such payment on behalf of such Non-Funding Lender. With respect to such Non-Funding Lender's failure to fund Loans, any amounts applied by Agent to satisfy such funding shortfalls shall be deemed to constitute a Loan and, if necessary to effectuate the foregoing, the proceeds of such Loans shall be applied to pay the unpaid principal of the Loans owing to the other Lenders until such time as the aggregate amount of the Loans are held by the Lenders in accordance with their Ratable Shares. Any amounts owing by a Non-Funding Lender to Agent which are not paid when due shall accrue interest at the interest rate applicable during such period to the Loans. In the event that Agent is holding cash collateral of a Non-Funding Lender that cures pursuant to clause (4) below or ceases to be a Non-Funding Lender pursuant to the definition of Non-Funding Lender, Agent shall return the unused portion of such cash collateral to such Lender.

(4) Cure. A Lender may cure its status as a Non-Funding Lender under clause (a) of the definition of Non-Funding Lender if such Lender (A) fully pays to Agent the Aggregate Excess Funding Amount, plus all interest due thereon and (B) timely funds the next Loan required to be funded by such Lender or makes the next reimbursement required to be made by such Lender. Any such cure shall not relieve any Lender from liability for breaching its contractual obligations hereunder.

(ii) Replacement of Lenders. Within forty-five (45) days after any failure by any Lender other than Agent or an Affiliate of Agent to consent to a requested amendment, waiver or modification to any Loan Document in which Required Lenders have already consented to such amendment, waiver or modification but the consent of each Lender (or each Lender directly affected thereby, as applicable) is required with respect thereto, Dealers may, at their option, notify Agent and such non-consenting Lender of Dealers' intention to obtain, at Dealers' expense, a replacement Lender ("***Replacement Lender***") for such non-consenting Lender, which Replacement Lender shall be reasonably satisfactory to Agent. In the event the Dealers obtain a Replacement Lender within sixty (60) days following notice of its intention to do so, such non-consenting Lender shall sell and assign its Loans and remaining Allocation to such Replacement Lender, at par, provided that the Dealers have reimbursed such non-consenting Lender for its costs for which it is entitled to reimbursement under this Agreement through the date of such sale and assignment. In the event that a replaced Lender does not execute an Assignment pursuant to Section 20(c) of this Agreement within five (5) Business Days after receipt by such replaced Lender of notice of replacement pursuant to this Section and presentation to such replaced Lender of an Assignment evidencing an assignment pursuant to this Section, the Dealers shall be entitled (but not obligated) to execute such an Assignment on behalf of such replaced Lender, and any such Assignment so executed by the Dealers, the Replacement Lender and Agent, shall be effective for purposes of this Section 2(d) and Section 20(c). Upon any such Assignment and payment and compliance with the other provisions of Section 20(c), such replaced Lender shall no longer constitute a "Lender" for purposes hereof; provided, any rights of such replaced Lender to indemnification hereunder shall survive."

3. Rental Financing.

(a) From time to time, Agent and Lenders may provide Dealers with financing for Collateral consisting of new marine units (including boats, motors or trailers) (the "***Eligible Collateral***"), which Dealer may rent or lease to Dealer's customers in the ordinary course of its business ("***Rental Units***") for use within the United States. Agent may decide (i) the amount of funds, if any, which Lenders will advance on Rental Units which Dealers may seek to acquire, and (ii) the length of and payments required under any rental contract and/or lease agreement pertaining to such Rental Units that Agent would permit to exist with respect to Rental Units which Agent, on behalf of the Lenders, agrees to provide financing for (all such rental contracts and lease agreements are hereinafter collectively referred to as "***Rental Contracts***"). In addition, Dealers may not undertake to rent or lease any Eligible Collateral without the prior written consent of Agent. Rental Units may only consist of Eligible Collateral which either: (a) was ordered specifically for the purpose of being a Rental Unit, or (b) was converted from stock inventory to rental inventory upon Agent's prior written consent.

(b) Rental Contracts. All Rental Contracts will: (i) be in a form satisfactory to Agent, and (ii) be transferable to Agent on behalf of the Lenders. Each Dealer warrants and represents to Agent and Lenders that all of the Rental Contracts and rental and lease activities will comply with all applicable laws. Dealers agree to indemnify Agent and Lenders against any loss or damage Agent or Lenders suffer, whether direct or indirect, resulting from or in any way arising out of Rental Contracts, or rental and lease activities, which fail to comply with all applicable laws. Dealers will reimburse Agent for any attorneys' fees which Agent incurs in having the Rental Contracts reviewed for compliance with applicable laws. Immediately upon execution of the same, all Rental Contracts will be effectively collaterally assigned to Agent for the benefit of Lenders, and, immediately upon Agent's request, delivered to Agent together with any and all related documents. All Rental Contracts will contain, by way of a stamp or as a part of the preprinted rental contract or lease agreement form, the following legend directly below the customer's signature:

> "FOR VALUE RECEIVED, THIS AGREEMENT AND THE RELATED UNDERLYING RENTAL PROPERTY HAVE BEEN COLLATERALLY ASSIGNED TO WELLS FARGO COMMERCIAL DISTRIBUTION FINANCE, LLC, AS AGENT, AND THERE ARE NO DEFENSES AGAINST THE ASSIGNEE."

Immediately upon Agent's request, each Dealer will report to Agent all of the terms of any Rental Contract executed, the location of the Rental Unit, the date on which such Rental Unit is rented or leased, and the date on which such Rental Unit is to be returned to such Dealer. Each Dealer will also notify Agent, immediately upon Agent's request, of the termination of any Rental Contracts or any changes to such Rental Contracts. Dealers will not assign, sell, pledge, convey or by any other means transfer to any person, other than Agent for the benefit of Lenders, any Rental Contracts or chattel paper, without Agent's prior written consent. Dealers will instruct any person renting or leasing any Rental Unit regarding the proper use and care of such Rental Unit. Dealers will use such forms and agreements as may be reviewed and approved by Agent, if requested. Dealers will not, without Agent's prior written consent, enter into or execute any Rental Contract pursuant to which any Dealer rents or leases any Rental Unit for a period that exceeds seven (7) consecutive days, and will not enter into or execute any Rental Contract which contains an option to purchase or "rent-to-own," such Rental Unit; the purchase of any Collateral must be memorialized in a writing separate and apart from any Rental Contract and must not be subject to or dependent on the terms of any Rental Contract. If any Dealer breaches the terms of the immediately preceding sentence, such Dealer will immediately assign, transfer, and set-over to Agent for the benefit of Lenders, all of Dealer's right, title and interest in and to such Rental Contract, and will also give possession of such Rental Contract to Agent. In addition, in such event, in Agent's sole discretion, Agent may demand immediate payment in full of all indebtedness owed by any Dealer to Agent with respect to the Rental Unit.

4. Financing Terms.

(a) Agent, Lenders and Dealers agree to set forth in this Agreement only the general terms of the financing arrangement among Dealers, Agent and Lenders and certain contractual obligations related to this Agreement, shall be set forth in Program Terms Letters entered into by Dealers, Agent and any one or more Lenders from time to time (the "***Program Terms Letters***"), Transaction Statements (as defined below) or other Loan Documents or other agreements described herein. References to an "inventory financing agreement" in any Loan Document shall be deemed to refer to this Agreement. Agent, Lenders and Dealer hereby acknowledge that certain financial terms depend, in part, on factors which vary from time to time, including without limitation, the availability of Vendor discounts, payment terms or other incentives, Agent's and Lenders' floorplanning volume with Dealers and Vendor and other economic factors. Upon agreeing to finance an item of inventory for any Dealer, Agent, on behalf of the Lenders, will transmit, send or otherwise make available to such Dealer and Lenders a "***Transaction Statement***" which is a record that may be authenticated and which identifies the Collateral financed and/or the advance made and the terms and conditions of repayment of such advance. Dealers agree that a Dealer's failure to notify Agent in writing of any objection to a Transaction Statement within thirty (30) days after a Transaction Statement is transmitted, sent or otherwise made available to such Dealer shall constitute Dealers' (i) acceptance of all terms thereof, (ii) agreement that the Lenders are financing such inventory at Dealers' request, and (iii) agreement that such Transaction Statement will be incorporated herein by reference. If any Dealer objects to the terms of any Transaction Statement, Dealers will pay Agent for the benefit of Lenders for such inventory in accordance with the most recent terms for similar inventory to which Dealers have not objected (or, if there are no prior terms, at the lesser of 16% per annum or at the maximum lawful contract rate of interest permitted under applicable law), subject to termination of this Agreement by Agent, or, if applicable, Lenders, and its rights under the termination provision contained herein. To the extent Vendor program subsidies are applicable to Dealers' financing program (each a "***Lender Credit***"), with respect to any Loan which Lenders make to a Vendor on behalf of a Dealer, Agent may apply against any such amount owed to Vendor any amount Agent (or CDF) for the benefit of Lenders are owed from such Vendor for any such Lender Credit; provided, however, in the event Vendor does not remit any such Lender Credit, Dealers agree to pay the full amount of such Lender Credit. Without the consent of the Lenders, CDF may change any aspect or portion of any Transaction Statement at any time; provided that such change is not inconsistent with the terms and conditions of this Agreement. If any terms set forth in an issued Transaction Statement are revised as a result of entering into this Agreement or any future modification or amendment of the terms of this Agreement (including, without limitation, the change of interest rate from the rate reference in the Existing IFA to the rate reflected in this Agreement), Dealers agree that CDF shall not be required to issue a revised Transaction Statement reflecting such revisions.

(b) Upon receipt by Agent of a request for a Loan under and pursuant to CDF's standard advance request procedures and the issuance of a Transaction Statement by Agent as set forth in Section 4(a) above, each Lender shall follow the funding procedures established by Agent, from time to time, and shall, as and when requested by Agent, advance funds to Agent to fund such Loan in amounts equal to such Lender's Ratable Share of such Loan.

(c) Applicable financial terms, curtailment schedule and maturity for each Rental Unit will be set forth on the applicable Transaction Statement. Unless otherwise provided on such Transaction Statement, if and when permitted under such Dealer's Rental Unit finance program, the principal balance, accrued interest and other charges will be due and payable when such Rental Unit is: (i) sold; (ii) transferred; (iii) rented or leased in a manner contrary to the provisions of this Agreement; (iv) otherwise disposed of; and (v) matured and the principal payment is due to Agent for the benefit of Lenders. Furthermore, if any Rental Unit is sold, stolen, destroyed, damaged, otherwise disposed of, or if payment is required under the terms of Agent's and Lenders' financing program, whichever occurs first, such Dealer will immediately pay Agent, for the benefit of Lenders, the full amount of Dealer's outstanding indebtedness owed to Lenders with respect to such Rental Unit.

(d) Effect of Benchmark Transition Event.

i. Notwithstanding anything to the contrary herein or in any other Loan Document, upon the occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, the Agent and the Dealers may amend this Agreement to replace LIBOR with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m. on the fifth (5th) Business Day after the Agent has posted such proposed amendment to all Lenders and the Dealers so long as the Agent has not received, by such time, written notice of objection to such amendment from Lenders comprising the Required Lenders. Any such amendment with respect to an Early Opt-in Election will become effective on the date that Lenders comprising the Required Lenders have delivered to the Agent written notice that such Required Lenders accept such amendment. No replacement of LIBOR with a Benchmark Replacement pursuant to this Section titled "Effect of Benchmark Transition Event" will occur prior to the applicable Benchmark Transition Start Date.

ii. In connection with the implementation of a Benchmark Replacement, the Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.

iii. Standards for Decisions and Determinations. The Agent will promptly notify the Dealers and the Lenders of (i) any occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date and Benchmark Transition Start Date, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes and (iv) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Agent or Lenders pursuant to this Section titled "Effect of Benchmark Transition Event," including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section titled "Effect of Benchmark Transition Event."

iv. Upon the Dealers' receipt of notice of the commencement of a Benchmark Unavailability Period, the Dealers may revoke any request for a eurodollar borrowing of, conversion to or continuation of eurodollar Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Dealers will be deemed to have converted any such request into a request for a Dealer of or conversion to Prime Rate (as referred to in Section 11) Loans. During any Benchmark Unavailability Period, the component of Prime Rate based upon LIBOR, if any, will not be used in any determination of Prime Rate.

v. As used in this Section 4:

a. "***Benchmark Replacement***" means the sum of: (a) the alternate benchmark rate (which may include Term SOFR) that has been selected by the Agent and the Dealers giving due consideration to (i) any selection or recommendation of a replacement rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a rate of interest as a replacement to LIBOR for U.S. dollar-denominated syndicated credit facilities and (b) the Benchmark Replacement Adjustment; provided that, if the Benchmark Replacement as so determined would be less than zero, the Benchmark Replacement will be deemed to be zero for the purposes of this Agreement.

b. "***Benchmark Replacement Adjustment***" means, with respect to any replacement of LIBOR with an Unadjusted Benchmark Replacement for each applicable interest period, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Agent and the Dealers giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of LIBOR with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of LIBOR with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated syndicated credit facilities at such time.

c. "***Benchmark Replacement Conforming Changes***" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including timing and frequency of determining rates and making payments of interest and other administrative matters) that the Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Agent in a manner substantially consistent with market practice (or, if the Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Agent determines that no market practice for the administration of the Benchmark Replacement exists, in such other manner of administration as the Agent decides is reasonably necessary in connection with the administration of this Agreement).

d. "***Benchmark Replacement Date***" means the earlier to occur of the following events with respect to LIBOR:

i. in the case of clause (i) or (ii) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of LIBOR permanently or indefinitely ceases to provide LIBOR; or

ii. in the case of clause (iii) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein.

e. "***Benchmark Transition Event***" means the occurrence of one or more of the following events with respect to LIBOR:

i. a public statement or publication of information by or on behalf of the administrator of LIBOR announcing that such administrator has ceased or will cease to provide LIBOR, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide LIBOR;

ii. a public statement or publication of information by the regulatory supervisor for the administrator of LIBOR, the U.S. Federal Reserve System, an insolvency official with jurisdiction over the administrator for LIBOR, a resolution authority with jurisdiction over the administrator for LIBOR or a court or an entity with similar insolvency or resolution authority over the administrator for LIBOR, which states that the administrator of LIBOR has ceased or will cease to provide LIBOR permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide LIBOR; or

iii. a public statement or publication of information by the regulatory supervisor for the administrator of LIBOR announcing that LIBOR is no longer representative.

f. "***Benchmark Transition Start Date***" means (i) in the case of a Benchmark Transition Event, the earlier of (a) the applicable Benchmark Replacement Date and (b) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication) and (ii) in the case of an Early Opt-in Election, the date specified by the Agent or the Required Lenders, as applicable, by notice to the Dealers, the Agent (in the case of such notice by the Required Lenders) and the Lenders.

g. "***Benchmark Unavailability Period***" means, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to LIBOR and solely to the extent that LIBOR has not been replaced with a Benchmark Replacement, the period (i) beginning at the time that such Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced LIBOR for all purposes hereunder in accordance with the Section titled "Effect of Benchmark Transition Event" and (ii) ending at the time that a Benchmark Replacement has replaced LIBOR for all purposes hereunder pursuant to the Section titled "Effect of Benchmark Transition Event."

h. "***Early Opt-in Election***" means the occurrence of:

i. (a) a determination by the Agent or (b) a notification by the Required Lenders to the Agent (with a copy to the Dealers) that the Required Lenders have determined that U.S. dollar-denominated syndicated credit facilities being executed at such time, or that include language similar to that contained in this Section titled "Effect of Benchmark Transition Event," are being executed or amended, as applicable, to incorporate or adopt a new benchmark interest rate to replace LIBOR, and

ii. (a) the election by the Agent or (b) the election by the Required Lenders to declare that an Early Opt-in Election has occurred and the provision, as applicable, by the Agent of written notice of such election to the Dealers and the Lenders or by the Required Lenders of written notice of such election to the Agent.

i. "***Federal Reserve Bank of New York's Website***" means the website of the Federal Reserve Bank of New York at http://www.newyorkfed.org, or any successor source.

j. "***Relevant Governmental Body***" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

k. "***SOFR***" with respect to any day means the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York's Website.

l. "***Term SOFR***" means the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

m. "***Unadjusted Benchmark Replacement***" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

5. Security Interest.

(a) Each Dealer hereby grants to Agent, as collateral agent for the Lenders, a security interest in all of the Collateral other than (i) equipment subject to purchase money security interests and (ii) Credit Facility Collateral as security for all Obligations.

(b) All Rental Units will be titled in accordance with all applicable laws and regulations. Each such certificate of title or other evidence of title shall show the first and only lien holder as "Wells Fargo Commercial Distribution Finance, LLC, as agent," and certain such other information as is required by applicable law or regulation to validly perfect Agent's security interest in such Rental Units.

(c) "***Collateral***" means all of the following personal property of each Dealer, whether such property or Dealer's right, title or interest therein or thereto is now owned or existing or hereafter acquired or arising, and wherever located: all Accounts, Inventory, Equipment, other Goods (excluding Fixtures), General Intangibles (including without limitation, Payment Intangibles but excluding Intellectual Property and Vendor Contracts), Chattel Paper (whether tangible or electronic), Instruments (including without limitation, Promissory Notes), Commercial Tort Claims (excluding Commercial Tort Claims arising solely out of the Credit Facility Collateral), Securities Accounts, Deposit Accounts, Investment Property (other than the equity interests issued by Holdings and its Subsidiaries) and Documents and all Products and Proceeds of the foregoing (including, without limitation, all Accounts, Payment Intangibles, and Chattel Paper; provided, however, that notwithstanding anything to the contrary in this definition or in any other Loan Document, the Collateral shall not include any of the following: (i) equipment subject to purchase money security interests and (ii) the Credit Facility Collateral. Without limiting the foregoing, the Collateral includes each Dealer's right to all Vendor Credits. Similarly, the Collateral includes, without limitation, all books and records, electronic or otherwise, which evidence or otherwise relate to any of the foregoing Collateral, and all computers, disks, tapes, media and other devices in which such records are stored. For purposes of this Section 5 only, capitalized terms used in this Section 5, which are not otherwise defined, shall have the meanings given to them in Article 9 of the New York Uniform Commercial Code.

(d) "***Credit Facility Collateral***" means (i) all equity interests issued by Holdings and its Subsidiaries, (ii) all of Holdings' and any of its Subsidiaries' real estate interests, whether fee or leasehold, and including all Fixtures, (iii) all of Holdings' and any of its Subsidiaries' Vendor Contracts, (iv) all of Holdings' and any of its Subsidiaries' Intellectual Property, (v) any and all products and Proceeds of the property described in this definition, including Cash Proceeds and insurance proceeds, and (vi) all books and records, electronic or otherwise, which evidence or otherwise relate to any of the foregoing Credit Facility Collateral, and all computers, disks, tapes, media and other devices in which such records are stored; provided, however, that notwithstanding anything to the contrary in this definition or in the Credit Facility Agreement (or any other document relating thereto or securing the obligations referenced therein) the Credit Facility Collateral shall not include any of the Collateral.

(e) "***Obligations***" means all indebtedness and other obligations of any nature whatsoever of each Dealer to Agent and/or Lenders, whether such indebtedness or other obligations arise under this Agreement or any other existing or future agreement between or among Agent and any one or more Dealers and/or any one or more Lenders or otherwise, and whether for principal, interest, fees, Charges, expenses, indemnification obligations or otherwise, and whether such indebtedness or other obligations are existing, future, direct, acquired, contractual, noncontractual, joint and/or several, fixed, contingent or otherwise.

(f) "***Vendor Credits***" means all of each Dealer's rights to any price protection payments, rebates, discounts, credits, factory holdbacks, incentive payments and other amounts which at any time are due a Dealer from a Vendor.

6. Representations and Warranties. Each Dealer represents and warrants that at the time of execution of this Agreement and at the time of each approval and each advance hereunder: (a) such Dealer does not conduct business under any trade styles or trade names except as disclosed by such Dealer to Agent in writing and has all the necessary authority to enter into and perform this Agreement and such Dealer will not violate its organizational documents, or any law, regulation or agreement binding upon it, by entering into or performing its obligations under this Agreement; (b) such Dealer will only keep Collateral at locations within the U.S. which have been disclosed to Agent either (i) in writing prior to the execution of this Agreement or (ii) upon thirty (30) days prior written notice, and, in either case, which have been approved by Agent ("***Permitted Locations***") (c) this Agreement correctly sets forth such Dealers' true legal name, the type of its organization (if not an individual), the state in which such Dealer is incorporated or otherwise organized, and such Dealers' organizational identification number, if any; (d) all information supplied by such Dealer to Agent and Lenders, including any financial, credit or accounting statements or application for credit, in connection with this Agreement is true, correct and complete; (e) such Dealer has good title to all Collateral; (f) there are no actions or proceedings pending or threatened against such Dealer which might result in any material adverse change in such Dealers' financial or business condition; (g) such Dealer is duly organized or formed, validly existing and in good standing under the laws of its state of incorporation or organization as set forth in Section 25, and is duly qualified and in good standing or has applied for qualification as a foreign Person authorized to do business in each jurisdiction where, because of the nature of its activities or properties, such qualification is required, except to the extent that the failure to so qualify would not reasonably be expected to have a material adverse effect; (h) such Dealer (i) is not in violation of any law, ordinance, rule, regulation, judgment, decree or order of any federal, state or local governmental body or court if such violation would reasonably be expected to result in a material adverse effect; and (ii) has obtained all required permits, certificates, licenses, approvals and other authorizations from governmental agencies and entities (whether federal, state or local) necessary to carry on its operation if the failure to obtain such permit, certificate, license, approval or other authorization would reasonably be expected to result in a material adverse effect; and (i) (i) such Dealer is in compliance, in all material respects, with the USA PATRIOT Act, FCPA (defined below) and all applicable Anti-Terrorism Laws, (ii) (A) such Dealer or any director, officer, or employee of such Dealer, or (B) to the knowledge of any Dealer, any agent or Affiliate that will act in any capacity in connection with or benefit from any facility established hereby of the Dealers is not a Person that is: (x) a Sanctioned Person; or (y) located, organized or resident in a Sanctioned Country, and (iii) no part of the proceeds of the Loans will be used by Holdings or any of its Subsidiaries, including the Dealers, directly or, to the knowledge of Holdings or any of its Subsidiaries, indirectly, (A) for any payments to any governmental official or employee, political party, official of a political party, candidate for political office or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977 ("***FCPA***"), (B) to fund any activities or business of or with any Sanctioned Person or in any Sanctioned Country, or (C) in any manner that would result in a violation of any applicable Anti-Terrorism Law by Holdings or its Subsidiaries.

7. Covenants.

(a) Until sold as permitted by this Agreement, each Dealer shall own all of its Collateral free and clear of all liens, security interests, claims and other encumbrances, whether arising by agreement or operation of law (collectively "***Liens***"), other than Liens (i) in favor of Agent and Liens in favor of Credit Facility Agent; provided, however, that all Liens, from time to time, in favor of Credit Facility Agent shall be subject to the Intercreditor Agreement, (ii) Liens for taxes, assessments or other governmental charges that are not due or payable or that are due or payable, but are being diligently contested in good faith by appropriate proceedings, (iii) representing easements, rights of way, restrictions, encroachments, and other minor defects in title, provided that such Liens do not interfere in any material respect with the ordinary conduct of any Dealer's business, and (iv) purported to be Liens evidenced by the filing of precautionary UCC-1 Financing Statements related solely to operating leases of personal property entered into in the ordinary course of business.

(b) Each Dealer will:

(i) keep all Collateral at Permitted Locations and keep all tangible Collateral safe and secure, in good order, repair and operating condition and insured as required herein;

(ii) promptly file all tax returns required by law and promptly pay all taxes, fees, and other governmental charges for which it is liable, including without limitation all governmental charges against the Collateral or this Agreement;

(iii) permit Agent and its designees without notice, to inspect the Collateral during normal business hours and at any other time Agent deems desirable (and such Dealer hereby grants Agent and its designees an irrevocable license to enter such Dealer's business locations during normal business hours without notice to such Dealer to account for and inspect all Collateral and to examine and copy such Dealer's books and records related to the Collateral), and in connection with any inspection, provide Agent and its designees safe and secure access to the Collateral and comply with any request made by Agent or its designees to move the Collateral in order to provide such safe and secure access;

(iv) keep complete and accurate records of its business, including inventory, accounts and sales, and permit Agent and its designees to inspect and copy such records upon request;

(v) furnish Agent and Lenders with such additional information regarding the Collateral and such Dealer's business and financial condition as Agent or any Lender may from time to time reasonably request (including without limitation financial statements and projections more frequently than set forth below);

(vi) immediately notify Agent of any material adverse change in such Dealer's prospects, business, operations or condition (financial or otherwise) or in any Collateral;

(vii) execute (or cause any third party in possession of Collateral to execute) all documents Agent requests to perfect and maintain the security interest in the Collateral granted to Agent, pursuant to Section 21(a)(ii);

(viii) deliver to Agent immediately upon each request by Agent (and Agent may retain) each certificate of title or statement of origin issued for Collateral financed by any one or more Lenders;

(ix) at all times be duly organized, existing, in good standing, qualified and licensed to do business in each jurisdiction in which the nature of its business or property so requires and, when requested, provide Agent with documentation evidencing the same;

(x) notify Agent of the commencement of any material legal proceedings against such Dealer or any Guarantor (as defined below);

(xi) comply with all laws, rules and regulations applicable to such Dealer, including without limitation, the USA PATRIOT ACT and all laws, rules and regulations relating to import or export controls or anti-money laundering, and maintains in effect policies and procedures designed to ensure compliance by Holdings and its Subsidiaries and their respective directors, officers, employees, agents and Affiliates with all applicable sanctions;

(xii) maintain a system of accounting in accordance with generally accepted accounting principles and account records which contain such information in a format as may be requested by Agent;

(xiii) take all steps reasonably requested by Agent to ensure that Agent's security interest in inventory at all times constitutes a perfected, first priority security interest in inventory and does not become subordinate to the security interests or claims of any Person; and

(xiv) Within thirty (30) days of the date hereof (or such later date as the Agent may agree to in its sole discretion), deliver to Agent deposit account control agreements for all Deposit Accounts at Hancock Bank and Branch Banking & Trust in form and substance acceptable to Agent in its sole discretion.

(c) No Dealer will, without Agent's prior written consent:

(i) use (except for demonstration for sale), rent, lease, sell, transfer, consign, license or otherwise dispose of any Collateral except for sales of inventory at retail in the ordinary course of such Dealer's business;

(ii) sell or otherwise transfer Inventory to a Dealer Affiliate;

(iii) engage in any other material transaction not in the ordinary course of such Dealer's business;

(iv) change its business in any material manner or its organizational structure or be a party to a merger or consolidation or change its registration to a registered organization other than as specified above, including without limitation any merger, consolidation, or restructure among or involving any Dealers and/or any Guarantors;

(v) change its name or conduct business under a trade style or trade name other than those disclosed by such Dealer to Agent in writing, without giving Agent at least thirty (30) days' prior written notice thereof;

(vi) change the state in which it is incorporated or otherwise organized (except upon thirty (30) days' prior written notice to Agent);

(vii) change its chief executive office or office where it keeps its records with respect to accounts or chattel paper;

(viii) finance on a secured basis with any Vendor or any third party the acquisition of Inventory, obtain inventory from third parties by consignment, or otherwise create, incur, assume or suffer to exist any Lien on any of such Dealer's assets other than Liens in favor of Credit Facility Agent which are subject to the Intercreditor Agreement; provided, however, Dealers may:

a. create, incur, assume or suffer to exist any Lien in the form of Capital Leases or securing purchase money Indebtedness solely for equipment, so long as any such Liens shall encumber only the equipment acquired with the proceeds of such Indebtedness or subject to such Capital Lease, as the case may be; and

b. create, incur, assume or suffer to exist any Lien in connection with the TCF Agreement, so long as:

i. any such Liens shall only encumber Inventory manufactured by BRP Inc. or one of its Subsidiaries which is financed pursuant to the TCF Agreement; and

ii. the outstanding balance under the TCF Agreement does not exceed $500,000; and

c. obtain inventory from third parties by consignment or otherwise create, incur, assume or suffer to exist any Lien pursuant to consignment agreements approved in writing by Agent in its sole discretion.

(ix) store inventory financed by Agent with any third party;

(x) merge or consolidate with another Person or divide itself pursuant to Section 18-217 of the Delaware Limited Liability Company Act or any similar law or statute;

(xi) acquire the assets or ownership interest of any other Person other than in connection with a Permitted Acquisition;

(xii) enter into any transaction not in the ordinary course of business;

(xiii) guarantee or indemnify or otherwise become in any way liable with respect to the obligations of any Person (other than Permitted Indebtedness of Holdings or any of its Subsidiaries), except by endorsement of instruments or items of payment for deposit to the general account of such Dealer or which are transmitted or turned over to Agent for the benefit of Lenders, on account of the Obligations;

(xiv) redeem, retire, purchase or otherwise acquire, directly or indirectly, any of such Dealer's capital stock;

(xv) make any change in such Dealer's capital structure or in any of its business objectives or operations which might in any way adversely affect the ability of such Dealer to repay the Obligations;

(xvi) incur, create, assume, guarantee or suffer to exist, or otherwise become or remain liable with respect to, or permit any of its Subsidiaries to create, incur, guarantee or suffer to exist or otherwise become or remain liable with respect to, any Indebtedness other than Permitted Indebtedness;

(xvii) make any Restricted Payment which is not a Permitted Restricted Payment;

(xviii) enter into any transaction that results in a Change in Control;

(xix) move Collateral from stock inventory to rental inventory, other than as permitted under this Agreement;

(xx) move Collateral from rental inventory to stock inventory;

(xxi) rent or lease any Rental Unit contrary to the terms of this Agreement;

(xxii) assign, sell, pledge, convey or by any other means transfer to any Person, other than Agent, any Rental Contracts or Chattel Paper related thereto;

(xxiii) do business as a lessor of Rental Units without also doing business as a seller or reseller of new or used marine units under the same legal entity; or

(xxiv) request any Loan, and no Dealer shall use, and shall ensure that its Subsidiaries and its or their respective directors, officers, and employees shall not use, the proceeds of any Loan, in any manner that would result in the violation of any sanctions applicable to any party hereto.

(d) Notwithstanding the provisions of Section 7(c)(ii) above, a Dealer may sell or otherwise transfer inventory to another Dealer who is a signatory to this Agreement. The parties agree that any such inventory that is sold or otherwise transferred at any time by one Dealer to another shall be and remain Collateral and shall continue to secure the Obligations.

(e) Financial Covenants. Dealer covenants and agrees that so long as any of the Indebtedness to Lenders remains outstanding or the Agreement remains in effect, even if no Indebtedness to Lenders is outstanding:

(i) Funded Debt to EBITDA Ratio. The Dealers shall not permit the Funded Debt to EBITDA Ratio of Holdings on a consolidated basis for any Quarterly Computation Period to exceed a ratio of 2.00 to 1.00.

(ii) Fixed Charge Coverage Ratio. The Dealers shall not permit the Fixed Charge Coverage Ratio of Holdings on a consolidated basis for any Quarterly Computation Period to exceed a ratio of 1.50 to 1.00.

(f) Changes in GAAP. If as of the date of the Dealers' fiscal year end any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Dealers or the Required Lenders shall so request, Agent, the Lenders and Dealers shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders, notwithstanding anything to the contrary set forth in Section 18 hereof); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein, and (ii) Dealers shall provide to Agent and Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP. Without limiting the foregoing, leases shall continue to be classified and accounted for on a basis consistent with that reflected in the financial statements delivered pursuant to Section 9(a)(i) for the fiscal year ending September 30, 2018 for purposes of determining the Funded Debt to EBITDA Ratio and the Fixed Charge Coverage Ratio (including for purposes of Sections 7(e)(i) and 7(e)(ii), notwithstanding any change in GAAP relating thereto, unless the parties hereto shall enter into a mutually acceptable amendment addressing such changes, as provided for above.

8. Insurance.

(a) All risk of loss, damage to or destruction of Collateral shall at all times be on Dealers. Each Dealer shall keep all of its tangible Collateral insured for full value against all insurable risks under policies delivered to Agent and issued by insurers satisfactory to Agent with loss payable to Agent on behalf of Lenders. Agent is to be provided with any written notice of cancellation or change in such policies within two (2) business days of the issuance of such notice. Agent is authorized, but not required, to act as attorney-in-fact for each Dealer in adjusting and settling any insurance claims under any such policy and in endorsing any checks or drafts drawn by insurers. Each Dealer shall promptly remit to Agent in the form received, with all necessary endorsements, all proceeds of such insurance which such Dealer may receive. Agent, at its election, shall either apply any proceeds of insurance it may receive toward payment of the Obligations or pay such proceeds to such Dealer or any other Dealer.

(b) [Reserved].

(c) In addition to Dealers' obligation to insure the Rental Units, Dealers will keep the Rental Units insured for their full insurable value under an "all risk" property insurance policy which includes rental insurance coverage in the minimum amount of $1,000,000.00, with a company acceptable to Agent, naming Agent as a lender loss-payee and containing standard lender's loss payable and termination provisions. Dealers will maintain liability insurance with an insurance carrier and in an amount satisfactory to Agent. Dealers will provide Agent with written evidence of such insurance coverage and Agent's loss-payee endorsement within thirty (30) days of delivery of any such Rental Unit to Dealers by a manufacturer.

9. Reporting.

(a) Financial Statements. Unless waived by Agent, each Dealer will deliver to Agent and, if such Lender requests, each requesting Lender, in a form satisfactory to Agent and any requesting Lenders: (i) within 20 days after the same are prepared, but in no event later than 120 days after the end of each fiscal year, an audited consolidated balance sheet of Holdings and consolidating balance sheets of Dealers as at the end of such year and the related consolidated and consolidating statements of income or operations, shareholders' equity and cash flows for such fiscal year, setting forth in comparative form the figures for the previous fiscal year, and accompanied by the report of a nationally recognized independent certified public accounting firm reasonably acceptable to Agent, approved by Agent in its sole and absolute discretion, which report shall (A) contain an unqualified opinion, stating that such consolidated financial statements present fairly in all material respects the financial position for the periods indicated in conformity with GAAP applied on a basis consistent with prior years and (B) not include any explanatory paragraph expressing substantial doubt as to going concern status of Dealers; (ii) within 45 days after the end of each of Dealer's fiscal quarters, including each fourth fiscal quarter, a copy of the unaudited consolidated balance sheet of Holdings and consolidating balance sheets of Dealers, and the related consolidated and consolidating statements of income, shareholders' equity and cash flows for such quarter and for the period beginning with the first day of such fiscal year and ending on the last day of such quarter, together with a comparison with the corresponding period of the previous fiscal year and a comparison with the budget for such period of the current fiscal year, all certified on behalf of the Dealers by an appropriate officer of the Dealers as being complete and correct and fairly presenting, in all material respects, in accordance with GAAP, the financial position and the results of operations of Dealers, subject to normal year-end adjustments and absence of footnote disclosures; (iii) within 30 days after the end of each Dealer's fiscal months, other than fiscal quarter-end, a copy of the unaudited balance sheets and profits and loss statements of Holdings and Dealers; and (iv) as of the day of Dealers' fiscal year-end, Dealers' financial projections for the next fiscal year and income statement and balance sheet for such next fiscal year broken out by fiscal quarter on a consolidated basis. Dealers represent that all financial statements and information which have been or may hereafter be delivered by a Dealer are and will be correct and prepared in accordance with accepted accounting principles consistently applied, and there has been no material adverse change in the financial or business condition of any Dealer since the submission to Agent and each Lender of such financial statements, and Dealers acknowledge Agent's reliance thereon.

(b) Upon Agent's or any Lender's request, Dealers will immediately notify Agent and, if applicable, such Lender, orally and in writing of any and all Rental Contracts, sales, damage or other disposition regarding the Rental Units and all terms and details thereof. Monthly, or at such other intervals as Agent may determine, Dealers will provide Agent with a report, in a form and containing such detailed information as Agent may require, regarding Dealers' outstanding Rental Contracts. In addition, Dealers will report such other information relating to the Rental Contracts and Rental Units as Agent may require.

(c) Each Dealer, on the same date the financial reports required to be delivered pursuant to Section 9(a)(i) are due, will provide a list of all locations where Collateral is or may be kept, including information as to whether the property is owned or leased, any Liens or other encumbrances on such property, and if leased, the name of the lessor, the lease term, and any other information Agent shall request. If any Collateral location is subject to a mortgage, deed of trust, or other Lien in favor of any Person other than Agent, except any Lien permitted by Section 7(a) of this Agreement, Dealers agree to promptly obtain an agreement from such Person, waiving such Person's Lien on the Collateral and providing Agent reasonable access thereto, in form and substance acceptable to Agent and duly executed and delivered by such Person.

(d) Dealers shall deliver to Agent annually on the same date the financial reports required by Section 9(a)(i) are delivered to Agent, organizational charts showing the ownership structure of Dealers and any Guarantor (other than Guarantors who are natural persons), in form and content satisfactory to Agent in its sole discretion. Dealers shall be deemed to represent and warrant that such organizational charts are true and correct in all respects, and such organization shall include all information so that such organizational charts are not misleading.

(e) Dealers shall deliver to Agent at the time of each Permitted Acquisition, and annually on the same date the financial reports required by Section 9(a)(i), a report in form and substance acceptable to Agent documenting peak inventory at each location in order to assess insurance coverage with Agent having sole discretion to determine minimum insurance limits.

(f) Dealers shall deliver to Agent a weekly Inventory borrowing base certificate with supporting information required by Agent in form and substance acceptable to Agent every Thursday by 12:00pm central time, and if such Thursday is not a Business Day, then the immediately succeeding Business Day.

(g) On the same date Dealers deliver the financial statements required by Sections 9(a)(i) and 9(a)(ii), Dealers shall deliver a compliance certificate in form and substance acceptable to Agent in its sole discretion.

(h) Dealers shall deliver to Agent and any requesting Lender "Know Your Customer" documentation, including, without limitation, beneficial ownership certification, as requested by Agent or such Lenders (including upon addition of any new entity to this Agreement or other Loan Documents).

10. Payment Terms.

(a) Each Dealer will immediately pay to Agent for the benefit of Lenders, the principal amount of the Obligations owed by such Dealer on each item of Collateral financed by Lenders on the earliest occurrence of any of the following events: (i) when such Collateral is lost, stolen or damaged; (ii) for Collateral financed under any pay-as-sold ("***PAS***") terms, when such Collateral is sold, transferred, rented, leased, otherwise disposed of, unaccounted for, or its payment term has matured; (iii) for Collateral financed under any scheduled payment program ("***SPP***") terms, in strict accordance with the installment payment schedule; (iv) in strict accordance with any curtailment schedule for such Collateral; and (v) when otherwise required under the terms of this Agreement. The PAS, SPP and curtailment terms are or may be set forth in a Transaction Statement. Agent may apply: (1) payments to reduce finance charges first and then principal, regardless of a Dealer's instructions; and (2) principal payments to the oldest (earliest) invoice for Collateral financed by Lenders, but, in any event, all principal payments, may, in Agent's sole discretion, first be applied to such Collateral which is sold, lost, stolen, damaged, rented, leased, or otherwise disposed of or unaccounted for. Any payment hereunder which would otherwise be due on a day which is not a Business Day, shall be due on the next succeeding Business Day, with such extension of time included in any calculation of applicable finance charges. For purposes of this Agreement, "***Business Day***" means any day the Federal Reserve Bank of Chicago is open for the transaction of business.

(b) If Dealers (i) fail to immediately remit funds to Agent upon the maturity of Dealers' applicable payment terms with respect to such advance or upon the sale, transfer, rental, lease, loss, theft, damage, or other disposition of or inability to account for any inventory financed by Lenders for Debtor (a "***sale out of trust***" or "***SOT***") or (ii) are required to make immediate payment to Agent of any past due obligation discovered during any Collateral review, or at any other time, then Agent's acceptance of any payment with respect to such past due obligation (whether in full or partial satisfaction of such obligation) shall not be construed to have waived or amended the terms of its financing program. Dealers will send all such payments to Agent as directed. The acceptance of payment by Agent described herein shall not constitute a waiver of any rights or remedies available to Agent for any Default of Dealers.

(c) Any Vendor Credit granted to a Dealer for any Collateral will not reduce the Obligations Dealers owe Lenders until Agent has received payment therefor as set forth below. Each Dealer will: (i) pay Agent even if any Collateral is defective or fails to conform to any warranties extended by any third party; and (ii) indemnify and hold Agent and each Lender harmless against all claims and defenses asserted by any buyer of any Collateral. Each Dealer waives all rights of setoff such Dealer may have against Agent or any Lender. No Dealer will assert against Agent or any Lender any claim or defense such Dealer may have against any Vendor and any such claims or defenses shall not affect Dealers' liabilities or obligations to Agent and Lenders.

(d) Any Loans which are not used to acquire inventory, as contemplated hereby, shall be paid on demand unless otherwise provided in this Agreement or in any Transaction Statement. In order to adequately secure Dealers' Obligations to Agent, Dealers shall, at Agent's request, immediately pay Agent the amount necessary to reduce the sum of any outstanding advances with respect to inventory received by Dealers to an amount which does not exceed the aggregate invoice price to Dealers of the inventory in Dealers' possession which (i) is financed by any one or more Lenders, and (ii) in which Agent, for the benefit of Lenders has a perfected first priority lien.

(e) All payments due by any Dealer under this Agreement or otherwise shall be made by check made on a United States bank, ACH, EDI or federal wire, in each case drawn on an account established in the name of such Dealer. Payment in any other form may delay processing or be returned to such Dealer, and may cause such Dealer to incur a late payment fee. Agent policy bars payment by cash or cash equivalents and any such payments will be declined; Agent reserves the right to decline other forms of payment, including but not limited to, cashier's checks, money orders, bank drafts, third-party checks and traveler's checks. In the event of any such payment decline, such Dealer's debt will remain outstanding and interest/fees permitted under such Dealer's agreement may accrue until acceptable payment is received. Agent will recognize and credit payments according to its payment recognition policies from time to time in effect, or as otherwise agreed. Information regarding Agent's payment recognition policy is available from Dealers' Agent representative, the Agent website, or will be communicated pursuant to Section 12(b) below.

11. Calculation of Charges.

(a) Dealers shall pay fees, charges and interest (collectively, "***Charges***") with respect to each advance in accordance with the Agreement. Dealer shall pay Agent its customary Charge for any check or other item which is returned unpaid to Agent. Unless otherwise provided in the Agreement, the following additional provisions shall be applicable to Charges: (i) any reference to "Prime Rate," "One month Libor," and/or "Three Month Libor" shall mean, for any calendar month, an interest rate (calculated on a 360-day year basis as set forth herein) equal to the highest "prime rate," "One month Libor," and/or "Three month Libor" rate, respectively, as published in the "Money Rates" column of The Wall Street Journal on the first Business Day of such month; if for any reason such rate is no longer published in The Wall Street Journal, Agent shall select such replacement index as Agent in its sole discretion determines most closely approximates such rate; (ii) all Charges shall be paid by Dealer monthly pursuant to the terms of the billing statement in which such Charges appear; (iii) interest on each advance and principal amount of the Obligations related thereto shall be computed for any period by dividing the interest rate provided in each applicable Transaction Statement by 360 (the quotient of which is herein referred to as the "***Daily Rate***"), and then multiplying the Daily Rate by either (A) the average principal balance outstanding during such period, or (B) the actual principal balance outstanding on each day during such period; (iv) interest on an advance shall begin to accrue on the Start Date, which shall be defined as the earlier of: (A) the invoice date referred to in the Vendor's invoice; or (B) the ship date referred to in the Vendor's invoice; or (C) the date any one or more Lenders make such advance; provided, however, if a Vendor fails to fully pay, by honoring or paying any Lender Credit or otherwise, the interest or other cost of financing such inventory during the period between the Start Date and the end of the Free Floor Period (as defined below), then Dealers shall pay such interest to Agent on behalf of Lenders, on demand as if there were no Free Floor Period with respect to such inventory; (v) for the purpose of computing Charges, any payment will be credited pursuant to Agent's payment recognition policies, as in effect from time to time; (vi) advances or any part thereof not paid when due (and Charges not paid when due, at the option of Agent, shall become part of the principal amount of the Obligations and) shall bear interest at the Default Rate (as defined below); and (vii) all interest rates provided or referenced in Transaction Statements, including all references to base rate, prime rate and additions to base rate or prime rate, are provided and referenced on the basis of a 360-day year. The method of calculating interest provided in this Section 11(a) (i.e., the interest rate calculated based on a year of 360 days, for the actual number of days elapsed) will result in a higher effective rate than the quoted numeric rate provided in the Transaction Statement. For purposes of this Agreement, the following definitions shall apply: "***Default Rate***" shall mean the default rate specified in a Dealer's financing program with any one or more Lenders, if any, or if there is none so specified, at the lesser of 3% per annum above the rate in effect immediately prior to the Default, or the highest lawful contract rate of interest permitted under applicable law; "***Free Floor Period***" shall mean a period equal to the number of days during which a Vendor agrees to assume the cost of financing Collateral purchased by a Dealer by granting Agent a Lender Credit.

(b) Agent and Lenders intend to strictly conform to the usury laws governing this Agreement. Regardless of any provision contained herein, in any Transaction Statement, or in any other document, neither Agent nor any Lender shall ever be deemed to have contracted for, charged or be entitled to receive, collect or apply as interest, any amount in excess of the maximum amount allowed by applicable law. If Agent or any Lender ever receives any amount which, if considered to be interest, would exceed the maximum amount permitted by law, Agent or such Lender will apply such excess amount to the reduction of the unpaid principal balance which any Dealer owes, and then will pay any remaining excess to such Dealer. In determining whether the interest paid or payable exceeds the highest lawful rate, Dealers, Agent and each Lender shall, to the maximum extent permitted under applicable law, (1) characterize any non-principal payment (other than payments which are expressly designated as interest payments hereunder) as an expense or fee rather than as interest, (2) exclude voluntary pre-payments and the effect thereof, and (3) spread the total amount of interest throughout the entire term of this Agreement so that the interest rate is uniform throughout such term. Each Dealer agrees to pay an effective rate of interest that is the sum of (i) the interest rate provided in this Agreement, including as provided in each accepted Transaction Statement, as may be amended as provided herein; and (ii) any additional rate of interest resulting from any other charges or fees paid or to be paid by any Dealer or Dealers pursuant to this Agreement and that are determined to be interest or in the nature of interest.

(c) If any Change in Law shall impose, modify or deem applicable any reserve, special deposit or similar requirement that is not otherwise included in the determination of LIBOR hereunder against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in LIBOR); or impose on any Lender or the eurodollar interbank market any other condition affecting this Agreement or any eurodollar loans made by such Lender; and the result of any of the foregoing is to increase the cost to such Lender of making, converting into, continuing or maintaining a eurodollar loan or to reduce the amount received or receivable by such Lender hereunder (whether of principal, interest or any other amount), then, from time to time, such Lender may provide Dealers (with a copy thereof to the Agent) with written notice and demand with respect to such increased costs or reduced amounts, and within five (5) Business Days after receipt of such notice and demand, the Dealers shall pay to such Lender such additional amounts as will compensate such Lender for any such increased costs incurred or reduction suffered.

(d) If any Lender shall have determined that any Change in Law regarding capital or liquidity ratios or requirements has or would have the effect of reducing the rate of return on such Lender's capital (or on the capital of the parent company of such Lender) as a consequence of its obligations hereunder to a level below that which such Lender or such parent company could have achieved but for such Change in Law (taking into consideration such Lender's policies or the policies of such parent company with respect to capital adequacy and liquidity), then, from time to time, such Lender may provide the Dealers (with a copy thereof to the Agent) with written notice and demand with respect to such reduced amounts, and within five (5) Business Days after receipt of such notice and demand the Dealers shall pay to such Lender such additional amounts as will compensate such Lender or such parent company for any such reduction suffered.

12. Billing Statement/Fees; Right to Modify Charges and Other Terms.

(a) Agent will transmit, send or otherwise make available to each Dealer a monthly billing statement identifying all charges due on such Dealer's account with respect to this Agreement. The charges specified on each billing statement will be (i) due and payable in full immediately on receipt, unless otherwise stated in writing in your billing statement, transaction statement or other written document provided by Agent, and (ii) an account stated, unless Agent receives a Dealer's written objection thereto within fifteen (15) days after it is transmitted, sent or otherwise made available to such Dealer. If Agent does not receive, by the 25th day of any given month, payment of all charges accrued to a Dealer's account with any one or more Lenders during the immediately preceding month, Dealers will (to the extent allowed by law) pay Agent a late fee equal to the greater of $5 or 5% of the amount of such charges (payment of such fee does not waive the default caused by the late payment). Agent may adjust the billing statement at any time to conform to applicable law and this Agreement.

(b) Agent may charge one or more fees in connection with the servicing and administration of a Dealer's account for its own account (and for the avoidance of doubt, Lenders other than CDF shall have no interest in any such fees). From time to time, Agent may provide written notice to Dealer of new or changed fees charged by Agent for its own account, interest and/or other finance charges (including without limitation, increases or decreases in the periodic rate or amount of finance charges, the method of computing finance charges and when and how finance charges, and principal payments, are payable), policies, practices and other charges and/or credit terms (collectively, "***Fees and Terms***") payable by, or applicable to, one or more Dealers or relating to one or more Dealer's accounts generally, or in connection with specific services or events, to be effective as of the notice date, or such other future effective date as Agent shall advise, with respect to existing Obligations owing by one or more Dealers to Agent and/or any one or more Lenders and/or to Obligations incurred or arising after such notice or future effective date, as the case may be, all as Agent may elect by so indicating in such notice. Such notice may be delivered by mail, courier or electronically in a separate writing or website posting, or set forth in the Transaction Statement and/or the billing statement. Dealer shall be deemed to have accepted such Fees and Terms by either (i) making any request for financing after the effective date of such notice, or (ii) failing to notify Agent in writing of any objection to a Transaction Statement, billing statement or written notice advising of such Fees and Terms within fifteen (15) days after such notice has been sent to a Dealer. If a Dealer objects to the Fees and Terms, such Fees and Terms shall not be imposed, but Agent may charge or implement the last Fees and Terms to which such Dealer has not objected, and may elect to terminate Dealers' financing program.

(c) Adjustments. Any statement with respect to any Obligations sent or made available (electronically or otherwise) to Dealers by Agent, including without limitation any Transaction Statement, shall be subject to subsequent adjustment by Agent to correct any error or omission therein, but, absent manifest error, shall be presumed accurate evidence of Obligations and information covered thereby unless Agent shall have received written notice from Dealers specifying any error within 30 days after the date of such statement, notwithstanding such notice by Dealers to Agent, Dealers' obligation to make payments to Agent for the benefit of Lenders with respect to any amount contested as erroneous by Dealers shall not be waived or extended unless and until Agent consents in writing to such waiver or extension, provided that any such waiver or extension with respect to amounts which are not erroneous shall be subject to Section 18.

13. Default. The occurrence of one or more of the following events shall constitute a default by Dealers (a "***Default***"):

(a) a Dealer shall fail (i) to pay (A) any Obligations representing principal when due, or (B) any Obligations representing interest or other Charges within one (1) Business Day of the applicable due date therefor, or (ii) any remittance for any Obligations is dishonored when first presented for payment;

(b) any representation made to Agent or any Lender by a Dealer or by any guarantor, surety, issuer of a letter of credit or any person other than a Dealer primarily or secondarily liable with respect to any Obligations (a "***Guarantor***") shall not be true when made or if a Dealer or any Guarantor shall breach any covenant, warranty or agreement in this Agreement to or with Agent and/or any Lender;

(c) a Dealer (including, if a Dealer is a partnership or limited liability company, any partner or member of a Dealer) or any Guarantor shall die, become insolvent or generally fail to pay its debts as they become due or, if a business, shall cease to do business as a going concern;

(d) any letter of credit or other form of collateral provided by a Dealer or a Guarantor to Agent with respect to any Obligations or Collateral shall terminate or not be renewed at least sixty (60) days prior to its stated expiration or maturity;

(e) a Dealer abandons any Collateral;

(f) any Guarantor shall revoke, terminate or limit, or take any action purporting to revoke, terminate or limit, any guaranty or other assurance of payment relating to any Obligations;

(g) a Dealer or any Guarantor shall make an assignment for the benefit of creditors, or commence a proceeding with respect to itself under any bankruptcy, reorganization, arrangement, insolvency, receivership, dissolution or liquidation statute or similar law of any jurisdiction, or any such proceeding shall be commenced against it or any of its property (an "***Automatic Default***");

(h) an attachment, sale or seizure shall be issued or shall be executed against any assets of a Dealer or of any Guarantor;

(i) a Dealer shall lose, or shall be in default of, any franchise, license or right to deal in any Collateral which a Lender finances;

(j) a Dealer, Guarantor or any third party shall file any correction or termination statement with respect to any Uniform Commercial Code (the "***UCC***") filing made by Agent in connection herewith;

(k) a material adverse change shall occur in the business, operations or condition (financial or otherwise) of a Dealer (including, if a Dealer is a partnership or limited liability company, any partner or member of a Dealer) or any Guarantor or with respect to the Collateral;

(l) a Dealer or any Guarantor fails to pay any debt or perform any other obligation owed to any third party (excluding under the Preferred Stock or the Purchase Warrant), which in either case involves an amount in excess of $50,000 with respect to any individual failure or in excess of $100,000 in the aggregate with respect to all such failures;

(m) a Dealer or any Guarantor defaults under the terms of any other agreement with any Lender or Lender Affiliate, which default is not cured or waived within the applicable grace period, if any;

(n) if Agent in good faith believes, or receives notice that a Lender in good faith believes, the prospect of payment of any Obligations is impaired or Agent deems itself or Lenders insecure;

(o) a Change in Control shall occur;

(p) a Dealer defaults under the terms of any Program Terms Letter;

(q) a Dealer defaults under the terms of the Credit Facility Agreement or a default or event of default (or similar event) shall occur under the Credit Facility Agreement;

(r) a Dealer or Credit Facility Agent defaults under the Intercreditor Agreement or any material provision thereof terminates or ceases to be effective;

(s) a Dealer makes, causes or allows to be made, or Parent makes, causes or allows to be made, a distribution or other payment to (i) Thomas Mack in relation to the Mack Stock not otherwise permitted pursuant to either this Agreement or the Mack Subordination Agreement, or (ii) BMI in relation to the BMI Stock not otherwise permitted pursuant to either this Agreement or the BMI Subordination Agreement;

(t) any ERISA Event occurs with respect to a pension plan or multi-employer plan which has resulted or could reasonably be expected to result in liability of any Dealer under Title IV of ERISA or other applicable law to any pension plan, employee benefit plan or multi-employer plan, the Pension Benefit Guaranty Corporation or any other Person in an aggregate amount equal to or in excess of $5,000,000 in any calendar year, or any Dealer or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA or other applicable law under a multi-employer plan in an aggregate amount equal to or in excess of $5,000,000;

(u) any material provision of any Loan Document, at any time after its execution and delivery, for any reason other than as expressly permitted hereunder or thereunder, ceases to be in full force and effect; or any party hereto or any Guarantor contests in any manner the validity or enforceability of any provision of any Loan Document; or

(v) any final judgment is entered against any of Dealers for the payment of $1,000,000.00 or more in excess of insurance, and such judgment shall remain unstayed or unpaid for more than 30 days.

14. Rights and Remedies upon Default.

(a) Upon the occurrence of a Default, Agent, acting on behalf of Lenders pursuant to Section 21(a)(ii), shall have all rights and remedies of a secured party under the UCC as in effect in any applicable jurisdiction and other applicable law and all the rights and remedies set forth in this Agreement. Agent may terminate any obligations it or any Lender has under this Agreement and any outstanding credit approvals immediately and/or declare any and all Obligations immediately due and payable without notice or demand. Each Dealer waives notice of intent to accelerate, and of acceleration of any Obligations. Agent may enter any premises of any one or more of the Dealers, with or without process of law, without force, to search for, take possession of, and remove the Collateral, or any part thereof. If Agent requests each Dealer shall cease disposition of and shall assemble the Collateral and make it available to Agent, at Dealers' expense, at a convenient place or places designated by Agent. Agent may take possession of the Collateral or any part thereof on any one or more of Dealer's premises and cause it to remain there at Dealers' expense, pending sale or other disposition. Each Dealer agrees that the sale of inventory by Agent to a person who is liable to Agent under a guaranty, endorsement, repurchase agreement or the like shall not be deemed to be a transfer subject to UCC §9-618 or any similar provision of any other applicable law, and each Dealer waives any provision of such laws to that effect. Each Dealer agrees that the repurchase of inventory by a Vendor pursuant to a repurchase agreement with Agent shall be a commercially reasonable method of disposition. Dealers shall be jointly and severally liable to Agent for any deficiency resulting from Agent's disposition of any Collateral, including without limitation a repurchase by a Vendor, regardless of any subsequent disposition thereof. No Dealer is a beneficiary of, and has no right to require Agent to enforce, any repurchase agreement. If a Dealer fails to perform any of its obligations under this Agreement, Agent may perform the same in any form or manner Agent in its discretion deems necessary or desirable, and all monies paid by Agent in connection therewith shall be additional Obligations and shall be immediately due and payable without notice together with interest payable on demand at the Default Rate. All of Agent's rights and remedies shall be cumulative. At Agent's request, or without request in the event of an Automatic Default, each Dealer shall pay all Vendor Credits to Agent as soon as the same are received for application to the Obligations. Each Dealer authorizes Agent to collect such amounts directly from Vendors and, upon request of Agent, shall instruct Vendors to pay Agent directly. Each Dealer irrevocably waives any requirement that Agent retain possession and not dispose of any Collateral until after trial or final judgment or appeal thereof. Agent's election to extend or not make a Loan to a Dealer is solely at Agent's discretion and does not depend on the absence or existence of a Default. If a Default is in effect, and without regard to whether Agent has accelerated any Obligations, Agent may, without notice, apply the Default Rate.

(b) All Collections received by Agent after acceleration, a Default (including, without limitation, a Specified Default) or demand for payment of all of the Obligations, in connection with any workout of the Obligations including any forbearance arrangement, or after the initiation by or against any Dealer of a bankruptcy or other insolvency proceeding or other proceedings for collection of the Obligations, whether received pursuant to such demand or as a result of legal proceedings against any Dealer or through payment by or action against any other Person in any way liable for the Obligations, shall be applied, so far as the same will reach, in the following order:

(i) First, to the costs and expenses, including attorneys' fees, incurred solely by Agent in effecting such recovery, in enforcing any right or remedy under the Loan Documents, or in any way related to the Loans, the Outstandings, the Loan Documents, this Agreement, Open Approvals or Collections;

(ii) Second, to accrued interest, ratably in accordance with each Lender's respective Ratable Share of such interest being calculated at the interests rates set forth in Section 2(a)(iii) hereof; and

(iii) Third, to unpaid principal, ratably in accordance with each Lender's Ratable Share, subject to such Lender's obligation to fund Loans made by Agent based upon financed Invoices related to Open Approvals.

15. Power of Attorney. Each Dealer authorizes Agent to: (a) file financing statements and amendments thereto describing Agent as "Secured Party," such Dealer as "Debtor" and indicating the Collateral (including, without limitation, the indication of the Collateral as "all assets"); (b) authenticate, execute or endorse on behalf of such Dealer any instruments, chattel paper, certificates of title, manufacturer statements of origin, builder's certificate, or other notices or records comprising or related to Collateral or evidencing financing under the Agreement or evidencing or maintaining the perfection of the security interest granted hereby, as attorney-in-fact for such Dealer; and (c) supply any omitted information and correct errors in any documents between Agent, such Dealer, and, if applicable Lenders. This power of attorney and the other powers of attorney granted herein are irrevocable and coupled with an interest.

16. Collection and Other Costs.

(a) Dealers shall pay to Agent, for the benefit of Agent and the other Lenders, on demand all expenses, costs and out-of-pocket expenses of every kind (including reasonable attorneys' fees and legal expenses) incurred by Agent or any Lender in connection with (i) the preparation, negotiation, execution, delivery and administration of this Agreement or any of the other Loan Documents and the transactions contemplated hereby and thereby or any amendments, modifications, supplements or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated); (ii) any attempt to inspect, verify, protect, preserve, restore, collect, sell, liquidate or otherwise dispose of or realize upon the Collateral (including expenses in connection with establishing, perfecting, maintaining perfection of, protecting, and enforcing its Lien on the Collateral); (iii) collecting any Obligations; (iv) any litigation, contest, dispute, suit, proceeding or action (whether instituted by Agent, any Lender, Dealer, any Guarantor or any other Person) in any way relating to the Collateral, this Agreement or any of the other Loan Documents or Dealers' affairs (including, without limitation, expenses in connection with filing a proof of claim or motion for stay of relief under any receivership, assignment for benefit of creditors, bankruptcy or other insolvency laws or monitoring any such proceeding to the full extent permitted under such laws); or (v) any attempt to enforce any rights of Agent and Lenders against Dealers (or any of them), any Guarantor or any other Person which may be obligated to Agent and Lenders by virtue of this Agreement or any of the other Loan Documents. All fees, expenses, costs and other amounts described in this Section 16(a) shall constitute Obligations, shall be secured by the Collateral and interest shall accrue thereon at the Default Rate.

(b) Each Dealer agrees to indemnify Agent, each Lender, each of their respective Affiliates and each of their respective directors, officers, employees, agents, advisors, controlling Persons, equityholders, partners, members and other representatives and each of their respective successors and permitted assigns (each such Person being called an "Indemnitee") against, and to hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and reasonable, documented and invoiced out-of-pocket fees and expenses (limited to reasonable and documented legal fees of a single firm of counsel for all Indemnitees, taken as a whole, and, if necessary, one firm of counsel in each appropriate jurisdiction (which may include a single special counsel acting in multiple jurisdictions) for all Indemnitees taken as a whole (and, in the case of an actual or perceived conflict of interest, where the Indemnitee affected by such conflict informs the Dealers of such conflict and thereafter retains its own counsel, of an additional counsel for each group of affected Indemnitees similarly situated taken as a whole)), incurred by or asserted against any Indemnitee arising out of, in any way connected with, or as a result of: (i) the execution or delivery of this Agreement or any other Loan Document, the performance by the parties hereto and thereto of their respective obligations thereunder and the other transactions contemplated hereby, (ii) the use of the proceeds of the Loans, or (iii) any claim, litigation, investigation or proceeding relating to the transactions set forth herein or any of the foregoing, whether or not any Indemnitee is a party thereto and regardless of whether such matter is initiated by Holdings or any of its Subsidiaries, including, without limitation, any Dealer, or Affiliates or creditors or any other Person.

(c) Notwithstanding anything in Section 16(b), above, to the contrary, no Indemnitee will be indemnified for any loss, claim, damage, liability, cost or expense to the extent it: (i) has been determined by a final, non-appealable judgment of a court of competent jurisdiction to have resulted from (A) the gross negligence, bad faith or willful misconduct of such Indemnitee or (B) a material breach of the obligations of such Indemnitee under the Loan Documents, or (ii) relates to any proceeding between or among Indemnitees other than (A) claims against Agent or their respective Affiliates, in each case, in their capacity or in fulfilling their role as the agent or arranger, syndication agents, senior managing agent or documentation agents or any other similar role under this Agreement (excluding their role as a Lender) to the extent such Persons are otherwise entitled to receive indemnification under Section 16(b), or (B) claims arising out of any act or omission on the part of Holdings or any of its Subsidiaries.

17. Information.

(a) To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. When any Dealer opens an account, Agent will ask for the name(s), address(es), date(s) of birth, and other information that will allow Agent to identify each Dealer, and its owner(s) and Guarantor(s) as applicable. Agent may also ask to see driver's licenses or other identifying documents related to each Dealer, and its owner(s) and Guarantors as applicable. Failure to comply with such requests will constitute a Default under the Agreement.

(b) Each Dealer irrevocably authorizes Agent to investigate and make inquiries of former, current, or future creditors or other persons and credit bureaus regarding or relating to such Dealer (including, to the extent permitted by law, any holders of such Dealer's Capital Securities). Agent and each Lender may provide to any Lender Affiliate or any third parties any financial, credit or other information regarding each Dealer (including, to the extent permitted by law, any holders of such Dealer's Capital Securities) that Agent or such Lender may at any time possess, whether such information was supplied by any Dealer or otherwise obtained by such Agent or Lender. Further, each Dealer irrevocably authorizes and instructs any third parties (including without limitation, any Vendors or customers of Dealers) to provide to Agent any credit, financial or other information regarding a Dealer that such third parties may at any time possess.

18. Amendments and Waivers.

(a) No amendment or waiver of any provision of this Agreement or any Transaction Statement or Program Terms Letter, and no consent with respect to any departure by any Dealer therefrom, shall be effective unless the same shall be in writing and signed by Agent, Required Lenders (or by Agent with the consent of Required Lenders), and the Dealers, and then such waiver shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such waiver, amendment, or consent shall, unless in writing and signed by all the Lenders directly affected thereby (or by Agent with the consent of all the Lenders directly affected thereby), in addition to Agent and Required Lenders (or by Agent with the consent of Required Lenders) and the Dealers, do any of the following:

(i) increase or extend the Allocation of any Lender to make a Loan or otherwise finance any Collateral;

(ii) postpone or delay any date fixed for, or reduce or waive, any scheduled installment of principal or any payment of interest, fees or other amounts (other than principal) due to any one or more Lenders hereunder or under any Transaction Statement;

(iii) reduce the principal of, or the rate of interest specified herein or the amount of interest payable in cash specified herein or in any Transaction Statement, or of any fees or other amounts payable hereunder or under any Transaction Statement;

(iv) change the definition of Required Lenders;

(v) amend any provision providing for consent or other action by all Lenders;

(vi) discharge any Dealer from its respective payment Obligations, or release all or substantially all of the Collateral, except as otherwise may be provided in this Agreement; or

(vii) change the Ratable Share of any Lender;

it being agreed that all Lenders shall be deemed to be directly affected by an amendment or waiver of the type described in the preceding clauses (iv), (v) (vi), and (vii).

(b) No amendment, waiver or consent shall, unless in writing and signed by Agent, affect the rights or duties of Agent under this Agreement or any Transaction Statement.

(c) No amendment of the Dealer Rate or Performance Rebate set forth in any applicable Program Terms Letter shall be effective unless in writing signed by Agent and consented to by Required Lenders.

(d) Notwithstanding anything set forth herein to the contrary, a Non-Funding Lender shall not have any voting or consent rights under or with respect to any Loan Document or constitute a "Lender" (or be, or have its Ratable Share or Allocation included in the determination of "Required Lenders", pursuant to this Section 18) for any voting or consent rights under or with respect to any Loan Document, except that a Non-Funding Lender shall be treated as an "affected Lender" for purposes of Section 18(a) solely with respect to an increase in such Non-Funding Lender's Allocation, a reduction of the principal amount owed to such Non-Funding Lender or, unless such Non-Funding Lender is treated the same as the other Lenders, a reduction in the interest rates applicable to the Loans funded by such Non-Funding Lender. Moreover, for the purposes of determining Required Lenders, the Allocation of any Non-Funding Lenders shall be excluded from the Aggregate Allocations.

(e) Notwithstanding the foregoing, Agent, with the consent of the Dealers, may amend, modify or supplement any Loan Document without the consent of any Lender or the Required Lenders in order to correct, amend or cure any inconsistency or defect or correct any typographical error or other manifest error in any Loan Document, and such amendment, modification or supplement shall become effective without any further action or consent of any other party to any Loan Document if the same is not objected to in writing by the Required Lenders within five Business Days following receipt of notice thereof. Furthermore, notwithstanding anything to the contrary herein, with the consent of Agent at the request of the Dealers (without the need to obtain any consent of any Lender), any Loan Document may be amended to add terms that are favorable to the Lenders (as reasonably determined by Agent).

(f) Agent hereby notifies Dealers, and Dealers hereby acknowledge, that many dealers who use Agent's Customer Online Management System ("***COMS***") will receive a notification regarding a Modification of Financing Agreement on or about November or December 2019. Such notification will automatically be generated by COMS, and therefore, Dealers may receive such notification from COMS. Such notification will address a change in the definition of "Obligations" already addressed under this Agreement, and Dealers agree to ignore such notification. The parties agree that notwithstanding any Dealer's receipt of such notification from COMS, such notification shall have no binding effect. All amendments to this Agreement shall only be effective if completed in accordance with this Section 18.

19. Termination. Unless sooner terminated as provided in this Agreement or by at least thirty (30) days prior written notice from any Dealer to Agent or from Agent to Dealers, this Agreement shall terminate on September 28, 2021; provided, however, that Agent, acting by itself or at the request of Required Lenders (provided such request from Required Lenders shall not require Agent to act), may terminate the Agreement immediately by notice to any Dealer if any Dealer objects to any terms of any Transaction Statement, billing statement or written notice advising of Fees and Terms. Upon termination of the Agreement, all Obligations shall become immediately due and payable without notice or demand. Upon any termination, Dealers shall remain fully and jointly and severally liable to each Lender for all Obligations owed to such Lender arising prior to or after termination, and each Lender's rights and remedies and security interest, if any, shall continue until all Obligations to such Lender are paid and all obligations of Dealers are performed in full. Except as specifically set forth in this Agreement, no provision of the Agreement shall be construed to obligate any Lender to make any advances. All waivers and indemnifications in Agent and each Lender's favor set forth in this Agreement will survive any termination of this Agreement.

20. Assignments and Participations; Binding Effect.

(a) Binding Effect. This Agreement shall become effective when it shall have been executed by the Dealers, Agent and the Lenders and when Agent shall have been notified by each Lender that such Lender has executed it. Thereafter, it shall be binding upon and inure to the benefit of, but only to the benefit of Dealers, Agent and each Lender and, in each case, their respective successors and permitted assigns. Except as expressly provided herein, no Dealer shall have the right to assign any rights or obligations hereunder or any interest herein.

(b) Right to Assign. Each Lender may sell, transfer, negotiate or assign (a "***Sale***") all or a portion of its rights and obligations hereunder (including all or a portion of its Allocation and its rights and obligations with respect to any Loan pursuant to any Loan Document) to (i) any existing Lender, (ii) any Affiliate of any existing Lender or (iii) any other person approved in writing by Agent (such approval not to be unreasonably withheld or delayed); provided, however, that (A) for each Loan pursuant to this Agreement or any Loan Document, the aggregate outstanding principal amount (determined as of the effective date of the applicable assignment) of the Allocation subject to any such Sale shall be in a minimum amount of $1,000,000, unless such Sale is made to an existing Lender or an Affiliate of any existing Lender, is of the assignor's (together with its Affiliates) entire interest in such facility or is made with the prior consent of Agent, (B) such Sales shall be effective only upon the acknowledgement in writing of such Sale by Agent, (C) interest accrued prior to and through the date of any such Sale may not be assigned.

(c) Procedure. The parties to each Sale made in reliance on clause (b) above (other than those described in clause (e) below) shall execute and deliver to Agent an Assignment via an electronic settlement system designated by Agent (or, if previously agreed with Agent, via a manual execution and delivery of the Assignment) evidencing such Sale, together with any existing Loan Document subject to such Sale, any tax forms required by the assignee to be delivered and payment of an assignment fee in the amount of $3,500 to Agent, unless waived or reduced by Agent; provided, that (i) if a Sale by a Lender is made to an Affiliate of such assigning Lender, then no assignment fee shall be due in connection with such Sale, and (ii) if a Sale by a Lender is made to an assignee that is not an Affiliate of such assignor Lender, and concurrently to one or more Affiliates of such assignee, then only one assignment fee of $3,500 shall be due in connection with such Sale (unless waived or reduced by Agent). Upon receipt of all the foregoing, and conditioned upon such receipt and, if such Assignment is made in accordance with Section 20(b)(iii), upon Agent (and Dealers, if applicable) consenting to such Assignment, from and after the effective date specified in such Assignment, Agent shall record or cause the information contained in such Assignment to be recorded in a record of ownership kept by Agent.

(d) Effectiveness. Subject to the recording of an Assignment by Agent in a record of ownership, (i) the assignee thereunder shall become a party hereto and, to the extent that rights and obligations under this Agreement and the applicable Transactions Statement have been assigned to such assignee pursuant to such Assignment, shall have the rights and obligations of a Lender and (ii) the assignor thereunder shall, to the extent that rights and obligations under this Agreement have been assigned by it pursuant to such Assignment, relinquish its rights (except for the payment in full of the Obligations) and be released from its obligations under this Agreement and the Transaction Statements, other than those relating to events or circumstances occurring prior to such assignment (and, in the case of an Assignment covering all or the remaining portion of an assigning Lender's rights and obligations under the Loan Documents, such Lender shall cease to be a party hereto).

(e) Participants and SPVs. In addition to the other rights provided in this Section 20, each Lender may, without notice to or consent from Agent or the Dealers, sell participations to one or more Persons in or to all or a portion of its rights and obligations under this Agreement or any Loan Document; provided, however, that, whether as a result of any term of any Loan Document or of such participation, (i) no such participant shall have a commitment, or be deemed to have made an offer to commit, to make Loans hereunder, and, except as provided in the applicable option agreement, none shall be liable for any obligation of such Lender hereunder, (ii) such Lender's rights and obligations, and the rights and obligations of the Lenders towards such Lender, under any Loan Document shall remain unchanged and each other party hereto shall continue to deal solely with such Lender, which shall remain the holder of the Obligations in Agent's record of ownership, and in no case shall a participant have the right to enforce any of the terms of any Loan Document, and (iii) the consent of such participant shall not be required (either directly, as a restraint on such Lender's ability to consent hereunder or otherwise) for any amendments, waivers or consents with respect to any Loan Document or to exercise or refrain from exercising any powers or rights such Lender may have under or in respect of the Loan Documents (including the right to enforce or direct enforcement of the Obligations), except for those described in Section 18(a)(ii) and (iii) with respect to amounts, or dates fixed for payment of amounts, to which such participant or SPV would otherwise be entitled and, in the case of participants, except for those described in Section 18(a)(v).

21. Agent

(a) Appointment and Duties.

(i) Each Lender hereby appoints CDF as Agent (together with any successor Agent pursuant to Section 21(i)) as Agent hereunder and authorizes Agent to (A) execute and deliver this Agreement and any other Loan Documents and accept delivery thereof on its behalf from any Dealer, (B) take such action on its behalf and to exercise all rights, powers and remedies and perform the duties as are expressly delegated to Agent under such Loan Documents and (C) exercise such powers as are incidental thereto.

(ii) Without limiting the generality of clause (i) above, Agent shall have the sole and exclusive right and authority (to the exclusion of the Lenders), and is hereby authorized, to (A) act as the disbursing and collecting agent for the Lenders with respect to all payments and collections arising in connection with any Loan Documents (including in bankruptcy, insolvency or similar proceeding), and each Person making any payment in connection with this Agreement or any other Loan Document is hereby authorized to make such payment to Agent, (B) file and prove claims and file other documents necessary or desirable to allow the claims of the Lenders with respect to any Obligation in any bankruptcy, insolvency or similar proceeding (but not to vote, consent or otherwise act on behalf of such Person), (C) act as collateral agent for each Lender for purposes of the perfection of all Liens created by such agreements and all other purposes stated therein, (D) manage, supervise and otherwise deal with the Collateral, (E) take such other action as is necessary or desirable to maintain the perfection and priority of the Liens created or purported to be created by this Agreement or the other Loan Documents, (F) except as may be otherwise specified in any Loan Document, exercise all remedies given to Agent and the other Lenders with respect to the Collateral, whether under the Loan Documents, applicable Law or otherwise and (G) execute any amendment, consent or waiver under the Loan Documents on behalf of any Lender that has consented in writing to such amendment, consent or waiver; provided, however, that Agent hereby appoints, authorizes and directs each Lender to act as collateral sub-agent for Agent, the Lenders for purposes of the perfection of Liens with respect to any deposit account maintained by a Dealer with, and cash and cash equivalents held by, such Lender, and may further authorize and direct the Lenders to take further actions as collateral sub-agents for purposes of enforcing such Liens or otherwise to transfer the Collateral subject thereto to Agent, and each Lender hereby agrees to take such further actions to the extent, and only to the extent, so authorized and directed.

(iii) Under this Agreement and the other Loan Documents, Agent (A) is acting solely on behalf of the Lenders, with duties that are entirely administrative in nature, notwithstanding the use of the defined term “Agent”, the terms “agent”, “Agent” and “collateral agent” and similar terms in any Loan Document to refer to Agent, which terms are used for title purposes only, (B) is not assuming any obligation under any Loan Document other than as expressly set forth therein or any role as agent, fiduciary or trustee of or for any Lender or any other Person and (C) shall have no implied functions, responsibilities, duties, obligations or other liabilities under any Loan Document, and each Lender, by accepting the benefits of the Loan Documents, hereby waives and agrees not to assert any claim against Agent based on the roles, duties and legal relationships expressly disclaimed in clauses (A) through (C) above.

(b) Binding Effect. Each Lender, by accepting the benefits of this Agreement and the other Loan Documents, agrees that (i) any action taken by Agent in accordance with the provisions of the Loan Documents, (ii) any action taken by Agent in reliance upon the instructions of Lenders and (iii) the exercise by Agent or of the powers set forth herein or therein, together with such other powers as are incidental thereto, shall be authorized and binding upon all of the Lenders.

(c) Use of Discretion.

(i) Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that Agent is required to exercise as directed in writing by the Lenders; provided, that Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose Agent to liability or that is contrary to any Loan Document or applicable Law.

(ii) Agent shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to any Dealer or Dealer Affiliate that is communicated to or obtained by Agent or any of its Affiliates in any capacity.

(iii) Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Lenders or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, Agent in accordance with the Loan Documents for the benefit of all the Lenders; provided, that the foregoing shall not prohibit (A) Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Agent) hereunder and under the other Loan Documents or (B) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Dealer under any bankruptcy or other debtor relief law; and provided further that if at any time there is no Person acting as Agent hereunder and under the other Loan Documents, then the Lenders shall have the rights otherwise ascribed to Agent under Section 14.

(d) Delegation of Rights and Duties. Agent may, upon any term or condition it specifies, delegate or exercise any of its rights, powers and remedies under, and delegate or perform any of its duties or any other action with respect to, any Loan Document by or through any trustee, co-agent, employee, attorney-in-fact and any other Person (including any Lender). Any such Person shall benefit from this Section 21 to the extent provided by Agent.

(e) Reliance and Liability.

(i) Agent may, without incurring any liability hereunder, (A) consult with any of its Related Persons (including advisors to, and accountants and experts engaged by, any Dealer) and (B) rely and act upon any document and information (including those transmitted by electronic transmission) and any telephone message or conversation, in each case believed by it to be genuine and transmitted, signed or otherwise authenticated by the appropriate parties.

(ii) None of Agent and its Affiliates shall be liable for any action taken or omitted to be taken by any of them under or in connection with any Loan Document, and each Lender and each Dealer hereby waive and shall not assert (and each Dealer shall cause each other Dealer to waive and agree not to assert) any right, claim or cause of action based thereon, except to the extent of liabilities resulting primarily from the gross negligence or willful misconduct of Agent or, as the case may be, such Related Person (each as determined in a final, non-appealable judgment by a court of competent jurisdiction) in connection with the duties expressly set forth herein. Without limiting the foregoing, Agent:

(A) shall not be responsible or otherwise incur liability for any action or omission taken in reliance upon the instructions of the Lenders or for the actions or omissions of any of its Related Persons selected with reasonable care (other than employees, officers and directors of Agent, when acting on behalf of Agent);

(B) shall not be responsible to any Lender or other Person for the due execution, legality, validity, enforceability, effectiveness, genuineness, sufficiency or value of, or the attachment, perfection or priority of any Lien created or purported to be created under or in connection with, any Loan Document;

(C) makes no warranty or representation, and shall not be responsible, to any Lender or other Person for any statement, document, information, representation or warranty made or furnished by or on behalf of any Dealer or any Related Person of any Dealer in connection with any Loan Document or any transaction contemplated therein or any other document or information with respect to any Dealer, whether or not transmitted or (except for documents expressly required under any Loan Document to be transmitted to the Lenders) omitted to be transmitted by Agent, including as to completeness, accuracy, scope or adequacy thereof, or for the scope, nature or results of any due diligence performed by Agent in connection with the Loan Documents;

(D) shall not have any duty to ascertain or to inquire as to the performance or observance of any provision of any Loan Document, whether any condition set forth in any Loan Document is satisfied or waived, as to the financial condition of any Dealer or as to the existence or continuation or possible occurrence or continuation of any Default and shall not be deemed to have notice or knowledge of such occurrence or continuation unless it has received a notice from any Dealer, any Lender describing such Default clearly labeled "notice of default" (in which case Agent shall promptly give notice of such receipt to all Lenders);

For each of the items set forth in clauses (A) through (D) above, each Lender and each Dealer hereby waives and agrees not to assert (and each Dealer shall cause each other Dealer to waive and agree not to assert) any right, claim or cause of action it might have against Agent based thereon.

(iii) Each Lender (A) acknowledges that it has performed and will continue to perform its own diligence and has made and will continue to make its own independent investigation of the operations, financial conditions and affairs of the Lenders and (B) agrees that is shall not rely on any audit or other report provided by Agent or its Related Persons (an "***Agent Report***"). Each Lender further acknowledges that any Agent Report (1) is provided to the Lenders solely as a courtesy, without consideration, and based upon the understanding that such Lender will not rely on such Agent Report, (2) was prepared by Agent or its Related Persons based upon information provided by the Lenders solely for Agent's own internal use, and (3) may not be complete and may not reflect all information and findings obtained by Agent or its Related Persons regarding the operations and condition of the Lenders. Neither Agent nor any of its Related Persons makes any representations or warranties of any kind with respect to (w) any existing or proposed financing, (x) the accuracy or completeness of the information contained in any Agent Report or in any related documentation, (y) the scope or adequacy of Agent's and its Related Persons' due diligence, or the presence or absence of any errors or omissions contained in any Agent Report or in any related documentation, and (z) any work performed by Agent or Agent's Related Persons in connection with or using any Agent Report or any related documentation.

(iv) Neither Agent nor any of its Related Persons shall have any duties or obligations in connection with or as a result of any Lender receiving a copy of any Agent Report. Without limiting the generality of the forgoing, neither Agent nor any of its Related Persons shall have any responsibility for the accuracy or completeness of any Agent Report, or the appropriateness of any Agent Report for any Lender's purposes, and shall have no duty or responsibility to correct or update any Agent Report or disclose to any Lender any other information not embodied in any Agent Report, including any supplemental information obtained after the date of any Agent Report. Each Lender releases, and agrees that it will not assert, any claim against Agent or its Related Persons that in any way relates to any Agent Report or arises out of any Lender having access to any Agent Report or any discussion of its contents, and agrees to indemnify and hold harmless Agent and its Related Persons from all claims, liabilities and expenses relating to a breach by any Lender arising out of such Lender's access to any Agent Report or any discussion of its contents.

(f) Agent Individually. Agent and its Affiliates may make loans and other extensions of credit to, acquire stock and stock equivalents of, engage in any kind of business with, any Dealer or Affiliate thereof as though it were not acting as Agent and may receive separate fees and other payments therefor. To the extent Agent or any of its Affiliates makes any Loan or otherwise becomes a Lender hereunder, it shall have and may exercise the same rights and powers hereunder and shall be subject to the same obligations and liabilities as any other Lender and the term "Lender" and any similar terms shall, except where otherwise expressly provided in any Loan Document, include, without limitation, Agent or such Affiliate, as the case may be, in its individual capacity as Lender.

(g) Lender Credit Decision. Each Lender acknowledges that it shall, independently and without reliance upon Agent, any Lender or any of their Related Persons or upon any document (including any offering and disclosure materials in connection with the syndication of the Loans) solely or in part because such document was transmitted by Agent or any of its Related Persons, conduct its own independent investigation of the financial condition and affairs of each Dealer and make and continue to make its own credit decisions in connection with entering into, and taking or not taking any action under, any Loan Document or with respect to any transaction contemplated in any Loan Document, in each case based on such documents and information as it shall deem appropriate. Except for documents expressly required by any Loan Document to be transmitted by Agent to the Lenders, Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of any Dealer or any Affiliate of any Dealer that may come in to the possession of Agent or any of its Related Persons.

(h) Expenses; Indemnities; Withholding.

(i) Each Lender agrees to reimburse Agent and each of its Related Persons (to the extent not reimbursed by any Dealer) promptly upon demand, severally and ratably, for any costs and expenses (including fees, charges and disbursements of financial, legal and other advisors and other expenses paid in the name of, or on behalf of, any Dealer) that may be incurred by Agent or any of its Related Persons in connection with the preparation, syndication, execution, delivery, administration, modification, consent, waiver or enforcement of, or the taking of any other action (whether through negotiations, through any work-out, bankruptcy, restructuring or other legal or other proceeding (including, without limitation, preparation for and/or response to any subpoena or request for document production relating thereto) or otherwise) in respect of, or legal advice with respect to its rights or responsibilities under, any Loan Document.

(ii) Each Lender further agrees to indemnify Agent and each of its Related Persons (to the extent not reimbursed by any Dealer), severally and ratably, from and against Liabilities (including, to the extent not indemnified by Dealer pursuant to this Agreement or any other Loan Document, taxes, interests and penalties imposed for not properly withholding or backup withholding on payments made to or for the account of any Lender) that may be imposed on, incurred by or asserted against Agent or any of its Related Persons in any matter relating to or arising out of, in connection with or as a result of any Loan Document or any other act, event or transaction related, contemplated in or attendant to any such document, or, in each case, any action taken or omitted to be taken by Agent or any of its Related Persons under or with respect to any of the foregoing; provided, however, that no Lender shall be liable to Agent or any of its Related Persons to the extent such liability has resulted primarily from the gross negligence or willful misconduct of Agent or, as the case may be, such Related Person, as determined by a court of competent jurisdiction in a final non-appealable judgment or order.

(iii) To the extent required by any applicable Law, Agent may withhold from any payment to any Lender under a Loan Document an amount equal to any applicable withholding tax. If the IRS or any other governmental authority asserts a claim that Agent did not properly withhold tax from amounts paid to or for the account of any Lender (because the appropriate certification form was not delivered, was not properly executed, or fails to establish an exemption from, or reduction of, withholding tax with respect to a particular type of payment, or because such Lender failed to notify Agent or any other Person of a change in circumstances which rendered the exemption from, or reduction of, withholding tax ineffective, or for any other reason), or Agent reasonably determines that it was required to withhold taxes from a prior payment but failed to do so, such Lender shall promptly indemnify Agent fully for all amounts paid, directly or indirectly, by such Agent as tax or otherwise, including penalties and interest, and together with all expenses incurred by Agent, including legal expenses, allocated internal costs and out-of-pocket expenses. Agent may offset against any payment to any Lender under a Loan Document, any applicable withholding tax that was required to be withheld from any prior payment to such Lender but which was not so withheld, as well as any other amounts for which Agent is entitled to indemnification from such Lender pursuant to this Agreement or any other Loan Document.

(i) Release of Collateral or Guarantors. Each Lender hereby consents to the release and hereby directs Agent to release (or, in the case of clause (B) below, release or subordinate) any Lien held by Agent for the benefit of the Lenders against (A) any Collateral that is sold, transferred, conveyed or otherwise disposed of by a Dealer in a transaction permitted by the Loan Documents (including pursuant to a waiver or consent), (B) any property subject to a Lien permitted as a “purchase money security interest” hereunder or under any other Loan Document, and (C) all of the Collateral and all Lenders, upon (1) termination of this Agreement, (2) payment and satisfaction in full of all Loans and all other Obligations under the Loan Documents that Agent has theretofore been notified in writing by the holder of such Obligation are then due and payable, (3) deposit of cash collateral with respect to all contingent Obligations, in amounts and on terms and conditions and with parties satisfactory to Agent and each Lender that is, or may be, owed such Obligations (excluding contingent Obligations as to which no claim has been asserted) and (4) to the extent requested by Agent, receipt by Agent and the Lenders of liability releases from the Lenders each in form and substance acceptable to Agent.

22. Notices. Except as required by law or as otherwise provided herein, all notices or other communications to be given under the Agreement or under the UCC shall be in writing served either personally, by overnight courier, or by U.S. mail, addressed, as applicable, to (a) Dealers at their chief executive office at 6275 Lanier Islands Parkway, Buford, Georgia 30518, to the attention of Austin Singleton, or to any office to which Agent sends billing statements, (b) to Agent at 10 S. Wacker Drive, 20th Floor, Chicago, Illinois 60606, to the attention of its Credit Department, (c) to any Lender at the address such Lender shall designate in the Loan Documents, or (d) at such other address designated by such party by notice to the other. Any such communication shall be deemed to have been given upon delivery in the case of personal delivery, one Business Day after deposit with an overnight courier or two (2) calendar days after deposit in the U.S. mail, except that any notice of change of address shall not be effective until actually received.

23. Severability. Except as set forth in Sections 27(e) and 27(k) of this Agreement, if any provision of this Agreement or its application is invalid or unenforceable, the remainder of this Agreement will not be impaired or affected and will remain binding and enforceable.

24. Miscellaneous. Time is of the essence regarding Dealers' performance of its obligations to Agent and Lenders. If Agent is the sole Lender, Agent may accept this Agreement by issuance of an approval to a Vendor for the purchase of inventory by Dealer or by making an advance hereunder. Each Dealer's liability to Agent and Lenders is direct and unconditional and will not be affected by the release or nonperfection of any security interest granted hereunder. Subject to the consent of each Lender, Agent may refrain from or postpone enforcement of this Agreement or any other agreements between Agent and a Dealer without prejudice, and the failure to strictly enforce these agreements will not create a course of dealing which waives, amends or modifies such agreements. Any waiver by Agent of a Default shall only be effective if approved by Lenders pursuant to Section 18(a) and transmitted to a Dealer in a writing signed by Agent. The express terms of this Agreement will not be modified by any course of dealing, usage of trade, or custom of trade which may deviate from the terms hereof. If a Dealer fails to pay any taxes, fees or other obligations which may impair Agent's or any Lender's interest in the Collateral, or fails to keep any Collateral insured, Agent, on behalf of itself and the other Lenders, may, but shall not be required to, pay such amounts. Such paid amounts, other than amounts with regard to insuring the Collateral, will be: (a) additional Obligations which Dealers owe under this Agreement, which are subject to finance charges as provided herein and shall be secured by the Collateral; and (b) due and payable immediately in full. Section titles used herein are for convenience only, and do not define or limit the contents of any section. All words used herein shall be understood and construed to be of such number and gender as the circumstances may require. This Agreement may be validly executed in one or more multiple counterpart signature pages. Notwithstanding anything herein to the contrary, Agent and Lenders may rely on any facsimile copy, electronic data transmission, or electronic data storage of: this Agreement, any Transaction Statement, billing statement, financing statement, authorization to pre-file financing statements, invoice from a Vendor, financial statements or other reports, which will be deemed an original, and the best evidence thereof for all purposes. This Agreement shall be construed without presumption for or against any party who drafted all or any portion of this Agreement. No modification of this Agreement shall bind Agent or Lenders unless in a writing signed by Agent and each Lender (or by Agent with the consent of each Lender) and transmitted to Dealer. Among other symbols, Agent hereby adopts "Wells Fargo Commercial Distribution Finance, LLC," "Wells Fargo Commercial Distribution Finance," "WFCDF," "CDF" or " Agent" as evidence of its intent to authenticate a record in its capacity as Agent.

25. List of Dealers. The following persons are parties to this Agreement as Dealers:

DEALER NAME	TYPE OF ENTITY	JURISDICTION
Legendary Assets & Operations, LLC	**Limited liability company**	**FL**
Singleton Assets & Operations, LLC	**Limited liability company**	**GA**
South Florida Assets & Operations, LLC	**Limited liability company**	**FL**
Midwest Assets & Operations, LLC	**Limited liability company**	**DE**
South Shore Lake Erie Assets & Operations, LLC	**Limited liability company**	**DE**
Bosun's Assets & Operations, LLC	**Limited Liability Company**	**DE**

26. Limitation of Remedies and Damages. In the event there is any dispute under this Agreement, the aggrieved party shall not be entitled to exemplary or punitive damages so that the aggrieved party's remedy in connection with any action arising under or in any way related to this Agreement shall be limited to a breach of contract action and any damages in connection therewith are limited to actual and direct damages, except that Agent may seek equitable relief in connection with any judicial repossession of, or temporary restraining order with respect to, the Collateral.

27. BINDING ARBITRATION.

THIS SECTION CONTAINS A BINDING ARBITRATION CLAUSE THAT MAY AFFECT HOW YOU RESOLVE DISPUTES.

(a) Arbitrable Claims. This Agreement concerns transactions involving commerce among the several states. The Federal Arbitration Act, Title 9 U.S.C. Sections 1 et seq., as amended ("***FAA***") shall govern all arbitration(s) and confirmation proceedings hereunder. Except as otherwise specified below, all actions, disputes, claims and controversies under common law, statutory law or in equity of any type or nature whatsoever, whether arising before or after the date of this Agreement, and whether directly or indirectly relating to: (i) this Agreement and/or any amendments and addenda hereto, or the breach, invalidity or termination hereof; (ii) any previous or subsequent agreement between Agent and any one or more Lenders and/or any one or more Dealers; (iii) any act committed by Agent or by any parent company, subsidiary or affiliated company of Agent (the "***Agent Companies***"), or by any employee, agent, officer or director of an Agent Company, whether or not arising within the scope and course of employment or other contractual representation of the Agent Companies, provided that such act arises under a relationship, transaction or dealing between Agent and any one or more Lenders and/or any one or more Dealers; and/or (iv) any other relationship, transaction or dealing between or among Agent and any one or more Lenders and/or and any one or more Dealers (collectively the "***Disputes***"), will be subject to and resolved by binding arbitration. The arbitrator(s) shall decide whether the parties have agreed to arbitrate, whether this binding arbitration section covers, the particular Dispute between the parties. Notwithstanding the foregoing, "Disputes" does not include any dispute or controversy about the validity or enforceability of this Binding Arbitration provision or any part thereof (including, without limitation, the Class Action Waiver set forth below and/or this sentence); all such disputes or controversies are for a court and not an arbitrator to decide. However, any dispute or controversy that concerns the validity or enforceability of the Agreement as a whole is for the arbitrator, not a court, to decide. For the avoidance of doubt, if there is any conflict or inconsistency between this Binding Arbitration provision and any other arbitration provision in any previous or subsequent agreement between Agent and any one or more Lenders and/or any one or more Dealers (other than a subsequently executed Inventory Financing Agreement), the parties agree this Binding Arbitration provision shall control and supersede any such other arbitration provision. Moreover, the parties agree that either party may pursue individual claims against the other that do not exceed $75,000.00 in the aggregate through litigation as set forth hereafter. Service of arbitration claims, arbitration pleadings and confirmation pleadings or motions shall be effective if made by U.S. mail or overnight delivery to the address for the party described herein. Any change of address for purposes of service must be served by written notification to the other party at the address listed in this Agreement. The parties also agree that service on a party's registered agent in the state where the party is organized is proper and effective service on that party.

(b) Body. All arbitration hereunder will be conducted with either: (i) The American Arbitration Association ("***AAA***") pursuant to its Commercial Arbitration Rules; (ii) United States Arbitration & Mediation ("***USA&M***") pursuant to its Consolidated Arbitration Rules; or (iii) JAMS pursuant to its Streamlined Arbitration Rules & Procedures (exclusive in each case of any rules regarding class action proceedings which are prohibited hereunder). The party first filing an arbitration claim shall designate which arbitration forum and rules are to be applied for all Disputes between the parties. The arbitration rules are currently found at www.adr.org for AAA, at www.usam-midwest.com for USA&M and at jamsadr.com for JAMS. AAA claims may be filed in any AAA office. Claims filed with USA&M shall be filed in its Midwest office located at 720 Olive Street, Suite 2020, St. Louis, Missouri 63101. Claims filed with JAMS shall be filed in its Chicago office located at 71 S. Wacker Drive, Suite 3090, Chicago, Illinois 60606. If neither AAA, USA&M nor JAMS is willing or able to serve as the arbitration administrator, and the parties are unable to agree upon a substitute arbitrator, then the arbitrator will be selected by the court. All arbitrator(s) selected shall be attorneys with at least five (5) years' experience in either secured transactions, bankruptcy or creditor's rights. All arbitrations shall be conducted by one arbitrator except as specifically set forth below or unless all parties agree otherwise. For all individual claims exceeding $2,000,000.00, exclusive of interest, costs and attorney's fees, a party may demand that the arbitration be conducted by a panel of three (3) arbitrators instead of one arbitrator; provided, that the requesting party shall pay all costs and arbitrator compensation associated with the additional two arbitrators. The parties shall select the arbitrator(s) using the procedures set forth in the arbitration rules of the applicable arbitral forum. The arbitrator(s) shall decide if any inconsistency exists between the rules of the applicable arbitral forum and the arbitration provisions contained herein. If such inconsistency exists, the arbitration provisions contained herein shall control and supersede such rules. The arbitrator(s) shall follow the terms of this Agreement and the applicable law, including without limitation, the attorney-client privilege and the attorney work product doctrine.

(c) Hearings. The parties desire to resolve any Disputes that may arise in the most efficient and cost-effective manner. With this desire in mind, each party hereby consents to a documentary hearing for all arbitration claims by submitting the Dispute to the arbitrator(s) by written briefs and affidavits, along with relevant documents. However, arbitration claims will be submitted by way of an oral hearing if any party submits a written request for an oral hearing within forty (40) days after service of the claim and that party remits the appropriate deposit for their assessed share of the increased costs, fees and arbitrator compensation (as decided and billed by the administrator) that result from an oral hearing within ten (10) days of when those fees are due. Each party agrees that failure to timely pay all fees and arbitrator compensation billed to the party requesting the oral hearing will be deemed such party's consent to submitting the Dispute to the arbitrator(s) on documents and such party's waiver of its request for an oral hearing. If a party shall demonstrate through affidavits, financial statements and tax returns produced to the arbitrator and other parties that it does not have the ability to pay the fees and arbitrator compensation, that party may request that the fees and arbitrator compensation be waived and assessed after a decision is rendered. The site of all oral arbitration hearings will be in the Division of the Federal Judicial District in which the designated arbitration association maintains a regional office that is closest to Dealer or in Chicago, Illinois.

(d) Discovery. In an effort to reduce costs for all parties and except as otherwise provided, the use of interrogatories, requests for admission, requests for the production of documents or the taking of depositions shall not be permitted. Instead, the parties agree that in any arbitration proceeding commenced hereunder, they shall engage in a limited exchange of information and documents as follows: (i) no later than sixty (60) days after the filing and service of a claim for arbitration, the parties in contested cases shall exchange detailed statements setting forth the facts supporting the claim(s) and all defenses to be raised during the arbitration, and a list of all exhibits and witnesses; (ii) upon request, a party shall provide a summary of the proposed testimony of any witness within fourteen (14) days of the request; (iii) in cases of extraordinary circumstances and for good cause shown, the arbitrator(s) may allow a party to make a limited request for production of documents; (iv) no later than twenty-one (21) days prior to the oral arbitration hearing, the parties will exchange a final list of all exhibits and all witnesses, including any designation of any expert witness(es) together with a summary of their testimony; a copy of all documents and a detailed description of any property to be introduced at the hearing; (v) in the event a party designates any expert witness(es), the following will apply: (A) all information and documents relied upon by the expert witness(es) will be delivered to the opposing party; (B) the opposing party will be permitted to depose the expert witness(es); (C) the opposing party will be permitted to designate rebuttal expert witness(es); and (D) the arbitration hearing will be continued to the earliest possible date that enables the foregoing limited discovery to be accomplished; (vi) in cases where the amount of the individual Dispute or any individual counterclaim is in excess of $2,000,000.00, exclusive of interest, costs and attorney's fees, the parties agree that the following additional discovery and motion practice shall be permitted: (A) up to three depositions per side with each lasting no more than seven hours; and (B) dispositive motions including, but not limited to, motions for summary judgment; the arbitrator shall be authorized to rule on any dispositive motion filed. The arbitrator shall have the power to resolve any Disputes with regard to the above limited exchange of information and documents.

(e) EXEMPLARY OR PUNITIVE DAMAGES. THE PARTIES HERETO AGREE THAT BY ENTERING INTO THIS AGREEMENT, EACH PARTY WAIVES THEIR RIGHT TO SEEK EXEMPLARY OR PUNITIVE DAMAGES AND FURTHER AGREE THAT THE ARBITRATOR(S) SHALL NOT HAVE THE AUTHORITY TO AWARD EXEMPLARY OR PUNITIVE DAMAGES TO ANY PARTY. IF THIS SPECIFIC PROVISION IS FOUND TO BE INVALID OR UNENFORCEABLE, THEN THE ENTIRETY OF THIS BINDING ARBITRATION SECTION SHALL BE NULL AND VOID WITH RESPECT TO SUCH PROCEEDING, SUBJECT TO THE RIGHT TO APPEAL THE LIMITATION OR INVALIDATION OF THIS PROVISION.

(f) Confidentiality/Confirmation of Awards. All arbitration proceedings, including testimony or evidence at hearings, will be kept confidential, although any award or order rendered by the arbitrator(s) pursuant to the terms of this Agreement may be confirmed as a judgment or order in any state or federal court of competent jurisdiction as set forth hereinbelow and pursuant to the FAA.

(g) Prejudgment and Provisional Remedies. Notwithstanding the foregoing, any party may file, in a court of competent jurisdiction, an action for bankruptcy, receivership, injunction, repossession, replevin, claim and delivery, sequestration, seizure, attachment, foreclosure, and/or any other prejudgment or provisional action or remedy relating to any Collateral or to preserve a party's assets for any current or future debt owed by either party to the other. The purpose of such action or remedy is solely the protection of a party's rights, to maintain the status quo pending the confirmation of any award arising in arbitration or for possession of Collateral and not for the award of money damages. Arbitration shall be the sole action and remedy for a party to recover money damages, except as otherwise provided herein. The filing of any such action or remedy shall not waive any party's right to compel arbitration of any Dispute.

(h) Attorneys' Fees. The arbitrator(s) shall have the authority to award all attorney's fees, interest charges and expenses as set forth in this Agreement, in accordance with applicable law, including, but not limited to, the following events: (i) any party brings any other action for judicial relief with respect to any Dispute, the arbitrator(s) shall have the authority to award all costs and expenses (including attorneys' fees) incurred to stay or dismiss such action and remove or refer such Dispute to arbitration; (ii) any party brings or appeals an action to vacate or modify an arbitration award, the arbitrator(s) shall have the authority to award all costs and expenses (including attorneys' fees) incurred in defending such action; and/or (iii) any party sues the other party or institutes any arbitration claim or counterclaim against the other party, the arbitrator(s) shall have the authority to award all costs and expenses (including attorneys' fees) incurred in the course of defending such action or proceeding.

(i) Limitations. Any arbitration proceeding must be instituted: (i) with respect to any Dispute for the collection of any debt owed by either party to the other, within two (2) years after the date the last payment by or on behalf of the payor was received and applied in respect of such debt by the payee; and (ii) with respect to any other Dispute, within two (2) years after the date the incident giving rise thereto occurred, whether or not any damage was sustained or capable of ascertainment or either party knew of such incident. Failure to institute an arbitration proceeding within such period will constitute an absolute bar and waiver to the institution of any proceeding, whether arbitration or a court proceeding, with respect to such Dispute. Notwithstanding the foregoing, this limitations provision will be suspended temporarily as of the date any of the following events occur and will not resume until the date following the date either party is no longer subject to (A) bankruptcy, (B) receivership, (C) any proceeding regarding an assignment for the benefit of creditors, or (D) any legal proceeding, civil or criminal, that prohibits either party from foreclosing any interest it might have in the collateral of the other party.

(j) Survival After Termination. The agreement to arbitrate will survive the termination of this Agreement.

(k) CLASS ACTION WAIVER. THE PARTIES HERETO AGREE THAT BY ENTERING INTO THIS AGREEMENT, EACH PARTY WAIVES ITS RIGHT TO PARTICIPATE IN A CLASS ACTION, PRIVATE ATTORNEY GENERAL ACTION OR OTHER REPRESENTATIVE ACTION AGAINST THE OTHER IN A COURT OR IN ARBITRATION. THE PARTIES FURTHER AGREE THAT EACH MAY BRING DISPUTES AGAINST EACH OTHER ONLY IN THEIR INDIVIDUAL CAPACITY AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE PROCEEDING. Further, unless both Dealers and Agent agree otherwise, arbitration claims may not be joined or consolidated in the arbitration proceeding. In no event shall the arbitrator have authority to preside over any form of representative or class proceeding or to issue any relief that applies to any person or entity other than Dealers and/or Agent individually. If this Class Action Waiver is found to be invalid or unenforceable in whole or in part, then the entirety of this Binding Arbitration section (except for this sentence) shall be null and void with respect to such proceeding, subject to the right to appeal the limitation or invalidation of the Class Action Waiver.

28. Multiple Dealers; Joint and Several Liability.

(a) All Loans and advances by Lenders to any Dealer and all other Obligations of any Dealer shall constitute one general obligation of all of the Dealers. Notwithstanding anything herein to the contrary, the Dealers shall be primarily and jointly and severally liable for all Obligations of any Dealer under this Agreement and any other Loan Document. Notwithstanding the foregoing, if and to the extent a Dealer is deemed to be a guarantor of another Dealer hereunder, such Dealer's liability for any credit extended to or for the benefit of such other Dealer shall be deemed to be a guaranty of payment and performance, and not merely a guaranty of collection. To the fullest extent permitted by law, each Dealer hereby waives promptness, diligence, notice of acceptance, and any other notices of any nature whatsoever with respect to any of the Obligations, and any requirement that Agent protect, secure, perfect or insure any security interest or lien or any property subject thereto or exhaust any right or take any action against any other Dealer, any Guarantor, any other person or any Collateral. Each Dealer agrees that any rights of subrogation, indemnification, reimbursement or any similar rights it may have against any other Dealer with respect to its liability hereunder or otherwise, whether such rights arise under an express or implied contract or by operation of law, shall be subject, junior and subordinate in all respect to all Obligations of such Dealer under this Agreement and any other Loan Document and that the enforcement of such rights shall be stayed until such time as the Dealers shall have indefeasibly paid in full all of the Obligations and neither Agent nor any Lender shall be under any duty to make a Loan to or for the benefit of any Dealer. The liability of each Dealer shall be absolute and unconditional irrespective of (i) any change in the time, manner or place of payment of, or in any other term of, any of the Obligations, or any other amendment or waiver of or any consent to departure from this Agreement or any other agreement between or among Agent, Dealers and, if applicable, Lenders, (ii) any exchange, release or non-perfection of any Collateral or any release or amendment or waiver of or consent to departure from any other guaranty or any release of any Guarantor or any other person liable in whole or in part for all or any of the Obligations, (iii) the disallowance or avoidance of all or any portion the claim(s) of Agent or any Lender for repayment of the Obligations of any Guarantor to Agent or any interest of Agent or any Lender in any security for such Obligations, or (iv) any other circumstance which might otherwise constitute a defense available to, or discharge of, a Dealer or a Guarantor or any other surety.

(b) Each Dealer (each, a "***Principal***") hereby appoints each other Dealer (each, a "***Dealer Representative***") as the Principal's agent and attorney-in-fact (i) to take any action, (ii) to execute any document, instrument, agreement, or certificate (including, without limitation, borrowing base certificates and compliance certificates), (iii) to consent or agree to any amendment or other modification of this Agreement and/or any other agreements between or among any one or more of the Dealers, Agent, and/or Lenders and/or any waiver of or departure from any of the terms hereof or thereof, (iv) to perform any Obligation of the Principal, and (v) to give or receive any notice by or to any Dealer hereunder or thereunder; and in each case without regard to whether any such action is done in the name of an Dealer Representative or a Principal and, if done in the name of an Dealer Representative, without regard to whether such Dealer Representative's capacity as agent or attorney-in-fact is so designated. Without limiting the generality of the foregoing, an Dealer Representative may request extensions of credit to or on behalf of any one or more of the Dealers and/or incur any other Obligations for the account of any one or more of the Dealers, and in any such event all of the Dealers shall be fully and jointly and severally bound by and liable for the actions of such Dealer Representative. Lender shall be entitled to rely absolutely and without duty of inquiry or investigation upon any agreement, request, communication or other notice given by an Dealer Representative under this Agreement and/or any other agreements between or among any one or more of the Dealers and Lender (including without limitation, any request by an Dealer Representative to make credit extensions to or on behalf of itself and/or any one or more other Dealers) until three (3) Business Days after Lender shall have received written notice from each Principal of the revocation of this agency and power of attorney, which revocation shall constitute a Default.

29. Governing Law. All Disputes will be governed by, and construed in accordance with, the laws of Illinois without regard to the conflict of law rules, except to the extent inconsistent with the provisions of the FAA, which will control and govern all arbitration proceedings hereunder.

30. WAIVER OF RIGHT TO JURY TRIAL. ANY PROCEEDING WITH RESPECT TO ANY DISPUTE THAT IS TRIED IN COURT, INCLUDING ANY DISPUTE TRIED IN COURT AS A RESULT OF ANY PORTION OF THE AGREEMENT TO ARBITRATE BEING FOUND TO BE UNENFORCEABLE, INVALID, OR WAIVED BY THE PARTIES, WILL BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE WITHOUT A JURY. THE PARTIES HERETO WAIVE ANY RIGHT TO A JURY TRIAL IN ANY SUCH PROCEEDING.

31. JURISDICTION AND VENUE. Each party submits to, consents to, and accepts the following courts' personal jurisdiction over the party and the selection of such courts as the exclusive forum for all litigation:

(a) Confirming, Vacating, Modifying or Correcting Awards. All litigation regarding confirming, vacating, modifying or correcting an arbitration award shall be brought exclusively in (i) any state or federal court of competent jurisdiction within the federal judicial district which includes the residence of the party against whom such award or order was entered, or (ii) in the United States District Court for the Northern District of Illinois, or (iii) in the Circuit Court of Cook County, Illinois.

(b) Prejudgment and Provisional Remedies. All litigation regarding Prejudgment and Provisional remedies shall be brought exclusively in any court (i) where any Dealer is located, (ii) where the Collateral is located, (iii) the United States District Court for the Northern District of Illinois, or (iv) the Circuit Court of Cook County, Illinois.

(c) All Other Disputes. Any other legal proceeding with respect to any Dispute that is not otherwise subject to arbitration, either because the agreement to arbitrate is found to be unenforceable, is found to be invalid, or is waived by the parties, shall be brought exclusively in the United States District Court for the Northern District of Illinois or the Circuit Court of Cook County, Illinois.

32. INTERCREDITOR AGREEMENT. The Liens granted to Agent on behalf of Lenders pursuant to this Agreement and any other Loan Document and the exercise of any right or remedy by Agent or Lenders hereunder are subject to the provisions of the Intercreditor Agreement. In the event of any conflict between the terms of the Intercreditor Agreement and this Agreement with respect to such Liens, the terms of the Intercreditor Agreement shall govern.

33. RESTATEMENT. This Agreement amends and restates the Existing IFA in its entirety and all obligations, of every type or nature, of Dealers or any Dealer under the Existing IFA are ratified and confirmed by Dealers as though all of such obligations arose under this Agreement.

[*Remainder of this page left intentionally blank*]

THIS CONTRACT CONTAINS BINDING ARBITRATION, CLASS ACTION WAIVER, JURY WAIVER, PUNITIVE DAMAGE WAIVER AND OTHER PROVISIONS THAT LIMIT DEALERS' RIGHTS. EACH DEALER HAS READ THE TERMS AND CONDITIONS OF THIS CONTRACT AND KNOWINGLY AND VOLUNTARILY AGREES THERETO.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

DEALERS:

LEGENDARY ASSETS & OPERATIONS, LLC

By: /s/ Philip Austin Singleton, Jr.
Name: Philip Austin Singleton, Jr.
Title: Manager

SINGLETON ASSETS & OPERATIONS, LLC

By: /s/ Philip Austin Singleton, Jr.
Name: Philip Austin Singleton, Jr.
Title: Manager

SOUTH FLORIDA ASSETS & OPERATIONS, LLC

By: /s/ Philip Austin Singleton, Jr.
Name: Philip Austin Singleton, Jr.
Title: Manager

MIDWEST ASSETS & OPERATIONS, LLC

By: **One Water Assets & Operations, LLC, its Manager**

By: /s/ Philip Austin Singleton, Jr.
Name: Philip Austin Singleton, Jr.
Title: Chief Executive Officer

SOUTH SHORE LAKE ERIE ASSETS & OPERATIONS, LLC

By: /s/ Philip Austin Singleton, Jr.
Name: Philip Austin Singleton, Jr.
Title: Chief Executive Officer

WELLS FARGO COMMERCIAL DISTRIBUTION FINANCE, LLC
as Agent and Lender

By:/s/ Thomas M. Adamski
Name: Thomas M. Adamski
Title: VP Credit Leader

[Signature Page to 5th A&R IFA]

LENDERS:

UNITED COMMUNITY BANK

By: /s/ David L. Shelnutt
Name: David L. Shelnutt
Title: SVP

STERLING NATIONAL BANK

By: /s/ Thomas Couture
Name: Thomas Couture
Title: First Vice President

HANCOCK BANK

By: /s/ Jennifer Henry
Name: Jennifer Henry
Title: Senior Vice President

RENASANT BANK

By: /s/ Paul K. Walker
Name: Paul K. Walker
Title: SVP

BBVA USA

By: /s/ John Whittenburg
Name: John Whittenburg
Title: SVP

IBERIA BANK

By: /s/ Donald W. Dobbins, Jr.
Name: Donald W. Dobbins, Jr.
Title: SVP

ROCKLAND TRUST COMPANY

By: /s/ Thomas Meehan
Name: Thomas Meehan
Title: Vice President

CENTENNIAL BANK

By: /s/ John F. Marshall, Jr.
Name: John F. Marshall, Jr.
Title: President - SPF

SUNTRUST BANK

By: /s/ Tighe A. Ittner
Name: Tighe A. Ittner
Title: Director

SCHEDULE 1

Lender's Allocations and Ratable Share

Lender	Ratable Share	Allocation
CDF	25.477707006%	$100,000,000.00
Sterling National Bank	5.095541401%	$20,000,000.00
United Community Bank	6.369426752%	$25,000,000.00
Hancock Bank	7.643312102%	$30,000,000.00
Renasant Bank	4.458598726%	$17,500,000.00
BBVA USA	11.464968153%	$45,000,000.00
Iberia Bank	3.821656051%	$15,000,000.00
Rockland Trust Company	6.369426752%	$25,000,000.00
Centennial Bank	6.369426752%	$25,000,000.00
SunTrust Bank	22.929936306%	$90,000,000.00
Aggregate Allocations		$392,500,000.00

SCHEDULE 2

Wire Instructions

CDF for immediate use at close and thereafter:

For use by United Community Bank
Bank Address: Wells Fargo Bank, N.A., 420 Montgomery Street San Francisco, CA 94104
Account Name:
Wire/ACH ABA #:
Account No.:
Reference:

For use by Sterling National Bank
Bank Address: Wells Fargo Bank, N.A. 420 Montgomery Street San Francisco, CA 94104
Account Name:
Wire/ACH ABA#:
Account No.:
Reference:

For use by Hancock Bank
Bank Address: Wells Fargo Bank, N.A., 420 Montgomery Street San Francisco, CA 94104
Account Name:
Wire/ACH ABA #:
Account No.:
Reference:

For use by Renasant Bank
Bank Address: Wells Fargo Bank, N.A., 420 Montgomery Street San Francisco, CA 94104
Account Name:
Wire/ACH ABA #:
Account No.:
Reference:

For use by BBVA USA
Bank Address: Wells Fargo Bank, N.A., 420 Montgomery Street San Francisco, CA 94104
Account Name:
Wire/ACH ABA #:
Account No.:
Reference:

For use by Iberia Bank
Bank Address: Wells Fargo Bank, N.A., 420 Montgomery Street San Francisco, CA 94104
Account Name:
Wire/ACH ABA #:
Account No.:
Reference:

For use by Rockland Trust Company
Bank Address: Wells Fargo Bank, N.A., 420 Montgomery Street San Francisco, CA 94104
Account Name:
Wire/ACH ABA #:
Account No.:
Reference:

For use by Centennial Bank
Bank Address: Wells Fargo Bank, N.A., 420 Montgomery Street San Francisco, CA 94104
Account Name:
Wire/ACH ABA #:
Account No.:
Reference:

For use by SunTrust Bank
Bank Address: Wells Fargo Bank, N.A., 420 Montgomery Street San Francisco, CA 94104
Account Name:
Wire/ACH ABA #:
Account No.:
Reference:

ACKNOWLEDGMENT AND AGREEMENT OF GUARANTORS

The undersigned Guarantors (collectively, the "***Guarantors***", and each a "***Guarantor***") of Dealers' Liabilities (as defined in each Guaranty), pursuant to (i) that certain Sixth Amended and Restated Collateralized Guaranty dated November __, 2019 (as amended, restated, supplemented or otherwise modified from time to time, the "***Holdings Guaranty***"), by One Water Marine Holdings, LLC for the benefit of Wells Fargo Commercial Distribution Finance, LLC ("***Agent***"), (ii) that certain Fourth Amended and Restated Collateralized Guaranty dated November __, 2019 (as amended, restated, supplemented or otherwise modified from time to time, the "***Parent Guaranty***"), by One Water Assets & Operations, LLC for the benefit of Agent, (iii) that certain Third Amended and Restated Guaranty dated June 14, 2018 (as amended, restated, supplemented or otherwise modified from time to time, the "***Singleton Guaranty***"), by Phillip Austin Singleton, Jr for the benefit of Agent, (iv) that certain Third Amended and Restated Guaranty dated June 14, 2018 (as amended, restated, supplemented or otherwise modified from time to time, the "***Aisquith Guaranty***"), by Anthony Aisquith for the benefit of Agent, and (vi) that certain Collateralized Guaranty dated November __, 2019 (as amended, restated, supplemented or otherwise modified from time to time, the "***Marine Guaranty***," and together with the Holdings Guaranty, Parent Guaranty, Singleton Guaranty, and Aisquith Guaranty, each a "***Guaranty***"), by One Water Marine, Inc. for the benefit of Agent, each hereby ratify and confirm its respective Guaranty and each other Loan Document executed by itself in all respects, consents to the terms and execution of the foregoing Agreement, and acknowledges that Agent may amend, restate, extend, renew or otherwise modify the foregoing Agreement and any indebtedness or agreement of Dealers, or enter into any agreement or extend additional or other credit accommodations, without notifying or obtaining the consent of any Guarantor and without impairing the liability of each Guarantor under its Guaranty. Each Guarantor represents to and covenants with Agent and the Lenders that it has no defense, claim, right of recoupment or right of offset against Agent, the Lenders, or both under the respective Guaranty.

[*Remainder of this page left intentionally blank*]

Guarantor:

One Water Marine Holdings, LLC, and
One Water Assets & Operations, LLC

By: /s/ Philip Austin Singleton, Jr.
Name: Philip Austin Singleton, Jr.
Title: Chief Executive Officer

Guarantor:

OneWater Marine Inc.

By: /s/ Philip Austin Singleton, Jr.
Name: Philip Austin Singleton, Jr.
Title: Chief Executive Officer

Guarantor:

/s/ Philip Austin Singleton, Jr.
Philip Austin Singleton, Jr., individually

Guarantor:

/s/ Anthony Aisquith
Anthony Aisquith, individually

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our report dated January 6, 2020, with respect to the financial statement of OneWater Marine Inc. contained in the Registration Statement and Prospectus. We consent to the use of the aforementioned report in the Registration Statement and Prospectus, and to the use of our name as it appears under the caption "Experts."

/s/ GRANT THORNTON LLP

Atlanta, Georgia
January 6, 2020

Exhibit 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our report dated January 6, 2020, with respect to the consolidated financial statements of One Water Marine Holdings, LLC contained in the Registration Statement and Prospectus. We consent to the use of the aforementioned report in the Registration Statement and Prospectus, and to the use of our name as it appears under the caption "Experts."

/s/ GRANT THORNTON LLP

Atlanta, Georgia
January 6, 2020