

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

**FORM 10-Q**

(Mark One)

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

For the quarterly period ended March 31, 2026

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 000-56773

**ContextLogic Holdings Inc.**

(Exact Name of Registrant as Specified in its Charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)  
2648 International Blvd Ste 301  
Oakland, CA  
(Address of principal executive offices)

27-2930953  
(I.R.S. Employer  
Identification No.)

94601  
(Zip Code)

(415) 965-8476

Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act:

Securities registered pursuant to Section 12(g) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.0001 par value	LOGC	OTCQB

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

As of April 30, 2026, the number of shares of the registrant's common stock outstanding was 45,730,540.

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## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements which statements involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or future financial or operating performance and include all statements that are not historical facts such as information concerning executive management transitions and integrations, the financial outlook of ContextLogic Holdings Inc. (the "Company," "ContextLogic," "we," "our" or "us"), information concerning the acquisition of US Salt Parent Holdings, LLC and subsidiaries (such entities taken together, comprising the salt production, manufacturing and distribution business of US Salt and its subsidiaries ("US Salt"), such acquisition, the "US Salt Acquisition"), information concerning the integration of US Salt into the Company's operations, potential growth strategies and opportunities, our remediation efforts for a material weakness identified as part of the US Salt Acquisition, potential resolutions to ongoing litigation and planned capital expenditures. In some cases, forward-looking statements can be identified by terms such as "anticipates," "assumption," "believes," "continue," "could," "estimates," "expects," "foresees," "forecasts," "guidance," "intends," "goals," "judgment," "may," "might," "outlook," "plans," "potential," "predicts," "projects," "seeks," "should," "targets," "will," "would" or similar expressions and the negatives of those terms.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Those risks include those described in Part II, Item 1A. "Risk Factors" in this Quarterly Report on Form 10-Q, as well as in our condensed consolidated financial statements, related notes, and the other information appearing elsewhere in this Quarterly Report on Form 10-Q, our Annual Report on Form 10-K for the year ended December 31, 2025 filed with the SEC on March 5, 2026 and our other filings with the SEC. The inclusion of forward-looking information should not be regarded as a representation by us, our management or any other person that the future plans, estimates, or expectations contemplated by us will be achieved. Given these uncertainties, you should not place undue reliance on any forward-looking statements in this Quarterly Report on Form 10-Q.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject, including, but not limited to, statements regarding the acquisition of US Salt, the strategic alternatives considered by the Company's Board of Directors (the "Board"), including the decisions taken thereto; future financial performance; future liquidity and operating expenditures; financial condition and results of operations; competitive changes in the marketplace and other characterizations of future events or circumstances. These statements are based on information available to us as of the date of this Quarterly Report on Form 10-Q. While we believe such information provides a reasonable basis for these statements, such information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely on these statements.

The forward-looking statements made in this Quarterly Report on Form 10-Q relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this Quarterly Report on Form 10-Q to reflect events or circumstances after the date of this Quarterly Report on Form 10-Q or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, or investments.

You should read this Quarterly Report on Form 10-Q and the documents that we reference in this Quarterly Report on Form 10-Q and have filed with the SEC as exhibits to this Quarterly Report on Form 10-Q with the understanding that our actual future results, levels of activity, performance, and events and circumstances may be materially different from what we expect.

**PART I—FINANCIAL INFORMATION**

**Item 1. Condensed Consolidated Financial Statements (Unaudited)**

**CONTEXTLOGIC HOLDINGS INC.**

**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(\$ in millions, units and shares in thousands, except par value)  
(Unaudited)

	<u>Successor</u>	<u>Predecessor</u>
	<u>As of March 31, 2026</u>	<u>As of December 31, 2025</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 12.0	\$ 10.8
Accounts receivable, net	13.5	12.1
Inventories	12.5	10.9
Prepaid expenses and other current assets	2.3	1.0
Total current assets	40.3	34.8
Property, plant and equipment, net	396.5	321.4
Goodwill	148.0	28.1
Intangibles, net	385.6	16.8
Operating lease right-of-use assets	1.0	1.1
Finance lease right-of-use assets	0.4	0.4
Other inventories	5.2	5.2
Total assets	<u>\$ 977.0</u>	<u>\$ 407.8</u>
<b>Liabilities, Members' Equity and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 9.5	\$ 8.4
Accrued liabilities	12.1	6.4
Current maturities of long- term debt	1.6	2.3
Current portion of operating lease liability	0.7	0.7
Current portion of finance lease liability	0.1	0.1
Other current liabilities	0.1	—
Total current liabilities	24.1	17.9
Long-term debt, net of current maturities	209.8	203.1
Long- term portion of operating lease liability	0.4	0.5
Long- term portion of finance lease liability	0.3	0.3
Asset retirement obligations	0.8	0.8
Total liabilities	235.4	222.6
Commitments and contingencies (Note 13)		
Members' equity (Predecessor)		
Members' units, Class A: 191 units issued and outstanding as of December 31, 2025		181.0
Members' units, Class B: 3 units issued and outstanding as of December 31, 2025		1.5
Subscription note receivable		(0.1)
Retained earnings		1.0
Noncontrolling parent interest		1.8
Total Members Equity		185.2
Stockholders' equity (Successor)		
Preferred stock, \$0.0001 par value: 100,000 shares authorized as of March 31, 2026; No shares issued and outstanding as of March 31, 2026	—	
Common stock, \$0.0001 par value: 3,000,000 shares authorized as of March 31, 2026; 45,731 shares issued and outstanding as of March 31, 2026	—	
Additional paid-in capital	3,635.4	
Accumulated deficit	(3,337.5)	
Total stockholders' equity	297.9	
Noncontrolling interest (Note 14)	443.7	
Total members' equity and stockholders' equity	741.6	185.2
Total liabilities, members' equity, and stockholders' equity	<u>\$ 977.0</u>	<u>\$ 407.8</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

**CONTEXTLOGIC HOLDINGS INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(\$ in millions, units and shares in thousands, except per unit and share data)  
(Unaudited)

	Successor	Predecessor	
	Period from February 27, 2026 to March 31, 2026	Period from January 1, 2026 to February 26, 2026	Three Months Ended March 31, 2025
Net sales	\$ 12.1	\$ 20.3	\$ 32.3
Cost of sales	8.3	13.2	20.4
Gross profit	3.8	7.1	11.9
Operating expenses:			
Selling expense	0.4	0.7	1.0
General and administrative	7.5	1.6	2.6
Transaction expenses	20.7	0.1	—
Total operating expenses	28.6	2.4	3.6
(Loss) income from operations	(24.8)	4.7	8.3
Other income (expenses)			
Interest and other expense, net	(1.8)	(3.0)	(5.4)
(Loss) income before benefit from income taxes	(26.6)	1.7	2.9
Benefit from income taxes	41.9	—	—
Net income	15.3	1.7	2.9
Net (loss) attributable to noncontrolling interest (Note 14)	—	—	—
Net income attributable to Parent Holdings Class A unitholders (Predecessor)		\$ 1.7	\$ 2.9
Net income attributable to common stockholders (Successor)	\$ 15.3		
Net income per unit attributable to Class A unit, basic and diluted (Predecessor)		\$ 8.91	\$ 15.18
Basic and diluted weighted average Class A units outstanding (Predecessor)		190.9	191.0
Net income per share attributable to common stockholders, basic (Successor)	\$ 0.33		
Net income per share attributable to common stockholders, diluted (Successor)	\$ 0.33		
Weighted-average shares used in computing net income per share attributable to common stockholders, basic (Successor)	45,676		
Weighted-average shares used in computing net income per share attributable to common stockholders, diluted (Successor)	45,749		

The accompanying notes are an integral part of these condensed consolidated financial statements.

**CONTEXTLOGIC HOLDINGS INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN MEMBERS' EQUITY**  
(\$ in millions, units in thousands)  
(unaudited)

	Predecessor							
	Three Months Ended March 31, 2025							
	Class A Member Units		Class B Member Units		Subscription Note Receivable	Accumulated Deficit	Noncontrolling parent interest	Total Members' Equity
	Units	Amount	Units	Amount				
Balances as of January 1, 2025	191.0	\$ 184.5	2.2	\$ 1.2	(0.2)	(10.2)	1.7	\$ 177.0
Members' distributions	—	(1.4)	—	—	—	—	—	(1.4)
Collection of subscription note receivable	—	—	—	—	0.1	—	—	0.1
Unit-based compensation expense	—	—	0.7	0.1	—	—	—	0.1
Repurchase of units	—	—	(0.2)	(0.2)	—	—	—	(0.2)
Net income	—	—	—	—	—	2.9	—	2.9
Balances as of March 31, 2025	191.0	\$ 183.1	2.7	\$ 1.1	(0.1)	(7.3)	1.7	\$ 178.5

	Predecessor							
	Period from January 1, 2026 to February 26, 2026							
	Class A Member Units		Class B Member Units		Subscription Note Receivable	Retained Earnings	Noncontrolling parent interest	Total Members' Equity
	Units	Amount	Units	Amount				
Balances as of January 1, 2026	190.9	\$ 181.0	3.4	\$ 1.5	(0.1)	1.0	1.8	\$ 185.2
Collection of subscription note receivable	—	—	—	—	0.1	—	—	0.1
Unit-based compensation expense	—	—	0.4	0.1	—	—	—	0.1
Net income	—	—	—	—	—	1.7	—	1.7
Balances as of February 26, 2026	190.9	\$ 181.0	3.8	\$ 1.6	—	2.7	1.8	\$ 187.1

The accompanying notes are an integral part of these condensed consolidated financial statements.

**CONTEXTLOGIC HOLDINGS INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
(\$ in millions, shares in thousands)  
(unaudited)

	Successor						
	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulate d Deficit	Noncontro lling interest	Total Stockholder s' Equity
	Shares	Amou nt					
Balances as of February 27, 2026	26,941.2	\$ —	\$ 3,484.3	\$ —	\$ (3,352.8)	\$ —	\$ 131.5
Issuance of common stock upon settlement of restricted stock units	90.3	—	—	—	—	—	—
Stock-based compensation	—	—	0.5	—	—	—	0.5
Net income	—	—	—	—	15.3	—	15.3
Issuance of common stock - US Salt Acquisition	15,480.4	—	123.9	—	—	—	123.9
Issuance of Noncontrolling interest - US Salt Acquisition	—	—	—	—	—	201.4	201.4
Issuance of common stock - Rights Offering	3,218.6	—	25.5	—	—	—	25.5
Issuance of subsidiary membership units - Rights Offering backstop	—	—	—	—	—	89.3	89.3
Conversion of redeemable noncontrolling interest to noncontrolling interest	—	—	—	—	—	153.0	153.0
Deferred taxes arising from changes in ownership	—	—	1.2	—	—	—	1.2
Balances as of March 31, 2026	<u>45,730.5</u>	<u>\$ —</u>	<u>\$ 3,635.4</u>	<u>\$ —</u>	<u>\$ (3,337.5)</u>	<u>\$ 443.7</u>	<u>\$ 741.6</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

**CONTEXTLOGIC HOLDINGS INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in millions)  
(unaudited)

	Successor	Predecessor	
	Period from February 27, 2026 to March 31, 2026	Period from January 1, 2026 to February 26, 2026	Three Months Ended March 31, 2025
<b>Cash flows from operating activities:</b>			
Net income	\$ 15.3	\$ 1.7	\$ 2.9
Adjustments to reconcile net income to net cash (used in) provided by operating activities:			
Depreciation, depletion, and amortization	3.3	2.7	3.7
Deferred income tax	(41.9)	—	—
Amortization of debt issuance cost	—	0.1	0.2
Unit/Stock-based compensation	0.5	0.1	0.1
Non-cash lease expense	0.1	0.1	0.2
Other	0.2	—	—
Changes in operating assets and liabilities:			
Accounts receivable, net	(0.1)	(1.3)	0.5
Inventory	0.2	(0.7)	(0.8)
Prepaid expenses and other current assets	(0.7)	0.1	0.3
Other inventories	—	—	(0.2)
Accounts payable	(2.7)	(1.0)	(0.9)
Operating lease liabilities	(0.1)	(0.1)	(0.2)
Accrued liabilities	5.5	0.1	(1.9)
Net cash (used in) provided by operating activities	(20.4)	1.8	3.9
<b>Cash flows from investing activities:</b>			
Purchases of property, plant and equipment	(0.7)	(1.3)	(2.6)
Acquisition of US Salt, net of cash acquired	(585.2)	—	—
Net cash (used in) investing activities	(585.9)	(1.3)	(2.6)
<b>Cash flows from financing activities:</b>			
Proceeds from issuance of common stock from the backstopped rights offering	25.7	—	—
Payment of rights offering costs	(0.2)	—	—
Proceeds from issuance of subsidiary membership units from the backstopped rights offering	89.3	—	—
Proceeds from issuance of subsidiary membership units, prior to conversion (Note 14)	75.0	—	—
Proceeds from issuance of long-term debt	215.0	—	—
Payment of debt issuance costs	(3.6)	—	—
Repayment of principal on term loan	—	—	(0.6)
Member's distributions	—	—	(1.4)
Repurchase of units	—	—	(0.2)
Other	(0.2)	—	—
Net cash provided by (used in) financing activities	401.0	—	(2.2)
Net (decrease) increase in cash and cash equivalents	(205.3)	0.5	(0.9)
Cash and cash equivalents at beginning of period	217.3	10.8	7.4
Cash and cash equivalents at end of period	\$ 12.0	\$ 11.3	\$ 6.5
<b>Supplemental cash flow disclosures:</b>			
Cash paid for income taxes, net of refunds	\$ —	\$ —	\$ —
Cash paid for interest	\$ —	\$ —	\$ 5.4
<b>Supplemental noncash investing and financing activities:</b>			
Property, plant and equipment in accounts payable	\$ 0.5	\$ 0.5	\$ 0.5
Equity exchanged for ownership in US Salt (Note 2)	\$ 325.2	\$ —	\$ —
Conversion of redeemable noncontrolling interest to noncontrolling interest (Note 14)	\$ 153.0	\$ —	\$ —

The accompanying notes are an integral part of these condensed consolidated financial statements.

**CONTEXTLOGIC HOLDINGS INC.**  
**Notes to Unaudited Condensed Consolidated Financial Statements**

**NOTE 1. OVERVIEW, BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES**

ContextLogic Holdings Inc. is an OTC traded business ownership platform designed from first principles to combine the structural advantages of permanent public capital with the operating discipline, alignment, and long-term orientation typically associated with private ownership. ContextLogic's mission is to build a portfolio of high-quality, niche, and competitively advantaged businesses that generate sustainable, growing free cash flow that can be reinvested over long time horizons.

***The US Salt Acquisition***

***Purchase Agreement***

ContextLogic entered into a Purchase Agreement on December 8, 2025 (as amended, the "Purchase Agreement") with ContextLogic LLC, a Delaware limited liability company and wholly owned subsidiary, ("CLI LLC"), ContextLogic Holdings, LLC, a Delaware limited liability company and majority owned subsidiary ("Holdings"), (and together with ContextLogic and CLI LLC, the "Buyer Parties"), Salt Management Aggregator, LLC, a Delaware limited liability company (the "Management Aggregator"), Emerald Lake Pearl Acquisition GP, L.P., a Delaware limited partnership ("Emerald GP"), Emerald Lake Pearl Acquisition-A, L.P., a Delaware limited partnership ("Blocker Seller"), Emerald Lake Pearl Acquisition Blocker, LLC, a Delaware limited liability company ("Blocker"), Emerald Lake Pearl Acquisition, L.P., a Delaware limited partnership (solely in its capacity as a Seller Party, "Emerald Fund" and, together with Emerald GP and Blocker Seller, the "Emerald Investors"), Abrams Capital Partners I, L.P., a Delaware limited partnership ("ACP I") and Abrams Capital Partners II, a Delaware limited partnership ("ACP II", together with ACP I, "Abrams Capital"), Riva Capital Partners V, L.P., a Delaware limited partnership ("Riva V"), and Riva Capital Partners VI, L.P., a Delaware limited partnership ("Riva VI," and together with ACP I, ACP II and Riva V, collectively, the "Abrams Investors"), the investors set forth on Schedule II to the Purchase Agreement (the "Management Investors" and, together with the Emerald Investors and the Abrams Investors, collectively, the "Seller Parties"), US Salt, Emerald Lake Pearl Acquisition, L.P., a Delaware limited partnership, solely in its capacity as the Sellers Representative pursuant to the Purchase Agreement (the "Sellers Representative"), and, solely for the purposes of Section 7.16 to the Purchase Agreement and, as it relates thereto, Article XV of the Purchase Agreement, BCP Special Opportunities Fund III Originations LP, a Delaware limited partnership ("BCP"). Capitalized terms used in this section discussing the Purchase Agreement, but not herein defined shall have the respective meanings set forth in the Purchase Agreement.

Holdings acquired US Salt for an aggregate purchase price of approximately \$921.7 million subject to customary adjustments, including for cash and net working capital, which was comprised of approximately \$596.5 million in cash consideration (including, among other sources, the use of approximately \$211.4 million in net borrowing proceeds from the Initial Term Loans and approximately \$115.0 million in proceeds from the Rights Offering and Backstop Agreements) and approximately \$325.2 million in equity rollover consideration. At the closing, \$2.8 million in cash was placed into the Escrow Fund to satisfy the escrow obligations set forth under the Purchase Agreement and the Escrow Agreement.

**Transactions**

The transactions contemplated by the Purchase Agreement, and executed in the Closing, are as follows:

- (a) On February 26, 2026 (the "Closing Date") and prior to the Closing, certain of the Seller Parties and their Affiliates consummated the Pre-Closing Reorganization (as defined in the Purchase Agreement);
- (b) Prior to the Closing, certain Buyer Parties and their Affiliates consummated the Buyer Pre-Closing Reorganization (as defined in the Purchase Agreement);
- (c) Following the Pre-Closing Reorganization, (i) Blocker contributed all of the US Salt Units (defined below) then held by it to Holdings in exchange for Class B-1 Common Units of Holdings, and Holdings accepted such contribution and issued Class B-1 Common Units to Blocker in exchange therefor; and (ii) the Company contributed all of the US Salt Units then held by it to Holdings in exchange for Class B-1 Common Units of Holdings, and Holdings accepted such contribution and issued Class B-1 Common Units to the Company in exchange therefor (the transactions described in the foregoing clauses (i)-(ii), the "Internal Contribution and Exchange");

- (d) Blocker Seller sold to the Company, and the Company purchased from Blocker Seller, all of Blocker Seller's remaining membership interests in Blocker for cash consideration, on the terms and subject to the conditions set forth in the Purchase Agreement (the "Blocker Sale");
- (e) As of immediately prior to the Parent Contribution and Exchange, (i) US Salt was collectively owned 100% by Emerald GP, Blocker, Emerald Fund, the Abrams Investors and the Management Investors, and (ii) Blocker was wholly-owned by Blocker Seller;
- (f) (i) Blocker Seller contributed a portion of its membership interests in Blocker to the Company in exchange for shares of ContextLogic common stock, and the Company accepted such contribution and issued shares of ContextLogic common stock to Blocker Seller in exchange therefor; (ii) Emerald GP and Emerald Fund contributed a portion of their respective Class A Units and Class B Units of US Salt Parent Holdings, LLC (together, the "US Salt Units") to the Company in exchange for shares of ContextLogic common stock, and the Company accepted such contribution and issued shares of ContextLogic common stock to Emerald GP and Emerald Fund in exchange therefor; and (iii) each of the Abrams Investors contributed a portion of its US Salt Units to the Company in exchange for shares of ContextLogic common stock, and the Company accepted such contribution and issued shares of ContextLogic common stock to each of the Abrams Investors in exchange therefor, in each case, on the terms and subject to the conditions set forth in the Purchase Agreement (the transactions described in the foregoing clauses (i)-(iii), the "Parent Contribution and Exchange");
- (g) Immediately following the consummation of the Parent Contribution and Exchange, (i) certain Management Investors contributed a portion of their US Salt Units to Holdings in exchange for the Preferred Units, and Holdings accepted such contribution and issued Preferred Units to such Management Investors in exchange therefor; (ii) Emerald GP contributed a portion of the US Salt Units then held by it to Holdings in exchange for Preferred Units of Holdings, and Holdings accepted such contribution and issued Preferred Units to Emerald GP in exchange therefor; (iii) the Abrams Investors (together with the Management Investors identified on Schedule 1.03 to the Purchase Agreement and Emerald GP, the "Rollover Sellers") contributed a portion of the US Salt Units then held by them to Holdings in exchange for Preferred Units of Holdings, and Holdings accepted such contribution and issued Preferred Units to the Abrams Investors in exchange therefor, in each case, on the terms and subject to the conditions set forth in the Purchase Agreement (the transactions described in the foregoing clauses (i)-(iii), the "Buyer Rollover"); and
- (h) Immediately following the consummation of the Buyer Rollover, Emerald GP, Emerald Fund, each of the Abrams Investors, and each of the Management Investors (collectively, the "Cash Sellers") sold to Holdings, and Holdings purchased from each such Person, all of the US Salt Units then held by such Person for cash consideration, on the terms and subject to the conditions set forth in the Purchase Agreement (the "US Salt Sale" and, together with the Parent Contribution and Exchange, the Blocker Sale, the Internal Contribution and Exchange and the Buyer Rollover, collectively, the "Transactions").

Upon consummation of the Transactions, the Company acquired US Salt and its subsidiaries, including US Salt's salt production and manufacturing business, and the Company holds substantially all of the assets and business of US Salt.

#### Consideration

Pursuant to the Purchase Agreement, at Closing, Holdings and/or the Company delivered the following:

- (a) immediately available funds to Blocker Seller, representing the cash payments to be made in the Blocker Sale;
- (b) immediately available funds to the Sellers Representative (on behalf of the Cash Sellers (other than Blocker Seller)), representing the cash payments to be made in the US Salt Sale;
- (c) the Adjustment Escrow Amount (defined below) in an amount of \$2.8 million to the Escrow Agent (defined below), consisting of immediately available funds and to be held in accordance with the terms of the Escrow Agreement;
- (d) the amount set forth in the payoff letters;
- (e) all Transaction Expenses, in the amounts and to the Persons set forth on the Estimated Closing Statement (or, in the case of any Transaction Expenses that constitute wages payable to employees of US Salt and its Subsidiaries, deposit such amounts with US Salt, LLC, a Delaware limited liability company ("Opco"), for further payment to the Persons entitled thereto no later than Opco's second regularly scheduled payroll date following the Closing Date); and
- (f) the Expense Fund, in the amount of \$0.3 million, to the Sellers Representative.

Pursuant to the Purchase Agreement, at or prior to the Closing, Holdings or ContextLogic delivered payments, including: immediately available funds to Blocker Seller and immediately available funds to the Sellers Representative (on behalf of the Cash Sellers (other than Blocker Seller)); \$2.8 million (the "Adjustment Escrow Amount") to the Escrow Agent (defined below); the amount set forth in the payoff letters; all expenses of the transactions, in the amounts and to the persons set forth on the estimated closing statement of the Purchase Agreement.

#### The Backstop Agreements

Simultaneously with entering into and as contemplated by the Purchase Agreement, Holdings entered into a backstop agreement with BCP (such agreement, the "BCP Backstop Agreement") and ContextLogic entered into backstop agreements with Abrams Capital (the "Abrams Backstop Agreements" and, together with the BCP Backstop Agreement, the "Backstop Agreements"). Under the respective Backstop Agreements, in the event the Rights Offering (as defined below) was not fully subscribed at the expiration of the Rights Offering period, (i) BCP was obligated to purchase the Preferred Units from Holdings at a price of \$8.00 per Preferred Unit (the "Per Unit Subscription Price") for an aggregate amount not to exceed \$92.0 million (the "BCP Cap") and (ii) each of ACP I and ACP II was obligated to purchase shares of ContextLogic common stock from ContextLogic at a price of \$8.00 per share (the "Per Share Subscription Price"), for an aggregate amount not to exceed (a) \$1.6 million for ACP I (the "ACP I Cap") and (b) \$21.4 million for ACP II (the "ACP II Cap" and, together with the BCP Cap and the ACP I Cap, each a "Cap"). For the avoidance of doubt, in no event will the purchase price under the respective backstops exceed the BCP Cap, ACP I Cap, or ACP II Cap, as applicable.

Subject to the expiration of the Rights Offering period and the terms and conditions of the Rights Offering, which were customary and subject to the prior written approval of each of BCP, ACP I and ACP II:

- BCP purchased, and Holdings issued and sold to BCP, approximately 11,156 thousand Preferred Units equal to the quotient of (A) (i) the product of 80% multiplied by (ii) the difference between (x) the Rights Offering Amount, minus (y) the dollar amount of proceeds from the Rights Offering actually received by ContextLogic prior to (and that remain available to ContextLogic at) or immediately prior to the closing of the Transactions (such product, the "BCP Purchase Price") divided by (B) the Per Unit Subscription Price, for an amount in cash equal to \$89.3 million;
- ACP I purchased, and ContextLogic issued and sold to ACP I, approximately 190 thousand shares of ContextLogic common stock equal to the quotient of (A) (i) the product of 1.366% multiplied by (ii) the difference between (x) the Rights Offering Amount, minus (y) the dollar amount of proceeds from the Rights Offering actually received by ContextLogic prior to (and that remain available to ContextLogic at) or immediately prior to the closing of the Transactions (such product, the "ACP I Purchase Price") divided by (B) the Per Share Subscription Price, for an amount in cash equal to \$1.5 million; and
- ACP II purchased, and ContextLogic issued and sold to ACP II, approximately 2,599 thousand shares of ContextLogic common stock equal to the quotient of (A) (i) the product of 18.634% multiplied by (ii) the difference between (x) the Rights Offering Amount, minus (y) the dollar amount of proceeds from the Rights Offering actually received by ContextLogic prior to (and that remain available to ContextLogic at) or immediately prior to the closing of the Transactions (such product, the "ACP II Purchase Price") divided by (B) the Per Share Subscription Price, for an amount in cash equal to \$20.8 million.

#### The Financing Arrangements

As contemplated by the Purchase Agreement, on December 8, 2025, Holdings entered into an agreement (the "Debt Commitment Letter") with certain lenders, pursuant to which the lenders committed to fund up to \$215.0 million to Holdings in connection with a new senior secured first lien term loan facility (the "Term Facility") and \$25.0 million to Holdings in connection with a new senior secured first lien revolving loan facility (the "Revolving Facility" and, together with the Term Facility, the "Facilities" or "Financings") in each case subject to the terms and conditions set forth in the Debt Commitment Letter.

On the Closing Date, Holdings, as the initial borrower, entered into a Credit Agreement (as amended, restated, amended and restated, extended, supplemented or otherwise modified in writing from time to time, the "Credit Agreement"), with US Salt Investors, LLC, a Delaware limited liability company (the "Borrower"), as the borrower, US Salt Holdings, LLC, a Delaware limited liability company ("US Salt Holdings"), as holdings, the guarantors from time to time party thereto, Wilmington Trust, National Association, as administrative agent and collateral agent (the "Agent"), and each lender from time to time party thereto (the "Lenders"). Immediately after the consummation of the Credit Agreement, the Borrower succeeded to the rights and obligations of Holdings under the Credit Agreement and other Loan Documents (as defined in the Credit Agreement) and Holdings was released from its obligations under the Credit Agreement and other Loan

Documents. The obligations under the Credit Agreement are guaranteed by US Salt Holdings and certain of the Borrower's subsidiaries (collectively, the "Guarantors") and collateralized by substantially all of the assets of the Borrower and the Guarantors.

The Credit Agreement provides for (i) an initial term loan facility in an aggregate principal amount of \$215.0 million (the "Initial Term Loans") and (ii) a revolving credit facility in an initial aggregate principal amount of \$25.0 million (the "Revolving Loans" and, together with the Initial Term Loans, the "Loans"). The Credit Agreement provides that the Borrower has the right at any time and from time to time to incur one or more incremental revolving commitments and/or incremental term loans, subject to certain customary conditions and other requirements. The Lenders under the Credit Agreement are not obligated to provide any such incremental loans or commitments. The Initial Term Loans were borrowed on the Closing Date. The Loans mature on February 26, 2033.

At the Borrower's option, and subject to certain conditions, the Loans bear interest at a base rate or a term Secured Overnight Financing Rate ("SOFR") rate plus, in each case, an applicable margin determined by the Borrower's Consolidated First Lien Net Leverage Ratio (as defined in the Credit Agreement). For borrowings that bear interest at a term SOFR rate, the applicable margin is a per annum amount equal to an amount between 4.00% and 4.50%. The Borrower is also required to pay a commitment fee with respect to unused available commitments under the revolving credit facility in a per annum amount, determined by the Borrower's Consolidated First Lien Net Leverage Ratio, equal to an amount between 0.375% and 0.50%. The Borrower is also obligated to pay the Agent and Lenders other fees and premiums customary for credit facilities of this size and type.

The Credit Agreement contains customary affirmative and negative covenants, conditions to borrowing and events of default.

The Company used the proceeds of the Facilities, together with the Backstop Agreements and the Rights Offering to help (i) fund a portion of the US Salt Acquisition, (ii) repay US Salt's existing indebtedness under its current credit facility, (iii) pay fees and expenses incurred in connection with the US Salt Acquisition, (iv) cash collateralize, backstop or replace letters of credit of US Salt outstanding on the Closing Date, and (v) fund working capital and general corporate purpose needs.

#### Registration Rights Agreement

##### Demand Registration

As contemplated by the Purchase Agreement, on the Closing Date, ContextLogic and certain of the Rollover Sellers entered into a Registration Rights Agreement (the "Registration Rights Agreement"), pursuant to which each signatory to the Registration Rights Agreement listed as Lead Investor (a "Lead Investor") shall have the right to make a written request to ContextLogic for registration under the Securities Act of 1933, as amended (the "Securities Act") of the offer and sale to the public of any Registrable Securities pursuant to a Registration Statement (such request, a "Demand Registration Request") of all or part of the Registrable Securities held by such Lead Investor which would reasonably be expected to result in gross proceeds of at least \$15.0 million and ContextLogic will agree to file a Registration Statement with the SEC within thirty (30) days of receipt of the Demand Registration Request (or, if such 30-day period falls in a Company Blackout Period (as defined below), within five (5) Business Days from the end of such Company Blackout Period) and use its reasonable best efforts to cause such Registration Statement to be promptly declared effective under the Securities Act. No more than two (2) Business Days after receiving a Demand Registration Request, ContextLogic shall deliver a written notice (a "Demand Notice") of such Demand Registration Request to all the Lead Investors and each signatory to the Registration Rights Agreement listed as other investors who then hold Registrable Securities under the Registration Rights Agreement (collectively, the "Holders"), offering them the opportunity to include their Registrable Securities in the Demand Registration. Subject to Section 3.1.7 of the Registration Rights Agreement, ContextLogic shall include in the Demand Registration all such Registrable Securities with respect to which ContextLogic has received written requests for inclusion therein within three (3) Business Days after the date that the Demand Notice was delivered. ContextLogic shall use its reasonable best efforts to cause the Demand Registration Statement to become effective and remain effective for not less than one hundred eighty (180) days, subject to certain conditions in the Registration Rights Agreement.

##### Shelf Registration

Additionally, pursuant to the Registration Rights Agreement, upon the written request of any of the Lead Investors (such request, a "Shelf Registration Request"), ContextLogic will be required to promptly file a shelf Registration Statement (as defined in the Registration Rights Agreement) with the SEC pursuant to Rule 415 under the Securities Act relating to the offer and sale of Registrable Securities by any Holders thereof and shall use reasonable best efforts to cause such Shelf Registration Statement to promptly become effective under the Securities Act (such Registration pursuant to a Shelf

Registration Request, a "Shelf Registration"). No more than two (2) Business Days after receiving a Shelf Registration Request, ContextLogic shall deliver a written notice (a "Shelf Registration Notice") of any such request to all other Holders, which shall specify, if applicable, the amount of Registrable Securities to be registered and shall offer each such Holder the opportunity to include their Registrable Securities in the Shelf Registration. ContextLogic shall include in such Shelf Registration all such Registrable Securities with respect to which ContextLogic has received written requests for inclusion therein within three (3) Business Days (or such shorter period as may be reasonably requested in connection with an underwritten "block trade") after the date that the Shelf Registration Notice has been delivered. ContextLogic shall use its reasonable best efforts to keep such Shelf Registration Statement continuously effective under the Securities Act in order to permit the Prospectus (as defined below) forming part of the Shelf Registration Statement to be usable by Holders until the earlier of: (i) the date as of which all Registrable Securities have been sold pursuant to the Shelf Registration Statement or another Registration Statement filed under the Securities Act (but in no event prior to the applicable period referred to in Section 4(a)(3) of the Securities Act and Rule 174 thereunder); and (ii) the date as of which no Holder holds Registrable Securities.

#### Shelf Takedown

At any time ContextLogic has an effective Shelf Registration Statement with respect to a Holder's Registrable Securities, any of the Lead Investors may make a written request (a "Shelf Takedown Request") to ContextLogic to effect a Public Offering (as defined in the Registration Rights Agreement), including an Underwritten Shelf Takedown (as defined in the Registration Rights Agreement), of all or a portion of such Holder's Registrable Securities that may be registered. No more than two (2) Business Days after receiving a Shelf Takedown Request (or such shorter period as may be reasonably requested in connection with an underwritten "block trade") for any Underwritten Shelf Takedown, ContextLogic shall deliver a notice (a "Shelf Takedown Notice") to each other Holder with Registrable Securities covered by the applicable Registration Statement, or to all other Holders if such Registration Statement is undesignated (each a "Potential Takedown Participant"). The Shelf Takedown Notice shall offer each such Potential Takedown Participant the opportunity to include in any Underwritten Shelf Takedown such number of Registrable Securities as each such Potential Takedown Participant may request in writing. ContextLogic shall include in the Underwritten Shelf Takedown all such Registrable Securities with respect to which ContextLogic has received written requests for inclusion therein within three (3) Business Days (or such shorter period as may be reasonably requested in connection with an underwritten "block trade") after the date that the Shelf Takedown Notice has been delivered.

#### Piggyback Registration

If ContextLogic at any time proposes to file a Registration Statement under the Securities Act or to conduct a Public Offering (as defined below) with respect to any offering of its equity securities subject to certain exceptions, then, no less than ten (10) Business Days prior to the proposed date of filing of such Registration Statement or, in the case of a Public Offering under a Shelf Registration Statement, the anticipated pricing or trade date, ContextLogic shall give written notice (a "Piggyback Notice") of such proposed filing or Public Offering to all Holders, and such Piggyback Notice shall offer the Holders the opportunity to register under such Registration Statement, or to sell in such Public Offering, such number of Registrable Securities as each such Holder may request in writing. Subject to Section 3.3.2 of the Registration Rights Agreement, ContextLogic shall include in such Registration Statement or Public Offering all such Registrable Securities that are requested to be included therein within five (5) Business Days after the receipt by such Holder of any such notice, subject to certain exceptions as discussed in more detail in the Registration Rights Agreement.

For purposes of the foregoing description of the Registration Rights Agreement and as defined in the Registration Rights Agreement:

- "Business Day" means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by law to be closed in the City of New York.
- "Company Blackout Period" means the period starting two weeks prior to the end of any fiscal quarter and ending on the second (2<sup>nd</sup>) Business Day after earnings are publicly reported for such period.
- "Issuer Free Writing Prospectus" means an issuer free writing prospectus, as defined in Rule 433 under the Securities Act, relating to an offer of the Registrable Securities.
- "Prospectus" means (i) the prospectus included in any Registration Statement, all amendments and supplements to such prospectus, including post-effective amendments and supplements, and all other material incorporated by reference in such prospectus, and (ii) any Issuer Free Writing Prospectus.

- "Public Offering" means the offer and sale of Registrable Securities for cash pursuant to an effective Registration Statement under the Securities Act (other than a Registration Statement on Form S-4 or Form S-8 or any successor form).
- "Registrable Securities" means (i) all shares of ContextLogic common stock, (ii) all shares of ContextLogic common stock issuable upon exercise, conversion or exchange of any option, warrant or convertible security of any Person (as defined in the Registration Rights Agreement) that is not then subject to vesting or forfeiture to ContextLogic and (iii) all shares of ContextLogic common stock directly or indirectly issued or then issuable with respect to the securities referred to in clauses (i) or (ii) above by way of a stock dividend or stock split, or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization, in any such case under clauses (i), (ii) or (iii) above, whether owned on the date hereof or hereafter acquired; provided, however, that shares of ContextLogic common stock that are then subject to forfeiture to ContextLogic shall not be deemed "Registrable Securities" for purposes of Section 3.1, 3.2.4 or 3.3 of the Registration Rights Agreement. As to any particular Registrable Securities, such securities shall cease to be Registrable Securities when (w) a Registration Statement with respect to the sale of such securities shall have become effective under the Securities Act and such securities shall have been disposed of in accordance with such Registration Statement, (x) such securities shall have been Transferred (as defined in the Registration Rights Agreement) pursuant to Rule 144, (y) such Holder is able to immediately sell such securities under Rule 144 without any restrictions on transfer (including without application of paragraphs (c), (d), (e), (f) and (h) of Rule 144), or (z) such securities shall have ceased to be outstanding.
- "Registration Statement" means any registration statement of ContextLogic filed with, or to be filed with, the SEC under the Securities Act, including the related Prospectus, amendments and supplements to such registration statement, including pre- and post-effective amendments, and all exhibits and all material incorporated by reference in such registration statement other than a registration statement (and related Prospectus) filed on Form S-4 or Form S-8, or any successor form to either of the foregoing.

#### Voting Agreement

As contemplated by the Purchase Agreement, on the Closing Date, each of the Abrams Investors and BCP (together, the "Voting Entities"), entered into a voting agreement (the "Voting Agreement"). Pursuant to the Voting Agreement, each of the Voting Entities agreed, among other matters, to vote their shares of ContextLogic common stock: (i) to cause the board of directors of ContextLogic to be comprised of seven (7) directors at all times; (ii) for the election of two (2) individuals designated by the Abrams Investors to serve as directors on the Board (the "Abrams Nominees"), subject to certain conditions; (iii) for the election of two (2) individuals designated by BCP to serve as directors on the Board (the "BCP Nominees"), subject to certain conditions; (iv) for the election of any three (3) individuals, as each party may determine in its respective sole discretion, who qualify as independent directors to serve as directors on the Board; and (v) against any action, proposal, transaction or agreement that would or would reasonably be expected to result in the removal of any Abrams Nominee from the Board without the prior written consent of the Abrams Investors or any BCP Nominee from the Board without the prior written consent of BCP.

#### Escrow Agreement

As contemplated by the Purchase Agreement, on the Closing Date, Wilmington Trust, NA, a national banking association (the "Escrow Agent"), the Sellers Representative, and Holdings entered into an Escrow Agreement which sets forth the terms of the Adjustment Escrow Fund (as defined therein), which includes the Adjustment Escrow Amount of \$2.8 million (the "Escrow Agreement"). Pursuant to the Escrow Agreement, the Escrow Agent will hold the Escrow Funds in an account established with and designated by the parties to the Escrow Agreement by the Escrow Agent, pursuant to which the Escrow Funds shall be held in a segregated, non-commingled deposit account titled in the name of the Escrow Agent for the benefit of the parties and not merely by book-entry identification.

#### Indemnification Agreement

In connection with the closing of the Transactions and pursuant to the Purchase Agreement, each Abrams Nominee shall enter into an Indemnification Agreement with ContextLogic whereby ContextLogic agrees to hold harmless and indemnify each indemnitee to the fullest extent permitted by law, subject to customary conditions (the "Indemnification Agreement"). The Indemnification Agreement will also require ContextLogic to pay, in the first instance, the entire amount of any judgment or settlement of such action, suit or proceeding without requiring the indemnitee to contribute to such payment and ContextLogic hereby waives and relinquishes any right of contribution it may have against the indemnitee, in addition to other customary provisions.

## Sugarman Employment Agreement

On December 8, 2025, David Sugarman, current Chief Executive Officer of Opco, a subsidiary of US Salt, entered into an amended and restated employment agreement (the "Sugarman Employment Agreement") with Opco for the position of Chief Executive Officer of Opco. In connection with the Transaction, Opco will become a subsidiary of ContextLogic, and as such, ContextLogic's Compensation Committee and Board have approved the assumption of the employment agreement with Mr. Sugarman. Under the terms of the Sugarman Employment Agreement, Mr. Sugarman will receive a base salary of \$550,000, will be eligible for an annual discretionary bonus of between 0% to 150% of his base salary based on achievement of EBITDA growth metrics of Opco, and will be eligible to participate in a long-term incentive program that vests over a five-year performance period. Upon a termination of Mr. Sugarman's employment without "Cause" or by Mr. Sugarman for "Good Reason" (as such terms are defined in the Sugarman Employment Agreement), he is eligible for any earned but unpaid prior year's bonus, any vested portion of his long-term incentive award, payable at the same time such award would have been paid had he remained employed, 12 months' base salary continuation, a pro-rated bonus for the year of termination, based on actual performance, and up to 12 months' COBRA premium payments, in each case conditioned upon his timely execution and non-revocation of a release of claims and compliance with his restrictive covenants.

### *Rights Offering*

On January 22, 2026, the Company commenced a rights offering (the "Rights Offering") to distribute to the holders of ContextLogic common stock subscription rights to purchase shares of ContextLogic common stock. Each subscription right entitled the holder to purchase 0.53486 shares of ContextLogic common stock at an exercise price of \$8.00 per share. The Rights Offering was conducted in connection with the US Salt Acquisition.

On February 25, 2026, 429,463 aggregate shares of ContextLogic common stock validly subscribed for pursuant to the Rights Offering were issued, with a total purchase price of all shares sold of approximately \$3.4 million.

### **Basis of Presentation and Consolidation**

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). The US Salt Acquisition is accounted for as a business combination under Accounting Standards Codification Topic 805, *Business Combinations*, using the acquisition method of accounting, and ContextLogic has been determined to be the accounting acquirer.

As a result of the significance of the relative operations of US Salt acquired in the US Salt Acquisition, US Salt is reflected as the Predecessor to the combined entity for financial statement purposes. Accordingly, all periods presented through the closing date of the US Salt Acquisition, February 26, 2026, reflect the historical balances and results of US Salt Parent Holdings, LLC and all its majority or wholly owned subsidiaries ("US Salt Parent") ("Predecessor"). Periods presented after the closing of the US Salt Acquisition reflect the accounts of the Company and its wholly owned subsidiary along with Holdings and Holdings' wholly owned subsidiaries, including US Salt Parent ("Successor"). In accordance with the application of acquisition accounting, the assets and liabilities of US Salt acquired by the Company have been remeasured to fair value in the Successor periods.

Certain costs were contingent solely upon the consummation of the US Salt Acquisition and are therefore not reflected in either the Predecessor or Successor income statements. These costs, totaling \$4.8 million, consist of unit-based incentive compensation expense related to the accelerated vesting of US Salt time-vested and performance-vested incentive units that vested upon the change in control pursuant to pre-existing award agreements. These amounts were fully contingent upon the closing of the US Salt Acquisition and US Salt would not have recognized the expense absent consummation of the transaction. The vested awards were included in the outstanding shares acquired in the US Salt Acquisition; as a result, the fair value of the consideration exchanged for the ownership interests related to the incentive units subject to accelerated vesting is included in the consideration transferred. Refer to Note 14, Equity and Noncontrolling Interest, for additional information related to the incentive units.

For the period from January 1 to February 26, 2026, the public company and parent-level items of the Company, distinct and separate from the operating results of US Salt, ("CLHI Corporate") had general and administrative expenses of \$1.0 million, transaction expenses of \$1.4 million, net interest and other income of \$1.2 million, net loss of \$1.2 million, accretion on CLHI Corporate's redeemable noncontrolling interest's preferred shares of \$0.5 million, and a final net loss attributable to common stockholders of \$1.7 million. Refer to Note 14, Equity and Noncontrolling Interest, for more information about CLHI Corporate's redeemable noncontrolling interest prior to the US Salt Acquisition.

The interim condensed consolidated financial statements as of March 31, 2026 (Successor) and December 31, 2025 (Predecessor) and for the period from February 27, 2026 to March 31, 2026 (Successor), the period from January 1,

2026 to February 26, 2026 (Predecessor), and the three months ended March 31, 2025 (Predecessor) are unaudited. In the opinion of management, the interim financial data includes all adjustments, consisting only of normal recurring adjustments, necessary for a fair statement of the results for the interim periods. The Consolidated Balance Sheet as of December 31, 2025 is derived from the audited consolidated financial statements, however, it does not include all of the information and footnotes required by GAAP for complete financial statements.

These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes in the Company's Annual Report on Form 10-K for the year ended December 31, 2025, which was filed with the SEC on March 5, 2026 (the "2025 Form 10-K"). The results of operations for the interim periods presented are not necessarily indicative of the results to be expected for the year ending December 31, 2026 or for any future interim periods.

### ***Use of Estimates***

The preparation of condensed consolidated financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the condensed consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. These estimates form the basis for judgments the Company makes about the carrying values of its assets and liabilities that are not readily available from other sources. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, and makes adjustments when facts and circumstances dictate. As future events and their effects cannot be determined with precision, actual results could differ significantly from those estimates and assumptions. Significant changes, if any, in those estimates and assumptions will be reflected in the consolidated financial statements in future periods.

These estimates include, but are not limited to, revenue recognition, impairment analysis of goodwill, depletion of salt reserves, impairment of long-lived assets and finite-lived intangible assets, fair value of financial instruments, contingent liabilities, and uncertain tax positions.

### ***Summary of Significant Accounting Policies***

#### ***Revenue recognition***

Revenue is recognized at the point in time when control is transferred to the customer. In general, control transfers to a customer when the product is shipped or delivered to the customer based upon applicable shipping terms, as the customer can direct the use and obtain substantially all the remaining benefits from the product at this point in time. The Company's revenue is reported as net sales and is measured as the determinable transaction price, net of any variable consideration such as discounts, sales incentives, rights to return product, and any taxes collected from customers and remitted to governmental authorities. Refer to Note 3 Revenue for further information.

#### ***Cost of sales***

Cost of sales reflects the costs to produce our products, which primarily consists of labor, employee benefits, materials, depreciation and depletion, shipping and handling, and overhead. Cost of sales is capitalized in inventory and expensed when control is transferred to the customer.

#### ***Accounts receivable, net and allowance for expected credit losses***

Accounts receivable, net of allowance are uncollateralized customer obligations billed under contract terms. Accounts receivable are stated at their net realizable value. The Company estimates an allowance for credit losses based upon the evaluation of several factors including related ages of past due receivables, customer type, customer credit worthiness, knowledge of a customer's financial conditions, historical collection experience, current economic factors, and other factors relevant to assessing the expected credit losses. The Company records uncollectible amounts against the allowance for credit losses once management determines the amount to be uncollectible.

#### ***Concentration of credit and customer risk***

The Company's financial instruments that are exposed to concentrations of credit risk consist of cash and accounts receivable.

Cash balances at various times during the year may exceed the amount insured by the Federal Deposit Insurance Corporation. The Company monitors the credit ratings of financial institutions where its cash deposits are held, and has not incurred any losses related to such deposits.

The Company can, at times, be subject to a concentration of credit risk with respect to outstanding accounts receivable. The Company's customers are located throughout the United States through various channels including national retail chains, pharmaceutical companies, food service operators, and independent distributors. Although the Company generally grants credit without collateral, management believes that its contract acceptance, billing and collection policies are adequate to minimize material credit risk. The Company has one major customer which accounted for over 10% of accounts receivable as of March 31, 2026 (Successor) and December 31, 2025 (Predecessor). The Company also has one major customer, which accounts for over 10% of net sales for the period from February 27, 2026 to March 31, 2026 (Successor), the period from January 1, 2026 to February 26, 2026 (Predecessor), and the three months ended March 31, 2025 (Predecessor).

*Inventories and other inventories*

Salt is reported as inventory at the point in time it is extracted from the brine well. Salt inventories, packaging, supplies, and maintenance materials are valued at the lower of cost or net realizable value, with cost determined on standard costing method. Substantially all costs associated with the production of finished goods, such as labor, supplies, equipment cost, inbound freight and overhead (including depletion of salt reserves), are captured as inventory costs.

Maintenance materials are expensed as consumed or capitalized into property, plant and equipment if it meets the criteria of a capital expenditure. Additionally, maintenance materials that are not expected to be used in the next twelve months from the balance sheet date are recorded as other inventories in the Condensed Consolidated Balance Sheets.

Management monitors inventory levels and adjusts valuation for slow-moving inventory, shrinkage, obsolescence, and markdowns. The Company accounts for slow-moving or obsolete inventory that is established based on management's estimates of the net realizable value of the related products at the end of each reporting period.

*Property, plant and equipment, net*

Property and equipment is stated at cost less accumulated depreciation and depletion. Expenditures for renewals and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized. Expenditures for maintenance and repairs are charged to expense. When depreciable properties are retired or sold, the cost and related accumulated depreciation is eliminated from the accounts and any resulting gain or loss is reflected in the Company's Condensed Consolidated Statements of Operations. Depreciation is provided using the straight-line method, based on the useful lives of assets which range from three to twenty years.

Property, plant and equipment also includes salt reserves, which consist of brine fields and underground salt bed owned by the Company. Salt reserves are depleted on a units-of-production basis based on the estimated annual consumption as extraction of reserves takes place.

The following table summarizes the estimated useful lives of the Company's different classes of property, plant and equipment:

	<u>Years</u>
Buildings and improvements	10 - 20
Machinery and equipment	3 - 14

Construction in Process (CIP) represents the accumulated costs of construction and development for assets that are not yet completed and ready for their intended use. CIP is recorded as property, plant and equipment in the condensed consolidated financial statements and is not depreciated until the asset is placed into service. Borrowing costs are recognized, as an expense, in the period in which they are incurred, except to the extent that they are capitalized. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset when it is probable that they will result in future economic benefits to the entity and that the costs can be measured reliably. The Company capitalized insignificant amounts of interest cost for the period from February 27, 2026 to March 31, 2026 (Successor) and the period from January 1, 2026 to February 26, 2026 (Predecessor), and capitalized interest costs of \$0.1 million for the three months ended March 31, 2025 (Predecessor). Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss.

*Leases*

The Company determines if an arrangement is a lease at its inception. In certain of the Company's lease arrangements, judgment is required in determining if a contract contains a lease. For these arrangements, there is judgment in evaluating if the arrangement involves an identified asset that is physically distinct or whether the Company has the right to substantially all of the capacity of an identified asset that is not physically distinct. In arrangements that involve an

identified asset, there is also judgment in evaluating if the Company has the right to direct the use of that asset.

The Company determines whether an arrangement is or contains a lease, its classification, and its term at the lease commencement date. The Company leases office space, warehouses, and equipment under non-cancelable operating and finance leases. A lease is classified as a finance lease if it transfers ownership, includes a purchase option reasonably certain to be exercised, covers a major portion of the asset's economic life, has payments that approximate substantially all of the asset's fair value, or involves an asset of specialized nature. Leases with a term greater than one year will be recognized on the Condensed Consolidated Balance Sheets as right-of-use (ROU) assets, current lease liabilities, and if applicable, long-term lease liabilities. The Company includes renewal options to extend the lease term where it is reasonably certain that it will exercise these options. Lease liabilities and the corresponding ROU assets are recorded based on the present values of lease payments over the lease term. The interest rate implicit in the Company's leases are not readily determinable. As such, the Company uses its incremental borrowing rate as the discount rate, which approximates the interest rate at which the Company could borrow on a collateralized basis with similar terms and payments and in similar economic environments. The Company's leases have remaining terms ranging from 1 to 5 years, with some of those leases including options that grant the Company the ability to renew or extend the lease term. When determining the lease term, the Company does not include periods covered by the renewal options unless they are reasonably certain to exercise such renewal options.

Leases with an initial term of 12 months or less are not recorded on the Condensed Consolidated Balance Sheets. The Company recognizes lease expense for these leases on a straight-line basis over the lease term. The Company accounts for lease and non-lease components, principally common area maintenance for its facilities leases, as a single lease component for its facilities leases. Variable lease costs represent additional expenses incurred by the Company that are not included in the lease payment. Variable lease costs include maintenance charges, taxes, insurance, and other similar costs, and are recorded within cost of sales, selling expense, and general and administrative expense on the Condensed Consolidated Statements of Operations for the period from February 27, 2026 to March 31, 2026 (Successor), the period from January 1, 2026 to February 26, 2026 (Predecessor), and the three months ended March 31, 2025 (Predecessor).

#### *Debt issuance costs*

Debt issuance costs are amortized using the effective interest method over the term of the related borrowing agreement and the amortization is included in interest expense within the Condensed Consolidated Statements of Operations. The unamortized portion of deferred financing fees associated with long-term borrowings are shown netted against the Company's outstanding long-term debt.

#### *Environmental cost*

Environmental costs, other than those of a capital nature, are accrued at the time when exposure becomes known, and costs can be reasonably estimated. Costs are accrued based upon management's estimates of all direct costs. Amounts accrued for environmental matters were not material as of March 31, 2026 (Successor) and December 31, 2025 (Predecessor).

#### *Asset retirement obligations*

Legal obligations associated with the retirement of long-lived assets are reflected at their estimated fair value, with a corresponding charge to cost of goods sold, at the time they are incurred. Asset retirement obligations (ARO) primarily consist of spending estimates related to capping brine wells and support facilities in accordance with federal and state reclamation laws as defined by each mining permit. The Company estimates and records the fair value of a liability for an asset retirement obligation in the period in which it is incurred and a corresponding increase in the carrying amount of the related long-lived asset. The liability is accreted to its present value each period and the capitalized cost is amortized using the units-of-production method over estimated recoverable reserves upon commencement of salt extraction. The amortized cost is included in the cost of sales in the Condensed Consolidated Statements of Operations.

#### *Finite-lived intangible assets and long-lived assets*

Finite-lived intangible assets acquired by the Company are initially recorded at fair value and amortized using the straight-line method to distribute the initial value of the assets over the estimated useful lives, which management has determined to be between ten and fifteen years.

The Company reviews long-lived assets including right-of-use assets and finite-lived intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset might not be recoverable.

Recoverability of assets held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the use and eventual disposition of the asset. If such assets are considered impaired, the impairment recognized is measured by the amount by which the carrying amount of the asset exceeds its fair value.

There were no impairment indicators of long-lived assets or finite-lived intangibles for the period from February 27, 2026 to March 31, 2026 (Successor), the period from January 1, 2026 to February 26, 2026 (Predecessor), and the three months ended March 31, 2025 (Predecessor).

#### *Goodwill*

Goodwill consists of the excess cost of an acquired business over the fair market value of the underlying net assets. We review goodwill annually for impairment, or more frequently if impairment indicators arise. We do not amortize such assets.

The Company performs an annual impairment test as of October 1 of each year or more frequently if events or changes in circumstances indicate that the asset may be impaired. As the Company's business is highly integrated and its components have similar economic characteristics, management has concluded the Company operates as one reporting unit at the entity level. The Company evaluates goodwill for potential impairment on an annual basis or when indicators of impairment exist during the year. When the Company evaluates goodwill for potential impairment, generally, the Company first performs a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value. A qualitative assessment may include, but is not limited to, reviewing factors such as macroeconomic conditions, industry and market considerations, cost factors, financial performance and other entity or reporting unit specific events. If the Company determines qualitatively that it is more likely than not that the fair value of a reporting unit is less than its carrying value, or if the Company decides to bypass the qualitative assessment, the Company performs a quantitative analysis. The quantitative analysis is used to identify both the existence of impairment and the amount of impairment loss by comparing the estimated fair value of a reporting unit to its carrying value. The estimated fair value is based on forward-looking estimates of performance and cash flows of the reporting unit, which are based on historical operating results, adjusted for current and expected future market conditions, as well as various internal projections and external sources. If the carrying value of the reporting unit exceeds its estimated fair value, an impairment loss would be recognized in our Condensed Consolidated Statements of Operations in an amount equal to the excess of the carrying value over the estimated fair value, limited to the total amount of goodwill allocated to that reporting unit.

#### *Foreign currency transactions*

Transactions in foreign currencies are translated into the functional currency (USD) using exchange rates prevailing at the dates of the transactions. Gains and losses on foreign currency transactions are recognized in Condensed Consolidated Statements of Operations.

#### *Segment*

The Company operates in one segment based upon the financial information used by its Chief Operating Decision Maker ("CODM") in evaluating the financial performance of its business and allocating resources. The single segment represents the Company's core business of selling salt products to its customers. See Note 19 Segment Information for further information on the Company's reportable segment.

#### *Income taxes*

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and deferred tax liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, the Company determines deferred tax assets and deferred tax liabilities on the basis of the differences between the financial statement and tax bases of assets and liabilities by using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and deferred tax liabilities is recognized in income in the period that includes the enactment date.

The Company recognizes deferred tax assets to the extent that it believes that these assets are more likely than not to be realized. In making such a determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, carryback potential if permitted under the tax law, and results of recent operations. If the Company determines that it would be able to realize the deferred tax assets in the future in excess of their net recorded amount, the Company would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

The Company records uncertain tax positions in accordance with ASC 740 on the basis of a two-step process in which (1) the Company determines whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, the Company recognizes the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority.

It is the Company's policy to include penalties and interest expense related to income taxes as a component of interest and other income, net as necessary.

#### *Noncontrolling Interest*

Noncontrolling interest includes the share of Holdings' issued Class A Convertible Preferred Units ("Preferred Units"). These Preferred Units have a preference right upon a liquidation or distribution event to have their capital contribution returned first. Only after all Class A Capital Contribution (total cash or property contributed to Holdings from the Class A Members) has been returned can Class B or Class P Members earn any returns. The Company thus allocates its net income or loss using a balance sheet approach referred to as the hypothetical liquidation at book value ("HLBV") method. Under the HLBV method, the amounts reported as noncontrolling interest represent the amounts Holdings' members would hypothetically receive at each balance sheet date under the liquidation provisions of the Second Amended and Restated Limited Liability Company Agreement (the "Second A&R LLC Agreement"), assuming the net assets of the funding structures were liquidated at their recorded amounts determined in accordance with GAAP. The members' interests in Holdings' results of operations are determined as the difference in noncontrolling interest at the start and end of each reporting period, after taking into account any capital transactions between Holdings and its members.

#### *Comprehensive Income*

The Company had no other comprehensive income or loss for the periods presented. Accordingly, net income equals comprehensive income.

#### *Unit-based compensation (Predecessor only)*

US Salt Parent Holdings accounted for unit-based compensation by recording expenses using the fair value of Class B unit ("USPH Class B unit") awards at the time of grant. In estimating the fair value of the USPH Class B units granted, US Salt Parent Holdings utilized the option pricing model ("OPM"), in the form of a single stochastic valuation process applying the Black-Scholes Pricing Model ("BSPM"), along with the Monte-Carlo simulation model ("MCSM"). The BSPM and MCSM provided the ability to analyze financial instruments within a complex capital structure and whose values derived from variable significant inputs and assumptions along with future financial outcomes upon future events such as change of control or capital raise (such as an IPO). The application of the valuation method involved inputs and assumptions that were judgmental and highly sensitive.

US Salt Parent Holdings recognized expenses associated with such USPH Class B unit awards over the service period when the grant was service based. The unit-based compensation expense for performance-based USPH Class B units was recognized when management determined that it was probable that the performance criteria is met and if and only if participant had been continuously employed by or continuously providing services to US Salt Parent Holdings from the vesting start date through the date of which the performance criteria is met. US Salt Parent Holdings' accounting policy was to recognize forfeitures as they occurred. US Salt Parent Holdings may have made cash payments to repurchase vested USPH Class B units and forfeited the unvested USPH Class B units due to termination or departure of an employee or member of the Board of Directors. Upon the repurchase, US Salt Parent Holdings recorded the repurchase price (which under the terms of the grant agreements will be at fair value) as a reduction of equity, and the previously recognized compensation expenses for unvested USPH Class B units were reversed.

#### *Subscription note receivable (Predecessor only)*

US Salt Parent Holdings was able to issue Class A units ("USPH Class A units") to employees and receive subscription notes receivable. The subscription notes receivable was repaid through cash upon receipt of annual bonus. The notes were able to be voluntarily prepaid at any time without penalty. In addition, the notes required mandatory prepayment, without premium or penalty, upon the purchaser's receipt of any cash proceeds related to the securities, including cash distributions (other than tax distributions) or transfers of such securities, in an amount equal to the proceeds received. Subscription notes receivable were classified as a deduction from Members' equity within the Condensed Statement of Changes in Members' Equity.

#### *Noncontrolling parent interest (Predecessor only)*

Emerald Lake Capital LP together with Emerald Fund, Blocker Seller, and Emerald Lake Pearl Holding LLC owned approximately 99.5% of the Class A units of US Salt Parent Holdings through EL US Salt Aggregator, LP ("Aggregator"), which held the 1% noncontrolling parent interest in US Salt Intermediate Holdings, LLC. Net income or loss attributable to the noncontrolling parent interest on the Condensed Consolidated Statements of Operations represented the portion of earnings or losses attributable to the interest in US Salt Parent Holdings' subsidiaries held by Aggregator.

*Net income per unit (Predecessor only)*

As of December 31, 2025 (Predecessor), US Salt Parent Holdings had outstanding subscription notes receivable from members when certain USPH Class A units were issued. US Salt Parent Holdings concluded that it 1) could cancel the USPH Class A units if the member defaulted on the subscription notes receivable and (2) intended to exercise this cancellation right. For net income per unit calculation purposes, US Salt Parent Holdings treated the unpaid USPH Class A units that were issued and legally outstanding in the same manner as an option. The unpaid USPH Class A units were issued and legally outstanding and had the same distribution and participation rights as the paid USPH Class A units. Net income per unit for the three months ended March 31, 2025 (Predecessor) was calculated using the two-class method. The two-class method required an allocation of earnings to all securities (USPH Class A units and USPH Class B units) that participated in net income to the extent that each such security was able to share in US Salt Parent Holdings' earnings. Basic net income per unit was calculated by dividing net income attributable to Parent Holdings Class A members by the weighted average number of USPH Class A units.

Diluted net income per unit for the three months ended March 31, 2025 (Predecessor) was calculated by applying the two-class method for participating securities and then incorporating the dilutive effects of other potential USPH Class A units, determined using the treasury stock method, to arrive at the most dilutive net income per unit. The two-class method used net income available to Class A members and assumed conversion of all potential units other than the participating securities. There were no dilutive securities outstanding as of December 31, 2025 (Predecessor).

Besides the above, there have been no changes to the Company's significant accounting policies described in its 2025 Form 10-K that have had a material impact on its condensed consolidated financial statements.

**Recently Adopted Accounting Pronouncements**

In July 2025, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2025-05, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets, which amends the guidance in ASC 326 to simplify the estimation of credit losses on current accounts receivable and current contract assets arising from transactions accounted for under ASC 606. The amendments allow all entities to elect a practical expedient to assume that the current conditions as of the balance sheet date will remain unchanged for the remaining life of the asset when developing a reasonable and supportable forecast as part of estimating expected credit losses on these assets. Entities are required to disclose their practical expedient and accounting policy elections. The Company has applied this amendment prospectively starting in 2026. There was no significant impact upon adopting this standard.

**Accounting Pronouncements**

The Company has reviewed recent accounting pronouncements and concluded as follows:

In November 2024, the FASB issued ASU No. 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses, which requires disclosure of specified information about certain costs and expenses including the amounts of purchase of inventory, employee compensation, depreciation, intangible asset amortization, and depreciation, depletion, and amortization recognized as part of oil- and gas-producing activities, and the total amount of selling expenses and an entity's definition of selling expenses. The amendments in this ASU are effective to all public business entities for fiscal years beginning after December 15, 2026. Early adoption is permitted. The Company is evaluating the impact this guidance may have on the footnotes to the consolidated financial statements.

In January 2025, the FASB issued ASU No. 2025-01, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date, which clarified the effective date of ASU No. 2024-03 to be annual reporting periods beginning after December 15, 2026 and interim periods within the annual reporting periods beginning after December 15, 2027. The amendments in this ASU are effective to all public business entities. Early adoption is permitted. The Company is evaluating the impact this guidance may have on the footnotes to the consolidated financial statements together with ASU No. 2024-03.

In December 2025, the FASB issued ASU No. 2025-11, Interim Reporting (Topic 270): Narrow-Scope Improvements, which was intended to provide clarity without changing, expanding, or reducing current interim reporting or disclosure

requirements. The amendments in this ASU are effective to all entities that provide interim financial statements and notes in accordance with GAAP for interim reporting periods within annual reporting periods beginning after December 15, 2027 for public business entities and for interim reporting periods within annual reporting periods beginning after December 15, 2028 for entities other than public entities. Early adoption is permitted. The Company is evaluating the impact this amended guidance may have on the footnotes to the condensed consolidated financial statements.

The Company has considered all other recently issued accounting pronouncements and concluded they are either not applicable to the business or no material impact is expected on the condensed consolidated financial statements or notes as a result of future adoption.

## NOTE 2. BUSINESS COMBINATIONS

As set forth in Note 1 – Overview, Basis of Presentation and Significant Accounting Policies, pursuant to the Purchase Agreement entered into on December 8, 2025, the Company, together with Holdings, completed the US Salt Acquisition on February 26, 2026, resulting in the acquisition of 100% of the issued and outstanding equity units of US Salt (the "Business Combination"). US Salt is a leading provider in the evaporated salt market, specializing in the extraction, refinement, and packaging of specialty salts. Its products serve diverse sectors, including retail grocery, pharmaceuticals, industrial applications, and food service.

As a result of the US Salt Acquisition, the Company's financial statement presentation distinguishes US Salt as the "Predecessor" through the Closing Date. The Company, which consolidated US Salt subsequent to the Business Combination, is the "Successor" for periods after the Closing Date. As a result of the application of the acquisition method of accounting in the Successor period, the financial statements for the Successor period present US Salt on a full step-up basis as a result of the Business Combination, and are therefore not comparable to the financial statements of the Predecessor period that are not presented on the same full step-up basis.

During the period from February 27, 2026 to March 31, 2026 (Successor) and the period from January 1, 2026 to February 26, 2026 (Predecessor), the Company incurred \$20.7 million and \$0.1 million, respectively, of transaction costs related to the acquisition of US Salt. These expenses are included in transaction expenses on the Company's Condensed Consolidated Statements of Operations for each respective period.

The fair value of the total consideration transferred was determined as follows:

	<b>Fair Value Consideration Transferred</b>	
	(in millions)	
<b>Payments made to the Seller Parties</b>		
Cash consideration	\$	386.8
Repayment of US Salt debt		<u>209.7</u>
<b>Total cash consideration</b>		<b>596.5</b>
Rollover equity <sup>(1)</sup>		<u>325.2</u>
<b>Total equity consideration</b>		<b>325.2</b>
<b>Total consideration</b>	<b>\$</b>	<b>921.7</b>

(1) Refers to Transactions (f) and (g) in Note 1 Overview, Basis of Presentation, and Significant Accounting Policies.

The equity consideration was calculated based on the number of shares issued at \$8.00 per share and determined as follows:

	<b>Fair Value Equity Consideration</b>
	(\$ in millions, shares in thousands)
ContextLogic common shares issued to consummate the US Salt Acquisition	15,480.4
Holdings preferred units issued to consummate the US Salt Acquisition	25,175.6
<b>Total shares issued</b>	<b>40,656.0</b>
Price per share issued	\$ 8.00
<b>Fair value of the equity consideration</b>	<b>\$ 325.2</b>

The Company has applied the acquisition method of accounting in accordance with ASC Topic 805, *Business Combinations*, and recognized assets acquired and liabilities assumed at their fair values as of the Closing Date, with the excess consideration transferred recorded to goodwill. The Company is continuing to obtain information to complete its valuation of certain assets and liabilities. Preliminary estimates have been recorded and additional adjustments may be recorded to the fair value of intangible assets, property, plant and equipment, goodwill and deferred income taxes among other items during the measurement period, a period not to exceed 12 months from the Closing Date.

The following table summarizes the preliminary acquisition date fair value of tangible and intangible assets acquired, net of liabilities assumed as part of the US Salt Acquisition:

	<b>Fair Value</b>
	(in millions)
Cash and cash equivalents	\$ 11.3
Prepaid expenses and other current assets	0.9
Accounts receivable	13.4
Inventory	12.7
Property, plant and equipment	396.7
Intangible assets	388.0
Right-of-use asset	1.5
Other noncurrent assets	5.2
<b>Total assets</b>	<b>829.7</b>
Accrued liabilities	4.2
Accounts payable	6.8
Current portion of lease liability	0.7
Current maturities of long-term debt	0.3
Deferred tax liability	43.2
Long-term debt, net of current maturities	—
Lease liabilities, non-current	0.8
<b>Net assets acquired</b>	<b>773.7</b>
Goodwill	148.0
<b>Total net assets acquired</b>	<b>\$ 921.7</b>

The details on the methodology and significant inputs used for fair value of valuation are outlined below.

#### *Goodwill*

Preliminary allocation of consideration transferred resulted in \$148.0 million in goodwill. The goodwill is amortizable for tax purposes. The factors contributing to the recognition of the amount of goodwill are based on several strategic and synergistic benefits that are expected to be realized from the acquisition.

#### *Inventory*

The fair value of inventory was determined by the market selling price of the inventory, less the remaining manufacturing and selling costs and a normal profit margin on those manufacturing and selling efforts. The fair value of inventory has been stepped up by \$1.1 million. This amount has been fully amortized to cost of sales to align with US Salt's historical inventory turnover.

#### *Property, Plant and Equipment*

The fair value of property, plant and equipment of \$396.7 million, of which of \$310.0 million was salt reserves, was determined using cost and market approaches. The cost approach reflects the amount that would be required to replace the asset to service capacity. This approach was used where there was historical data available. Where there was no historical data available the market approach was used which reflects recent sales of identical or comparable assets.

#### *Intangible Assets*

The fair value of acquired intangible assets was \$388.0 million. The fair value of customer relationships was determined using the multi-period excess earnings method. Key assumptions under this method are the revenue growth rate, adjusted EBITDA margin, customer attrition rate, discount rate, tax rate and contributory asset charges. The fair value of trade names were determined using the relief from royalty method. Key assumptions under this method are future cash flow estimates, royalty rate and discount rate. The fair value of permits were determined using the income approach method. Key assumptions under this method are future economic benefits and discount rate.

	<b>Estimated Useful Life</b>	<b>Estimated Asset Fair Value</b>
	(in years)	(in millions)
Trade names and trademark	15	\$ 28.0
Permits	10	100.0
Customer relationships	15	260.0
<b>Identifiable intangible assets, net</b>		<b>\$ 388.0</b>

#### *Debt*

ContextLogic paid off the outstanding debt and related fees and balances of US Salt on the Closing Date amounting to \$209.7 million.

#### *Pro Forma Financial Information*

The following unaudited pro forma information presents the net sales and earnings as if the US Salt Acquisition occurred on January 1, 2025. As a result, the unaudited pro forma financial information does not require predecessor and successor periods because the transaction, the related combination of the Company and US Salt, and the new basis applied in accordance with acquisition accounting is reflected for the entirety of the two periods presented.

	<b>Three Months Ended March 31,</b>	
	<b>2025</b>	<b>2026</b>
	(in millions)	(in millions)
Pro forma net sales	\$ 32.3	\$ 32.4
Pro forma net (income) loss	(13.1)	7.8
Pro forma net (income) attributable to controlling interest	(13.1)	7.8
Pro forma net loss attributable to noncontrolling interest	—	—

The unaudited pro forma financial information for the three months ended March 31, 2025 and 2026 include adjustments to reflect the increased tangible asset depreciation, intangible asset amortization, and interest expense related to the new debt assumed. There were no recurring direct transaction costs incurred in connection with the US Salt Acquisition.

The unaudited pro forma financial information does not assume any impacts from net sales, cost or other operating synergies that could be generated as a result of the US Salt Acquisition. The unaudited pro forma financial information is for informational purposes only and is not indicative of the results of operations that would have been achieved had the US Salt Acquisition been consummated on January 1, 2025. The unaudited pro forma results may not necessarily reflect the actual results of operations that would have been achieved nor are they necessarily indicative of future results of operations.

## NOTE 3. REVENUE

### **Revenue recognition**

*Nature of Revenue Source* - The Company manufactures and sells a range of branded and private label evaporated salt products to nationwide retailers, pharmaceutical companies, foodservice operators, and independent distributors. When the Company enters into a sale arrangement with a customer, it believes it is probable that it will collect substantially all the consideration to which it will be entitled in exchange for the goods that will be transferred to the customer. The Company's customer contracts identify the product, quantity, price, payment terms, and final delivery terms. Payment terms sometimes include early-pay discounts. Although some payment terms may be extended, no terms beyond one year are granted at contract inception.

The Company determines revenue recognition through the following steps:

- Identification of the contract, or contracts, with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when, or as, the Company satisfies a performance obligation

*Performance Obligations* - A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 606, *Revenue from Contracts with Customers*. The contract's transaction price is allocated to the performance obligations and recognized as revenue when the performance obligations are satisfied. Substantially all our contracts are of a short-term nature and contain a single performance obligation. Because the Company's agreements have an expected duration of one year or less, the Company has elected the practical expedient in ASC 606-10-50-14(a) to not disclose information about its remaining performance obligations.

Shipping and handling costs associated with outbound freight, including shipping and handling costs after control over a product is transferred to a customer are accounted for as a fulfillment cost as incurred and are not considered to be a separate performance obligation. Shipping and handling costs recorded as a component of cost of sales were approximately \$0.9 million, \$1.3 million, and \$2.3 million for the period from February 27, 2026 to March 31, 2026 (Successor), the period from January 1, 2026 to February 26, 2026 (Predecessor), and the three months ended March 31, 2025 (Predecessor), respectively.

*Contract Estimates* - Most contracts include some form of variable consideration. The most common forms of variable consideration include discounts, rebates, and sales returns and allowances. Variable consideration is treated as a reduction in revenue when product revenue is recognized. The Company uses the most likely amount method to determine the variable consideration. The Company believes there will not be significant changes to estimates of variable consideration when any related uncertainties are resolved with customers. The Company reviews and updates its estimates and related accruals of variable consideration each reporting period based on the terms of the agreements, historical experience, and any recent changes in the market. Any uncertainties in the ultimate resolution of variable consideration due to factors outside of the Company's influence are typically resolved within a short timeframe therefore not requiring any additional constraint on the variable consideration.

Approximately 99.5%, 99.8%, and 99.7% of the Company's net sales are generated from North America, and 92.9%, 94.1%, and 92.3% of which is from domestic sales for the period from February 27, 2026 to March 31, 2026 (Successor), the period from January 1, 2026 to February 26, 2026 (Predecessor), and the three months ended March 31, 2025 (Predecessor), respectively. The Company offers customers limited right of return for its non-conforming products in the event of defects. Customer remedies may include either a cash refund or product exchange. Accordingly, the estimated right of return and related refund liability is recorded as a reduction in net sales. Return estimates are reviewed and updated in each reporting period based on historical sales and return experiences. Contract asset and liability balances as of March 31, 2026 (Successor) and December 31, 2025 (Predecessor) are immaterial.

### **Revenue disaggregation**

The Company has vertically integrated operations under which the Company solution mines, manufactures, processes, packages, markets, distributes and sells salt either as packaged products prepared on-site at the Watkins Glen,

New York facility or as non-packaged products which are shipped in bulk or packaged at a third party facility. The following table disaggregates revenue between these two product categories:

	<b>Successor</b>		<b>Predecessor</b>			
	<b>Period from February 27, 2026 to March 31, 2026</b>		<b>Period from January 1, 2026 to February 26, 2026</b>	<b>Three Months Ended March 31, 2025</b>		
	<b>(in millions)</b>		<b>(in millions)</b>	<b>(in millions)</b>		
Packaged	\$	10.3	\$	17.5	\$	28.1
Non-packaged		1.8		2.8		4.2
<b>Total net sales</b>	<b>\$</b>	<b>12.1</b>	<b>\$</b>	<b>20.3</b>	<b>\$</b>	<b>32.3</b>

#### NOTE 4. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENT

GAAP establishes a three-tier fair value hierarchy to classify and disclose all assets and liabilities measured at fair value on a recurring basis, as well as assets and liabilities measured at fair value on a non-recurring basis, in periods subsequent to their initial measurement. The hierarchy requires the Company to use observable inputs when available and to minimize the use of unobservable inputs when determining fair value. The three tiers are defined as follows:

Level 1 - Observable inputs based on unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and

Level 3 - Unobservable inputs for which there is little or no market data, and which require us to develop our own estimates and assumptions reflecting those that a market participant would use.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. There were no instruments measured at fair value on a recurring basis using significant unobservable inputs during the period from February 27, 2026 to March 31, 2026 (Successor), the period from January 1, 2026 to February 26, 2026 (Predecessor), and the three months ended March 31, 2025 (Predecessor). Related to the US Salt Acquisition, the Company applied fair value measurements on a nonrecurring basis to the assets acquired and liabilities assumed as of the acquisition date. Refer to Note 2, Business Combinations, for further details.

The valuation techniques that may be used to measure fair value are as follows:

- Market approach - Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
- Income approach - Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about those future amounts; and
- Cost approach - Based on the amount that currently would be required to replace the service capacity of an asset (i.e., replacement cost).

The Company's financial instruments consist of cash equivalents, accounts receivable, accounts payable, and accrued liabilities. Cash equivalents' carrying value approximates fair value at the balance sheet dates, due to the short period of time to maturity. Accounts receivable, accounts payable, and accrued liabilities carrying values approximate fair value due to the short time to the expected receipt or payment date.

As of March 31, 2026 (Successor), the Company's "cash and cash equivalents" line item was comprised of cash deposited with banks and money market funds. The Company classifies cash equivalents within Level I of the fair value hierarchy because they were valued using quoted prices in active markets.

A breakdown of cash and cash equivalents is as follows:

	Successor March 31, 2026		Predecessor December 31, 2025	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(in millions)		(in millions)	
Cash	\$ 2.9	\$ 2.9	\$ 0.2	\$ 0.2
Money market funds	9.1	9.1	10.6	10.6
Total cash and cash equivalents	<u>\$ 12.0</u>	<u>\$ 12.0</u>	<u>\$ 10.8</u>	<u>\$ 10.8</u>

##### *Disclosure of Fair Values*

The carrying amounts of accounts receivable, accounts payable and accrued expenses approximate their fair value as of March 31, 2026 (Successor) and December 31, 2025 (Predecessor) due to the relatively short duration of these instruments. Additionally, the carrying value of debt associated with the term loan facility approximates fair value because the interest rates are variable and reset on relatively short durations to then-market rates.

#### NOTE 5: ACCOUNTS RECEIVABLE

Accounts receivable, net of allowance for expected credit losses, is as follows:

	<b>Successor</b> <b>March 31, 2026</b> (in millions)	<b>Predecessor</b> <b>December 31, 2025</b> (in millions)
Accounts receivable	\$ 13.6	\$ 12.2
Less: allowance for expected credit losses	(0.1)	(0.1)
<b>Total</b>	<b>\$ 13.5</b>	<b>\$ 12.1</b>

A roll forward of the allowance for expected credit losses is presented below:

	<b>Predecessor</b> <b>Three Months Ended March 31, 2025</b> (in millions)	
Balance as of December 31, 2024 (Predecessor)	\$	0.4
Add: bad debt expenses		—
Less: write-offs		—
<b>Balance as of March 31, 2025 (Predecessor)</b>	<b>\$</b>	<b>0.4</b>

	<b>Predecessor</b> <b>Period from January 1, 2026 to February 26, 2026</b> (in millions)	
Balance as of December 31, 2025 (Predecessor)	\$	0.1
Add: bad debt expenses		—
Less: write-offs		—
<b>Balance as of February 26, 2026 (Predecessor)</b>	<b>\$</b>	<b>0.1</b>

	<b>Successor</b> <b>Period from February 27, 2026 to March 31, 2026</b>	
Balance as of February 27, 2026 (Successor)	\$	0.1
Add: bad debt expenses		—
Less: write-offs		—
<b>Balance as of March 31, 2026 (Successor)</b>	<b>\$</b>	<b>0.1</b>

## NOTE 6: INVENTORIES

Inventories are as follows:

	<b>Successor</b> <b>March 31, 2026</b> (in millions)	<b>Predecessor</b> <b>December 31, 2025</b> (in millions)
Finished Goods	\$ 3.6	\$ 2.4
Packaging and supplies	5.9	5.5
Maintenance materials	3.0	3.0
<b>Total</b>	<b>\$ 12.5</b>	<b>\$ 10.9</b>

Maintenance materials exclude certain materials of \$5.2 million as of both March 31, 2026 (Successor) and December 31, 2025 (Predecessor) that are not expected to be consumed within the next twelve months. These amounts are classified under other inventories in the Condensed Consolidated Balance Sheets. Finished goods are shown at net realizable amount which includes write downs for obsolescence of an insignificant amount and \$0.3 million as of March 31,

2026 (Successor) and December 31, 2025 (Predecessor), respectively.

**NOTE 7: PROPERTY, PLANT AND EQUIPMENT, NET**

Property, plant and equipment, net are as follows:

	<b>Successor</b> <b>March 31, 2026</b>	<b>Predecessor</b> <b>December 31, 2025</b>
	(in millions)	(in millions)
Land	\$ 6.7	\$ 2.0
Buildings and improvements	17.6	20.1
Machinery and equipment	60.8	69.8
Salt reserves	310.0	275.3
Construction in process	2.3	2.2
	397.4	369.4
Accumulated depreciation and depletion	(0.9)	(48.0)
Total	<u>\$ 396.5</u>	<u>\$ 321.4</u>

Depreciation and depletion expense are included in the following financial statement line items in the Condensed Consolidated Statements of Operations:

	<b>Successor</b>	<b>Predecessor</b>	
	<b>Period from February 27, 2026 to March 31, 2026</b>	<b>Period from January 1, 2026 to February 26, 2026</b>	<b>Three Months Ended March 31, 2025</b>
	(in millions)	(in millions)	(in millions)
Cost of sales	\$ 0.9	\$ 2.4	\$ 3.3
Selling expense	—	—	—
General and administrative expense	—	—	—
Total	<u>\$ 0.9</u>	<u>\$ 2.4</u>	<u>\$ 3.3</u>

The Company recognized no losses from disposal on the Condensed Consolidated Statements of Operations for the period from February 27, 2026 to March 31, 2026 (Successor) and the period from January 1, 2026 to February 26, 2026 (Predecessor) and recognized an insignificant loss from disposal for the three months ended March 31, 2025 (Predecessor).

**NOTE 8: GOODWILL AND INTANGIBLE ASSETS**

**Goodwill**

The carrying amount of goodwill was \$148.0 million and \$28.1 million as of March 31, 2026 (Successor) and December 31, 2025 (Predecessor), respectively. There was no impairment of goodwill for the period from February 27, 2026 to March 31, 2026 (Successor), the period from January 1, 2026 to February 26, 2026 (Predecessor), and the three months ended March 31, 2025 (Predecessor).

**Intangible Assets**

Intangible assets and related accumulated amortization which are included in intangible assets, net in the Condensed Consolidated Balance Sheets are as follows:

	<b>Successor</b>		
	<b>March 31, 2026</b>		
	<b>Gross Carrying Amount</b>	<b>Accumulated Amortization</b>	<b>Amount</b>
		(in millions)	
Tradename	\$ 28.0	\$ (0.2)	\$ 27.8
Customer relationships	260.0	(1.4)	258.6
Permits	100.0	(0.8)	99.2
<b>Total</b>	<b>\$ 388.0</b>	<b>\$ (2.4)</b>	<b>\$ 385.6</b>

  

	<b>Predecessor</b>		
	<b>December 31, 2025</b>		
	<b>Gross Carrying Amount</b>	<b>Accumulated Amortization</b>	<b>Amount</b>
		(in millions)	
Tradename	\$ 21.8	\$ (6.7)	\$ 15.1
Customer relationships	2.4	(0.7)	1.7
<b>Total</b>	<b>\$ 24.2</b>	<b>\$ (7.4)</b>	<b>\$ 16.8</b>

Amortization expense of the finite-lived intangible assets for the period from February 27, 2026 to March 31, 2026 (Successor), the period from January 1, 2026 to February 26, 2026 (Predecessor) and the three months ended March 31, 2025 (Predecessor) was \$2.4 million, \$0.3 million, and \$0.4 million, respectively, and is included in general and administrative expenses in the Condensed Consolidated Statements of Operations. The estimated net amortization expense for the finite-lived intangible assets is \$21.9 million for the remainder of 2026, \$29.2 million per year for each of the four years ending December 31, 2027 through 2030, and \$246.9 million thereafter. The remaining useful lives for the intangible assets is 10 years for permits and 15 years for trademarks and customer relationships.

## NOTE 9. BALANCE SHEET COMPONENTS

Prepaid expenses consist of the following:

	<b>Successor</b>	<b>Predecessor</b>
	<b>March 31, 2026</b>	<b>December 31, 2025</b>
	(in millions)	(in millions)
Prepaid insurance	\$ 1.3	\$ 0.7
Other prepaid expenses	0.9	0.3
Other current assets	0.1	—
<b>Total</b>	<b>\$ 2.3</b>	<b>\$ 1.0</b>

Accrued liabilities consist of the following:

	<b>Successor</b>	<b>Predecessor</b>
	<b>March 31, 2026</b>	<b>December 31, 2025</b>
	(in millions)	(in millions)
Accrued payroll, bonus, and employee benefits	\$ 2.2	\$ 3.9
Contingent loss accrual <sup>(1)</sup>	3.5	—
Accrued services <sup>(2)</sup>	3.0	0.9
Accrued term loan interest	1.5	—
Rail car repair accrual <sup>(3)</sup>	0.8	0.7
Well capping accrual	0.3	0.3
Accrued insurance services	0.2	0.5
Other accruals	0.6	0.1
<b>Total</b>	<b>\$ 12.1</b>	<b>\$ 6.4</b>

(1) Estimated contingent loss related to a legal matter. Refer to Note 13, Commitments and Contingencies, for further information.

(2) Accrued services primarily consist of professional services related to acquiring US Salt and other legal services.

(3) Rail car accrual represents the expected cost of disposing of or repairing leased railcars.

## NOTE 10: LEASES

The Company enters into leases for warehouses, rail cars, forklifts, office equipment, office space and certain other types of property and equipment. The leases consist of operating and financing leases expiring in various years through 2030.

The elements of the lease costs were as follows:

	<b>Successor</b>	<b>Predecessor</b>	
	<b>Period from February 27, 2026 to March 31, 2026</b>	<b>Period from January 1, 2026 to February 26, 2026</b>	<b>Three Months Ended March 31, 2025</b>
	(in millions)	(in millions)	(in millions)
<b>Operating lease expense:</b>			
Operating lease expense	\$ 0.1	\$ 0.2	\$ 0.2
Short term lease expense	\$ —	\$ —	\$ 0.2
Variable lease expense	0.1	0.2	0.2
<b>Total lease expense</b>	<b>\$ 0.2</b>	<b>\$ 0.4</b>	<b>\$ 0.6</b>

Total finance lease expense for the period from February 27, 2026 to March 31, 2026 (Successor), the period from January 1, 2026 to February 26, 2026 (Predecessor) and the three months ended March 31, 2025 (Predecessor) was insignificant.

Lease term and discount rate information related to leases were as follows:

	<b>Successor</b> <b>March 31, 2026</b>	<b>Predecessor</b> <b>December 31, 2025</b>
<b>Weighted-average remaining lease term (in years)</b>		
Operating leases	1.95	2.05
Finance leases	3.64	3.84
<b>Weighted-average discount rate</b>		
Operating leases	7.54%	9.81%
Finance leases	7.36%	10.53%

Supplemental cash flow information related to leases was as follows:

	<b>Successor</b> <b>Period from</b> <b>February 27, 2026 to</b> <b>March 31, 2026</b>  (in millions)	<b>Predecessor</b> <b>Period from</b> <b>January 1, 2026 to</b> <b>February 26, 2026</b>  (in millions)	<b>Three Months</b> <b>Ended March</b> <b>31, 2025</b>  (in millions)
<b>Cash paid for amounts included in the measurement of lease liabilities</b>			
Operating cash flows from finance lease (interest payments)	\$ —	\$ —	\$ —
Operating cash flows from operating leases	0.1	0.2	0.2
Financing cash flows from finance lease	—	—	—
<b>Right-of-use assets obtained in exchange for lease liabilities</b>			
Operating leases	\$ —	\$ —	\$ 0.3
Finance leases	—	—	0.1

Future maturities of lease liabilities are as follows:

	<b>Successor</b> <b>March 31, 2026</b>	
	<b>Operating Leases</b>	<b>Finance Leases</b>
<b>Year ending December 31,</b>		
2026	\$ 0.6	\$ 0.1
2027	0.4	0.2
2028	0.1	0.1
2029	0.1	0.1
2030	—	—
Thereafter	—	—
Total future undiscounted lease payments	1.2	0.5
Imputed interest	(0.1)	(0.1)
Present value of lease payments	1.1	0.4
Current portion	(0.7)	(0.1)
Long-term portion of lease payments	\$ 0.4	\$ 0.3

#### NOTE 11: LONG TERM DEBT

Long-term debt consists of the following:

	<u>Successor</u> <u>March 31, 2026</u> (in millions)	<u>Predecessor</u> <u>December 31, 2025</u> (in millions)
Term loan	\$ 215.0	\$ 206.7
Unamortized debt discount and issuance	(3.6)	(1.3)
Current portion	(1.6)	(2.3)
Long-term portion	<u>\$ 209.8</u>	<u>\$ 203.1</u>

#### ***Ares Capital Credit Agreement (Predecessor)***

In July 2021, US Salt Parent Holdings entered into a credit agreement with Ares Capital Corporation, as the administrative agent, and other parties thereto. The credit agreement consists of a \$232.0 million term loan, and up to \$25.0 million of revolving line of credit.

Interest rate for the term loan and revolving line of credit as of December 31, 2025 (Predecessor) was 9.4%, which was SOFR plus 5.40%. Interest rate for the revolving line of credit is the greater of 4.50% plus prime rate, NYFRB (New York Federal Reserve Bank) rate plus 5.00% or SOFR (subject to .75% floor) plus 5.50%-5.65%.

The term loan requires quarterly principal payments of \$0.6 million commencing on March 31, 2022 through maturity date of July 19, 2028, at which time the remaining principal balance is due. The term loan is subject to mandatory excess cash flow payments commencing for the year ended December 31, 2022 as defined in the credit agreement, not to exceed \$5 million for any fiscal year. As of December 31, 2025 (Predecessor), the Company was not required to make additional term loan repayments due to Excess Cash Flow for the year ended December 31, 2025 (Predecessor). The revolving line of credit expires on July 19, 2026 and is subject to commitment fee of 0.50% per annum. The Company had no borrowings outstanding on the revolving line of credit as of December 31, 2025 (Predecessor). The unused amount of credit available under this facility is \$25.0 million as of December 31, 2025 (Predecessor).

The term loan and the revolving line of credit are secured by substantially all of the assets of the Company and subject to certain financial covenants. The Company was in compliance with all financial covenants as of December 31, 2025 (Predecessor).

In relation to the credit agreement, the Company paid debt issuance cost of \$5.1 million, which is amortized over the life of the credit agreement using effective interest rate of 6.83%. Amortization of debt issuance cost for the three months ended March 31, 2025 (Predecessor) was \$0.2 million and is included in interest expense in the Condensed Consolidated Statements of Operations.

In February 2026, the Company paid off the \$209.7 million remainder of this credit agreement and related accrued interest upon the consummation of the US Salt Acquisition.

#### ***Wilmington Trust Credit Agreement (Successor)***

As discussed earlier in "The US Salt Acquisition -- The Financing Arrangements," in February 2026, Holdings entered into the Credit Agreement with Wilmington Trust, National Association, as administrative agent, and the Lenders thereto (the "Wilmington Trust Credit Facility"), which consists of a \$215.0 million term loan facility and an up to \$25.0 million revolving credit facility.

Interest rate for the Initial Term Loans and Revolving Loans as of March 31, 2026 was 7.92%, which was SOFR plus 4.25%. Interest rate for the revolving line of credit is at a base rate or a term SOFR rate plus an applicable margin between 4.00% and 4.50%, depending on the Borrower's Consolidated First Lien Net Leverage Ratio (as defined in the Credit Agreement).

The term loan requires quarterly principal payments of \$0.5 million with the first payment due on September 30, 2026 through the maturity date of February 26, 2033, at which time the remaining principal balance is due. The term loan is subject to mandatory Excess Cash Flow ("ECF") payments commencing for the year ended December 31, 2027. The ECF payments are calculated by multiplying the Applicable ECF Percentage (as defined in the Credit Agreement) against the fiscal year's ECF (as defined in the Credit Agreement) to the extent that ECF exceeds the greater of \$9.5 million and 15.0% of TTM EBITDA (as defined in the Credit Agreement). The Applicable ECF Percentage is determined based on the Consolidated First Lien Net Leverage Ratio (as defined in the Credit Agreement) as of the last day of the fiscal year as follows: 0% if less than or equal to 2.50x; 25% if greater than 2.50x but less than or equal to 3.00x; and 50% if greater than 3.00x. These ECF payments are due within ten business days after delivery of both the annual audited financial statements

and the related Compliance Certificate (as defined in the Credit Agreement). As of March 31, 2026 (Successor), no ECF prepayment was required for the period from February 27, 2026 to March 31, 2026 (Successor).

The revolving line of credit expires on February 26, 2033 and is subject to a commitment fee on the unused available commitment between 0.375% and 0.50% per annum, determined by the Borrower's Consolidated First Lien Net Leverage Ratio. The Company had no borrowings outstanding on the revolving line of credit at March 31, 2026 (Successor). The unused amount of credit available under this facility is \$25.0 million as of March 31, 2026 (Successor).

The term loan and revolving line of credit are secured by substantially all of the assets of US Salt and subject to certain financial covenants which are not due until 60 days after quarter-end for 2026 and 45 days after quarter-end beginning in 2027. The Company was in compliance with all financial covenants as of March 31, 2026 (Successor).

In relation to the Wilmington Trust Credit Agreement, aggregate debt discount and debt issuance costs totaled \$3.6 million, which is amortized over the life of the credit agreement using an effective interest rate of 8.27%. Amortization of debt discount and issuance cost for the period from February 27, 2026 to March 31, 2026 (Successor) was insignificant and was reported as interest expense in the Condensed Consolidated Statements of Operations.

The Credit Agreement contains customary affirmative and negative covenants, conditions to borrowing and events of default. The Company was in compliance with all financial covenants as of March 31, 2026 (Successor).

The following table summarizes the annual maturities of the principal amount of total debt due:

<b>Year ending December 31,</b>	<b>Successor</b>	
	<b>March 31, 2026</b>	
	(in millions)	
Remaining 2026	\$	1.1
2027		2.2
2028		2.2
2029		2.2
2030		2.2
Thereafter		205.1
<b>Total maturities</b>	<b>\$</b>	<b>215.0</b>

#### **NOTE 12: ASSET RETIREMENT OBLIGATIONS**

The following summarizes the changes in the asset retirement obligation during the period:

Balance as of December 31, 2024 (Predecessor)	\$	0.8
Liabilities incurred		—
Changes in estimated obligations		—
Accretion of expense		—
Balance as of March 31, 2025 (Predecessor)	\$	0.8
Balance as of December 31, 2025 (Predecessor)	\$	0.8
Liabilities incurred		—
Changes in estimated obligations		—
Accretion of expense		—
Balance as of February 26, 2026 (Predecessor)	\$	0.8
Balance as of February 27, 2026 (Successor)	\$	0.8
Liabilities incurred		—
Changes in estimated obligations		—
Accretion of expense		—
Balance as of March 31, 2026 (Successor)	\$	0.8

In connection with certain contracts, the Company is required to hold surety bonds. These bonds are supported by a general agreement of indemnity in favor of the sureties. As of March 31, 2026 (Successor) and December 31, 2025 (Predecessor), the Company had surety bonds outstanding with an aggregate stated amount of \$1.1 million. The bonds relate primarily to the salt well plugging projects and generally expire and are renewed annually.

The Company's estimated abandonment costs related to plugging and abandonment of injection wells under these surety bonds are reported as part of asset retirement obligation in the Condensed Consolidated Balance Sheets. As of March 31, 2026 (Successor) and December 31, 2025 (Predecessor), management has not identified any defaults, and no accrual related to these bonds has been recorded. Bond premiums paid are recorded as prepaid expenses and amortized over the period of benefit.

## NOTE 13. COMMITMENTS AND CONTINGENCIES

### *Legal Contingencies and Proceedings*

Beginning in May 2021, four putative class action lawsuits were filed in the U.S. District Court for the Northern District of California against the Company, its directors, certain of its officers and the underwriters named in its initial public offering ("IPO") registration statement alleging violations of securities laws based on statements made in its registration statement on Form S-1 filed with the SEC in connection with its IPO and seeking monetary damages. One of these cases has since been dismissed by the plaintiff and the remaining three have been coordinated and consolidated. In May 2022, the Court appointed lead plaintiffs, who subsequently filed an amended consolidated class action complaint pursuant to Sections 11 and 15 of the Securities Act and Sections 10(b) and 20(a) of the Exchange Act. On April 10, 2023, the plaintiffs filed an amended complaint and asserted only claims made under Sections 11 and 15 of the Securities Act. In December 2023, the Court granted the defendants' motion to dismiss the first amended consolidated complaint. In February 2024, plaintiffs filed a second amended consolidated complaint, which the defendants have moved to dismiss. In August 2024, the Court granted the motion to dismiss without leave to amend and with prejudice. In September 2024, plaintiffs filed a motion to alter judgment noticed for hearing in January 2025. In February 2025, the court denied the plaintiffs' motion to alter judgment. In March 2025, plaintiffs filed a notice of appeal to the Ninth Circuit. In September 2025, plaintiffs filed their opening brief to the Ninth Circuit. The Company filed its answering brief with the Ninth Circuit in December 2025. In January 2026, plaintiffs filed their answering brief. The Company believes these lawsuits are without merit and intends to vigorously defend them. However, the Company has currently estimated a potential loss of \$3.5 million at this time.

In August 2021, a shareholder derivative action purportedly brought on behalf of the Company, *Patel v. Szulczewski*, was filed in the U.S. District Court for the Northern District of California alleging that the Company's directors and officers made or caused the Company to make false and/or misleading statements about the Company's business operations and financial prospects in various public filings. Plaintiff asserts claims for breach of fiduciary duties, unjust enrichment, abuse of control, gross mismanagement, waste of corporate assets, violations of Section 14(a) of the Exchange Act, and for contribution under Sections 10(b) and 21D of the Exchange Act and is seeking monetary damages. This matter is currently stayed. The Company believes this lawsuit is without merit and it intends to vigorously defend it. Based on the preliminary nature of the proceedings in these cases, the Company cannot estimate a range of potential losses at this point in time.

As of March 31, 2026 (Successor), in the opinion of management, there were no other legal contingency matters that arose in the ordinary course of business, either individually or in aggregate, that would have a material adverse effect on the financial position, results of operations, or cash flows of the Company. Given the unpredictable nature of legal proceedings, the Company bases its estimate on the information available at the time of the assessment. As additional information becomes available, the Company will reassess the potential liability and may revise the estimate.

## NOTE 14. EQUITY AND NONCONTROLLING INTEREST

### *Members' Equity (Predecessor)*

#### *Members' units*

US Salt Parent Holdings was authorized to issue USPH Class A units and USPH Class B units. There was no set number for authorized units and no par value was assigned to USPH Class A and USPH Class B units. US Salt Parent Holdings was able to issue additional units, including USPH Class B units as management incentive units as approved by its Board of Directors. USPH Class A units represented capital interests and were entitled to priority distributions and liquidation proceeds until invested capital had been returned. USPH Class B units were generally issued as management incentive (profit) interests and participated in US Salt Parent Holdings' residual economics only after applicable participation thresholds and vesting conditions were satisfied.

#### Voting rights

The authority to manage the business, make decisions, and act on behalf of US Salt Parent Holdings resided exclusively with its Board of Directors, except for certain limited matters specifically designated as board of governance exceptions. Holders of USPH Class A units or USPH Class B units did not possess voting, consent, or approval rights with respect to the management or governance of US Salt Parent Holdings, other than with respect to these limited exceptions.

The composition of US Salt Parent Holdings' Board of Directors included both Emerald Lake-designated Managers ("ELCM Managers") and Additional Managers. For any meeting of its Board of Directors or its committees, at least one ELCM Manager had to be present to constitute a quorum. Actions of its Board of Directors was able to be approved by a majority of votes cast at a meeting where a quorum is present. The ELCM Managers collectively held a number of votes equal to the greater of (i) the number of ELCM Managers present at the meeting or (ii) one plus the number of non-ELCM Managers present. Each ELCM Manager was entitled to cast a proportionate share of these collective ELCM votes. Each

Additional Manager held one vote. If no ELCM Manager remained present during a meeting, the quorum was lost and no further business was able to be conducted until a quorum was re-established. The authorized number of Managers on US Salt Parent Holdings' Board of Directors was six members or such other number as determined from time to time by the Board.

#### Distribution and participation rights

Distributions were made at the discretion of the Board of Directors, subject to the applicable law and US Salt Parent Holdings' operating agreement. Distributions, other than tax distributions, were subject to contractual priority waterfall. Amounts were distributed first to holders of USPH Class A units until the unreturned capital associated with USPH Class A units had been reduced to zero. Thereafter, remaining distributions were made to holders of USPH Class A units and participating USPH Class B units on a pro rata basis based on the number of such units outstanding. Certain USPH Class B units were subject to participation thresholds (as discussed below) and vesting conditions and were not entitled to participate in distributions until such thresholds had been satisfied and vesting has occurred. As of December 31, 2025 (Predecessor), the total unreturned capital of Class A unitholders before distributions was \$193.6 million. There were no tax distributions to USPH Class A unitholders for the period from January 1, 2026 to February 26, 2026 (Predecessor) and an insignificant amount of tax distributions to USPH Class A unitholders for the three months ended March 31, 2025 (Predecessor).

#### Liquidation rights

Upon liquidation, dissolution, or winding up of US Salt Parent Holdings, its assets remaining after the settlement of liabilities were distributed in accordance with the same priority framework applicable to non-liquidating distributions. Liquidation proceeds were distributed first to USPH Class A units until the return of unreturned capital, and thereafter to USPH Class A units and participating USPH Class B units on a pro rata basis. USPH Class B units that had not satisfied applicable participation thresholds or vesting requirements did not participate in liquidation proceeds. Neither class had liquidation preference beyond the contractual priority described above.

#### Repurchase rights

US Salt Parent Holdings held the right, at its discretion, to repurchase outstanding units held by unitholders in accordance with the operating or related grant agreements. US Salt Parent Holdings was able to settle the repurchase or redemption price either in cash or through the transfer of equity interests issued by one of its subsidiaries. If the subsidiary repurchased or redeemed those securities subsequently, the repurchase redemption price would have been equal to the amount of cash or notes, if applicable, equal to the aggregate repurchase or redemption price of the Units that were redeemed or repurchased.

#### *USPH Class B units*

Based on the terms of Class B unit grant agreements, USPH Class B units were issued to certain employees and members of the Board of Directors of US Salt Parent Holdings. In each of the grant agreements, 40% of the total USPH Class B units granted had service conditions, which was service-based vesting ("time-vesting incentive units"), and 60% of the total USPH Class B units granted had both service and performance conditions ("performance-based incentive units").

#### Time-vesting incentive units

Time-vesting incentive units vested over the requisite service period of five years, subject to the recipient remaining an employee or member of the Board of Directors of US Salt Parent Holdings through each vesting date. For the period from January 1, 2026 to February 26, 2026 (Predecessor), \$0.1 million expense was recognized for the time-vesting incentive units over the requisite service period.

#### Performance-based incentive units

The performance-based incentive units were able to vest upon the consummation of a sale of US Salt Parent Holdings, provided the participants had remained continuously employed or provided services from the vesting start date through the sale date. Vesting occurred in three tranches as follows: (i) one-third of the performance-based incentive units vested upon the consummation of a sale of the US Salt Parent Holdings if the Investor Return was equal to or greater than 2.0; (ii) an additional one-third of the performance-based incentive units vested upon the consummation of a sale of US Salt Parent Holdings if the Investor Return was equal to or greater than 2.5; and (iii) an additional one-third of the performance-based incentive units vested upon the consummation of a sale of US Salt Parent Holdings if the Investor Return was equal to or greater than 3.0.

Vested USPH Class B units were subject to a "Participation Threshold" before distribution of profit or distribution of sales proceeds from the sale of US Salt Parent Holdings. Unless otherwise determined by the Board of Directors of US Salt Parent Holdings, on the date of each grant of USPH Class B units, pursuant to a grant made under a Class B unit grant agreement or similar agreement, the Board of Directors of US Salt Parent Holdings would establish an initial "Participation Threshold" amount in respect of each Class B unit granted on such date. The initial Participation Threshold in respect of an USPH Class B unit would be equal to or greater than (i) the amount that would be distributed with respect to a USPH Class A unit ratably among Class A unitholders until the aggregate unreturned capital of Class A incentive units had been reduced to zero in a hypothetical transaction in which US Salt Parent Holdings sold all of its assets for Fair Market Value and distributed the proceeds therefrom in liquidation of US Salt Parent Holdings (as determined immediately prior to the issuance of such USPH Class B unit, but taking into account all Capital Contributions, if any, with respect to any Unit issued as part of the issuance of such USPH Class B unit) minus (ii) the total Capital Contributions (if any) made by the holder receiving such USPH Class B unit with respect to all USPH Class B unit received by such holder as part of the same issuance. US Salt Parent Holdings was able to periodically update the initial Participation Threshold from time to time as necessary to reflect any adjustments to the Participation Thresholds of outstanding USPH Class B unit required.

#### Acceleration of vesting of incentive units

Upon the occurrence of the sale of US Salt Parent Holdings, all then outstanding time-vesting incentive units and performance-vesting incentive units which had not yet become vested became vested as of the consummation of such sale and were included in the shares acquired as part of the US Salt Acquisition. The Company elected an accounting policy to treat compensation costs due to acceleration as a result of the change in control provision included in the original terms of the awards as acquisition-related consideration transferred. Accordingly, the fair value of the accelerated portion of the awards represented by the cash or Holdings units transferred in exchange for the units subject to accelerated vesting was included in the total consideration transferred for the acquisition and no share-based compensation expense related to such acceleration was recognized in either the Predecessor or Successor periods. Refer to Note 1, Overview, Basis of Presentation and Significant Accounting Policies, for further information.

#### *Noncontrolling parent interests*

US Salt Parent Holdings owns 99% of US Salt Intermediate Holdings, LLC ("Intermediate Holdings"). The remaining 1% interest was held by Aggregator, which was controlled by Emerald Lake. Intermediate Holdings owned 100% of US Salt Holdings and its operating subsidiaries. US Salt Parent Holdings controlled Intermediate Holdings and US Salt and, accordingly, consolidated Intermediate Holdings and its subsidiaries in the accompanying consolidated financial statements.

The noncontrolling parent interest represented Aggregator's 1% ownership interest in Intermediate Holdings, which was held by an entity other than US Salt Parent Holdings. This interest was presented as noncontrolling parent interest in the Condensed Consolidated Statements of Operations and within equity in the Condensed Consolidated Balance Sheets. The condensed consolidated financial statements recognized the subsidiary's assets and liabilities offset by the noncontrolling interest in total equity.

#### **Stockholders' equity (Successor)**

##### *ContextLogic Equity*

On February 25, 2026, the Company completed the Rights Offering and issued 429,463 common shares of ContextLogic common stock to subscribers for gross proceeds of \$3.4 million or \$8.00 per share. In addition, in connection with the Abrams Backstop Agreements, the Company issued 190,496 and 2,598,611 common shares to ACP I and ACP II, respectively for gross proceeds of \$22.3 million or \$8.00 per share.

On February 26, 2026 the Company issued 15,480,427 common shares as a portion of the equity consideration for the US Salt Acquisition recorded at a fair value of \$123.9 million.

##### *Noncontrolling Interest - ContextLogic Holdings LLC Units*

On February 26, 2026, the Second A&R LLC Agreement became effective for ContextLogic Holdings LLC, establishing and governing the rights, preferences and obligations of each class of units of Holdings. Holdings' membership interests are represented by three classes of units: Class A Convertible Preferred Units ("Preferred Units"), Class B Common Units (comprising Class B-1 and Class B-2 series), and Class P Units. The Preferred Units are held by the Company's investors and rank senior to all other units with respect to distributions and liquidation proceeds. The Class B Common Units ("Common Units") are held by the Company and represent the primary common equity interest in Holdings. The Class P

Units are profits interests and are subordinate to both the Preferred Units and Common Units. Each class of units was issued in exchange for cash or other property contributions made to Holdings by its members (the "Capital Contributions").

#### Class A Convertible Preferred Units

The Preferred Units were issued at \$8.00 per unit (the "Class A Contribution Amount"), representing each unit's stated invested capital. Each Preferred Unit is convertible at the holder's option at any time into one Class B-2 Common Unit (subject to adjustment for stock splits, combinations, recapitalizations or similar transactions), provided that any conversion notice must cover at least the greater of (i) one-third of the converting member's then-outstanding Preferred Units or (ii) 5,000 Preferred Units.

With respect to distributions and upon liquidation or dissolution, the Preferred Units rank senior to the Common Units and Class P Units and are entitled to receive distributions pro rata based on each Class A member's relative ownership of outstanding Preferred Units until each Class A member has received a full return of its Capital Contributions in respect of its Preferred Units. Prior to any such distribution, Holdings must provide Class A members at least five (5) business days' prior written notice (a "Class A Distribution Notice") detailing the distribution amount and the comparative amount that would be distributed upon conversion into Class B-2 Common Units, giving holders the opportunity to convert prior to the distribution. Class A members that are accredited investors also hold preemptive rights to purchase their pro rata share of any new units or other equity interests issued by Holdings to Abrams, BCP or their respective affiliates.

#### Class B Common Units

The Class B Common Units consist of two series: Class B-1 Common Units, which carry voting rights, and Class B-2 Common Units, which are non-voting and are issuable solely upon conversion of Class A Convertible Preferred Units. Class B-1 Common Units are held by ContextLogic directly and through its wholly-owned subsidiary Blocker. ContextLogic effectively holds all outstanding Class B-1 Common Units and, as the sole holder of voting units in Holdings, holds all voting power of Holdings. No Class B-2 Common Units are currently outstanding.

Class B members receive distributions pro rata based on each Class B member's relative ownership of outstanding Common Units, after Class A members have received a full return of their Capital Contributions, and until each Class B member has received a full return of its Capital Contributions in respect of Common Units. Thereafter, all remaining distributions are made pro rata to all members based on aggregate Common Units and, subject to any Retained Distributions (as defined below), Class P Units outstanding.

#### Class P Units

The Class P Units are intended to qualify as "profits interests" for U.S. federal income tax purposes. They are subordinate to both Preferred Units and Common Units in the distribution waterfall. Distributions on unvested Class P Units are retained by Holdings ("Retained Distributions") and released to Class P Unit holders only upon vesting. Any Retained Distributions attributable to forfeited units are redistributed to remaining members in accordance with the standard distribution waterfall. Refer to Note 15, Equity Award Activity, Unit-Based Compensation (Predecessor), and Stock-Based Compensation (Successor), for more information about Class P Units granted.

#### *Noncontrolling Interest Activity*

On February 26, 2026, immediately prior to the US Salt Acquisition, BCP acquired additional Preferred Units for gross proceeds of \$75.0 million, which together with BCP's previously held Preferred Units and Class A accumulated distributions (previously reflected as redeemable noncontrolling interest), converted into 19,123 thousand Preferred Units with an aggregate value of \$153.0 million in conjunction with the US Salt Acquisition. Upon completion of the acquisition and implementation of the Second A&R LLC Agreement, the Preferred Units held by BCP no longer have redemption features and are therefore reflected as noncontrolling interests as a component of the Company's equity.

On February 26, 2026, pursuant to the BCP Backstop Agreement, BCP acquired an additional 11,156 thousand Preferred Units for aggregate proceeds of \$89.3 million.

On February 26, 2026, Holdings issued 25,176 thousand Preferred Units, recorded at a fair value of \$201.4 million, as a portion of the equity consideration for the US Salt Acquisition.

Because the noncontrolling interest activity described above occurred in conjunction with the US Salt Acquisition, all activity is reflected as Successor equity activity in the Condensed Consolidated Statements of Stockholders' Equity.

#### *Net Income or Loss Allocation under HLBV*

Given the preferred distribution structure described above, the Company allocates its net income or loss using the HLBV method. Under the HLBV method, the amounts reported as noncontrolling interest represent the amounts Holdings' members would hypothetically receive at each balance sheet date under the liquidation provisions of the Second A&R LLC Agreement, assuming the net assets of the funding structures were liquidated at their recorded amounts determined in accordance with GAAP. The members' interests in Holdings' results of operations are determined as the difference in noncontrolling interest at the start and end of each reporting period, after taking into account any capital transactions between Holdings and its members.

At a high level, if Holdings is in a net loss position, all net losses would be 100% attributed to the Class B Members until all Class B Capital Contribution was eroded. Then, net losses would be 100% attributed to the Class A Members.

If Holdings is in a net income position, it would be allocated first to any Business Needs (as defined in the Second A&R LLC Agreement, to the extent not already reflected in LLC's net assets); second to restore Class A's Capital Contributions to full; third to restore Class B's Capital Contributions to full; fourth to Class P to the extent described in the Second A&R LLC Agreement; and fifth to Class B (B-1 and any converted B-2) and Class P Members on a pro-rata basis.

**NOTE 15. EQUITY AWARD ACTIVITY, UNIT-BASED COMPENSATION (PREDECESSOR), AND STOCK-BASED COMPENSATION (SUCCESSOR)**

***Unit-Based Compensation (Predecessor)***

US Salt Parent Holdings recognized compensation expense in its condensed consolidated financial statements because its employees and members of the Board of Directors provided services to US Salt Parent Holdings and benefited from the USPH Class B units issued to them. The USPH Class B units are issued for no consideration. Refer to Note 14, Equity and Noncontrolling Interest, for more information about the USPH Class B units.

There were no USPH Class B units granted during the period from January 1, 2026 to February 26, 2026 (Predecessor) or the three months ended March 31, 2025 (Predecessor).

The following table summarizes USPH Class B units activity for the period from January 1, 2026 to February 26, 2026 (Predecessor) and the three months ended March 31, 2025 (Predecessor):

	<b>Predecessor</b>		
	<b>Period from January 1, 2026 to February 26, 2026</b>		
<b>Number of Units</b>	<b>Weighted Average</b>	<b>Weighted Average</b>	
<b>(in thousands)</b>	<b>Exercise Price</b>	<b>Remaining Term</b>	<b>(In Years)</b>
Balance as of December 31, 2025	17.0	\$ 1,000.0	1.75
Granted	—	—	
Repurchased	—	—	
Forfeited	—	—	
Balance as of February 26, 2026	<u>17.0</u>	<u>\$ 1,000.0</u>	<u>1.59</u>

	<b>Predecessor</b>		
	<b>Three months ended March 31, 2025</b>		
<b>Number of Units</b>	<b>Weighted Average</b>	<b>Weighted Average</b>	
<b>(in thousands)</b>	<b>Exercise Price</b>	<b>Remaining Term</b>	<b>(In Years)</b>
Balance as of December 31, 2024	18.0	\$ 1,000.0	2.68
Granted	—	—	
Repurchased	(0.2)	1,000.0	
Forfeited	(0.8)	1,000.0	
Balance as of March 31, 2025	<u>17.0</u>	<u>\$ 1,000.0</u>	<u>2.50</u>

Under the valuation methodology theory underlying the option pricing model, the fair value of the USPH Class B units was comprised of intrinsic and extrinsic values. Considering the specific features and attributes of the USPH Class B units, the entire fair value of the units was comprised of the underlying extrinsic value (i.e., the present value of the potential future benefits as of the respective measurement dates) while no value was assigned to the intrinsic value for the period from January 1, 2026 to February 26, 2026 (Predecessor) and the three months ended March 31, 2025 (Predecessor).

Upon consummation of the sale of US Salt Parent Holdings, there is no remaining unrecognized compensation expense for the time-vesting and performance-vesting USPH Class B units other than what was included as part of the consideration transferred. Refer to Note 2, Business Combinations, for further information.

### Equity Award Activity (Successor)

A summary of activity under the equity plans and related information was as follows:

	Successor			RSUs Outstanding Number of RSUs (in thousands)
	Period from February 27, 2026 to March 31, 2026			
	Options Outstanding Number of Options (in thousands)	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Term (In Years)	
Balance as of February 27, 2026 (Successor)	363.3	\$ 16.95	0.3	127.5
Granted	—	—	—	—
Vested	—	—	—	(56.7)
Forfeited or cancelled	—	—	—	—
Balance as of March 31, 2026 (Successor)	363.3	\$ 16.95	0.1	70.8

As of March 31, 2026, 5,236 thousand shares remained available for grant under the Company's equity incentive plans.

### Equity-Based Compensation Expense

Total equity-based compensation expense included in the Condensed Consolidated Statements of Operations was as follows:

	Successor	Predecessor	Predecessor
	Period from February 27, 2026 to March 31, 2026 <sup>(1)</sup>	Period from January 1, 2026 to February 26, 2026 <sup>(2)</sup>	Three Months Ended March 31, 2025 <sup>(2)</sup>
	(in millions)	(in millions)	(in millions)
Cost of sales	\$ —	\$ —	\$ —
Selling expense	—	—	—
General and administrative	0.1	0.1	0.1
Transaction expenses	0.4	—	—
Total equity-based compensation	\$ 0.5	\$ 0.1	\$ 0.1

(1) Successor information is stock-based compensation.

(2) Predecessor information is member-unit based compensation.

The Company will recognize the remaining \$0.4 million of unrecognized stock-based compensation expense related to outstanding RSUs over a weighted-average period of approximately 1 year.

### Class P Unit Grants (Successor)

On March 6, 2025, the Board approved, and the Company entered into, an employment agreement for Mr. Rishi Bajaj to serve as the Chief Executive Officer ("CEO"), including a revised compensation package (the "Employment Agreement"), effective March 6, 2025 (the "Effective Date"). On the Effective Date, Mr. Bajaj was awarded 1,423 thousand Class P Units, consisting of an award targeted at 1,423 thousand performance-based Class P Units which will be earned and will vest based on the achievement of specified Company stock price targets, up to a maximum of 1,898 thousand Class P Units (the "Initial Grant").

In December 2025, the Company and Mr. Bajaj entered into a Separation Agreement and Release (the "Separation Agreement"), under which the Company granted 600 thousand Class P Units in Holdings (the "Transaction Grant") to RB Strategic Holdings LP – Easter Series, an entity controlled by Mr. Bajaj. The Transaction Grant was issued to Mr. Bajaj as consideration for services rendered during his tenure as CEO and as recognition of his contributions in initiating and advancing the US Salt Acquisition.

The Transaction Grant is equity-classified under ASC 718 and was measured at fair value as of the grant date, which the Company determined to be December 7, 2025 as it was the date on which all key terms were approved and mutually understood ("Transaction Grant Date").

The Transaction Grant contains both a performance condition and a market condition, but no substantive service condition:

- Performance Condition – The US Salt Acquisition must close for the award to become eligible to vest. The award is forfeited in its entirety if the transaction does not close.
- Market Condition – Vesting requires the Company's common stock to reach \$30 per share (based on a 20-day average closing price) at any point through December 31, 2030. This condition is incorporated into the fair value measurement under the Monte Carlo simulation model.
- Service Condition – The Company determined that the Separation Agreement's cooperation and restrictive covenants do not constitute a substantive service requirement. Therefore, no service-based vesting condition exists.

A Monte Carlo simulation model under the option pricing method was used to estimate the fair value of the Transaction Grant as of the grant date. The fair value incorporated a discount for lack of marketability because the Class P Units represent non-marketable, minority interests in Holdings that lack control rights, have no active trading market, and are subject to transfer restrictions. In addition, the priority distribution rights afforded to the Class A and Class B Units subordinate the Class P Units economically, resulting in greater volatility in their expected returns relative to the controlling equity interests. The total fair value granted for the Transaction Grant was \$0.3 million.

The valuation assumptions utilized for the Transaction Grant as of the December 7, 2025 grant date were as follows:

Expected time to a liquidity event <sup>(1)</sup>		5.23 years
Expected volatility <sup>(2)</sup>		30%
Risk-free interest rate <sup>(3)</sup>		3.71%
Equity value <sup>(4)</sup>	\$	738
Discount for lack of marketability		20%

- (1) Represents the expected time to a liquidity event as of the measurement date.
- (2) Given the fundamental change in the Company's business expected to result from the closing of the US Salt deal, the Company's historical stock price volatility is not a reasonable proxy for expected volatility. Accordingly, the Company estimated expected volatility using a selected group of guideline public companies, considering industry alignment, size, and stage of development, with adjustments to reflect differences in financial leverage.
- (3) The risk-free rate equals the continuously compounded yield from the US Treasury's published Daily Treasury Par Yield Curve Rates as of the Transaction Grant Date for a period equal to the time from the Transaction Grant Date until the expected liquidity event, assuming linear interpolation between terms.
- (4) Holdings' underlying equity value on the Transaction Grant Date was estimated to be equal to the capital contributions for the Class A Units and Class B Units on a pro forma basis assuming closing of the US Salt Acquisition.

Because the Transaction Grant contains no substantive service condition, compensation cost is recognized in full when achievement of the performance condition (closing of the US Salt Acquisition) is probable. On February 27, 2026, upon the consummation of the US Salt Acquisition, the performance condition was achieved and thus the Company recognized an expense of \$0.3 million related to the vesting of the Transaction Grant. However, because the market condition has not been met, it remains outstanding and will continue to vest.

Similarly, because the Company's Board terminated Mr. Bajaj without Cause, the Initial Grant remains outstanding and will continue to vest in accordance with the terms of the Employment Agreement. However, all stock-based compensation expense related to the Initial Grant was accelerated and expensed on Mr. Bajaj's termination date in December 2025.

Changes in the Initial Grant and the Transaction Grant for the period from February 27, 2026 to ended March 31, 2026 (Successor), were as follows (in thousands, except per share amounts):

	Initial Grant		Transaction Grant	
	Number of Units	Weighted Average Grant Date Fair Value	Number of Units	Weighted Average Grant Date Fair Value
Nonvested at February 27, 2026 (Successor)	1,898	\$ 2.39	600	\$ 0.56
Vested	—	—	—	—
Forfeited	—	—	—	—
Nonvested at March 31, 2026 (Successor)	<u>1,898</u>	\$ 2.39	<u>600</u>	\$ 0.56

## NOTE 16. INCOME TAXES

The Company holds an economic interest in Holdings and consolidates its financial position and results. The remaining ownership of Holdings not held by the Company is considered a noncontrolling interest. Holdings is treated as a partnership for income tax reporting and its members, including the Company, are liable for federal, and state income taxes based on their share of Holdings' taxable income. Prior to the acquisition, US Salt was treated as a partnership for federal and state income tax purposes, in which the partnership's taxable income or loss was passed through to its unitholders.

The Company's tax provision for the interim periods is determined using an estimate of the annual effective tax rate, adjusted for discrete items, if any, that arise during the period. Each quarter, the Company assesses its estimate of the annual effective tax rate, and if the estimated annual effective tax rate changes, the Company makes a cumulative adjustment in the period of change.

The Company's quarterly tax provision and the estimate of the annual effective tax rate is subject to fluctuation due to several factors, including variability in pre-tax earnings, the geographic distribution of the pre-tax earnings, tax law changes, non-deductible expenses, such as stock-based compensation, and changes in the estimate of the valuation allowance.

The benefit for income taxes was \$41.9 million (157%) for the period from February 27, 2026 to March 31, 2026 (Successor). There was no provision for or benefit from income taxes for the period from January 1, 2026 to February 26, 2026 (Predecessor) or for the three months ended March 31, 2025 (Predecessor). The Company's effective tax rate for the period from February 27, 2026 to March 31, 2026 (Successor) differed from the U.S. statutory rate of 21% primarily due to the release of valuation allowance associated with the acquisition of US Salt and additional valuation allowance on tax attributes generated during the period. The Company's effective tax rate for the three months ended March 31, 2025 (Predecessor) differed from the U.S. statutory rate of 21% as US Salt was a partnership and not subject to federal or state corporate income taxes.

The Company continues to maintain a valuation allowance on its domestic net deferred tax assets which is excluded from the annual effective tax rate estimate.

The Company had no unrecognized tax benefits as of March 31, 2026 (Successor) and December 31, 2025 (Predecessor). There were no interest and penalties associated with the unrecognized tax benefits for the period from February 27, 2026 to March 31, 2026 (Successor), the period from January 1, 2026 to February 26, 2026 (Predecessor), and the three months ended March 31, 2025 (Predecessor).

The Company files income tax returns in the U.S. federal jurisdiction and various state jurisdictions. The Company is not currently under examination by income tax authorities in federal, state or other jurisdictions. All tax returns will remain open for examination by the federal and state authorities for three and four years, respectively, from the date of utilization of any net operating loss or credits. Certain tax years are subject to foreign income tax examinations by tax authorities until the statute of limitations expire.

**NOTE 17. NET INCOME PER SHARE (SUCCESSOR) AND PER UNIT (PREDECESSOR)**

The following table sets forth the computation of basic and diluted net loss per share:

	<b>Successor</b>	<b>Predecessor</b>	
	<b>Period from February 27, 2026 to March 31, 2026</b> (\$ in millions, shares in thousands, except per share data)	<b>Period from January 1, 2026 to February 26, 2026</b> (\$ in millions, shares in thousands, except per share data)	<b>Three Months Ended March 31, 2025</b> (\$ in millions, shares in thousands, except per share data)
<b>Numerator:</b>			
Net income attributable to Parent Holdings Class A unitholders (Predecessor)		\$ 1.7	\$ 2.9
Net income attributable to common stockholders (Successor)	\$ 15.3		
<b>Denominator:</b>			
Basic and diluted weighted average USPH Class A units outstanding (Predecessor)		190.9	191.0
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic (Successor)	45,676		
Weighted-average shares used in computing net loss per share attributable to common stockholders, diluted (Successor)	45,749		
Net income per unit attributable to USPH Class A unit, basic and diluted (Predecessor)		\$ 8.91	\$ 15.18
Net income per share attributable to common stockholders, basic (Successor)	\$ 0.33		
Net income per share attributable to common stockholders, diluted (Successor)	\$ 0.33		

The following outstanding shares of potentially dilutive securities were excluded from the computation of diluted net income per share because including them would have had an anti-dilutive effect:

	<b>Successor March 31, 2026 (in thousands)</b>
Common stock options outstanding	363
Total	363

**Calculation of Net Income per Unit (Predecessor)**

US Salt Parent Holdings used the two-class method in its computation of net income per unit. US Salt Parent Holdings' paid and unpaid USPH Class A units issued through subscription notes receivable were entitled to receive distributions at the same rate. Under the two-class method, US Salt Parent Holdings' net income available to Class A unitholders was allocated between the paid and unpaid USPH Class A units on a fully-distributed basis and reflected residual net income after amounts attributed to noncontrolling interests. In the event of a net loss, US Salt Parent Holdings determined that both paid and unpaid USPH Class A units share in the Company's losses, and they shared in the losses using the same mechanism as the distributions. US Salt Parent Holdings also had USPH Class B units whereby vested USPH Class B units were subject to the hurdle of unreturned capital of Class A and a "Participation Threshold" before Class B unitholders received distribution of profit or distribution of sales proceeds from the sale of US Salt Parent Holdings. For the period from January 1, 2026 to February 26, 2026 (Predecessor) and the three months ended March 31, 2025 (Predecessor), USPH Class B units were participating securities for net income per unit calculation purposes because they were able to participate in undistributed earnings with USPH Class A units. However, because the Class B unit participation was contingent on overcoming the hurdle as described above that was not objectively determinable and/or subject to management discretion, US Salt Parent Holdings did not allocate undistributed earnings to Class B unless and until the contingency occurs. USPH Class B units were non-dilutive securities as the hurdle of unreturned capital of USPH Class A

unitholders was not met as of March 31, 2025 (Predecessor).

Basic and dilutive net income or loss per unit was calculated by dividing undistributed earnings allocated to paid and unpaid USPH Class A unitholders by the weighted average member units outstanding for the respective period.

#### NOTE 18. RELATED PARTY TRANSACTION (PREDECESSOR)

##### **Management Fees**

On July 19, 2021, US Salt Holdings entered into a Professional Services Agreement with Emerald Lake, who would provide financial and management consulting services. Emerald Lake agreed to consult with the US Salt's Board of Directors and the oversight of management on business and financial matters including company strategy, budgeting of future investments, acquisition and divestiture strategies, and debt and equity financings. In consideration of Emerald Lake's services, US Salt Holdings paid Emerald Lake an annual management fee (the "Management Fee") the greater of \$1.9 million or 1% of Emerald Lake Investment. The Management Fee was payable in cash in quarterly installments equal to the greater of \$0.5 million and 0.25% of Emerald Lake Investment. The Management Fees were \$0.3 million and \$0.5 million for the period from January 1, 2026 to February 26, 2026 (Predecessor) and the three months ended March 31, 2025 (Predecessor), respectively, and were reported in the general and administrative expenses in the accompanying Condensed Consolidated Statements of Operations. As of December 31, 2025 (Predecessor), there were no unpaid management fees in the accompanying condensed consolidated balance sheets.

Upon the consummation of the US Salt Acquisition, the Professional Services Agreement was terminated and no further Management Fees will be incurred.

##### **USPH Class A and Unit Subscription Receivable**

The activities of USPH Class A units and subscription notes receivable from employees and Board of Directors of US Salt Parent Holdings LLC are summarized as follows:

	<b>Predecessor</b>		
	<b>Period from January 1, 2026 to February 26, 2026</b>		
	<b>USPH Class A Units</b> (in thousands)	<b>Amount</b> (in millions)	<b>Subscription Receivable</b> (in millions)
Outstanding, December 31, 2025 (Predecessor)	0.9	\$ 1.0	\$ 0.1
Repayment	—	—	(0.1)
Balance as of February 26, 2026 (Predecessor)	<u>0.9</u>	<u>\$ 1.0</u>	<u>\$ —</u>

  

	<b>Predecessor</b>		
	<b>Three Months Ended March 31, 2025</b>		
	<b>USPH Class A Units</b> (in thousands)	<b>Amount</b> (in millions)	<b>Subscription Receivable</b> (in millions)
Outstanding, December 31, 2024 (Predecessor)	0.9	\$ 1.0	\$ 0.2
Repayment	—	—	(0.1)
Balance as of March 31, 2025 (Predecessor)	<u>0.9</u>	<u>\$ 1.0</u>	<u>\$ 0.1</u>

## NOTE 19. SEGMENT INFORMATION

The Company operates as a single segment, which is the consolidated entity. Our Chief Operating Decision Maker ("CODM") is our President. The CODM evaluates the Company's performance and allocates resources based on consolidated net income as presented in the statement of operations supplemented by significant expense categories that impact net income as outlined below. The CODM uses these varying results to prioritize reinvestment of profits in the Company.

One customer accounted for \$1.8 million, \$2.6 million, and \$4.3 million of the Company's total net sales during the period from February 27, 2026 to March 31, 2026 (Successor), the period from January 1, 2026 to February 26, 2026 (Predecessor), and the three months ended March 31, 2025 (Predecessor), respectively.

The following tables provide the operating financial results of the Company:

	Successor		Predecessor	
	Period from February 27 - March 31, 2026		Period from January 1 - February 26, 2026	Three Months Ended March 31, 2025
	(in millions)		(in millions)	(in millions)
Net sales	\$ 12.1		\$ 20.3	\$ 32.3
Cost of sales	7.4		10.9	17.2
Depreciation, amortization and depletion	3.3		2.7	3.7
Selling expense	0.4		0.6	0.9
Administrative expense	5.0		1.0	1.5
Transaction expense	20.7		0.1	—
Interest expense	1.8		3.0	5.4
Other segment items	0.1		0.3	0.7
Benefit from income taxes	(41.9)		—	—
Net income	<u>\$ 15.3</u>		<u>\$ 1.7</u>	<u>\$ 2.9</u>
Capital expenditures - purchases of property, plant and equipment	<u>\$ (0.7)</u>		<u>\$ (1.3)</u>	<u>\$ (2.6)</u>

Other segment items include foreign currency gain/(loss), loss due to disposal of fixed assets, stock-based/unit-based compensation expenses, and management fees paid to Emerald Lake (Predecessor).

The measure of segment assets is reported on the Company's Condensed Consolidated Balance Sheets.

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

*The following discussion and analysis of our financial condition, results of operations and cash flows should be read in conjunction with (1) the unaudited condensed consolidated financial statements and the related notes thereto included elsewhere in this Quarterly Report on Form 10-Q and (2) the audited consolidated financial statements and notes thereto and management's discussion and analysis of financial condition and results of operations for the year ended December 31, 2025 included in our Annual Report on Form 10-K for the year ended December 31, 2025 (the "2025 Form 10-K"). Unless otherwise indicated, all results presented are prepared in a manner that complies, in all material respects, with GAAP. Additionally, unless otherwise indicated, all changes identified for the current-period results represent comparisons to results for the prior corresponding fiscal period. Our discussion and analysis may contain forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those set forth under "Risk Factors" and "Special Note Regarding Forward-Looking Statements" in this Quarterly Report on Form 10-Q, and elsewhere in this Quarterly Report on Form 10-Q. All references to "we," "us," "our," or "ContextLogic" or the "Company" refer to ContextLogic Holdings Inc.*

### The US Salt Acquisition

#### Purchase Agreement

We entered into a Purchase Agreement on December 8, 2025 (as amended, the "Purchase Agreement") with ContextLogic LLC, a Delaware limited liability company and wholly owned subsidiary ("CLI LLC"), ContextLogic Holdings, LLC ("Holdings"), a Delaware limited liability company for which the Company is the majority owner, (and together with ContextLogic and CLI LLC, the "Buyer Parties"), Salt Management Aggregator, LLC, a Delaware limited liability company (the "Management Aggregator"), Emerald Lake Pearl Acquisition GP, L.P., a Delaware limited partnership ("Emerald GP"), Emerald Lake Pearl Acquisition-A, L.P., a Delaware limited partnership ("Blocker Seller"), Emerald Lake Pearl Acquisition Blocker, LLC, a Delaware limited liability company ("Blocker"), Emerald Lake Pearl Acquisition, L.P., a Delaware limited partnership (solely in its capacity as a Seller Party, "Emerald Fund" and, together with Emerald GP and Blocker Seller, the "Emerald Investors"), Abrams Capital Partners I, L.P., a Delaware limited partnership ("ACP I") and Abrams Capital Partners II, a Delaware limited partnership ("ACP II", together with ACP I, "Abrams Capital"), Riva Capital Partners V, L.P., a Delaware limited partnership ("Riva V"), and Riva Capital Partners VI, L.P., a Delaware limited partnership ("Riva VI," and together with ACP I, ACP II and Riva V, collectively, the "Abrams Investors"), the investors set forth on Schedule II to the Purchase Agreement (the "Management Investors" and, together with the Emerald Investors and the Abrams Investors, collectively, the "Seller Parties"), US Salt Parent Holdings, LLC and subsidiaries (such entities taken together, comprising the salt production, manufacturing and distribution business of US Salt and its subsidiaries, "US Salt"), Emerald Lake Pearl Acquisition, L.P., a Delaware limited partnership, solely in its capacity as the Sellers Representative pursuant to the Purchase Agreement (the "Sellers Representative"), and, solely for the purposes of Section 7.16 to the Purchase Agreement and, as it relates thereto, Article XV of the Purchase Agreement, BCP Special Opportunities Fund III Originations LP, a Delaware limited partnership ("BCP") (such acquisition, the "US Salt Acquisition"). Capitalized terms used in this section discussing the Purchase Agreement, but not herein defined shall have the respective meanings set forth in the Purchase Agreement.

Holdings acquired US Salt for an aggregate purchase price of approximately \$921.7 million subject to customary adjustments, including for cash and net working capital, which was comprised of approximately \$596.5 million in cash consideration (including, among other sources, the use of approximately \$211.4 million in net borrowing proceeds from the Initial Term Loans and approximately \$115.0 million in proceeds from the Rights Offering and Backstop Agreements) and approximately \$325.2 million in equity rollover consideration. At the closing, \$2.8 million was placed into the Escrow Fund to satisfy the escrow obligations set forth under the Purchase Agreement and the Escrow Agreement. Refer to Note 1 of the Financial Statements for further details.

#### Overview

ContextLogic is a business ownership platform designed from first principles to combine the structural advantages of permanent public capital with the operating discipline, alignment, and long-term orientation typically associated with private ownership. Our mission is to build a portfolio of high-quality, niche, and competitively advantaged businesses that generate sustainable, growing free cash flow that can be reinvested over long time horizons.

Our origins trace to the former Wish.com business, which was divested following a multi-year decline driven by structural challenges in its underlying business model, leaving us with balance sheet liquidity of \$161.6 million. Prior to the divestiture, the Company preserved approximately \$2.9 billion of federal net operating losses ("NOLs") and other tax attributes.

In 2025, investment funds advised by BC Partners Advisors LP ("BC Partners") and Abrams Capital partnered to recapitalize ContextLogic and Holdings to acquire US Salt and architect a new platform based on aligned ownership, decentralized operations, and disciplined capital deployment. Following the closing of the US Salt Acquisition on February 26, 2026, we are in the process of implementing the new governance and operating models described herein to foster long-duration value creation and to avoid the constraints and exit pressures common in traditional private equity structures.

Following the US Salt Acquisition, all of our revenue and the majority of our expenses are derived from our indirectly owned subsidiary US Salt.

US Salt is a leading producer, packager, and distributor of evaporated and specialty salt products originally founded in 1893. US Salt produces evaporated salt by injecting water into underground salt deposits to create saturated brine (~8× the salinity of seawater), then pumping the brine into MEE systems where steam-driven heat under reduced pressure crystallizes high-purity salt into consistent granule sizes. Evaporated salt, as distinct from rock salt and solar salt, operates in a niche of the salt market that requires demanding purity levels (often over 99.6% sodium chloride) for use in such applications as food and pharmaceutical products. As a result, evaporated salt generally commands higher prices than rock salt and solar salt.

US Salt's vertically integrated Watkins Glen, New York facility is one of only 16 evaporated salt facilities in the United States. US Salt believes that the majority of currently operational facilities date back to the 19th century. Industry-wide domestic production of evaporated salt exhibited a 0.1% annualized growth rate between 1998 and 2023, according to USGS data.

US Salt's products primarily include private-label and branded round-can table salts, pharmaceutical-grade salts used in saline and dialysis solutions, food-processing salts used in manufacturing and preservation, and pool and water-softening salts for household and commercial use. US Salt's fully integrated operating model provides end-to-end control over quality, reliability, and cost, resulting in consistent cash generation and long-term customer retention in a stable, non-cyclical industry.

The US salt market represents approximately \$3 billion in annual sales and has remained structurally stable for more than a decade, with evaporated salt accounting for roughly one-third of total demand. Domestic capacity has been largely unchanged for twenty years, and no new large-scale evaporation facilities have been constructed since 1999. This constrained supply base, combined with essential end-market demand in food, pharmaceuticals, and utilities, has supported favorable pricing and high barriers to entry.

As a specialized producer of high purity evaporated salt products, one of the largest private label round can salt producers, US Salt believes that it is one of only two domestic suppliers with scaled capability to produce U.S. Pharmacopeia ("USP")-compliant salt for pharmaceutical applications. US Salt believes it is well positioned to deliver its low-cost but high-value products to its customers. US Salt is strategically focused on highest value segments of the salt market. US Salt's key competitive strengths support its ability to consistently offer a range of solutions to its customers in a supply-constrained market with high barriers to entry. US Salt also serves a diversified customer base within these end markets where it maintains long-standing customer relationships. US Salt believes that its salt caverns, unique round-can packaging line, regulatory certifications and expensive construction process for new entrants, coupled with its 130-year continuous operating history, has provided it with leading market positions and created significant barriers to entry for potential competitors.

As a result of US Salt's vertically integrated operation, US Salt solution mines, manufactures, processes, packages, markets, distributes and sells salt, allowing it to go directly to the market with the following products:

- **Private label and branded round can salt:** 26-ounce canisters marketed under customer (private label) and US Salt-owned brands, sold through wholesale and retail channels.
- **Pharmaceutical salt:** High-purity, USP-compliant salt used to manufacture medical saline and dialysis solutions, sold through wholesale and commercial channels.
- **Food-grade salt:** Bagged and bulk salt used as an ingredient by food manufacturers, sold through wholesale and commercial channels.
- **Pool salt:** Bagged salt used to generate chlorine in saltwater swimming pools, sold through wholesale, commercial, and retail channels.
- **Water softening salt:** Bagged salt pellets used in residential water treatment systems, sold through wholesale, commercial, and retail channels.

- **Kosher / sea salt / other specialty:** Specialty salts, including kosher, sea, and pink varieties, sold through wholesale and retail channels. US Salt supplies its products according to customer specifications and regulatory requirements, and it supplements in-house production with limited third-party sourcing to broaden assortment where appropriate.

US Salt serves a diverse mix of end markets where salt is an essential input with limited substitution risk such as retail grocery, food processing, pharmaceuticals, water softening, and other industrial applications. US Salt sells to a diversified customer base where it maintains long-standing customer relationships, including national and regional retailers, food manufacturers, distributors, and healthcare companies. US Salt believes that the demanding, extensive and costly qualification process for new entrants, coupled with its history of consistently delivering exceptional solutions for its customers, has provided it with leading market positions and created significant barriers to entry for potential competitors.

Diversification across channels and end markets provides resilience through economic cycles. Over the five- and ten-year periods ended March 31, 2025 (Predecessor), US Salt's revenues grew at compound annual growth rates of approximately 7.6% and 7.6%, respectively, primarily driven by favorable product mix, new business wins, and disciplined pricing.

For more information about how the Company uses non-GAAP financial measures in its business, the limitations of these measures, and a reconciliation of these measures to the most directly comparable GAAP measures, please see the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures." With US Salt as our initial operating business, we focus on building intrinsic value by growing EBITDA and by improving asset quality in a way that optimizes cash flows. We can employ Free Cash Flow and other sources of liquidity to re-invest in the ContextLogic platform, pay down debt and potentially make acquisitions. Our capital expenditures were \$0.4 million, \$2.1 million, and \$3.1 million for the period from February 27, 2026 to March 31, 2026 (Successor), the period from January 1, 2026 to February 26, 2026 (Predecessor), and the three months ended March 31, 2025 (Predecessor), respectively (including one-time investments of \$0.0 million, \$0.7 million, and \$1.2 million, respectively), highlighting the low capital requirements of our business model. See "Liquidity and Capital Resources—Capital Expenditures."

### **Key Performance Drivers**

Our operating results are influenced by several key factors, including pricing dynamics, plant reliability and operational efficiency, product-mix shifts, labor costs, energy generation and consumption, and inflationary trends. Management continuously monitors these variables to sustain profitability and cash flow while maintaining reliable supply to US Salt's customers.

#### *Product and Channel Mix*

Profitability varies by product category. Pharmaceutical and food-grade salts generally carry higher average selling prices and margins, while bulk industrial and water-softening salts tend to be lower-margin. Period-to-period variations in mix—driven by customer demand, limited seasonality, and production scheduling—can influence reported gross margins. US Salt's strategy to increase exposure to higher-value and specialty grades is expected to further improve blended profitability over time.

#### *Pricing and Market Dynamics*

The majority of our sales are not subject to fixed-price or long-term contracts. Prices are established through frequent negotiations with retail, food, and industrial customers and generally reflect prevailing market conditions. Over the past three years, wholesale prices have increased meaningfully as US Salt captured value through disciplined pricing and closed historical gaps between private-label and branded products. Continued attention to pricing strategy, particularly in consumer and food channels, remains a key driver of revenue growth and gross-margin performance.

#### *Plant Reliability and Operational Efficiency*

Because we operate a single integrated production facility, operational reliability and throughput materially affect unit costs and margins. Over the past several years, US Salt has executed a multi-year reliability and efficiency program focused on automation, predictive maintenance, and process-control optimization. These initiatives have increased packaging-line utilization, reduced downtime, and improved energy efficiency, contributing to strong margin expansion and consistent output.

#### *Labor Costs and Workforce Productivity*

Labor is a significant component of our cost structure, primarily associated with production, packaging, and maintenance. Wage inflation, overtime, and incentive programs can impact results in the near term. Management's focus on retention, cross-training, and process automation has improved workforce productivity and mitigated the effects of a tight regional labor market.

#### *Energy Generation and Natural-Gas Costs*

Our operations are energy intensive, and natural gas is our largest variable input cost. While future market pricing cannot be predicted with certainty, natural-gas cost variability may affect our production costs. We consider and implement hedging strategies from time to time to mitigate potential price volatility.

#### *Inflation and Input Costs*

General inflation and cost pressures on packaging materials, transportation, and maintenance services can affect our results of operations. While pricing actions and cost-control measures have mitigated much of this impact, sustained inflation may influence customer purchasing behavior and margin performance. We continue to emphasize supply-chain optimization, vendor consolidation, and productivity initiatives to offset inflationary trends.

#### **Known Trends and Uncertainties**

We monitor several trends and uncertainties that could materially affect our future results of operations, liquidity, and cash flows.

#### *Natural Gas and Energy Inputs*

Our operations are energy intensive, and natural gas is our largest variable input cost. While future market pricing cannot be predicted with certainty, natural-gas cost variability may affect our production costs in the future if market rates materially differ from the terms of the existing contract. We consider hedging strategies and operational efficiency initiatives to mitigate potential price volatility.

#### *Labor Costs and Workforce Availability*

Wage inflation and a tight regional labor market have contributed to higher labor and benefit costs in recent periods. We expect continued upward pressure on wages, which may increase our cost of sales, selling expense, and general and administrative expenses. Productivity initiatives, cross-training, and automation are expected to partially offset inflationary impacts; however, labor availability and cost trends remain a uncertainty.

#### *Product Mix and Customer Demand.*

A meaningful portion of our margins is influenced by the mix of pharmaceutical, food-grade, consumer, and industrial salt volumes. Our strategy to increase exposure to higher-value categories is expected to support margin stability; however, the timing of large customer orders, competitive dynamics in private label programs, and broader economic conditions may contribute to period-to-period variability.

#### *Maintenance and Production Reliability.*

We operate a single, vertically integrated facility. While its multi-year reliability program has improved uptime and operating efficiency, unplanned outages, major equipment failures, or extended maintenance projects could temporarily affect production volumes or increase costs. We plan maintenance activities carefully to minimize operational disruptions, but variability in maintenance requirements is an ongoing uncertainty.

#### *Inflationary Pressures and Supply Chain Costs*

Increases in the cost of packaging materials, freight, spare parts, and external maintenance services have affected cost trends in recent years. Although we have generally been able to offset inflation through price increases and cost efficiency initiatives, sustained or accelerated inflation could impact Our margins and working capital needs.

#### *Seasonality*

Pool salt and ice melt are the only products that exhibit consistent seasonal demand patterns—pool salt shipments typically increase in late spring and summer, while ice melt demand occurs in winter months. These products represent a limited portion of its overall sales, and seasonality has not had a material impact on our consolidated results.

## Results of Operations

Results after the date of the US Salt Acquisition, the period from February 27, 2026 through March 31, 2026 (Successor) include the Company's consolidation of US Salt into ContextLogic, reflecting US Salt on a new basis in accordance with application of acquisition accounting. The Company is presenting US Salt as the predecessor to the post-acquisition consolidated ContextLogic entity and as a result has presented activity of stand-alone US Salt in periods prior to February 26, 2026 (Predecessor Periods). To provide meaningful and comparable information, the Company is also presenting Combined results—a non-GAAP measure that adds the period from January 1, 2026 through February 26, 2026 (Predecessor) and the period from February 27 through March 31, 2026 (Successor)—to compare against the three months ended March 31, 2025 (Predecessor).

To provide comparable period-over-period information, the Company also presents "Combined" results below, a non-GAAP measure that aggregates the Predecessor and Successor periods, and the "Three Months' Change" results, a non-GAAP measure that calculates the difference between the Combined results and the results of the three months ended March 31, 2025 (Predecessor).

The following table shows our results of operations for the periods presented.

	<u>Successor</u> <u>Period from</u> <u>February 27, 2026</u> <u>to March 31, 2026</u> <u>(in millions)</u>	<u>Predecessor</u> <u>Period from</u> <u>January 1, 2026 to</u> <u>February 26, 2026</u> <u>(in millions)</u>	<u>Non-GAAP</u> <u>Combined Three</u> <u>Months Ended</u> <u>March 31, 2026</u> <u>(in millions)</u>	<u>Predecessor</u> <u>Three Months</u> <u>Ended March 31,</u> <u>2025</u> <u>(in millions)</u>		
Net sales				10		
	\$ 12.1	\$ 20.3	\$ 32.4	0%	\$ 32.3	0%
Cost of sales	8.3	13.2	21.5	6%	20.4	63%
Gross profit	3.8	7.1	10.9		11.9	
Operating expenses:						
Selling expense	0.4	0.7	1.1	3%	1.0	3%
General and administrative	7.5	1.6	9.1	8%	2.6	8%
Transaction expenses	20.7	0.1	20.8	4%	—	0%
Total operating expenses	28.6	2.4	31.0		3.6	
(Loss) income from operations	(24.8)	4.7	(20.1)		8.3	
Other income (expenses)						
Interest and other expense	(1.8)	(3.0)	(4.8)	-1%	(5.4)	-1%
(Loss) income before provision for income taxes	(26.6)	1.7	(24.9)		2.9	
Provision for income taxes	41.9	—	41.9	1%	—	0%
Net income	15.3	1.7	17.0	2%	2.9	9%
Net (loss) attributable to noncontrolling interest	—	—	—	0%	—	0%
Net income attributable to Parent Holdings Class A unitholders (Predecessor) or common stockholders (Successor)	\$ 15.3	\$ 1.7	\$ 17.0	2%	\$ 2.9	9%
<b>Other Financial and Operating Data:</b>						
Gross Profit % <sup>(1)</sup>	31.4%	35.0%	33.6%		36.8%	
EBITDA <sup>(2)</sup>	(21.5)	7.4	(14.1)		12.0	
Adjusted EBITDA <sup>(2)</sup>	3.9	7.7	11.6		12.5	
<b>Supplemental Disclosure Items:</b>						
CLHI Corporate G&A	\$ 4.6	—	\$ 4.6		—	
CLHI Corporate transaction expenses	20.5	—	20.5		—	
CLHI Corporate depreciation and amortization	—	—	—		—	
CLHI Corporate tax benefit	41.9	—	41.9		—	
CLHI Corporate adjusting expense items for Adjusted EBITDA <sup>(3)</sup>	24.1	—	24.1		—	

(1) Calculated as a percentage of revenue.

- (2) EBITDA and Adjusted EBITDA are non-GAAP financial measures. For definitions of EBITDA and Adjusted EBITDA and a reconciliation to the most directly comparable financial measures calculated and presented in accordance with GAAP, see "Management's Discussion and Analysis of Financial Condition and Result of Operations — Non-GAAP Financial Measures."
- (3) CLHI expense included as adjustments from EBITDA to Adjusted EBITDA include Transaction Expenses of \$20.5 million, estimated contingent loss related to a legal matter of \$3.5 million and stock-based compensation of \$0.1 million.

**Comparison of the Period from February 27, 2026 to March 31, 2026 (Successor) and Period from January 1, 2026 to February 26, 2026 (Predecessor) Compared with the Three Months Ended March 31, 2025 (Predecessor)**

**Net Sales**

	Successor Period from February 27, 2026 to March 31, 2026 (in millions)	Predecessor Period from January 1, 2026 to February 26, 2026 (in millions)	Non-GAAP Combined Three Months Ended March 31, 2026 (in millions)	Predecessor Three Months Ended March 31, 2025 (in millions)	Non-GAAP Three Months' Change	
					\$	%
Net sales	\$ 12.1	\$ 20.3	\$ 32.4	\$ 32.3	\$ 0.1	0.3%

Revenue for the period from February 27, 2026 to March 31, 2026 (Successor) was \$12.1 million. Revenue for the period from January 1, 2026 to February 26, 2026 (Predecessor) and the three months ended March 31, 2025 (Predecessor) were \$20.3 million and \$32.3 million, respectively.

Revenue increased \$0.1 million for the Combined three months ended March 31, 2026 compared to the three months ended March 31, 2025 (Predecessor). This increase was primarily attributable to higher average sales prices and a favorable product mix, partially offset by lower sales volumes, which were negatively impacted by trucking disruption related to winter storms and temporary operational interruptions at our Watkins Glen facility.

**Cost of Sales and Gross Margin**

	Successor Period from February 27, 2026 to March 31, 2026 (in millions)	Predecessor Period from January 1, 2026 to February 26, 2026 (in millions)	Non-GAAP Combined Three Months Ended March 31, 2026 (in millions)	Predecessor Three Months Ended March 31, 2025 (in millions)	Non-GAAP Three Months' Change	
					\$	%
Cost of sales	\$ 8.3	\$ 13.2	\$ 21.5	\$ 20.4	\$ 1.1	5.4%
Gross margin	31.4%	35.0%	33.6%	36.8%		

Cost of sales for the period from February 27, 2026 to March 31, 2026 (Successor) was \$8.3 million. Cost of sales for the period from January 1, 2026 to February 26, 2026 (Predecessor) and the three months ended March 31, 2025 (Predecessor) were \$13.2 million and \$20.4 million, respectively.

Cost of sales increased \$1.1 million for the Combined three months ended March 31, 2026 compared to the three months ended March 31, 2025 (Predecessor). This increase was primarily driven by \$1.1 million of amortization of inventory step-up related to acquisition accounting. The increases were partially offset by lower sales volumes.

**Selling Expense**

	Successor Period from February 27, 2026 to March 31, 2026 (in millions)	Predecessor Period from January 1, 2026 to February 26, 2026 (in millions)	Non-GAAP Combined Three Months Ended March 31, 2026 (in millions)	Predecessor Three Months Ended March 31, 2025 (in millions)	Non-GAAP Three Months' Change	
					\$	%
Selling expense	\$ 0.4	\$ 0.7	\$ 1.1	\$ 1.0	\$ 0.1	10.0%

Selling expenses for the period from February 27, 2026 to March 31, 2026 (Successor) was \$0.4 million. Selling expenses for the period from January 1, 2026 to February 26, 2026 (Predecessor) and the three months ended March 31, 2025 (Predecessor) were \$0.7 million and \$1.0 million, respectively.

Selling expenses remained consistent for the Combined three months ended March 31, 2026 compared to the three months ended March 31, 2025 (Predecessor).

### General and Administrative

	Successor	Predecessor	Non-GAAP	Predecessor	Non-GAAP	
	Period from February 27, 2026 to March 31, 2026 (in millions)	Period from January 1, 2026 to February 26, 2026 (in millions)	Combined Three Months Ended March 31, 2026 (in millions)	Three Months Ended March 31, 2025 (in millions)	Three Months' Change	
					\$	%
General and administrative	\$ 7.5	\$ 1.6	\$ 9.1	\$ 2.6	\$ 6.5	250.0%

General and administrative expenses for the period from February 27, 2026 to March 31, 2026 (Successor) was \$7.5 million. General and administrative expenses for the period from January 1, 2026 to February 26, 2026 (Predecessor) and the three months ended March 31, 2025 (Predecessor) were \$1.6 million and \$2.6 million, respectively.

General and administrative expenses increased \$6.5 million for the Combined three months ended March 31, 2026 compared to the three months ended March 31, 2025 (Predecessor). This increase was primarily due to \$4.6 million of expenses attributable to ContextLogic, impacted by a \$3.5 million contingent loss accrual, external legal expenses, employee costs, and other professional services and \$2.4 million higher intangible asset amortization related to US Salt acquisition accounting.

### Transaction Expenses

	Successor	Predecessor	Non-GAAP	Predecessor	Non-GAAP	
	Period from February 27, 2026 to March 31, 2026 (in millions)	Period from January 1, 2026 to February 26, 2026 (in millions)	Combined Three Months Ended March 31, 2026 (in millions)	Three Months Ended March 31, 2025 (in millions)	Three Months' Change	
					\$	%
Transaction expenses	\$ 20.7	\$ 0.1	\$ 20.8	\$ —	\$ 20.8	100.0%

Transaction expenses for the period from February 27, 2026 to March 31, 2026 (Successor) was \$20.7 million. Transaction expenses for the period from January 1, 2026 to February 26, 2026 (Predecessor) and the three months ended March 31, 2025 (Predecessor) were \$0.1 million and zero, respectively.

Transaction expenses increased \$20.8 million for the Combined three months ended March 31, 2026 compared to the three months ended March 31, 2025 (Predecessor). This increase was due to ContextLogic's transaction expenses attributable to its acquisition of US Salt.

### Interest and Other Expense, net

	Successor	Predecessor	Non-GAAP	Predecessor	Non-GAAP	
	Period from February 27, 2026 to March 31, 2026 (in millions)	Period from January 1, 2026 to February 26, 2026 (in millions)	Combined Three Months Ended March 31, 2026 (in millions)	Three Months Ended March 31, 2025 (in millions)	Three Months' Change	
					\$	%
Interest and other income	\$ 1.8	\$ 3.0	\$ 4.8	\$ 5.4	\$ (0.6)	(11.1)%

Interest and other expense, net for the period from February 27, 2026 to March 31, 2026 (Successor) was \$1.8 million. Interest and other expense, net for the period from January 1, 2026 to February 26, 2026 (Predecessor) and the three months ended March 31, 2025 (Predecessor) were \$3.0 million and \$5.4 million, respectively.

Interest and other expense, net decreased \$0.6 million for the Combined three months ended March 31, 2026 compared to the three months ended March 31, 2025 (Predecessor). This decrease was driven by a \$0.8 million reduction in interest expense on term loans resulting from lower interest rates on the new debt facility, offset by a \$0.2 million increase in commitment fees incurred related to the Revolving Loans.

### Provision for Income Taxes

	Successor Period from February 27, 2026 to March 31, 2026 (in millions)	Predecessor Period from January 1, 2026 to February 26, 2026 (in millions)	Non-GAAP Combined Three Months Ended March 31, 2026 (in millions)	Predecessor Three Months Ended March 31, 2025 (in millions)	Non-GAAP Three Months' Change	
					\$	%
Benefit from income taxes	\$ 41.9	\$ —	\$ 41.9	\$ —	\$ 41.9	100%

Benefit from income taxes for the period from February 27, 2026 to March 31, 2026 (Successor) was \$41.9 million. There was no provision for or benefit from income taxes for the period from January 1, 2026 to February 26, 2026 (Predecessor) and the three months ended March 31, 2025 (Predecessor).

Benefit from income taxes increased \$41.9 million for the Combined three months ended March 31, 2026 compared to the three months ended March 31, 2025 (Predecessor). This increase was primarily due to the tax benefit recognized as a result of a release of our deferred tax asset valuation allowance triggered by recognition of deferred tax liabilities in the application of acquisition accounting related to the US Salt Acquisition.

### Non-GAAP Financial Measures

#### EBITDA and Adjusted EBITDA

Earnings before interest, taxes, depreciation and amortization, or EBITDA, and Adjusted EBITDA are supplemental non-GAAP financial measures used by management. The Company defines EBITDA as net income before (i) interest expense, (ii) depreciation, amortization and depletion, and (iii) taxes. The Company defines Adjusted EBITDA as EBITDA before (i) transaction and integration costs, (ii) stock and unit-based compensation, (iii) restructuring and severance costs, (iv) asset impairments and write-offs, (v) legal contingency accrual, (vi) asset retirement obligation accretion, (vii) foreign currency (gain) loss, and (viii) other non-recurring adjustments. The most directly comparable GAAP financial measure to EBITDA and Adjusted EBITDA is net income. The Company believes EBITDA and Adjusted EBITDA offer useful views of the overall operation of the business because they allow comparison of its results of operations from period to period without regard to its financing methods or capital structure or other items that impact comparability of financial results from period to period such as fluctuations in interest expense or effective tax rates, levels of depreciation, amortization, and depletion, or significant unusual items. Users should consider the limitations of EBITDA and Adjusted EBITDA, including that (i) EBITDA and Adjusted EBITDA do not reflect the significant interest expense, or the cash requirements necessary to service interest payments on the Company's indebtedness, (ii) although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and the cash requirements for such replacements are not reflected in EBITDA and Adjusted EBITDA, (iii) Adjusted EBITDA exclude the cash expense the Company has incurred to integrate acquired businesses into its operations, which is a necessary element of certain of its acquisitions, (iv) the omission of the substantial amortization expense associated with the Company's intangible assets further limits the usefulness of EBITDA and Adjusted EBITDA and (v) EBITDA and Adjusted EBITDA do not include the payment of taxes, which is a necessary element of the Company's operations. EBITDA and Adjusted EBITDA should not be considered as alternatives to, or more meaningful than, net income or any other measure as determined in accordance with GAAP. The Company's computations of EBITDA and Adjusted EBITDA may not be comparable to EBITDA or Adjusted EBITDA of other companies. The Company presents EBITDA and Adjusted EBITDA because it believes they provide useful information to investors regarding the factors and trends affecting its business.

The following table presents a reconciliation of the Company's EBITDA and Adjusted EBITDA to the GAAP financial measure of net income for each of the periods indicated:

	<u>Successor</u> <u>Period from</u> <u>February 27,</u> <u>2026 to March</u> <u>31, 2026</u> <u>(in millions)</u>	<u>Predecessor</u> <u>Period from</u> <u>January 1, 2026</u> <u>to February 26,</u> <u>2026</u> <u>(in millions)</u>	<u>Non-GAAP</u> <u>Combined Three</u> <u>Months Ended</u> <u>March 31, 2026</u> <u>(in millions)</u>	<u>Predecessor</u> <u>Three Months</u> <u>Ended March 31,</u> <u>2025</u> <u>(in millions)</u>
Net income	\$ 15.3	\$ 1.7	\$ 17.0	\$ 2.9
Adjustments				
Interest expense	1.8	3.0	4.8	5.4
Income tax (benefit) provision	(41.9)	—	(41.9)	—
Operating income	(24.8)	4.7	(20.1)	8.3
Depreciation and depletion	0.9	2.4	3.3	3.3
Amortization	2.4	0.3	2.7	0.4
EBITDA	(21.5)	7.4	(14.1)	12.0
Adjustments:				
Recognition of inventory step-ups <sup>(1)</sup>	1.1	—	1.1	—
Transaction and integration costs <sup>(2)</sup>	20.7	0.1	20.8	—
Stock-based and unit-based compensation <sup>(3)</sup>	0.1	0.1	0.2	0.1
Restructuring and severance <sup>(4)</sup>	—	—	—	0.3
Contingent loss accrual <sup>(5)</sup>	3.5	—	3.5	—
Other <sup>(6)</sup>	—	0.1	0.1	0.1
Adjusted EBITDA	<u>\$ 3.9</u>	<u>\$ 7.7</u>	<u>\$ 11.6</u>	<u>\$ 12.5</u>

- (1) Increase in inventory to fair value as a result of the US Salt Acquisition.
- (2) Expenses incurred by US Salt and ContextLogic related to the US Salt Acquisition.
- (3) Stock-based and unit-based compensation incurred, excluding \$0.4 of stock-based compensation included within transaction and integration costs.
- (4) Severance, transition, and retention costs associated with executive leadership changes.
- (5) Estimated contingent loss related to a legal matter. Refer to Note 13, Commitments and Contingencies, for further information.
- (6) Costs associated with the decommissioning and removal of certain manufacturing equipment and expenses unique to US Salt's prior parent.

## Free Cash Flow

Free Cash Flows are driven primarily by increasing operating income and efficiently managing accounts receivable, inventory, accounts payable, and capital expenditures. Increases in operating income primarily result from increases in revenue and efficiently managing cost of sales, selling expenses, and general and administrative expenses, partially offset by investing in property, plant and equipment. We make longer-term strategic capital investment, including capital expenditures focused on expansion of production capacity and efficiency of production. We provide multiple measures of Free Cash Flow because we believe these measures provide additional perspective to investors on the impact of acquiring property, plant and equipment with cash and through finance leases and financing obligations. The Company believes EBITDA and Adjusted EBITDA offer useful views of the overall operation of the business because they allow comparison of its results of operations from period to period without regard to its financing methods or capital structure or other items that impact comparability of financial results from period to period such as fluctuations in interest expense or effective tax rates, levels of depreciation, amortization, and depletion, or significant unusual items.

Users should consider the limitations of Free Cash Flow, including that (i) Free Cash Flow do not reflect the significant interest expense, or the cash requirements necessary to service interest payments on our indebtedness and (ii) although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and the cash requirements for such replacements are not reflected in Free Cash Flow.

Free Cash Flow is cash flow from operations reduced by "Purchases of property, plant and equipment" ("Free Cash Flow"). The following is a reconciliation of Free Cash Flow to the most comparable GAAP cash flow measure, "Net cash provided by (used in) operating activities" for each of the periods indicated:

	<u>Successor</u> <u>Period from</u> <u>February 27, 2026</u> <u>to March 31, 2026</u>  (in millions)	<u>Predecessor</u> <u>Period from January</u> <u>1, 2026 to February</u> <u>26, 2026</u>  (in millions)	<u>Non-GAAP</u> <u>Combined Three</u> <u>Months Ended</u> <u>March 31, 2026</u>  (in millions)	<u>Predecessor</u> <u>Three Months</u> <u>Ended March</u> <u>31, 2025</u>  (in millions)
Net cash (used in) provided by operating activities	\$ (20.4)	\$ 1.8	\$ (18.6)	\$ 3.9
Purchases of property, plant and equipment	\$ (0.7)	\$ (1.3)	\$ (2.0)	\$ (2.6)
Free Cash Flow	\$ (21.1)	\$ 0.5	\$ (20.6)	\$ 1.3
Net cash (used in) provided by investing activities	\$ (585.9)	\$ (1.3)	\$ (587.2)	\$ (2.6)
Net cash provided by (used in) financing activities	\$ 401.0	\$ —	\$ 401.0	\$ (2.2)

### Free Cash Flow less Principal Repayments of Finance Leases Obligations and Repayment on Term Loan

Free Cash Flow less principal repayments of finance leases and repayment on term loan is Free Cash Flow reduced by "Principal repayments of finance leases" and "Principal repayments on term loan." Principal repayments of finance leases and term loan approximate the actual payments of cash for our finance leases and financing obligations. The following is a reconciliation of Free Cash Flow less principal repayments of finance leases and term loan to the most comparable GAAP cash flow measure, "Net cash provided by (used in) operating activities" for each of the periods indicated:

	<u>Successor</u> <u>Period from</u> <u>February 27,</u> <u>2026 to March</u> <u>31, 2026</u>  (in millions)	<u>Predecessor</u> <u>Period from</u> <u>January 1, 2026</u> <u>to February 26,</u> <u>2026</u>  (in millions)	<u>Non-GAAP</u> <u>Combined Three</u> <u>Months Ended</u> <u>March 31, 2026</u>  (in millions)	<u>Predecessor</u> <u>Three</u> <u>Months</u> <u>Ended</u> <u>March 31,</u> <u>2025</u>  (in millions)
Net cash (used in) provided by operating activities	\$ (20.4)	\$ 1.8	\$ (18.6)	\$ 3.9
Purchases of property, plant and equipment	\$ (0.7)	\$ (1.3)	\$ (2.0)	\$ (2.6)
Free Cash Flow	\$ (21.1)	\$ 0.5	\$ (20.6)	\$ 1.3
Principal repayments of term loan	\$ —	\$ —	\$ —	\$ (0.6)
Cash Flow less principal repayments of finance leases and repayment on term loan	\$ (21.1)	\$ 0.5	\$ (20.6)	\$ 0.7
Net cash (used in) provided by investing activities	\$ (585.9)	\$ (1.3)	\$ (587.2)	\$ (2.6)
Net cash provided by (used in) financing activities	\$ 401.0	\$ —	\$ 401.0	\$ (2.2)

### Liquidity and Capital Resources

As of March 31, 2026, we had cash and cash equivalents of \$12.0 million, which were entirely held in cash deposits and money market funds and were held for working capital purposes. We believe that our existing cash, cash equivalents, and cash generation from operations will be sufficient to meet our anticipated cash needs for at least the next 12 months.

We had no material cash requirements outside our normal operating costs.

While we maintain our cash with large national financial institutions, there can be no assurance that any of our other deposits in excess of the Federal Deposit Insurance Corporation or other comparable insurance limits will be backstopped by the U.S. or that any bank or financial institution with which we do business will be able to obtain needed liquidity from other banks, government institutions or by acquisition in the event of a failure or liquidity crisis.

#### Sources of Liquidity

As of March 31, 2026, we had cash and cash equivalents of \$12.0 million.

Liquidity is provided through cash flow from operations and availability under the revolving credit facility. As of March 31, 2026 and 2025, we remained in full compliance with our financial covenants, with sufficient headroom under the

maximum leverage and fixed-charge coverage ratios. Management believes current liquidity is adequate to fund operations, planned capital expenditures, and working capital needs.

#### *Capital Expenditures*

Capital expenditures totaled approximately \$0.4 million, \$2.1 million, and \$3.1 million for the period from February 27, 2026 to March 31, 2026 (Successor), the period from January 1, 2026 to February 26, 2026 (Predecessor), and the three months ended March 31, 2025 (Predecessor), respectively (including one-time investments of \$0.0 million, \$0.7 million, and \$1.2 million, respectively). These amounts include expenditures related to several large, non-recurring maintenance and growth projects, including generator rebuilds, flood-mitigation initiatives, installation of a black-start backup generator to enhance power redundancy, and the new pool salt line project. As discussed elsewhere in this 10-Q filing, we also present capital expenditures excluding certain one-time investments in order to provide a more meaningful view of our ongoing maintenance and recurring capital requirements.

#### *Wilmington Trust Credit Facility*

As discussed earlier in "The US Salt Acquisition -- The Financing Arrangements," in February 2026, Holdings entered into the Credit Agreement with Wilmington Trust, National Association, as administrative agent, and the Lenders thereto (the "Wilmington Trust Credit Facility"), which consists of a \$215.0 million term loan and up to \$25.0 million revolving line of credit.

The interest rate for the term loan and revolving line of credit as of March 31, 2026 was 7.92%, which was SOFR plus 4.25%. The interest rate for the revolving line of credit is at a base rate or a term SOFR rate plus an applicable margin between 4.00% and 4.50%, depending on the Borrower's Consolidated First Lien Net Leverage Ratio.

The term loan requires quarterly principal payments of \$0.5 million commencing on September 30, 2026 through maturity on February 26, 2033, at which time the remaining principal balance is due. The term loan is subject to mandatory excess cash flow payments commencing for the year ended December 31, 2027 as defined in the Credit Agreement. As of March 31, 2026 (Successor), no excess cash flow prepayment was required for the period from February 27, 2026 to March 31, 2026 (Successor).

The revolving line of credit expires on February 26, 2033 and is subject to a commitment fee on the unused available commitment between 0.375% and 0.50% per annum, determined by the Borrower's Consolidated First Lien Net Leverage Ratio. We had no borrowings outstanding on the revolving line of credit at March 31, 2026 (Successor).

The term loan and revolving line of credit are secured by substantially all of the assets of US Salt and subject to certain financial covenants. The Credit Agreement contains customary affirmative and negative covenants, conditions to borrowing and events of default. We were in compliance with all financial covenants as of March 31, 2026 (Successor).

In relation to the Wilmington Trust Credit Agreement, we incurred initial discount and issuance costs of \$3.6 million, which is amortized over the life of the credit agreement using an effective interest rate of 8.27%. Amortization of debt issuance cost for the period from February 27, 2026 to March 31, 2026 (Successor) was an insignificant amount and was reported in interest expense in the Condensed Consolidated Statements of Operations.

#### **Material Cash Requirements**

We expect to continue to fund its operations, working capital needs, and capital investments primarily through cash generated from operations and available capacity under its revolving credit facility.

#### *Capital Expenditures*

We expect capital expenditures of approximately \$10.4 million in 2026 (Successor) due to the addition of two new wells with an estimated cost of \$4 million. The Company expects average annual capital expenditures of approximately \$6–\$8 million over the next several years, consisting primarily of maintenance, reliability projects, and select growth initiatives.

#### *Debt Service Obligations*

As of March 31, 2026 (Successor), we are obligated to make quarterly principal payments of \$0.5 million on its term loan starting September 30, 2026 through its February 2033 maturity, with the remaining principal due at maturity. Interest payments will vary based on SOFR-linked rates applicable to its credit facility. We do not anticipate material excess-cash-flow payments under its credit agreement based on current forecasts.

#### *Lease Commitments*

We have non-cancelable operating lease commitments for warehouses, offices, equipment, railcars, and finance leases for equipment. As of March 31, 2026 (Successor), remaining contractual lease payments were approximately \$1.7 million, with approximately \$0.8 million due within 12 months.

#### *Environmental and Maintenance Requirements*

We incur ongoing maintenance and periodic refurbishment costs associated with its production assets. These expenditures vary by year based on reliability requirements, but we expect them to remain within the anticipated annual capital-expenditure range described above.

Management believes that cash flows from operations, together with availability under its revolving credit facility, will be sufficient to meet our material cash requirements for at least the next 12 months.

#### **Cash Flows**

	<u>Successor</u> <u>Period from February 27,</u> <u>2026 to March 31, 2026</u> <u>(in millions)</u>	<u>Predecessor</u> <u>Period from January 1, 2026</u> <u>to February 26, 2026</u> <u>(in millions)</u>	<u>Predecessor</u> <u>Three Months Ended</u> <u>March 31, 2025</u> <u>(in millions)</u>
Net cash (used in) provided by:			
Operating activities	\$ (20.4)	\$ 1.8	\$ 3.9
Investing activities	\$ (585.9)	\$ (1.3)	\$ (2.6)
Financing activities	\$ 401.0	\$ —	\$ (2.2)

#### *Net Cash Used in Operating Activities*

Net cash used in our operating activities for the period from February 27, 2026 to March 31, 2026 (Successor) was \$20.4 million. This cash use for the period was primarily driven by cash expenses related to the our acquisition of US Salt, reflected as transaction expenses on our Condensed Consolidated Statements of Operations.

Net cash provided by our operating activities for the period from January 1, 2026 to February 26, 2026 (Predecessor) was \$1.8 million, driven by our net income of \$1.7 million.

Net cash provided by our operating activities for the three months ended March 31, 2025 (Predecessor) was \$3.9 million. This was driven by our net income of \$2.9 million and depreciation, depletion and amortization of \$3.7 million, which was partially offset by a \$3.2 million of outflow related to operating assets and liabilities.

#### *Net Cash Used in Investing Activities*

Net cash used in our investing activities for the period from February 27, 2026 to March 31, 2026 (Successor) was \$585.9 million. This was driven by \$585.2 million spent acquiring US Salt, net of cash acquired.

Net cash used in our investing activities for the period from January 1, 2026 to February 26, 2026 (Predecessor) was \$1.3 million. This was primarily due to \$1.3 million in purchases of property, plant, and equipment.

Net cash used in our investing activities for the three months ended March 31, 2025 (Predecessor) was \$2.6 million. This was primarily due to \$2.6 million spent on purchases of plant, property, and equipment.

#### *Net Cash Provided By (Used in) Financing Activities*

Net cash provided by our financing activities for the period from February 27, 2026 to March 31, 2026 (Successor) was \$401.0 million primarily due to \$215 million proceeds from issuance of debt, \$114.8 million from the rights offering and related backstops associated with the US Salt Acquisition, and \$75 million from issuance of noncontrolling interests.

Net cash used in our financing activities for the period from January 1, 2026 to February 26, 2026 (Predecessor) was immaterial due to the period only having immaterial payments of the finance leases' principal amounts.

Net cash used in our financing activities for the three months ended March 31, 2025 (Predecessor) was \$2.2 million primarily due to \$1.4 million of member distributions and \$0.6M of payments on the term loan.

#### **Contractual and Other Obligations**

**Debt obligations**

Under the Wilmington Trust Credit Agreement, our debt obligations consist of a \$215.0 million term loan and an up to \$25.0 million revolving line of credit. Refer to discussions under the "Credit Facility" section above for more information.

**Leases**

We lease warehouses, office space, and equipment under long-term lease agreements. The leases consist of operating leases expiring in various years through 2030, as well as standard operating leases for railcars, vehicles, and office space. As of March 31, 2026 (Successor), the future minimum lease payments required under these leases totaled \$1.7 million, with \$0.8 million payable within 12 months.

**Off Balance Sheet Arrangements**

We do not have any relationships with unconsolidated organizations or financial partnerships, such as structured finance or special purpose entities that would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

**Critical Accounting Policies and Estimates**

With the acquisition of US Salt, we have disclosed updated critical accounting policies and estimates. However, we do not view these updated policies and estimates as in conflict with those described in our 2025 Form 10-K, filed with the SEC on March 5, 2026.

**Recent Accounting Pronouncements**

See Note 1 of Part I, Item 1 of this Quarterly Report on Form 10-Q for a full description of recent accounting pronouncements.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk**

As a "smaller reporting company," as defined by Item 10 of Regulation S-K, we are not required to provide this information.

#### **Item 4. Controls and Procedures.**

##### ***Evaluation of Disclosure Controls and Procedures***

Our disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission ("SEC") and to ensure that information required to be disclosed is accumulated and communicated to management, including our principal executive and financial officers, to allow timely decisions regarding required disclosure.

Our President and Chief Financial Officer, with assistance from other members of management, have evaluated the effectiveness of our disclosure controls and procedures as of March 31, 2026. Based on that evaluation, and as a result of the material weakness in internal control over financial reporting described below, our President and Chief Financial Officer concluded that our disclosure controls and procedures were not effective as of March 31, 2026.

##### ***Material Weakness in Internal Control over Financial Reporting***

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

In connection with our acquisition of US Salt on February 26, 2026, we, together with management of US Salt, identified a material weakness in US Salt's internal control over financial reporting as of the acquisition date. The material weakness resulted from US Salt's lack of a formalized internal control framework based on the criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Specifically, the deficiencies that aggregate to this material weakness include the following:

- An insufficient complement of personnel with an appropriate degree of internal controls knowledge, GAAP technical accounting expertise, and SEC reporting experience, which caused management to be unable to appropriately define responsibilities to create an effective control environment;
- The lack of a formalized risk assessment process to identify, analyze, and respond to risks of material misstatement to financial reporting, including risks arising from changes in the business or the operating environment; and
- Inadequate selection, design, development, and operation of control activities, including general information technology controls over user access, segregation of duties, change management, and program development relevant to financial reporting.

We have concluded that this material weakness is due to the fact that US Salt was a private company with limited resources and did not have the necessary business processes and related internal controls formally designed and implemented, coupled with the lack of appropriate resources with the appropriate level of experience and technical expertise to oversee its business processes and controls.

Notwithstanding the material weakness described above, our management, including our President and Chief Financial Officer, has concluded that the unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q present fairly, in all material respects, our financial position, results of operations, and cash flows for the periods presented in conformity with GAAP.

This material weakness did not result in a material misstatement to our unaudited condensed consolidated financial statements for the periods presented. However, this material weakness could result in a misstatement of one or more account balances or disclosures that would result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected on a timely basis.

##### ***Management's Plan to Remediate the Material Weakness***

Our remediation efforts are ongoing and are expected to include:

With oversight from our Audit Committee, management has begun, and will continue to undertake, measures designed to remediate the material weakness described above. As part of our integration of US Salt, our remediation efforts include extending our existing internal control framework, policies, and procedures to US Salt's operations. The actions implemented or planned to be implemented include:

- Adoption of the COSO framework by US Salt operations, including formal documentation of policies, procedures, and process narratives;
- Performance of a formal risk assessment over US Salt's financial reporting processes to identify risks of material misstatement and to design responsive control activities;
- Development, documentation, and implementation of control activities at US Salt, including controls over journal entries, account reconciliations, period-end close procedures, and significant accounting estimates;
- Assessment of the effectiveness of internal controls over financial reporting through monitoring activities, including management review controls and periodic testing, with results reported to executive management and the Audit Committee;
- Recruitment of additional qualified personnel and engagement of external consultants and specialists with the requisite knowledge of GAAP, SEC reporting, and internal control over financial reporting to supplement existing US Salt resources, and the provision of ongoing internal control training to US Salt personnel;
- Review and enhancement of IT general controls over information systems relevant to financial reporting, including controls over user access, segregation of duties, change management, and program development; and
- Realignment of existing personnel and the addition of both internal and external personnel to strengthen processes and controls at US Salt and at the corporate level.

The material weakness will not be considered remediated until management completes the design and implementation of the measures described above, such measures are tested by management, and the controls operate for a sufficient period of time and management has concluded, through testing, that these controls are designed and operating effectively. We expect remediation activities to continue throughout fiscal year 2026 and into subsequent periods. We believe we are making progress toward achieving the effectiveness of our internal controls and disclosure controls; however, we cannot provide any assurance that these remediation efforts will be successful or that our internal control over financial reporting will be effective as a result of these efforts.

#### ***Changes in Internal Control Over Financial Reporting***

Other than the integration of US Salt and the related ongoing changes in internal control over financial reporting being implemented as part of the remediation measures described above, there were no changes in our internal control over financial reporting during the period from February 27, 2026 to March 31, 2026 (Successor) or the period from January 1, 2026 to February 26, 2026 (Predecessor) that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

#### ***Inherent Limitations on the Effectiveness of Controls***

Our management, including our principal executive officer and principal financial officer, does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Due to inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

## **PART II—OTHER INFORMATION**

### **Item 1. Legal Proceedings.**

The information set forth under Note 13, Commitments and Contingencies, in the Notes to Unaudited Condensed Consolidated Financial Statements included in Part I, Item 1, of this Quarterly Report on Form 10-Q, is incorporated herein by reference.

### **Item 1A. Risk Factors.**

Investing in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties set forth below, together with all of the other information contained in this Quarterly Report on Form 10-Q, including our condensed consolidated financial statements and related notes, and in our Annual Report on Form 10-K for the year ended December 31, 2025, before making a decision to invest in our common stock. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, may also become important factors that affect our business. These risk factors could materially and adversely affect our business, financial condition and results of operations, and the market price of our common stock could decline. These risk factors do not identify all risks that we face – our financial condition and/or operations could also be affected by factors that are not presently known to us or that we currently consider to be immaterial to our financial conditions and/or operations. Other than as described below, there have been no additional material changes from the risk factors previously disclosed under the heading "Risk Factors" in Part I, Item 1A of our 2025 Form 10-K.

#### **Risks Related to the US Salt Acquisition, Backstop Agreements, and Financings**

***Impairment of US Salt's intangible assets could result in significant charges that could adversely impact our future operating results.***

As a result of the US Salt, we have significant intangible assets, including goodwill resulting from acquisition accounting and revaluation of US Salt's assets and liabilities, which are susceptible to impairment charges as a result of changes in various factors or conditions. We will assess the potential impairment of goodwill and indefinite-lived intangible assets on an annual basis, as well as whenever events or changes in circumstances indicate that the carrying value may exceed fair value. We will assess finite-lived intangible assets whenever events or changes in circumstances indicate that the carrying value may exceed fair value. Adverse changes in the operations of our businesses or other unforeseeable factors could result in an impairment charge in future periods that could adversely impact our results of operations and financial position in that period.

**Item 6. Exhibits.**

<b>Exhibit Number</b>	<b>Description</b>
<a href="#">2.1</a>	<a href="#">Second Amended and Restated Agreement and Plan of Reorganization, dated as of July 3, 2025, by and among ContextLogic Inc., Easter Parent, Inc., and Easter Merger Sub, Inc. (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K12G3 filed with the Securities and Exchange Commission on August 7, 2025).</a>
<a href="#">3.1</a>	<a href="#">Second Amended and Restated Certificate of Incorporation of Easter Parent, Inc., a Delaware corporation, effective July 25, 2025 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K12G3 filed with the Securities and Exchange Commission on August 7, 2025).</a>
<a href="#">3.2</a>	<a href="#">Amended and Restated Bylaws of ContextLogic Holdings Inc. (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K12G3 filed with the Securities and Exchange Commission on August 7, 2025).</a>
<a href="#">10.1</a>	<a href="#">First Amendment to Purchase Agreement, dated February 26, 2026, by and among the Registrant, ContextLogic LLC, ContextLogic Holdings, LLC, Salt Management Aggregator, LLC, Emerald Lake Pearl Acquisition GP, L.P., Emerald Lake Pearl Acquisition-A, L.P., Emerald Lake Pearl Acquisition Blocker, LLC, Emerald Lake Pearl Acquisition, L.P., the Abrams Investors, the Management Investors, US Salt Parent Holdings, LLC, Emerald Lake Pearl Acquisition, L.P., a Delaware limited partnership, solely in its capacity as the Sellers Representative, and, BCP Special Opportunities Fund III Originations LP (incorporated by reference to Exhibit 2.2 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 26, 2026).</a>
<a href="#">10.2</a>	<a href="#">Form of Registration Rights Agreement (incorporated by reference to Exhibit 10.7 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 11, 2025).</a>
<a href="#">10.3</a>	<a href="#">Voting Agreement, dated February 26, 2026, by and among Riva Capital Partners V, L.P., Riva Capital Partners VI, L.P., Abrams Capital Partners I, L.P., Abrams Capital Partners II, L.P., any fund or other investment vehicle advised by Abrams Capital Management, L.P. that holds equity interests in ContextLogics Holdings, Inc. at the relevant time, BCP Special Opportunities Fund III Originations LP and any fund or other investment vehicle advised by BC Partners Advisors LP that holds equity interests in ContextLogics Holdings, Inc. at the relevant time (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 26, 2026).</a>
<a href="#">10.4</a>	<a href="#">Form of Escrow Agreement (incorporated by reference to Exhibit 10.9 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 11, 2025).</a>
<a href="#">10.5</a>	<a href="#">Form of Director Indemnification Agreement (incorporated by reference to Exhibit 10.10 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 11, 2025).</a>
<a href="#">10.6*</a>	<a href="#">Second Amended and Restated Limited Liability Company Agreement of ContextLogic Holdings, LLC, dated February 26, 2026, as amended.</a>
<a href="#">10.7</a>	<a href="#">Form of Credit Agreement (incorporated by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 26, 2026).</a>
<a href="#">31.1*</a>	<a href="#">Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
<a href="#">31.2*</a>	<a href="#">Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
<a href="#">32.1**</a>	<a href="#">Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
<a href="#">32.2**</a>	<a href="#">Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
101.INS*	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents

104\*                      Cover Page Interactive Data File (embedded within the Inline XBRL document)

\* Filed herewith.

\*\* Furnished herewith.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: May 15, 2026

ContextLogic Holdings Inc.

By: \_\_\_\_\_ /s/ Mark Ward

**Mark Ward**  
President  
(Principal Executive Officer)

By: \_\_\_\_\_ /s/ Chad Chevalier

**Chad Chevalier**  
Interim Chief Financial Officer  
(Principal Financial Officer)

**SECOND AMENDED AND RESTATED  
LIMITED LIABILITY COMPANY AGREEMENT**

among

**CONTEXTLOGIC HOLDINGS, LLC**

and

**THE MEMBERS NAMED HEREIN**

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## SECOND AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT

This Second Amended and Restated Limited Liability Company Agreement of ContextLogic Holdings, LLC, a Delaware limited liability company (the “**Company**”), is entered into as of February 26, 2026 by and among the Company, ContextLogic Holdings Inc., a Delaware limited liability company (“**Parent**”), BCP Special Opportunities Fund III Originations LP, a Delaware limited partnership (together with its Permitted Transferees, “**BCP**”), Riva Capital Partners V, L.P., a Delaware limited partnership (“**Riva V**”), Riva Capital Partners VI, L.P., a Delaware limited partnership (“**Riva VI**”), Abrams Capital Partners I, L.P., a Delaware limited partnership (“**ACP I**”), Abrams Capital Partners II, L.P., a Delaware limited partnership (“**ACP II**”), and together with Riva V, Riva VI and ACP I, and each of their respective Permitted Transferees, “**Abrams**”), and each other Person who on or after the date hereof becomes a Member of the Company and becomes a party to this Agreement by executing a counterpart signature page hereto or Joinder Agreement. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in Section 1.01 of this Agreement.

### RECITALS

**WHEREAS**, the Company was formed under the laws of the State of Delaware by the filing of a Certificate of Formation with the Secretary of State of the State of Delaware on February 20, 2025 (as amended from time to time, the “**Certificate of Formation**”) and entering into the Limited Liability Company Agreement of the Company dated as of February 20, 2025 (the “**Original Agreement**”);

**WHEREAS**, the Company and certain Members entered into the Amended and Restated Liability Company Agreement of the Company (the “**A&R Agreement**”) dated as of March 6, 2025 (the “**Original Closing Date**”) to provide for, among other things, the respective governance and economic rights of the Members as set forth therein;

**WHEREAS**, on the date hereof, the Company acquired U.S. Salt Parent Holdings, LLC pursuant to the terms of that certain Purchase Agreement (the “**Purchase Agreement**”) dated as of December 8, 2025 (such transaction, the “**Acquisition**”);

**WHEREAS**, in connection with the closing of the Acquisition and the admission of new Members to the Company in connection therewith, the Company and its Members have agreed to amend and restate the terms and conditions contained in the A&R Agreement; and

**WHEREAS**, the Company and its Members agree that the membership in and management of the Company shall be governed by the terms set forth herein.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

### ARTICLE I DEFINITIONS

**Section 1.01 Definitions.** Capitalized terms used herein and not otherwise defined shall have the meanings set forth in this Section 1.01:

“**Abrams**” has the meaning set forth in the preamble of this Agreement.

“**ACP I**” has the meaning set forth in the preamble of this Agreement.

“**ACP II**” has the meaning set forth in the preamble of this Agreement.

“**Acquisition**” has the meaning set forth in the Recitals.

“**Adjusted Capital Account Deficit**” means, with respect to any Member, the deficit balance, if any, in such Member’s Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:

(a) crediting to such Capital Account any amount which such Member is obligated to restore or is deemed to be obligated to restore pursuant to Treasury Regulations Sections 1.704-1(b)(2)(ii)(c), 1.704-2(g)(1) and 1.704-2(i)(5); and

(b) debiting to such Capital Account the items described in Treasury Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

“**Affiliate**” means, with respect to any Person, any other Person who, directly or indirectly (including through one or more intermediaries), controls, is controlled by, or is under common control with, or is a Family Member of such Person; *provided*, that, notwithstanding the foregoing, (a) no Company Group Member shall be deemed to be an Affiliate of BCP or Abrams for purposes of this Agreement and (b) no portfolio investment of BCP or Abrams shall be deemed to be an Affiliate of BCP or Abrams for purposes of this Agreement. For purposes of this definition, “control,” when used with respect to any specified Person, shall mean the power, direct or indirect, to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities or partnership or other ownership interests, by contract or otherwise; and the terms “controlling” and “controlled” shall have correlative meanings.

“**Affiliated Entity**” means any Company Group Member or Parent.

“**Agreement**” means this Second Amended and Restated Limited Liability Company Agreement, as executed and as it may be amended, modified, supplemented or restated from time to time, as provided herein.

“**Applicable Law**” means all applicable provisions of (a) constitutions, treaties, statutes, laws (including the common law), rules, regulations, decrees, ordinances, codes, proclamations, declarations or orders of any Governmental Authority; (b) any consents or approvals of any Governmental Authority; and (c) any orders, decisions, advisory or interpretative opinions, injunctions, judgments, awards, decrees of, or agreements with, any Governmental Authority.

“**BBA Rules**” means Subchapter C of Chapter 63 of the Code (Sections 6221 et seq.) and any Regulations and other guidance promulgated thereunder, and any similar state or local legislation, regulations or guidance.

“**BCP**” has the meaning set forth in the preamble of this Agreement.

“**Bankruptcy**” means, with respect to a Member, the occurrence of any of the following: (a) the filing of an application by such Member for, or a consent to, the appointment of a trustee of such Member’s assets; (b) the filing by such Member of a voluntary petition in bankruptcy or the filing of a pleading in any court of record admitting in writing such Member’s inability to pay its debts as they come due; (c) the making by such Member of a general assignment for the benefit of such Member’s creditors; (d) the filing by such Member of an answer admitting the material allegations of, or such Member’s consenting to, or defaulting in answering a bankruptcy petition filed against such Member in any bankruptcy proceeding; or (e) the expiration of sixty (60) days following the entry of an order, judgment or decree by any court of competent jurisdiction adjudicating such Member a bankrupt or appointing a trustee of such Member’s assets.

“**Book Depreciation**” means, with respect to any Company asset for each Fiscal Year, the Company’s depreciation, amortization, or other cost recovery deductions determined for federal income tax purposes, except that if the Book Value of an asset differs from its adjusted tax basis at the beginning of such Fiscal Year, Book Depreciation shall be an amount which bears the same ratio to such beginning Book Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such Fiscal Year bears to such beginning adjusted tax basis; *provided*, that if the adjusted basis for federal income tax purposes of an asset at the beginning of such Fiscal Year is zero and the Book Value of the asset is positive, Book Depreciation shall be determined with reference to such beginning Book Value using any permitted method selected by the Partnership Representative in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(g)(3).

“**Book Value**” means, with respect to any Company asset, the adjusted basis of such asset for federal income tax purposes, except as follows:

(a) the initial Book Value of any Company asset contributed by a Member to the Company shall be the gross Fair Market Value of such Company asset as of the date of such contribution;

(b) immediately prior to the Distribution by the Company of any Company asset to a Member, the Book Value of such asset shall be adjusted to its gross Fair Market Value as of the date of such Distribution;

(c) the Book Value of all Company assets shall be adjusted to equal their respective gross Fair Market Values, as determined by the Partnership Representative, as of the following times:

(i) immediately prior to the acquisition of an additional Membership Interest in the Company by a new or existing Member in consideration of a Capital Contribution of more than a *de minimis* amount;

(ii) the Distribution by the Company to a Member of more than a *de minimis* amount of property (other than cash) as consideration for all or a part of such Member’s Membership Interest in the Company;

(iii) the grant to Parent of any Class B-1 Common Units or the issuance by the Company of a noncompensatory option;

(iv) the liquidation of the Company within the meaning of Treasury Regulations Section 1.704-1(b)(2)(ii)(g); and

(v) such other times as may be permitted under the Treasury Regulations;

*provided*, that such adjustments pursuant to clauses (i), (ii) and (iii) above need not be made if the Partnership Representative reasonably determines that such adjustments are not necessary or appropriate to reflect the relative economic interests of the Members;

(d) the Book Value of each Company asset shall be increased or decreased, as the case may be, to reflect any adjustments to the adjusted tax basis of such Company asset pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Account balances pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(m); *provided*, that Book Values shall not be adjusted pursuant to this paragraph (d) to the extent that an adjustment pursuant to paragraph (c) above is made in conjunction with a transaction that would otherwise result in an adjustment pursuant to this paragraph (d); and

(e) if the Book Value of a Company asset has been determined pursuant to paragraph (a) or adjusted pursuant to paragraphs (c) or (d) above, such Book Value shall thereafter be adjusted to reflect the Book Depreciation taken into account with respect to such Company asset for purposes of computing Net Income and Net Losses.

“**Business Day**” means a day other than a Saturday, Sunday or other day on which commercial banks in New York, New York are authorized or required to close.

“**Business Needs**” has the meaning set forth in Section 7.01(a).

“**Capital Account**” has the meaning set forth in Section 5.04.

“**Capital Contribution**” means, with respect to any Member, any contribution of cash, cash equivalents and other property to the Company by such Member.

“**Certificate of Formation**” has the meaning set forth in the Recitals.

“**Class A Contribution Amount**” means \$8.00 for each Class A Convertible Preferred Unit, including, for the avoidance of doubt, any Class A Convertible Preferred Units issued prior to the date hereof.

“**Class A Conversion Ratio**” means, for any Class A Convertible Preferred Unit at any given time, a fraction, the numerator of which is the Class A Contribution Amount of such Class A Convertible Preferred Unit at the time of determination and the denominator of which is \$8.00.

“**Class A Convertible Preferred Units**” means the Units having the privileges, preference, duties, liabilities, obligations and rights specified with respect to “Class A Convertible Preferred Units” in this Agreement.

“**Class A Member**” means any holder of Class A Convertible Preferred Units set forth on the Members Schedule.

“**Class A Percentage Interest**” means, for any Class A Member at any given time, a fraction, expressed as a percentage, equal to the aggregate number of Class A Convertible Preferred **Units** held by such Class A Member at the time of determination, divided by the aggregate number of Class A Convertible Preferred **Units** outstanding at the time of determination.

“**Class B Common Units**” means, collectively, the Class B-1 Common Units and the Class B-2 Common Units.

“**Class B-1 Common Units**” means the Units having the privileges, preference, duties, liabilities, obligations and rights specified with respect to “Class B-1 Common Units” in this Agreement.

“**Class B-2 Common Units**” means the Units having the privileges, preference, duties, liabilities, obligations and right specified with respect to “Class B-2 Common Units” in this Agreement.

“**Class B Member**” means a Class B-1 Member or Class B-2 Member, as applicable.

“**Class B-1 Member**” means a holder of Class B-1 Common Units set forth on the Members Schedule.

“**Class B-2 Member**” means a holder of Class B-2 Common Units set forth on the Members Schedule.

“**Class B Percentage Interest**” means, for any Class B Member at any given time, a fraction, expressed as a percentage, equal to the aggregate number of Class B Common **Units** held by such Class B Member at the time of determination, divided by the aggregate number of Class B Common **Units** outstanding at the time of determination.

“**Class P Joinder Agreement**” means the Joinder Agreement executed by the Class P Member setting forth the terms and conditions of the Class P Member’s Class P Units.

“**Class P Member**” means the holder of Class P Units set forth on the Members Schedule.

“**Class P Percentage**” means a fraction expressed as a percentage, the numerator of which is the number of Class P Units held by the Class P Member as of the specified date, the denominator of which is the total number of issued and outstanding Class P Units, Class A Convertible Preferred Units and Class B Common Units as of the specified date.

“**Class P Units**” means the Units having the privileges, preference, duties, liabilities, obligations and rights specified with respect to “Class P Units” in this Agreement.

“**Closing Effective Date**” means the date of this Agreement.

“**Code**” means the Internal Revenue Code of 1986, as amended from time to time.

“**Company**” has the meaning set forth in the preamble of this Agreement.

“**Company Group Members**” means, collectively, the Company, and its direct and indirect subsidiaries.

“**Company Minimum Gain**” means “partnership minimum gain” as defined in Sections 1.704-2(b)(2) of the Treasury Regulations, substituting the term “Company” for the term “partnership” as the context requires.

“**Company Subsidiary**” means a Subsidiary of the Company.

“**Confidential Information**” has the meaning set forth in [Section 10.01\(a\)](#).

“**Conversion Notice**” has the meaning set forth in [Section 3.04](#).

“**Covered Person**” has the meaning set forth in [Section 13.01\(a\)](#).

“**Delaware Act**” means the Delaware Limited Liability Company Act, Title 6, Chapter 18, §§ 18-101, *et seq.*, and any successor statute, as it may be amended from time to time.

“**Dissolution Event**” has the meaning set forth in Section 12.01.

“**Distributable Cash**” means, as of any date, the excess of (a) the cash and cash equivalent items, held by the Company over (b) the sum of the amount of such items as the Managing Member determines to be necessary for (i) the proper conduct of the business of the Company and its Subsidiaries, and (ii) to pay or otherwise satisfy expenses, liabilities and obligations of the Company and its Subsidiaries.

“**Distribution**” means a distribution made by the Company to a Member, whether in cash, property or securities of the Company and whether by liquidating distribution or otherwise; *provided*, that none of the following shall be a Distribution: (a) any redemption or purchase by the Company or any Member of any Units or Unit Equivalents; (b) any recapitalization or exchange of securities of the Company; or (c) any subdivision (by a split of Units or otherwise) or any combination (by a reverse split of Units or otherwise) of any outstanding Units. “**Distribute**” and “**Distributed**” when used as a verb and “**Distributable**” and “**Distributive**” when used as an adjective shall each have a correlative meaning.

“**Electronic Transmission**” means any form of communication not directly involving the physical transmission of paper that creates a record that may be retained, retrieved and reviewed by a recipient thereof and that may be directly reproduced in paper form by such a recipient through an automated process.

“**Emerald Lake Investor**” means Emerald Lake Pearl Acquisition GP L.P., a Delaware limited partnership.

“**Equity Securities**” has the meaning set forth in Section 4.12.

“**Exchange Consideration**” has the meaning set forth in Section 9.03.

“**Excluded Issuances**” has the meaning set forth in Section 4.12.

“**Excess Net Losses**” has the meaning set forth in Section 6.02(h).

“**Excess Shares**” has the meaning set forth in Section 6.02(h).

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended, or any successor federal statute, and the rules and regulations thereunder, which shall be in effect at the time.

“**Fair Market Value**” of any asset as of any date means the purchase price that a willing buyer having all relevant knowledge would pay a willing seller for such asset in an arm’s length transaction, as determined in good faith by the Managing Member based on such factors as the Managing Member, in the exercise of its reasonable business judgment, considers relevant.

“**Family Members**” means, with respect to any Person, any parent, spouse, sibling, niece, nephew or any spouse thereof, and any direct descendant (natural or adoptive) of any such Person.

“**Fiscal Year**” means the calendar year, unless the Company is required to have a taxable year other than the calendar year, in which case Fiscal Year shall be the period that conforms to its taxable year.

“**GAAP**” means generally accepted accounting principles in the United States.

“**Governmental Authority**” means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of law), or any arbitrator, court or tribunal of competent jurisdiction.

“**Imputed Underpayment Amount**” has the meaning set forth in Section 7.04(d).

“**Indebtedness**” means with respect to any Person on any date of determination (without duplication): (i) the principal of indebtedness of such Person for borrowed money; (ii) the principal of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments or upon which interest payments are customarily made; (iii) all reimbursement obligations of such Person in respect of letters of credit, bankers’ acceptances or other similar instruments (the amount of such obligations being equal at any time to the aggregate then undrawn and unexpired amount of such letters of credit, bankers’ acceptances or other instruments plus the aggregate amount of drawings thereunder that have not then been reimbursed) (except to the extent such reimbursement obligations relate to trade payables and such obligations are expected to be satisfied within 30 days of becoming due and payable); (iv) all Indebtedness of other Persons secured by a lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; and (v) all guarantees by such Person of Indebtedness of other Persons, to the extent so guaranteed by such Person.

“**Issuance Notice**” has the meaning set forth in Section 3.06(a).

“**Joinder Agreement**” means the joinder agreement in form and substance attached hereto as Exhibit A.

“**Liquidation Value**” means, as determined by the Managing Member, with respect to any Unit converted or exchanged pursuant to Section 9.03, the amount that would be distributable in respect of such Unit if the fair market value (as determined by the Managing Member) of the aggregate Equity Securities received in exchange for, or as a result of the conversion of, Units in accordance with Section 9.03 were applied to such Units in accordance with Section 7.02 assuming such exchanged or converted Units were the only Units outstanding.

“**Liquidator**” means a Person designated by the Managing Member for the purpose of liquidating the Company’s assets and winding up the Company’s business and affairs.

“**Losses**” has the meaning set forth in Section 13.03(a).

“**Management Investors**” means Salt Management Aggregator, LLC, a Delaware limited liability company.

“**Managing Member**” means Parent, in its capacity as the managing member of the Company.

“**Member**” means (a) each Person who has executed this Agreement or a counterpart thereof; and (b) each Person who is hereafter admitted as a Member in accordance with the terms of this Agreement and the Delaware Act, in each case so long as such Person is shown on the Company’s books and records as the owner of one or more Units. The Members shall constitute the “members” (as that term is defined in the Delaware Act) of the Company.

“**Member Nonrecourse Debt**” means “partner nonrecourse debt” as defined in Treasury Regulations Section 1.704-2(b)(4), substituting the term “Company” for the term “partnership” and the term “Member” for the term “partner” as the context requires.

“**Member Nonrecourse Debt Minimum Gain**” means an amount, with respect to each Member Nonrecourse Debt, equal to the Company Minimum Gain that would result if the Member Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Treasury Regulations Section 1.704-2(i)(3).

“**Member Nonrecourse Deduction**” means “partner nonrecourse deduction” as defined in Treasury Regulations Section 1.704-2(i), substituting the term “Member” for the term “partner” as the context requires.

“**Members Schedule**” has the meaning set forth in Section 3.01.

“**Membership Interest**” means an interest in the Company owned by a Member, including such Member’s right (based on the type and class of Unit or Units held by such Member), as applicable, to (a) a Distributive share of Net Income, Net Losses and other items of income, gain, loss and deduction of the Company; (b) a Distributive share of the assets of the Company; (c) vote on, consent to or otherwise participate in any decision of the Members as provided in this Agreement; and (d) any and all other benefits to which such Member may be entitled as provided in this Agreement or the Delaware Act.

“**Misallocated Item**” has the meaning set forth in Section 6.05.

“**Net Income**” and “**Net Loss**” mean, for each Fiscal Year or other period specified in this Agreement, an amount equal to the Company’s taxable income or taxable loss, or particular items thereof, determined in accordance with Code Section 703(a) (where, for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or taxable loss), but with the following adjustments (without duplication):

(a) any income realized by the Company that is exempt from federal income taxation, as described in Code Section 705(a)(1)(B), shall be added to such taxable income or taxable loss, notwithstanding that such income is not includable in gross income;

(b) any expenditures of the Company described in Code Section 705(a)(2)(B), including any items treated under Treasury Regulations Section 1.704-1(b)(2)(iv)(i) as items described in Code Section 705(a)(2)(B), shall be subtracted from such taxable income or taxable loss, notwithstanding that such expenditures are not deductible for federal income tax purposes;

(c) any gain or loss resulting from any disposition of Company property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Book Value of the property so disposed, notwithstanding that the adjusted tax basis of such property differs from its Book Value;

(d) any items of depreciation, amortization and other cost recovery deductions with respect to Company property having a Book Value that differs from its adjusted tax basis shall be computed by reference to the property’s Book Value (as adjusted for Book Depreciation) in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(g);

(e) if the Book Value of any Company property is adjusted as provided in the definition of Book Value, then the amount of such adjustment shall be treated as an item of gain or loss and included in the computation of such taxable income or taxable loss;

(f) to the extent an adjustment to the adjusted tax basis of any Company property pursuant to Code Sections 732(d), 734(b) or 743(b) is required, pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(m), to be taken into account in determining Capital Accounts, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis); and

(g) Notwithstanding any other provision of this definition, any items that are specially allocated pursuant to Section 6.02 hereof shall not be taken into account in computing Net Income and Net Loss. The amounts of the items of Company income, gain, loss, or deduction available to be specially allocated pursuant to Section 6.02 hereof shall be determined by applying rules analogous to those set forth in subparagraphs (a) through (f) above.

“**New Interests**” has the meaning set forth in Section 3.05.

“**Nonrecourse Deductions**” has the meaning set forth in Treasury Regulations Sections 1.704-2(b)(1).

“**Nonrecourse Liability**” has the meaning set forth in Treasury Regulations Section 1.704-2(b)(3).

“**Officers**” has the meaning set forth in Section 8.02.

“**Parent**” has the meaning set forth in the preamble of this Agreement.

“**Partnership Representative**” shall mean the Person acting in the capacity of the “partnership representative” (as such term is defined under the BBA Rules) and any “designated individual” through whom the Partnership Representative that is an entity may act, if applicable.

“**Permitted Transfer**” means a Transfer of Units carried out pursuant to Section 9.02.

“**Permitted Transferee**” means a recipient of a Permitted Transfer.

“**Person**” means an individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association or other entity.

“**Preemptive Rights Holder**” has the meaning set forth in Section 3.06(a).

“**Preemptive Rights Portion**” has the meaning set forth in Section 3.06(a).

“**Purchase Agreement**” has the meaning set forth in the Recitals.

“**Qualifying Percentage Interest**” means, for any Member, a fraction, expressed as a percentage, equal to the aggregate number of Units held by such Member at the time of determination, divided by the aggregate number of Units, collectively, outstanding at the time of determination.

“**Regulatory Allocations**” has the meaning set forth in Section 6.02(g).

“**Representative**” means, with respect to any Person, any and all directors, officers, employees, consultants, financial advisors, counsel, accountants and other agents of such Person.

“**Retained Distribution**” has the meaning set forth in Section 7.02.

“**Riva V**” has the meaning set forth in the preamble of this Agreement.

“**Riva VI**” has the meaning set forth in the preamble of this Agreement.

“**SEC**” means the Securities and Exchange Commission.

“**Securities Act**” means the Securities Act of 1933, as amended, or any successor federal statute, and the rules and regulations thereunder, which shall be in effect at the time.

“**Subsidiary**” means, with respect to any Person, any other Person of which (a) a majority of the outstanding shares or other equity interests are owned, directly or indirectly, by the first Person or (b) an amount of voting securities sufficient to elect at least a majority of the board of directors, managers or trustees (or other persons performing similar functions) are owned, directly or indirectly, by the first Person.

“**Tag-Along Notice**” has the meaning set forth in Section 9.03.

“**Tag-Along Opportunity**” has the meaning set forth in Section 9.03.

“**Tax Rate**” shall mean a rate determined by the Managing Member in its good faith discretion intended to replicate the highest hypothetical combined U.S. federal, state, and local tax rates to which any Member is subject; *provided* that the Tax Rate shall be the same for all Members.

“**Tax Distribution**” has the meaning set forth in Section 7.03.

“**Taxing Authority**” has the meaning set forth in Section 7.04(b).

“**Total Capital Contribution**” means, with respect to any Class A Member, the total amount of Capital Contributions contributed to the Company by such Class A Member.

“**Transfer**” (including the correlative term “**Transferred**”) means to, directly or indirectly, sell, transfer, assign, pledge, encumber, hypothecate or similarly dispose of, either voluntarily or involuntarily, by operation of law or otherwise, or to enter into any contract, option or other arrangement or understanding with respect to the sale, transfer, assignment, pledge, encumbrance, hypothecation or similar disposition of, any Units owned by a Person or any interest (including a beneficial interest) in any Units or Unit Equivalents owned by a Person. “**Transfer**” when used as a noun shall have a correlative meaning; provided, that a transfer of Units, shares or other equity interests in (a) Parent shall not constitute a Transfer and (b) any other Member, or direct or indirect owner of a Member (any such Transfer described in this clause (b), an “**Upstairs Transfer**”), shall not be a Transfer hereunder unless the principal motivation for such Upstairs Transfer was to effect a transfer of Units of the Company; provided, further, that a distribution by Management Investors to one or more of its members (or their respective Permitted Transferees) of the Units or Unit Equivalents of the Company beneficially owned by such members through Management Investors shall not be an Upstairs Transfer hereunder or otherwise prohibited by the terms hereof so long as, (i) such transferee’s employment with the Company Group Members has terminated as of the time of such distribution or the Managing Member has otherwise reasonably determined that such distribution would not result in the transferee ceasing to be classified as an employee of any Company Group Member for wage withholding, reporting, and applicable employment tax purposes, (ii) such transfer is otherwise effected in accordance with the terms of this Agreement (including the penultimate paragraph of Section 9.02) and (iii) concurrently therewith, such members (or their respective Permitted Transferees, as applicable) sign counterpart signature pages or joinders hereto to become bound by the terms and provisions of this Agreement with respect to the Units or Unit Equivalents so distributed to such members (or their respective Permitted Transferees, as applicable). “**Transferor**” and “**Transferee**” mean a Person who makes or receives a Transfer, respectively.

“**Treasury Regulations**” means the final or temporary regulations issued by the United States Department of Treasury pursuant to its authority under the Code, and any successor regulations.

“**Unallocated Item**” has the meaning set forth in Section 6.05.

“**Unit Equivalents**” means any security or obligation that is by its terms, directly or indirectly, convertible into, or exchangeable or exercisable for Units, and any option, warrant or other right to subscribe for, purchase or acquire Units.

“**Units**” means the Class A Convertible Preferred Units, the Class B Common Units and the Class P Units.

“**Unvested Class P Unit**” means an outstanding Class P Unit that is not a Vested Class P Unit.

“**Vested Class P Unit**” means a Class P Unit with respect to which the Class P Member has become fully vested in, and has a nonforfeitable right to.

“**Voting Members**” has the meaning set forth in Section 4.07(a).

“**Withholding Advances**” has the meaning set forth in Section 7.04(b).

**Section 1.02 Interpretation.** For purposes of this Agreement, (a) the words “include,” “includes” and “including” shall be deemed to be followed by the words “without limitation”; (b) the word “or” is not exclusive; and (c) the words “herein,” “hereof,” “hereby,” “hereto” and “hereunder” refer to this Agreement as a whole. The headings and subheadings in this Agreement are included for convenience and identification only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof. The definitions given for any defined terms in this Agreement shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. A reference to any party to this Agreement or any other agreement or document shall include such party’s predecessors, successors and permitted assigns. All accounting terms not defined in this Agreement shall have the meanings determined by GAAP. Unless the context otherwise requires, references herein: (x) to Articles, Sections, and Exhibits mean the Articles and Sections of, and Exhibits attached to, this Agreement; (y) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time, including by waiver or consent, to the extent permitted by the provisions thereof and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder and references to all attachments thereto and instruments incorporated therein. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The Exhibits referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein.

**ARTICLE II**  
**ORGANIZATION**

**Section 2.01 Formation.**

(a) The Company was formed on February 20, 2025, pursuant to the provisions of the Delaware Act, upon the filing of the Certificate of Formation with the Secretary of State of the State of Delaware.

(b) This Agreement shall constitute the “limited liability company agreement” (as that term is used in the Delaware Act) of the Company. The rights, powers, duties, obligations and liabilities of the Members shall be determined pursuant to the Delaware Act and this Agreement. To the extent that the rights, powers, duties, obligations and liabilities of any Member are different by reason of any provision of this Agreement than they would be under the Delaware Act in the absence of such provision, this Agreement shall, to the extent permitted by the Delaware Act, control.

**Section 2.02 Name.** The name of the Company is “ContextLogic Holdings, LLC” or such other name or names as the Managing Member may from time to time designate; *provided*, that the name shall always contain the words “Limited Liability Company” or the abbreviation “L.L.C.” or the designation “LLC”; *provided*, that in no event will the name of Abrams or BCP, or any Affiliate of Abrams or BCP, or any variant of any such name, be used in or as any part of the name of the Company without the prior written consent of Abrams or BCP, respectively. The Managing Member shall give prompt notice to each of the Members of any change to the name of the Company.

**Section 2.03 Principal Office.** The principal office of the Company is located at such location as may be designated by the Managing Member from time to time.

**Section 2.04 Registered Office; Registered Agent.**

(a) The registered office of the Company shall be the office of the initial registered agent named in the Certificate of Formation or such other office (which need not be a place of business of the Company) as the Managing Member may designate from time to time in the manner provided by the Delaware Act and Applicable Law.

(b) The registered agent for service of process on the Company in the State of Delaware shall be the initial registered agent named in the Certificate of Formation or such other Person or Persons as the Managing Member may designate from time to time in the manner provided by the Delaware Act and Applicable Law.

**Section 2.05 Purpose; Powers.** The purpose of the Company is to engage in any lawful act or activity for which limited liability companies may be formed under the Delaware Act and to engage in any and all activities necessary or incidental thereto. The Company shall have all the powers necessary or convenient to carry out the purposes for which it is formed, including the powers granted by the Delaware Act.

**Section 2.06 Term.** The term of the Company commenced on the date the Certificate of Formation was filed with the Secretary of State of the State of Delaware and shall continue in existence perpetually until the Company is dissolved in accordance with the provisions of this Agreement.

**Section 2.07 No State-Law Partnership; Tax Treatment.** For U.S. federal and, if applicable, state and local income tax purposes, the Members intend to treat the Company as a partnership and no election shall be filed to change such classification without the consent of the Managing Member, BCP and Abrams. The Company and each Member shall file all tax returns and shall otherwise take all tax and financial reporting positions in a manner consistent with such treatment and no Member shall take any action inconsistent with such treatment. In the event that an election is filed to treat the Company as an association taxable as a corporation for U.S. federal income tax purposes, the Members shall make such amendments to this Agreement as are appropriate in light of such classification. The foregoing sentences of this Section 2.07 and the obligations of the Members pursuant thereto shall survive the termination, dissolution, liquidation and winding up of the Company and the withdrawal of such Member from the Company or Transfer of its Units. The Members intend that the Company shall not be a partnership (including, without limitation, a limited partnership) or joint venture, and that no Member, or Officer of the Company shall be a partner or joint venturer of any other Member or Officer of the Company, for any purposes other than as set forth in the first sentence of this Section 2.07.

### ARTICLE III UNITS

**Section 3.01 Units Generally.** The Membership Interests of the Members shall be represented by issued and outstanding Units, which may be divided into one or more types, classes or series. Each type, class or series of Units shall have the privileges, preference, duties, liabilities, obligations and rights, including voting rights, if any, set forth in this Agreement with respect to such type, class or series. The Managing Member shall maintain a schedule of all Members, their respective mailing addresses and the amount and series of Units held by them (the “**Members Schedule**”), which Members Schedule is attached hereto, and shall update the Members Schedule upon the issuance or Transfer of any Units to any new or existing Member in accordance with this Agreement (which update shall not constitute an amendment to the Agreement). The Members Schedule shall be kept confidential, except as may be required by applicable law.

**Section 3.02 Authorization of Units.** Subject to compliance with Section 4.12, the Company is hereby authorized to issue a class of Units designated as Class A Convertible Preferred Units, a class of Units designated as Class B Common Units (with two series, designated as Class B-1 Common Units and Class B-2 Common Units), and a class of Units designated as Class P Units.

#### **Section 3.03 Class A Convertible Preferred Units; Class B Common Units; Class P Units.**

(a) **Class A Convertible Preferred Units.** On the Original Closing Date and/or the Closing Effective Date, as applicable, the Company issued the Class A Convertible Preferred Units to the Class A Members in the amounts and on the dates set forth on the Members Schedule.

(b) **Class B Common Units.** On the Original Closing Date and/or the Closing Effective Date, as applicable, the Company issued the Class B-1 Common Units to the Class B-1 Members in the amounts and on the dates set forth on the Members Schedule. After the date hereof, the Company may issue Class B-2 Common Units as provided in Section 3.04.

(c) **Class P Units.** On the Original Closing Date and/or the Closing Effective Date, as applicable, the Company issued the Class P Units, in accordance with the Class P Joinder Agreement, to the Class P Member in the amount set forth on the Members Schedule. Class P Units are intended to qualify as “profits interests” (within the meaning of IRS Revenue Procedure 93-27, 1993-2 C.B. 343, and IRS Revenue Procedure 2001-43, 2001-2 C.B. 191) for U.S. federal income tax purposes and this Agreement shall be interpreted in accordance with such intent.

### **Section 3.04 Conversion of Class A Convertible Preferred Units.**

(a) A Class A Member may, at any time and from time to time, convert, in whole or in part, its outstanding Class A Convertible Preferred Units into a number of newly issued Class B-2 Common Units equal to the Class A Conversion Ratio multiplied by the number of Class A Convertible Preferred Units submitted for conversion by delivering written notice to the Managing Member and each other Class A Member (the “**Conversion Notice**”); *provided*, that any Conversion Notice delivered to convert less than all of such Class A Member’s Class A Convertible Preferred Units must convert at least a number of Class A Convertible Preferred Units equal to the greater of (i) one-third of the Class A Convertible Preferred Units then held by such Class A Member and (ii) 5,000 Class A Convertible Preferred Units (as adjusted in accordance with Section 3.04(c)). Any Class A Convertible Preferred Units for which a Conversion Notice is delivered shall be deemed converted into Class B-2 Common Units as of the close of business on the date the Conversion Notice is delivered to the Managing Member. Upon any conversion of Class A Convertible Preferred Units, (A) the Capital Contribution with respect to such Class B-2 Common Units shall be an amount equal to the quotient of (x) the applicable Class A Contribution Amount divided by (y) the number of Class B-2 Common Units such Class A Convertible Preferred Unit is converted into, and (B) the Managing Member shall update the Members Schedule to reflect the issuance of Class B-2 Common Units pursuant to such conversion.

(b) At all times when Class A Convertible Preferred Units are outstanding, the Company shall reserve, out of its authorized, unreserved and not outstanding Class B-2 Common Units, a number of Class B-2 Common Units to permit the conversion of all then-outstanding Class A Convertible Preferred Units and shall take such action in accordance with this Agreement as may be necessary to ensure Class B-2 Common Units are available therefor.

(c) If the Company effects any subdivision, split, consolidation, reverse split, combination, recapitalization, reorganization or similar transaction with respect to the Class B-2 Common Units, then the Company shall concurrently make equivalent and equitable adjustments to the Class A Conversion Ratio then in effect such that the rights of the Class A Members are not adversely affected as a result of any such action.

**Section 3.05 Other Issuances.** In addition to the Class A Convertible Preferred Units issued to BCP, Abrams and the other Class A Members on or prior to the date hereof, the Class B-1 Common Units issued to Parent and Emerald Lake Pearl Acquisition Blocker, LLC on or prior to the date hereof and the Class P Units issued to the Class P Members on or prior to the date hereof, the Company is hereby authorized, subject to compliance with Section 3.06 and Section 4.12, to authorize and issue or sell to any Person any of the following (collectively “**New Interests**”): (i) any new type, class or series of Units not otherwise described in this Agreement, which Units may be designated as classes or series of the Class A Convertible Preferred Units or Class B Common Units but having different rights; and (ii) Unit Equivalents. Subject to compliance with Section 4.12 and Section 14.09(a), the Managing Member is hereby authorized to amend this Agreement (without any further action required by any Member) to reflect such issuance and to fix the relative privileges, preference, duties, liabilities, obligations and rights of any such New Interests, including the number of such New Interests to be issued, the preference (with respect to Distributions, in liquidation or otherwise) over any other Units and any contributions required in connection therewith.

### **Section 3.06 Preemptive Rights.**

(a) The Company shall give (i) each Class A Member that is an “accredited investor” within the meaning of Rule 501 promulgated under the Securities Act and (ii) subject to the provisions of Section 3.06(a), Management Investors (each Person under (i) and (ii), a “**Preemptive Rights Holder**”) at least ten (10) Business Days’ prior written notice (an “**Issuance Notice**”) of any proposed issuance of Equity Securities of the Company (other than Excess Shares) to any of Abrams, BCP, or their respective Affiliates. The Issuance Notice shall specify the number and type of such Equity Securities and the price at which such Equity Securities are proposed to be issued and the other material terms and conditions of the issuance, including the proposed closing date. Each Preemptive Rights Holder shall be entitled to purchase, at the price and on the other terms and conditions specified in the Issuance Notice, its pro rata portion of such newly issued Equity Securities equal to (x) the number of securities of the specified type of Equity Securities proposed to be issued to Abrams, BCP, and/or their respective Affiliates (as applicable) multiplied by (y) a fraction, the numerator of which is the number of Class A Convertible Preferred Units held by such Preemptive Rights Holder as of immediately prior to such issuance and the denominator of which is equal to the sum of the number of Class A Convertible Preferred Units held by all Class A Members collectively as of immediately prior to such issuance (with respect to each Preemptive Rights Holder, its “**Preemptive Rights Portion**”).

(b) Each Preemptive Rights Holder may exercise its rights under this Section 3.06 by delivering written notice of its election to purchase up to its Preemptive Rights Portion of such Equity Securities to the Company within ten (10) Business Days after receipt of the Issuance Notice. A delivery of such notice (which notice shall specify the number of such Equity Securities, up to but not exceeding the applicable Preemptive Rights Portion, requested to be purchased by the Preemptive Rights Holder submitting such notice) by such Preemptive Rights Holder shall constitute a binding agreement of such Preemptive Rights Holder to purchase, at the price and on the terms and conditions specified in the Issuance Notice, the number of Equity Securities specified in such Preemptive Rights Holder’s notice. If, at the end of such ten (10) Business Day-period, any Preemptive Rights Holder has not exercised its right to purchase any or all of its Preemptive Rights Portion of such Equity Securities, such Preemptive Rights Holder shall be deemed to have waived all of its rights under this Section 3.06 with respect to, and only with respect to, the purchase of such unelected Preemptive Rights Portion in respect of the issuance that is the topic of the applicable Issuance Notice.

(c) If any Preemptive Rights Holder fails to properly exercise its preemptive rights under this Section 3.06, or elects to exercise such rights with respect to less than such Preemptive Rights Holder’s Preemptive Rights Portion of the Equity Securities (the difference between such Preemptive Rights Holder’s Preemptive Rights Portion and such Preemptive Rights Holder’s exercised amount, the “**Excess Shares**”), such Excess Shares shall be allocated by the Managing Member in its sole discretion, subject to compliance with the consent rights set forth in Section 4.12.

(d) The Company shall have 180 days after the date of the Issuance Notice to consummate the proposed issuance of any or all of such Equity Securities that the Preemptive Rights Holders have elected not to purchase at the same (or higher) price and upon such other terms and conditions that are not materially less favorable to the Company than those specified in the Issuance Notice; provided, however, that if such issuance is subject to regulatory or other third-party approval, such 180-day period shall be extended until the expiration of five (5) Business Days after all such approvals have been received, but in no event later than 270 days after the date of the Issuance Notice. At the consummation of such issuance, to the extent such Equity Securities are certificated, the Company shall issue certificates representing the Equity Securities to be purchased by each Preemptive Rights Holder exercising preemptive rights pursuant to this Section 3.06 registered in the name of such Preemptive Rights Holder, free and clear of all liens, except pursuant to the Company’s organizational documents and under Applicable Law, against payment by such Preemptive Rights Holder of the purchase price for such Equity Securities. If the Company proposes to issue any class of Equity Securities after such period or during such period at a lower price or on such other terms materially less favorable to the Company, the Company shall again comply with the procedures set forth in this Section 3.06.

(e) The closing of any issuance of Equity Securities to the Preemptive Rights Holders pursuant to this Section 3.06 shall take place at the time and in the manner provided in the Issuance Notice. The Company shall be under no obligation to consummate any proposed issuance of Equity Securities, nor shall there be any liability on the part of the Company to any Preemptive Rights Holder if the Company has not consummated any proposed issuance of Equity Securities pursuant to this Section 3.06 for whatever reason, except willful misconduct or breach of this Agreement, regardless of whether the Company has delivered an Issuance Notice in respect of such proposed issuance.

(f) Notwithstanding the foregoing, the Company may offer and sell Equity Securities subject to the preemptive rights under this Section 3.06 to Abrams, BCP, and/or their respective Affiliates without first offering such Equity Securities to each of the other Preemptive Rights Holders or complying with the procedures of this Section 3.06, so long as (i) each of the other Preemptive Rights Holders receives prompt written notice of the consummation of such sales and (ii) either the Company or the initial purchaser of such Equity Securities makes available for sale to the other Preemptive Rights Holders, by no later than 30 days after such issuance, a number of Equity Securities sufficient to provide such other Preemptive Rights Holders with the same proportionate ownership as they would have received if the preemptive rights under this Section 3.06 had been complied with prior to such issuance and on the same terms and conditions as applied to such issuance. Until such time as the Company has complied with the foregoing provisions of this Section 3.06(f), (A) the Company shall not make any Distributions in respect of, or redeem or repurchase, any such Equity Securities, (B) the initial purchaser(s) of such Equity Securities shall not Transfer any such Equity Securities (other than pursuant to this Section 3.06(f)), and (C) the Company shall not dissolve or wind up its affairs.

(g) In the event that Management Investors would not qualify as a Preemptive Rights Holder pursuant to Section 3.06(a)(i), then any member of Management Investors that is such an “accredited investor” shall be entitled to exercise, on its own behalf, preemptive rights pursuant to this Section 3.06 in respect of the Preemptive Rights Portion attributable to the Class A Convertible Preferred Units beneficially owned by such member through Management Investors and any such member shall be deemed to be a Preemptive Rights Holder for all purposes pursuant to this Section 3.06; provided, that immediately following the consummation of such issuance, such member contributes such Equity Securities to Management Investors in exchange for the issuance to such member of corresponding equity interests in Management Investors.

(h) Each Preemptive Rights Holder is permitted to Transfer its preemptive right to purchase Equity Securities pursuant to this Section 3.06 to any of its Permitted Transferees in accordance with the terms of this Agreement. The preemptive rights in this Section 3.06 shall also apply, *mutatis mutandis*, to any issuance of Equity Securities by any direct or indirect Subsidiary of the Company to any of Abrams, BCP or their respective Affiliates.

### **Section 3.07 Certification of Units.**

(a) The Managing Member, subject to the consent of Abrams and BCP, may, but shall not be required to, issue certificates to the Members representing the Units held by such Member.

(b) In the event that the Managing Member shall issue certificates representing Units in accordance with Section 3.07(a), then in addition to any other legend required by Applicable Law, all certificates representing issued and outstanding Units shall bear a legend substantially in the following form:

THE UNITS REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A LIMITED LIABILITY COMPANY AGREEMENT AMONG THE COMPANY AND ITS MEMBERS, A COPY OF WHICH IS ON FILE AT THE PRINCIPAL EXECUTIVE OFFICE OF THE COMPANY. NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THE UNITS REPRESENTED BY THIS CERTIFICATE MAY BE MADE EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF SUCH LIMITED LIABILITY COMPANY AGREEMENT.

THE UNITS REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY OTHER APPLICABLE SECURITIES LAWS AND MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED EXCEPT (A) PURSUANT TO A REGISTRATION STATEMENT EFFECTIVE UNDER SUCH ACT AND LAWS, OR (B) PURSUANT TO AN EXEMPTION FROM REGISTRATION THEREUNDER.

## **ARTICLE IV MEMBERS**

### **Section 4.01 Admission of New Members.**

(a) Subject to compliance with Section 4.12, new Members may be admitted by the Managing Member from time to time (i) in connection with an issuance of Units by the Company, and (ii) in connection with a Transfer of Units, subject to compliance with the provisions of Article IX, and in either case, following compliance with the provisions of Section 4.01(b).

(b) In order for any Person not already a Member of the Company to be admitted as a Member, whether pursuant to an issuance or a Transfer of Units, such Person shall have executed and delivered to the Company a written undertaking substantially in the form of the Joinder Agreement. Upon the amendment of the Members Schedule by the Managing Member and the satisfaction of any other applicable conditions, including, if a condition, the receipt by the Company of payment for the issuance of the applicable Units, such Person shall be admitted as a Member and deemed listed as such on the books and records of the Company and thereupon shall be issued his, her or its Units. The Managing Member shall also adjust the Capital Accounts of the Members as necessary in accordance with Section 5.04.

**Section 4.02 Representations and Warranties of Members.** By execution and delivery of this Agreement or a Joinder Agreement, as applicable, each of the Members, whether admitted as of the date hereof or pursuant to Section 4.01, represents and warrants to the Company and acknowledges that:

(a) The Units have not been registered under the Securities Act or the securities laws of any other jurisdiction, are issued in reliance upon federal and state exemptions for transactions not involving a public offering and cannot be disposed of unless (i) they are subsequently registered or exempted from registration under the Securities Act and (ii) the provisions of this Agreement have been complied with;

(b) Such Member is an “accredited investor” within the meaning of Rule 501 promulgated under the Securities Act, as amended by Section 413(a) of the Dodd Frank Wall Street Reform and Consumer Protection Act, and agrees that it will not take any action that could have an adverse effect on the availability of the exemption from registration provided by Rule 501 promulgated under the Securities Act with respect to the offer and sale of the Units;

(c) Such Member’s Units are being acquired for its own account solely for investment and not with a view to resale or distribution thereof;

(d) The determination of such Member to acquire Units has been made by such Member independent of any other Member and independent of any statements or opinions as to the advisability of such purchase or as to the business, operations, assets, liabilities, results of operations, financial condition and prospects of the Company and the Company Subsidiaries that may have been made or given by any other Member or by any agent or employee of any other Member;

(e) Such Member has such knowledge and experience in financial and business matters and is capable of evaluating the merits and risks of an investment in the Company and making an informed decision with respect thereto;

(f) Such Member is able to bear the economic and financial risk of an investment in the Company for an indefinite period of time;

(g) The execution, delivery and performance of this Agreement have been duly authorized by such Member and do not require such Member to obtain any consent or approval that has not been obtained and do not contravene or result in a default in any material respect under any provision of any law or regulation applicable to such Member or other governing documents or any agreement or instrument to which such Member is a party or by which such Member is bound; and

(h) This Agreement is valid, binding and enforceable against such Member in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws of general applicability relating to or affecting creditors’ rights or general equity principles (regardless of whether considered at law or in equity).

**Section 4.03 No Personal Liability.** Except as otherwise provided in the Delaware Act, by Applicable Law or expressly in this Agreement, no Member will be obligated personally for any debt, obligation or liability of the Company or of any Company Subsidiaries or other Members, whether arising in contract, tort or otherwise, solely by reason of being a Member.

**Section 4.04 No Withdrawal.** A Member shall not cease to be a Member as a result of the Bankruptcy of such Member or as a result of any other events specified in § 18-304 of the Delaware Act. So long as a Member continues to hold any Units, such Member shall not have the ability to withdraw or resign as a Member prior to the dissolution and winding up of the Company and any such withdrawal or resignation or attempted withdrawal or resignation by a Member prior to the dissolution or winding up of the Company shall be null and void. As soon as any Person who is a Member ceases to hold any Units, such Person shall no longer be a Member.

**Section 4.05 Death or Dissolution.** The death or dissolution of any Member shall not cause the dissolution of the Company. In such event the Company and its business shall be continued by the remaining Member or Members and the Units owned by the deceased Member shall automatically be Transferred to such Member's heirs in accordance with Applicable Law; *provided*, that within a reasonable time after such Transfer, the applicable heirs shall sign a written undertaking substantially in the form of the Joinder Agreement.

**Section 4.06 Voting.** Except as otherwise provided by this Agreement (including Section 4.12) or as otherwise required by the Delaware Act or Applicable Law, on all matters on which members are entitled to vote, only the holders that are record owners of issued and outstanding Class B-1 Common Units shall be entitled to vote. Each holder of issued and outstanding Class B-1 Common Units shall be entitled to one vote per issued and outstanding Class B-1 Common Unit. . Each of Class A Convertible Preferred Units, Class B-2 Common Units, and Class P Units shall be non-voting; *provided*, that each of such Units shall have any consent and other rights (if any) expressly provided to them by this Agreement. For the avoidance of doubt, no Unit shall be entitled to vote prior to the issuance of such Unit.

**Section 4.07 Meetings.**

(a) **Calling the Meeting.** Meetings of the Members may be called by either the Managing Member or the Class A Members. Only Members who hold issued and outstanding Units which are entitled to vote pursuant to Section 4.06 ("**Voting Members**") shall have the right to attend meetings of the Members.

(b) **Notice.** Written notice stating the place, date and time of the meeting and, in the case of a meeting of the Members not regularly scheduled, describing the purposes for which the meeting is called, shall be delivered not fewer than two (2) days and not more than thirty (30) days before the date of the meeting to each Voting Member, by or at the direction of the Managing Member or the Member(s) calling the meeting, as the case may be. The Voting Members may hold meetings at the Company's principal office or at such other place as the Managing Member may designate in the notice for such meeting.

(c) **Participation.** Any Voting Member may participate in a meeting of the Voting Members by means of conference telephone or other communications equipment by means of which all Persons participating in the meeting can hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting.

(d) **Vote by Proxy.** On any matter that is to be voted on by Voting Members, a Voting Member may vote in person or by proxy, and such proxy may be granted in writing, by means of Electronic Transmission or as otherwise permitted by Applicable Law. Every proxy shall be revocable in the discretion of the Voting Member executing it unless otherwise provided in such proxy; *provided*, that such right to revocation shall not invalidate or otherwise affect actions taken under such proxy prior to such revocation.

(e) **Conduct of Business.** The business to be conducted at such meeting need not be limited to the purpose described in the notice and can include business to be conducted by Voting Members; *provided*, that the Voting Members shall have been notified of the meeting in accordance with Section 4.07(b). Attendance of a Member at any meeting shall constitute a waiver of notice of such meeting, except where a Member attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

**Section 4.08 Quorum.** A quorum of any meeting of the Voting Members shall require the presence of Members holding a majority of the outstanding Units that are entitled to vote on any matter presented at such meeting. Subject to Section 4.09, no action at any meeting may be taken by the Members unless the appropriate quorum is present. Subject to Section 4.09, no action may be taken by the Members at any meeting at which a quorum is present without the affirmative vote of Members holding a majority of the issued and outstanding Units held by all Members.

**Section 4.09 Action Without Meeting.** Notwithstanding the provisions of Section 4.08, but subject in all cases to compliance with Section 4.12, any matter that is to be voted on, consented to or approved by Voting Members may be taken without a meeting, without prior notice and without a vote if consented to, in writing or by Electronic Transmission, by a Member or Members holding not less than the minimum number of the issued and outstanding Units that would be required to authorize or take such action at a meeting at which a quorum is present in accordance with this Agreement. A record shall be maintained by the Managing Member of each such action taken by written consent of a Member or Members.

**Section 4.10 Power of Members.** Subject to compliance with each of Section 8.01 and Section 4.12, the Members shall have the power to exercise any and all rights or powers granted to Members pursuant to the express terms of this Agreement and the Delaware Act. Except as otherwise specifically provided by this Agreement or required by the Delaware Act, no Member, in its capacity as a Member, shall have the power to act for or on behalf of, or to bind, the Company.

**Section 4.11 No Interest in Company Property.** No real or personal property of the Company shall be deemed to be owned by any Member individually, but shall be owned by, and title shall be vested solely in, the Company. Without limiting the foregoing, each Member hereby irrevocably waives during the existence of the Company any right that such Member may have to maintain any action for partition with respect to the property of the Company.

**Section 4.12 Consent Rights.** For so long as Abrams or BCP holds any Units, the Company will not, and will cause the other Company Group Members to not, either directly or indirectly, take, or agree or commit to take, any of the following actions without the prior written consent of each of Abrams and BCP, as applicable, and any such act or transaction entered into without such consent or vote will be null and void *ab initio*, and of no force or effect:

(a) create, authorize, or issue (by reclassification or otherwise) any equity securities, or other instruments convertible or exchangeable into, or exercisable for, equity securities (“**Equity Securities**”) of any Company Group Member, other than any issuance or proposed issuance (a) to employees, consultants or members of the board of directors of any Company Group Member pursuant to an employee benefit plan or arrangement that has been approved by the board of directors of the Company, (b) upon the conversion or exchange of any securities issued in accordance with this Agreement pursuant to the terms thereof or (c) by any direct or indirect wholly-owned subsidiary of the Company to another direct or indirect wholly-owned subsidiary of the Company (“**Excluded Issuances**”);

(b) declare or pay any distributions to equity holders, or redeem, repay, defease, or repurchase any Equity Securities; *provided, however*, that, notwithstanding the foregoing, (i) the Company may declare and pay distributions to the Class B Members, for the sole purpose of paying for, and in the amount of, (A) the reasonable and documented, out-of-pocket expenses actually incurred by Parent in order to continue to be publicly traded on a national securities exchange and an SEC reporting company, (B) the payment of vendors in the ordinary course and consistent with past practice; *provided, however*, that, with respect to the foregoing clauses (A) and (B), the Company must have provided reasonable detail of such expenses to Abrams and BCP at least three (3) Business Days prior to the declaration or payment of such distribution with respect thereto, and (C) the payment of payroll and other employee-related expenses of the Company in the ordinary course of business and consistent with past practice; (ii) the Company may redeem or repurchase Class B-1 Common Units of Parent, in an aggregate amount not to exceed \$5,000,000.00 in any twelve-month period or calendar year at a price per Class B-1 Common Unit of \$8.00, the proceeds of which redemption(s) shall be applied to the business needs of Parent, which needs may include the payment or the making of provision for the payment when due of obligations, including, present and anticipated debts and obligations, capital needs and expenses, the payment of any management or administrative fees and expenses, payment of employees, and reasonable reserves for contingencies; and (iii) any direct or indirect wholly-owned subsidiary of the Company may (A) declare and pay distributions to the Company or to other wholly-owned subsidiaries of the Company or (B) redeem, repay, defease, or repurchase Equity Securities of other wholly-owned subsidiaries of the Company;

(c) acquire any stock, assets, or business of any Person in one transaction or series of related transactions, (other than the acquisition of Cash Equivalents or Marketable Securities (each, as defined pursuant to GAAP) in the ordinary course or consistent with past practice) in one or a series of related transactions involving aggregate consideration in excess of \$5 million;

(d) dispose of any assets (whether by merger, consolidation, or otherwise) (other than the disposition of Cash Equivalents or Marketable Securities (each, as defined pursuant to GAAP) in the ordinary course or consistent with past practice) in one or a series of related transactions involving aggregate consideration in excess of \$5 million;

(e) enter into any settlement agreement with respect to any claim, lawsuit, or other proceeding relating to any Company Group Member other than any settlement approved by the board of Parent with respect to the securities litigation matter included in Parent's SEC reports prior to the date of the A&R Agreement in an amount not to exceed \$3,000,000 in the aggregate;

(f) enter into any new line of business;

(g) entry into or conduct of any transaction or series of related transactions (including any contract, agreement, or other arrangement or the purchase, sale, lease, or exchange of any property or the rendering of any service) with any Affiliate of any Company Group Member or Parent, or any director or officer of any Company Group Member or Parent, or any equity holder or stockholder of the Company or Parent who files ownership disclosures on Schedule 13D (other than, in each case, transactions between or among the Company and any direct or indirect wholly-owned subsidiaries of the Company);

(h) incur, or suffer to exist, Indebtedness, or subject any assets or equity interests of any Company Group Member to any lien or encumbrance of any nature;

(i) transfer any Class B-1 Common Units or any Equity Securities;

(j) amend the Class P Joinder Agreement, or, other than as expressly provided by the Class B Joinder Agreement as in effect on the date hereof, authorize or issue any additional Class P Units; and

(k) amend this Agreement in any manner adverse to the rights and privileges of the Class A Members.

**ARTICLE V**  
**CAPITAL CONTRIBUTIONS; CAPITAL ACCOUNTS**

**Section 5.01 Capital Contributions.**

(a) On or prior to the Closing Effective Date, each Member has made the aggregate Capital Contribution(s) in the amounts set forth opposite such Member's name on the Members Schedule.

(b) No Member shall have the right to demand the return of its Capital Contributions, or otherwise to withdraw any amounts from the Company, except upon dissolution of the Company or as expressly provided herein.

**Section 5.02 Initial Capital Accounts.** Each Member who has made a Capital Contribution pursuant to Section 5.01(a) shall have a Capital Account and be credited with the Capital Contribution(s) in the amount set forth opposite such Member's name on the Members Schedule as in effect on the Closing Effective Date. Each Member shall own the number, type, series, and class of Units, in each case, in the amounts set forth opposite such Member's name on the Members Schedule as in effect from time to time.

**Section 5.03 Additional Capital Contributions.**

(a) Except as set forth in Section 5.01(a), no Member shall be required to make any Capital Contributions to the Company.

(b) No Member shall be required to lend any funds to the Company and no Member shall have any personal liability for the payment or repayment of any Capital Contribution by or to any other Member.

**Section 5.04 Maintenance of Capital Accounts.** The Company shall establish and maintain for each Member a separate capital account (a "Capital Account") on its books and records in accordance with this Section 5.04. Each Capital Account shall be established and maintained in accordance with the following provisions:

(a) Each Member's Capital Account shall be increased by the amount of:

- (i) such Member's Capital Contributions, including such Member's initial Capital Contribution;
- (ii) any Net Income or other item of income or gain allocated to such Member pursuant to Article VI; and
- (iii) any liabilities of the Company that are assumed by such Member or secured by any property Distributed to such Member.

(b) Each Member's Capital Account shall be decreased by:

(i) the cash amount or Book Value of any property Distributed to such Member pursuant to Article VII and Section 12.03(c);

(ii) the amount of any Net Loss or other item of loss or deduction allocated to such Member pursuant to Article VI; and

(iii) the amount of any liabilities of such Member assumed by the Company or which are secured by any property contributed by such Member to the Company.

The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Treasury Regulations Section 1.704-1(b), and shall be interpreted and applied in a manner consistent with such Treasury Regulations. In the event the Partnership Representative shall reasonably determine that it is prudent to modify or adjust the manner in which the Capital Accounts, or any debits or credits thereto (including debits or credits relating to liabilities which are secured by contributed or distributed property or which are assumed by the Company or any Members), are computed in order to comply with such Treasury Regulations, the Partnership Representative may make such modification or adjustment, provided such modification or adjustment does not affect the amounts distributable to any Member pursuant to this Agreement.

**Section 5.05 Succession Upon Transfer.** In the event that any Units are Transferred in accordance with the terms of this Agreement, the Transferee shall succeed to the Capital Account of the Transferor to the extent it relates to the Transferred Units and, subject to Section 6.04, shall receive allocations and Distributions pursuant to Article VI, Article VII and Article XII in respect of such Units.

**Section 5.06 Negative Capital Accounts.** In the event that any Member shall have a deficit balance in his, her or its Capital Account, such Member shall have no obligation, during the existence of the Company or upon dissolution or liquidation thereof, to restore such negative balance or make any Capital Contributions to the Company by reason thereof, except as may be required by Applicable Law or in respect of any negative balance resulting from a withdrawal of capital or dissolution in contravention of this Agreement.

**Section 5.07 No Withdrawal.** No Member shall be entitled to withdraw any part of his, her or its Capital Account or to receive any Distribution from the Company, except as provided in this Agreement. No Member shall receive any interest, salary or drawing with respect to its Capital Contributions or its Capital Account, except as otherwise provided in this Agreement. The Capital Accounts are maintained for the sole purpose of allocating items of income, gain, loss and deduction among the Members and shall have no effect on the amount of any Distributions to any Members, in liquidation or otherwise.

**Section 5.08 Treatment of Loans From Members.** Loans by any Member to the Company shall not be considered Capital Contributions and shall not affect the maintenance of such Member's Capital Account, other than to the extent provided in Section 5.04(a)(iii), if applicable. The amount of any such loans shall be a debt of the Company to such Member and shall be payable or collectible in accordance with the terms and conditions upon which such loans are made.

**ARTICLE VI**  
**ALLOCATION**

**Section 6.01 Allocation of Net Income and Net Loss.** For each Fiscal Year (or portion thereof), except as otherwise provided in this Agreement, Net Income and Net Loss (and, to the extent necessary and provided herein, individual items of income, gain, loss or deduction) of the Company shall be allocated among the Members in a manner such that, after giving effect to the special allocations set forth in Section 6.02, the Capital Account balance of each Member, immediately after making such allocations, is, as nearly as possible, equal to (i) the Distributions that would be made to such Member pursuant to Section 12.03(c) if the Company were dissolved, its affairs wound up and its assets sold for cash equal to their Book Value, all Company liabilities were satisfied (limited with respect to each Nonrecourse Liability to the Book Value of the assets securing such liability), and the net assets of the Company were Distributed, in accordance with Section 12.03(c), to the Members immediately after making such allocations, minus (ii) such Member's share of Company Minimum Gain and Member Nonrecourse Debt Minimum Gain, computed immediately prior to the hypothetical sale of assets. Notwithstanding the foregoing, upon a liquidation of the Company pursuant to Section 12.03, the Company shall, to the extent necessary, allocate individual items of income, gain, loss or deduction of the Company among the Members such that the Capital Account balance of each Member is as nearly as possible, on a proportionate basis, equal to the amounts provided for in the first sentence of this Section 6.01. Notwithstanding any other provision of this Agreement, the Partnership Representative may make such allocations of Net Income or Net Loss (or items thereof) as it deems reasonably necessary to give economic effect to the provisions of this Agreement, taking into such facts and circumstances as it deems reasonably necessary for this purpose.

**Section 6.02 Regulatory and Special Allocations.** Notwithstanding the provisions of Section 6.01:

(a) If there is a net decrease in Company Minimum Gain (determined according to Treasury Regulations Section 1.704-2(d)(1)) during any Fiscal Year, each Member shall be specially allocated Net Income for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to such Member's share of the net decrease in Company Minimum Gain, determined in accordance with Treasury Regulations Section 1.704-2(g)(1). The items to be so allocated shall be determined in accordance with Treasury Regulations Sections 1.704-2(f)(6) and 1.704-2(j)(2). This Section 6.02(a) is intended to comply with the "minimum gain chargeback" requirement in Treasury Regulations Section 1.704-2(f) and shall be interpreted and applied in a manner consistently therewith.

(b) Member Nonrecourse Deductions shall be allocated in the manner required by Treasury Regulations Section 1.704-2(i). Except as otherwise provided in Treasury Regulations Section 1.704-2(i)(4), if there is a net decrease in Member Nonrecourse Debt Minimum Gain during any Fiscal Year, each Member that has a share of such Member Nonrecourse Debt Minimum Gain shall be specially allocated Net Income for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to that Member's share of the net decrease in Member Nonrecourse Debt Minimum Gain. Items to be allocated pursuant to this paragraph shall be determined in accordance with Treasury Regulations Sections 1.704-2(i)(4) and 1.704-2(j)(2). This Section 6.02(b) is intended to comply with the "minimum gain chargeback" requirements in Treasury Regulations Section 1.704-2(i)(4) and shall be interpreted consistently therewith.

(c) In the event any Member unexpectedly receives any adjustments, allocations or Distributions described in Treasury Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) that causes an Adjusted Capital Account Deficit, Net Income shall be specially allocated to such Member in an amount and manner sufficient to eliminate the Adjusted Capital Account Deficit created by such adjustments, allocations or Distributions to the extent required by the Treasury Regulations as quickly as possible. This Section 6.02(c) is intended to comply with the qualified income offset requirement in Treasury Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

(d) In the event any Member has a deficit Capital Account at the end of any Fiscal Year which is in excess of the sum of the amount such Member is obligated to restore pursuant to the penultimate sentences of Treasury Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5), each such Member shall be specially allocated items of Company income and gain in the amount of such excess to the extent required by the Treasury Regulations as quickly as possible, *provided* that an allocation pursuant to this Section 6.02(d) shall be made only if and to the extent that such Member would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Article VI have been made as if Section 6.02(c) and this Section 6.02(d) were not in this Agreement.

(e) Nonrecourse Deductions for any Fiscal Year shall be allocated among the Members in the same proportion as the other Net Losses of the Company for such year.

(f) Any Member Nonrecourse Deductions for any Fiscal Year shall be specially allocated to the Member who bears the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Treasury Regulations Section 1.704-2(i)(1).

(g) The allocations set forth in paragraphs (a) through (f) above (the “**Regulatory Allocations**”) are intended to comply with certain requirements of the Treasury Regulations under Code Section 704. Notwithstanding any other provisions of this Article VI (other than the Regulatory Allocations), the Regulatory Allocations shall be taken into account in allocating Net Income and Net Losses among Members so that, to the extent possible, the net amount of such allocations of Net Income and Net Losses and other items and the Regulatory Allocations to each Member shall be equal to the net amount that would have been allocated to such Member if the Regulatory Allocations had not occurred.

(h) Net Losses allocated pursuant to Section 6.01 shall not exceed the maximum amount of Net Losses that can be allocated without causing any Member to have an Adjusted Capital Account Deficit at the end of any Fiscal Year. In the event some but not all of Members would otherwise have Adjusted Capital Account Deficits as a consequence of an allocation of Net Losses pursuant to Section 6.01, the limitation set forth in this Section 6.02(h) shall be applied on a Member by Member basis and Net Losses not allocable to any Member as a result of such limitation shall be allocated (a) first, to the other Members in accordance with the positive balances in such Member’s Capital Accounts so as to allocate the maximum permissible Net Losses to each Member under Section 1.704-1(b)(2)(ii)(d) of the Treasury Regulations (until the Capital Account balances of all Members shall be reduced to zero), and (b) thereafter in the same manner as Nonrecourse Deductions. If and to the extent Net Losses are allocated pursuant to this Section 6.02(h) rather than Section 6.01, then, notwithstanding Section 6.01 above, subsequent allocations of Net Income shall be made first to the Members who received excess allocations of Net Losses pursuant to this Section 6.02(h) in excess of what they would have otherwise received pursuant to Section 6.01 (“**Excess Net Losses**”), in proportion to those Excess Net Losses, until all such Excess Net Losses have been offset with allocations of Net Income pursuant to this sentence. Any remaining allocations of Net Income shall be made in accordance with Section 6.01.

#### **Section 6.03 Tax Allocations.**

(a) Subject to Section 6.03(b) through Section 6.03(e), all income, gains, losses and deductions of the Company shall be allocated, for federal, state and local income tax purposes, among the Members in accordance with the allocation of such income, gains, losses and deductions among the Members for computing their Capital Accounts, except that if any such allocation for tax purposes is not permitted by the Code or other Applicable Law, the Company’s subsequent income, gains, losses and deductions shall be allocated among the Members for tax purposes, to the extent permitted by the Code and other Applicable Law, so as to reflect as nearly as possible the allocation set forth herein in computing their Capital Accounts.

(b) Items of Company taxable income, gain, loss and deduction with respect to any property contributed to the capital of the Company shall be allocated among the Members in accordance with Code Section 704(c) and Treasury Regulations Section 1.704-3, so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its Book Value.

(c) If the Book Value of any Company asset is adjusted pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(f) as provided in clause (c) of the definition of Book Value, subsequent allocations of items of taxable income, gain, loss and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Book Value in the same manner as under Code Section 704(c). The Company and the Members agree that there shall be a revaluation under Treasury Regulations Section 1.704-1(b)(2)(iv)(f) as of the date hereof.

(d) Allocations of tax credit, tax credit recapture and any items related thereto shall be allocated to the Members according to their interests in such items as determined by the Partnership Representative taking into account the principles of Treasury Regulations Section 1.704-1(b)(4)(ii).

(e) The Company shall make allocations pursuant to this Section 6.03 in accordance with such method or methods as may be adopted for the Company by the Partnership Representative pursuant to Code Section 704(c); *provided* that the “remedial method” under Treasury Regulations Section 1.704-3(d) shall be used for allocations pursuant to Code Section 704(c) unless otherwise consented in writing to by Abrams and BCP.

(f) Allocations pursuant to this Section 6.03 are solely for purposes of federal, state and local taxes and shall not affect, or in any way be taken into account in computing, any Member’s Capital Account or share of Net Income, Net Losses, Distributions or other items pursuant to any provisions of this Agreement.

**Section 6.04 Allocations in Respect of Transferred Units.** In the event of a Transfer of Units during any Fiscal Year made in compliance with the provisions of Article IX, Net Income, Net Losses and other items of income, gain, loss and deduction of the Company attributable to such Units for such Fiscal Year shall be determined using the interim closing of the books method in accordance with applicable Treasury Regulations.

**Section 6.05 Curative Allocations.** In the event that the Partnership Representative determines, after consultation with counsel experienced in income tax matters, that the allocation of any item of Company income, gain, loss or deduction is not specified in this Article VI (an “**Unallocated Item**”), or that the allocation of any item of Company income, gain, loss or deduction hereunder is clearly inconsistent with the Members’ economic interests in the Company (determined by reference to the general principles of Treasury Regulations Section 1.704-1(b) and the factors set forth in Treasury Regulations Section 1.704-1(b)(3)(ii)) (a “**Misallocated Item**”), then the Partnership Representative may allocate such Unallocated Items, or reallocate such Misallocated Items, to reflect such economic interests; *provided*, that no such allocation will be made without the prior consent of each Member that would be adversely and disproportionately affected thereby; and *provided, further*, that no such allocation shall have any material effect on the amounts distributable to any Member, including the amounts to be distributed upon the complete liquidation of the Company.

**ARTICLE VII**  
**DISTRIBUTIONS**

**Section 7.01 General.**

(a) Subject to compliance with Section 4.12, Section 7.01(b), Section 7.02 and Section 7.03 the Managing Member shall have sole discretion regarding the amounts and timing of Distributions to Members, including to decide to forego payment of Distributions in order to provide for the retention and establishment of reserves of, or payment to third parties of, such funds as it deems necessary with respect to the Company's reasonable business needs, which needs may include the payment or the making of provision for the payment when due of obligations, including, but not limited to, present and anticipated debts and obligations, capital needs and expenses, the payment of any management or administrative fees and expenses, payment of employees and reasonable reserves for contingencies ("**Business Needs**").

(b) Subject to compliance with Section 4.12, the Company shall pay and be responsible for, and the Members acknowledge and agree that the Company shall make Distributions to Parent in respect of, the Business Needs of Parent. In furtherance thereof, upon written request of Parent including reasonable detail, the Company shall make Distributions to Parent in amounts sufficient to satisfy Parent's Business Needs accruing or arising following the Closing Effective Date. All such Distributions shall be in addition to, and shall not reduce or offset the amount of Distributions required pursuant to, any other provision of this Agreement.

(c) Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not make any Distribution to Members if such Distribution would violate § 18-607 of the Delaware Act or other Applicable Law.

**Section 7.02 Timing and Priority of Distributions.** Subject to compliance with Section 4.12, Section 7.01 and Section 7.03, Distributions determined to be made by the Managing Member pursuant to Section 7.01 (which shall exclude, for the avoidance of doubt, Distributions made in connection with a liquidation of the Company pursuant to Section 12.03 of this Agreement) shall be made in the following order and priority:

(a) *first*, to Parent, in one or more Distributions at the discretion of the Managing Member to satisfy any Business Needs that accrued or arose following the Original Closing Date;

(b) *second*, to the Class A Members, *pro rata*, in accordance with their respective Class A Percentage Interests, until each Class A Member has been Distributed an amount equal to such Class A Member's aggregate Capital Contributions in respect of Class A Convertible Preferred Units, *provided* that prior to the making of any Distribution pursuant to this Section 7.02(b), each Class A Member shall have been (i) provided notice (a "**Class A Distribution Notice**") at least five (5) Business Days prior to such Distribution including reasonable detail as to (A) the amount of such Distribution with respect to the Class A Convertible Preferred Units and the Class B Common Units, (B) the amount of such Distribution with respect to the Class A Convertible Preferred Units and the Class B Common Units if the Class A Convertible Preferred Units were converted into Class B-2 Common Units prior to such Distribution pursuant to Section 3.04 hereof, and (C) the date by which a Conversion Notice must be delivered to the Company to convert Class A Convertible Preferred Units into Class B-2 Common Units prior to such Distribution, and (ii) given the opportunity to convert their Class A Convertible Preferred Units into Class B-2 Common Units pursuant to the terms of the Class A Distribution Notice and Section 3.04 hereof;

(c) *third*, 100% to the Class B Members, *pro rata*, in accordance with their respective Class B Percentage Interests, until each Class B Member has been Distributed an amount equal to such Class B Member's aggregate Capital Contributions in respect of each Class B Common Unit;

(d) *fourth*, subject to any Retained Distributions (as defined below) 100% to the Class P Member until the total Distributions made in respect of the Class P Units is an amount equal to the Class P Percentage multiplied by the total amount of Distributions made pursuant to clauses (b) and (c) of this Section 7.02; and

(e) *thereafter*, 100% to all the Members, *pro rata* based upon the aggregate number of Class B Common Units and, subject to any Retained Distributions, Class P Units held by such Member as of the time of distribution in proportion to the aggregate number of all such Units outstanding as of the time of distribution.

Notwithstanding anything herein to the contrary, any Distributions with respect to Unvested Class P Units shall be retained by the Company (the "**Retained Distribution**") and paid to the Class P Member if and when such Unvested Class P Units become Vested Class P Units; *provided*, that a portion of any Retained Distribution may be Distributed to the Class P Member as a Tax Distribution if the Class P Member is subject to income taxation on the items of income and gain attributable to such Retained Distribution in an amount determined by the Managing Member. If a Class P Unit is canceled or forfeited prior to becoming a Vested Class P Unit, then any such Retained Distribution shall be distributed to the Members in accordance with this Section 7.02 immediately upon the Class P Member's forfeiture of the Class P Units.

### **Section 7.03 Tax Distributions.**

(a) For any taxable year (or portion thereof) during which the Company is treated as a partnership for U.S. federal income tax purposes and to the extent that the Managing Member reasonably determines that the Company has available funds (except as otherwise limited by the Act), the Company may, with the prior written consent of the Managing Member, make a distribution ratably among the Members in accordance with their respective Qualifying Percentage Interests (a "**Tax Distribution**") on a quarterly or other basis such that each Member receives pursuant to this Section 7.03 an amount equal to the excess (if any) of (i) the product of (a) the taxable net income allocated to such Member pursuant to this Agreement (or an estimate thereof) in respect of any Fiscal Year, multiplied by (b) such Member's Tax Rate, over (ii) the aggregate amount of cash Distributions or expected cash Distributions to such Member in respect of such Fiscal Year pursuant to Section 7.02 (as reasonably determined by the Managing Member). The Members shall cooperate with the Managing Member to determine the applicable Tax Rate. All Tax Distributions made pursuant to this Section 7.03 shall (i) be treated as advances on Distributions otherwise payable under Section 7.02 (or Section 12.03) so that the total amount distributed to a Member under Section 7.02 (or Section 12.03) and this Section 7.03 is the same as the amount that would have been distributed to such Member under Section 7.02 (or Section 12.03) had this Section 7.03 not been included in the Agreement, and (ii) be subject to the limitations on distributions pursuant to Section 7.01(b) and the Managing Member's reasonable determination based on amount of Distributable Cash, with any shortfall in amounts available for distribution to be prorated according to each Member's relative Qualifying Percentage Interests; *provided, however*, that any amount that should have been distributed to a Member in a given Fiscal Year and is not distributed in such Fiscal Year may be carried forward and added to the amount to be distributed in the immediately following Fiscal Year. Notwithstanding anything to the contrary herein, all Members shall receive Tax Distributions pro rata in accordance with their respective Qualifying Percentage Interests.

(b) Subject to compliance with Section 4.12, each Class B-1 Member may loan to the Company an amount equal to a Tax Distribution (or portion thereof) received by such Class B-1 Member pursuant to Section 7.03(a) that Parent determines, in its reasonable discretion, is in excess of the payment required by Parent. For the avoidance of doubt, both the existence and terms of any such loan shall be subject to the prior written consent of each of Abrams and BCP, and shall be treated in accordance with Section 5.08 of this Agreement.

**Section 7.04 Tax Withholding; Withholding Advances.**

(a) **Tax Withholding.** If requested by the Partnership Representative, each Member shall, if able to do so, deliver to the Partnership Representative:

(i) an affidavit in form satisfactory to the Partnership Representative that the applicable Member (or its members, as the case may be) is not subject to withholding under the provisions of any federal, state, local, foreign or other Applicable Law;

(ii) any certificate that the Partnership Representative may reasonably request with respect to any such laws; and/or

(iii) any other form or instrument reasonably requested by the Partnership Representative relating to any Member's status under such law.

If a Member fails or is unable to deliver to the Partnership Representative the affidavit described in Section 7.04(a)(i), the Partnership Representative may withhold amounts from such Member in accordance with Section 7.04(b).

(b) **Withholding Advances.** If a Member fails to satisfy the condition required under Section 7.04(a)(i), the Company is hereby authorized at all times to make payments ("**Withholding Advances**") with respect to each Member in amounts required to discharge any obligation of the Company (as determined by the Partnership Representative based on the advice of legal or tax counsel to the Company) to withhold or make payments to any federal, state, local or foreign taxing authority (a "**Taxing Authority**") with respect to any Distribution or allocation by the Company of income or gain to such Member and to withhold the same from Distributions to such Member. In the event that the distributions or proceeds to the Company or any Company Subsidiary are reduced on account of taxes withheld at the source or any taxes are otherwise required to be paid by the Company and such taxes are imposed on or with respect to one or more, but not all of the Members in the Company, the amount of the reduction shall be borne by the relevant Members and treated as if it were paid by the Company as a Withholding Advance with respect to such Members. Taxes imposed on the Company where the rate of tax varies depending on characteristics of the Members shall be treated as taxes imposed on or with respect to the Members for purposes of the preceding sentence. Any funds withheld from a Distribution by reason of this Section 7.04(b) shall nonetheless be deemed Distributed to the Member in question for all purposes under this Agreement and, at the option of the Partnership Representative, shall be charged against the Member's Capital Account.

(c) **Repayment of Withholding Advances.** Any Withholding Advance made by the Company to a Taxing Authority on behalf of a Member and not simultaneously withheld from a Distribution to that Member shall, with interest thereon accruing from the date of payment at a rate equal to the prime rate published in the *Wall Street Journal* on the date of payment plus two percent (2.0%) per annum:

(i) be promptly repaid to the Company by the Member on whose behalf the Withholding Advance was made (which repayment by the Member shall not constitute a Capital Contribution, but shall credit the Member's Capital Account if the Managing Member shall have initially charged the amount of the Withholding Advance to the Capital Account); or

(ii) with the consent of the Partnership Representative, be repaid by reducing the amount of the next succeeding Distribution or Distributions to be made to such Member (which reduction amount shall be deemed to have been Distributed to the Member, but which shall not further reduce the Member's Capital Account if the Partnership Representative shall have initially charged the amount of the Withholding Advance to the Capital Account).

Interest shall cease to accrue from the time the Member on whose behalf the Withholding Advance was made repays such Withholding Advance (and all accrued interest) by either method of repayment described above.

(d) **Imputed Underpayment.** Any "imputed underpayment" within the meaning of Code Section 6225 paid (or payable) by the Company as a result of an adjustment with respect to any Company item, including any interest or penalties with respect to any such adjustment (collectively, an "**Imputed Underpayment Amount**"), shall be treated as if it were paid by the Company as a Withholding Advance with respect to the appropriate Members. The Partnership Representative shall reasonably determine the portion of an Imputed Underpayment Amount attributable to each Member or former Member. The portion of the Imputed Underpayment Amount that the Partnership Representative attributes to a Member shall be treated as a Withholding Advance with respect to such Member. The portion of the Imputed Underpayment Amount that the Partnership Representative attributes to a former Member shall be treated as a Withholding Advance with respect to both such former Member and such former Member's transferee(s) or assignee(s), as applicable, and the Partnership Representative may in its reasonable discretion exercise the Company's rights pursuant to this Section in respect of either or both of the former Member and its transferee or assignee. Imputed Underpayment Amounts treated as a Withholding Advance also shall include any imputed underpayment within the meaning of Code Section 6225 paid (or payable) by any entity treated as a partnership for U.S. federal income tax purposes in which the Company holds (or has held) a direct or indirect interest other than through entities treated as corporations for U.S. federal income tax purposes to the extent that the Company bears the economic burden of such amounts, whether by law or agreement.

(e) **Indemnification.** Each Member hereby agrees to indemnify and hold harmless the Company and the other Members from and against any liability with respect to taxes, interest or penalties which may be asserted by reason of the Company's failure to deduct and withhold tax on amounts Distributable or allocable to such Member. The provisions of this Section 7.04(e) and the obligations of a Member pursuant to Section 7.04(e) shall survive the termination, dissolution, liquidation and winding up of the Company and the withdrawal of such Member from the Company or Transfer of its Units. The Company may pursue and enforce all rights and remedies it may have against each Member under this Section 7.04(e), including bringing a lawsuit to collect repayment with interest of any Withholding Advances.

(f) **Overwithholding.** Neither the Company nor the Partnership Representative shall be liable for any excess taxes withheld in respect of any Distribution or allocation of income or gain to a Member. In the event of an overwithholding, a Member's sole recourse shall be to apply for a refund from the appropriate Taxing Authority.

#### **Section 7.05 Distributions in Kind.**

(a) The Managing Member is hereby authorized, in its sole discretion, to make Distributions to the Members in the form of securities or other property held by the Company; *provided*, that, for the avoidance of doubt, any and all Distributions to Class A Members and Class B-2 Members shall be in cash. In any non-cash Distribution, the securities or property so Distributed will be Distributed among the Members in the same proportion and priority as cash equal to the Fair Market Value of such securities or property would be Distributed among the Members pursuant to Section 7.02.

(b) Any Distribution of securities shall be subject to such conditions and restrictions as the Managing Member determines are required or advisable to ensure compliance with Applicable Law. In furtherance of the foregoing, the Managing Member may require that the Members execute and deliver such documents as the Managing Member may deem necessary or appropriate to ensure compliance with all federal and state securities laws that apply to such Distribution and any further Transfer of the Distributed securities, and may appropriately legend the certificates that represent such securities to reflect any restriction on Transfer with respect to such laws.

### **ARTICLE VIII MANAGEMENT**

**Section 8.01 Management by the Managing Member.** Except as otherwise expressly set forth in this Agreement, the Managing Member shall be deemed to be a "manager" for purposes of applying the Act. Except as expressly provided in this Agreement or the Delaware Act, the business and affairs of the Company and its Subsidiaries shall be managed, operated and controlled by or under the direction of the Managing Member. The Managing Member is, to the extent of its rights and powers set forth in this Agreement, an agent of the Company for the purposes of the Company's and its Subsidiaries' business and affairs, and the actions of the Managing Member taken in accordance with such rights and powers, shall bind the Company (and no other Member shall have such right). Except as expressly provided in this Agreement, the Managing Member shall have, and is hereby granted, the full and complete power, authority and discretion for, on behalf of and in the name of the Company, to take such actions as it may in its sole discretion deem necessary or advisable to carry out any and all of the objectives and purposes of the Company, subject only to the terms of this Agreement.

**Section 8.02 Officers.** The Managing Member may appoint individuals as officers of the Company (the "**Officers**") as it deems necessary or desirable to carry on the business of the Company and the Managing Member may delegate to such Officers such power and authority as the Managing Member deems advisable. No Officer need be a Member. Any individual may hold two or more offices of the Company. Each Officer shall hold office until his or her successor is designated by the Managing Member or until his or her earlier death, resignation or removal. Any Officer may resign at any time upon written notice to the Managing Member. Any Officer may be removed by the Managing Member at any time. A vacancy in any office occurring because of death, resignation, removal or otherwise, may, but need not, be filled by the Managing Member.

**Section 8.03 No Personal Liability.** Except as otherwise provided in the Delaware Act, by Applicable Law or expressly in this Agreement, no Officer or Member will be obligated personally for any debt, obligation or liability of the Company or of any Company Subsidiaries, whether arising in contract, tort or otherwise, solely by reason of being an Officer or Member or any combination of the foregoing.

## ARTICLE IX TRANSFER

### **Section 9.01 General Restrictions on Transfer.**

(a) Each Member acknowledges and agrees that such Member (or any Permitted Transferee of such Member) shall not Transfer any Units or Unit Equivalents except as permitted pursuant to Section 4.05 or Section 9.02 or in accordance with the procedures described in Section 9.02.

(b) Any Transfer or attempted Transfer of any Units or Unit Equivalents in violation of this Agreement shall be null and void, no such Transfer shall be recorded on the Company's books and the purported Transferee in any such Transfer shall not be treated (and the purported Transferor shall continue be treated) as the owner of such Units or Unit Equivalents for all purposes of this Agreement.

**Section 9.02 Permitted Transfers.** The provisions of Section 9.01(a) shall not apply to any of the following Transfers by any Member of any of its Units or Unit Equivalents; *provided*, that the provisions of Section 9.03 will apply to the extent expressly stated therein:

(a) Transfer by Abrams, BCP or any Emerald Lake Investor to any of their respective Affiliates;

(b) Transfers by any Class A Members or Class P Members, other than Abrams, BCP or any Emerald Lake Investor, to any trust or other estate planning vehicle controlled by such Class A Member or Class P Member for the benefit of such Class A Member or Class P Member or such Class A Member's or Class P Member's Family Members;

(c) Transfers with the prior written consent of all of the Managing Member, Abrams, and BCP; and

(d) Transfer occurring pursuant to Section 9.03.

Notwithstanding the foregoing, no Transfer shall be permitted if the Managing Member determines that it creates a material risk (alone or together with other Transfers) that the Company may become treated as a "publicly traded partnership" within the meaning of Section 7704 of the Code.

Any Imputed Underpayment Amount that is properly allocable to an assignor of an interest, as reasonably determined by the Managing Member, shall be treated as a Withholding Advance with respect to the applicable assignee in accordance with Section 7.04. Furthermore, as a condition to any assignment, each assignor shall be required to agree (i) to continue to comply with the provisions of Section 7.04 and Section 11.02 notwithstanding such assignment, and (ii) to indemnify and hold harmless the Company from and against any and all liability with respect to the assignee's Withholding Advance resulting from Imputed Underpayment Amounts attributable to the assignor to the extent that the assignee fails to do so.

**Section 9.03 Tag-Along Rights.** If Abrams or BCP is converting or exchanging (howsoever structured) all or any portion of its Class A Convertible Preferred Units into or for Equity Securities of any other Affiliated Entity (such Equity Securities, the “**Exchange Consideration**”), the Company will cause the applicable Affiliated Entity to provide each other Class A Member and the Class P Member with (a) at least fifteen (15) Business Days’ advanced written notice thereof (a “**Tag-Along Notice**”) and (b) the right and opportunity, but not the obligation, to exchange or convert (i) up to all of such Class A Member’s Class A Convertible Preferred Units, at the same amount of Exchange Consideration per Class A Convertible Preferred Unit as Abrams or BCP, as applicable, and (ii) the same percentage of the Class P Member’s Class P Units as the percentage of Class A Convertible Preferred Units converted or exchanged by Abrams or BCP, as applicable, at an amount of Exchange Consideration per Class P Unit determined by reference to the fair market value of the Exchange Consideration to be received by Abrams or BCP, as applicable, per Unit, less the Capital Contribution amounts with respect to such Abrams or BCP Unit, and on substantially the same other terms and conditions as Abrams or BCP, as applicable, in each case, with respect to both the immediately preceding clause (i) and clause (ii), subject to any applicable legal, regulatory and tax considerations (a “**Tag-Along Opportunity**”) *provided*, that, notwithstanding the foregoing, the effectiveness of any participation election with respect to any Unvested Class P Unit will be delayed until, and conditioned upon, such Unvested Class P Unit becoming a Vested Class P Unit, and, accordingly, such participation will be on such terms and conditions as the Managing Member determines necessary or advisable (subject to being at the price specified in the immediately preceding clause (ii)). The Tag-Along Notice shall specify the Exchange Consideration per Class A Convertible Preferred Unit and the type of Equity Securities to be received. As used in this Section 9.03, the “fair market value” of the Exchange Consideration and the amount of Exchange Consideration per Class P Unit shall be determined promptly in good faith by the Managing Member following the request of the Class P Member. If a Class A Member or the Class P Member desires to accept a Tag-Along Opportunity, it must respond affirmatively in writing to the applicable Company Group Member and Abrams or BCP (as applicable) by no later than fifteen (15) Business Days after the date of the Tag-Along Notice, which acceptance will be an irrevocable commitment to participate in the Tag-Along Opportunity and will require the Class A Member and/or the Class P Member to enter into (x) with respect to Class A Units and Vested Class P Units, substantially identical agreements and documents as Abrams or BCP, as applicable, in connection with the Tag-Along Opportunity and (y) with respect to Unvested Class P Units, such agreements and documents as the Managing Member determines necessary or advisable consistent with the first sentence of this Section 9.03. If a Class A Member or the Class P Member either rejects a Tag-Along Opportunity or does not respond to a Tag-Along Notice by fifteen (15) Business Days after the date of the Tag-Along Notice, then such Class A Member or the Class P Member, as applicable, will be deemed to have irrevocably waived the right to participate in that Tag-Along Opportunity, but not any future Tag-Along Opportunities (if any). The aggregate Exchange Consideration payable for the Units converted or exchanged by any Member pursuant to this Section 9.03 will be allocated among the Members participating in such conversion or exchange based upon the Liquidation Value of such Member’s Units so converted or exchanged. If Abrams or BCP (a) converts any of its Class A Convertible Preferred Units into Class B-2 Common Units, the provisions of this Section 9.03 shall apply *mutatis mutandis* to those converted Class B-2 Common Units and (b) Transfers any of its Units to any other Person, such Person shall, by execution of a joinder to this Agreement, become automatically bound by and subject to the provisions of this Section 9.03 with respect to such Units on the same terms as Abrams or BCP, as the case may be. In furtherance of the foregoing, the Company agrees not to recognize, give effect to, or permit any Transfer by Abrams or BCP unless the transferee signs a joinder to this Agreement.

**ARTICLE X**  
**COVENANTS**

**Section 10.01 Confidentiality.**

(a) Each Member acknowledges that during the term of this Agreement, such Member will have access to and become acquainted with trade secrets, proprietary information and confidential information belonging to the Company and the Company Subsidiaries that are not generally known to the public, including, but not limited to, information concerning business plans, financial statements and other information provided pursuant to this Agreement, operating practices and methods, expansion plans, strategic plans, marketing plans, contracts, customer lists or other business documents which the Company treats as confidential, in any format whatsoever (including oral, written, electronic or any other form or medium) (collectively, “**Confidential Information**”). In addition, each Member acknowledges that: (i) the Company and the Company Subsidiaries have invested, and continue to invest, substantial time, expense and specialized knowledge in developing its Confidential Information; (ii) the Confidential Information provides the Company and the Company Subsidiaries with a competitive advantage over others in the marketplace; and (iii) the Company and the Company Subsidiaries would be irreparably harmed if the Confidential Information were disclosed to competitors or made available to the public. Without limiting the applicability of any other agreement to which any Member is subject, no Member shall, directly or indirectly, disclose (other than solely for the purposes of such Member monitoring and analyzing their investment in the Company or performing their duties as a Managing Member, Officer, employee, consultant or other service provider of any member of the Company Group) at any time, either during their association or employment with the Company and/or the Company Subsidiaries or during the six month period thereafter, any Confidential Information of which such Member is or becomes aware. Each Member in possession of Confidential Information shall take all appropriate steps to safeguard such information and to protect it against disclosure, misuse, espionage, loss and theft.

(b) Nothing contained in Section 10.01(a) shall prevent any Member from disclosing Confidential Information: (i) upon the order of any court or administrative agency; (ii) upon the request or demand of any regulatory agency or authority having jurisdiction over such Member; (iii) to the extent compelled by legal process or required or requested pursuant to subpoena, interrogatories or other discovery requests; (iv) to the extent necessary in connection with the exercise of any remedy hereunder; (v) to other Members; (vi) to such Member’s Affiliates; (vii) to such Member’s Representatives who, in the reasonable judgment of such Member, need to know such Confidential Information and agree to be bound by the provisions of this Section 10.01 as if a Member; (viii) to any potential Permitted Transferee in connection with a proposed Transfer of Units from such Member, as long as such Transferee agrees to be bound by the provisions of this Section 10.01 as if a Member; (ix) with respect to the Class A Members and the Class B Members, to their and their respective Affiliates’ current and potential investors in the ordinary course of business; or (x) with respect to any holder of Class A Convertible Preferred Units, to its current and potential financing sources.

**Section 10.02 Restrictive Covenants.** Each Member shall be subject to the following covenants of this Section 10.02.

(a) **Non-disparagement.** Each Member agrees that, while a Member and for a period of six (6) months from the date such Member (or its Permitted Transferees) ceases to be a Member, no Member shall make any public statements, in writing or orally, that disparages any Company Group Member or any of their respective officers or directors; *provided*, that the foregoing shall not be violated by, and such Member shall not be restricted from, (i) making statements in response to any legal process, required governmental testimony or filings, or administrative or arbitral proceedings (including depositions in connection with such proceedings), or (ii) any communications made by each Member in connection with any legal proceeding between or involving such Member, on the one hand, and the Company or any of its Affiliates, officers, directors, managers, employees, shareholders, or agent, on the other hand.

(b) **Blue Pencil.** The covenants contained in this Section 10.02 shall be construed as a series of separate covenants, one for each country, province, state, city or other political subdivision encompassing the Restricted Business. Except for geographic coverage, each such separate covenant shall be deemed identical in terms to the covenant contained in this Section 10.02. If any court of competent jurisdiction determines that any of the covenants set forth in this Section 10.02, or any part thereof, is unenforceable because of the duration or geographic scope of such provision, such court shall have the power to modify any such unenforceable provision to the extent necessary to permit the remaining separate covenants (or portions thereof) to be enforced, in lieu of severing such unenforceable provision from this Agreement in its entirety, whether by rewriting the offending provision, deleting any or all of the offending provision, adding additional language to this Section 10.02 or by making such other modifications as it deems warranted to carry out the intent and agreement of the parties as embodied herein to the maximum extent permitted by Applicable Law. If, in any judicial proceeding, a court refuses to enforce any of such separate covenants (or any part thereof), then the parties agree that such unenforceable covenant (or such part) shall be eliminated from this Agreement to the extent necessary to permit the remaining separate covenants (or portions thereof) to be enforced. The parties hereto expressly agree that this Agreement as so modified shall be binding upon and enforceable against each of them.

(c) **Remedies.** Each Member acknowledges that a breach of any of the covenants contained in this Section 10.02 may cause irreparable damage to the Company, the exact amount of which would be difficult to ascertain, and that the remedies at law for any such breach or threatened breach would be inadequate. Accordingly, each Member agrees that if such Member breaches or threatens to breach any of the covenants contained in this Section 10.02, in addition to any other remedy which may be available to the Company at law or in equity, the Company shall be entitled to institute and prosecute proceedings in any court of competent jurisdiction for specific performance and injunctive relief to prevent the breach or any threatened breach thereof without bond or other security or a showing that monetary damages will not provide an adequate remedy.

**Section 10.03 Parent Limited Purpose Covenant.** Parent hereby agrees that it shall not engage in any business, operation or activity whatsoever, or own any assets, incur any liabilities or obligations, or enter into any agreement or arrangement, except solely to (i) own, hold and manage (including voting) the equity interests of the Company owned by it in accordance with the terms of this Agreement and (ii) comply with reporting, filing and other obligations under the Securities Act, the Exchange Act, stock exchange listing standards and other Applicable Law; *provided*, that, in addition to the foregoing, Parent may (A) declare and pay cash dividends or make other cash distributions, (B) pay discharge, settle or otherwise satisfy liabilities of Parent, and (C) pay vendors in the ordinary course of business and consistent with past practice. Parent shall not, directly or indirectly, transfer, sell, assign, pledge, encumber or otherwise dispose of any of its equity interests in the Company (including any transfer to any Affiliate) without the prior written consent of each of Abrams and BCP. For the avoidance of doubt, Parent shall have no implied powers and shall not take any other action except as expressly permitted in this Section 10.03.

**ARTICLE XI**  
**ACCOUNTING AND TAX MATTERS**

**Section 11.01 Information Rights.** The Company shall furnish to each Member the following information.

(a) **Annual Financial Statements and Reporting.** The Company will furnish as soon as available, but in any event within ninety (90) days after the end of the applicable Fiscal Year, (i) consolidated financial statements of the Company and any Company Subsidiaries, audited by a firm of independent certified public accountants of recognized national standing selected by the Managing Member, for each Fiscal Year, including a balance sheet and statements of income, cash flows, and Members' equity for such Fiscal Year, which financial statements shall have been prepared in accordance with GAAP, applied on a basis consistent with prior years, and fairly present in all material respects the financial condition of the Company and Company Subsidiaries as of the dates thereof and the results of their operations and changes in their cash flows and Members' equity for the periods covered thereby, (ii) a statement of all Capital Contributions to and distributions from Company during such Fiscal Year and (iii) a statement of the net asset value of the Company as of the end of such Fiscal Year. In addition, within thirty (30) calendar days after the end of each applicable Fiscal Year, the Company shall deliver to each Member a good faith estimate of the Company's net asset value as of such fiscal year.

(b) **Quarterly Financial Statements and Reporting.** The Company will furnish as soon as available after the end of each quarterly accounting period in each Fiscal Year (other than the last fiscal quarter of the Fiscal Year), but in any event within forty-five (45) days after the end of the applicable quarterly accounting period, (i) consolidated financial statements of the Company and Company Subsidiaries as of the end of each such fiscal quarter and for the current Fiscal Year to date, including an unaudited balance sheet and unaudited statements of income, cash flows, and Members' equity for such fiscal quarter and for the current Fiscal Year to date, all in reasonable detail and all prepared in accordance with GAAP, consistently applied (subject to normal year-end audit adjustments and the absence of notes thereto), (ii) a statement of all Capital Contributions to and distributions from Company during such fiscal quarter and (iii) a statement of the net asset value of the Company as of the end of such fiscal quarter.

(c) **Additional Information.** The Company also will furnish all additional information regarding the Company and its Subsidiaries as may be requested from time to time, including without limitation all information required to enable Parent to satisfy its obligations under applicable securities laws and otherwise and all information reasonably requested by Abrams or BCP to allow it to value its investment in the Company or for tax reporting purposes.

(d) Any reports, schedules, forms, statements, and other documents filed by Parent with the SEC pursuant to the Exchange Act shall be deemed to have constituted provision of the information required by this Section 11.01.

## **Section 11.02 Tax Matters.**

(a) The Managing Member shall be designated as the Partnership Representative, and is further authorized to designate any individual as the “designated individual” for the Company, who shall have all the powers of the Partnership Representative hereunder. Each Member hereby consents to each such designation and agrees that upon the request of the Partnership Representative, it will execute, certify, acknowledge, swear to, file and record at the appropriate public offices such documents as may be necessary or appropriate to evidence such consent. The Managing Member is authorized and empowered in the name of and on behalf of the Company to revoke a designation of any Person as the Partnership Representative and appoint a successor Partnership Representative. Without limitation of any right to reimbursement or indemnification under this Agreement, the Partnership Representative shall be entitled to be reimbursed by the Company for all costs and expenses incurred in its capacity as such and to be indemnified by the Company (solely out of Company assets) with respect to any action brought against it in connection with serving in such capacity.

(b) For so long as the Company is treated as a partnership for U.S. federal income tax purposes, the Partnership Representative shall be authorized to manage the tax matters of the Company and shall be permitted to take any and all actions under the BBA Rules, and shall have any and all powers necessary to perform fully in such capacity. In such regard, the authority of the Partnership Representative shall include the authority to represent the Company before taxing authorities and courts in tax matters affecting the Company and the Members in their capacity as such and the authority, in its sole discretion, to make any election under the BBA Rules, including the election under Section 6226 of the Code, in connection with any tax proceeding; provided that the Partnership Representative shall in all cases act at the direction of the Managing Member and, for the avoidance of doubt, be subject to the consent rights set forth in Section 4.12 and provided further that, to the extent that the Partnership Representative will take any action that will have a material disproportionate impact on the Class A Members, the Partnership Representative shall consult with the Class A Members before taking any such action.

(c) Any Member (including any former Member) that receives communications from, or is otherwise in dispute with, any taxing authority in relation to a matter relating to the Company, including the amount or treatment of any Company item reflected on such Member’s IRS Schedule K-1, shall notify the Partnership Representative within thirty (30) days or as promptly as practicable thereafter following the occurrence of the dispute, and if the Partnership Representative reasonably determines that the matter is of material relevance to the tax position of the Company, such Member shall consult in good faith with the Partnership Representative (or any advisor appointed by the Board for the purpose). Any Member (including any former Member) that enters into a settlement agreement with respect to any Company item shall notify the Partnership Representative of such settlement agreement and its terms within thirty (30) days or as promptly as practicable thereafter following such agreement. Each Member shall cooperate and otherwise provide the Partnership Representative any tax information reasonably requested (including providing information in connection with Section 743 of the Code) so that the Partnership Representative can implement the provisions of this Section 11.02 (including by making any election permitted hereunder), can file any tax return of the Company and can conduct any tax proceeding or similar proceeding of the Company. The Partnership Representative shall be reimbursed by the Company for all costs and expenses incurred by such Person in acting as the Partnership Representative, and without limitation of any right to reimbursement or indemnification under this Agreement, the Partnership Representative shall be entitled to be indemnified by the Company (solely out of Company assets) with respect to any action brought against it in connection with serving in such capacity.

(d) Except as otherwise provided by this Agreement or Section 4.12, all elections required or permitted to be made by the Company under the Code or other U.S. state or local income tax law shall be made in such manner as determined by the Partnership Representative, including the election under Section 6226 of the Code. Each Member and former Member shall provide the Partnership Representative with any information in its possession or which it could obtain without undue cost or expense reasonably necessary for the Company to comply with Section 704(c), 734, 743, 754 of the Code or, to the extent applicable, Treasury Regulation Section 1.761-3.

(e) Each Member shall report any and all items of Company income, gain, deduction, loss and credit and any other Company tax related items or treatment in a manner consistent with the IRS Schedule K-1 (and each other applicable tax return) provided to such Member by the Company with respect to such items. Each Member hereby undertakes promptly to provide to the Company, at its request, any and all information, statements or certificates which the Partnership Representative or the Managing Member may at any time judge reasonably necessary to comply with the tax laws of any jurisdiction, file any tax return, conduct any tax proceeding, determine the amount of Tax Distributions that are appropriately made to a Member or minimize any obligation which the Company may have to withhold tax on distributions to such Member (or any amount which would otherwise be withheld from the Company in respect of such Member).

(f) Notwithstanding anything herein to the contrary, no entitlement of any Class A Member in respect of its Class A Convertible Preferred **Units** shall be treated as giving rise to any guaranteed payment under Code Section 707(c), amount described under Code Section 707(a), gross income allocation, "capital shift," compensation for services, or any similar amount or treatment for U.S. federal (or applicable state or local) income tax purposes. The Company shall file all Tax returns and otherwise report consistent with, and shall not take any position in any Tax audit or otherwise inconsistent with, the foregoing treatment, except as otherwise required by a final determination (within the meaning of Section 1313 of the Code), by reason of a change in applicable Law after the date hereof or as otherwise consented to by BCP and Abrams.

**(g) Tax Examinations and Audits.**

(i) The Partnership Representative shall promptly notify the Members if any tax return of the Company is audited or the Company is otherwise subject to any tax proceeding and shall keep the members reasonably informed as to the status of any such audit or other tax proceeding; and

(ii) the Partnership Representative is authorized and required to represent the Company (at the Company's expense) in connection with all examinations or audits of, or other tax proceedings with respect to, the Company's affairs by Taxing Authorities, including resulting administrative and judicial proceedings, and to expend Company funds for professional services and costs associated therewith; *provided*, that BCP and Abrams shall be permitted to participate in any such audit or other proceeding at its own expense and the Partnership Representative shall not settle any material audit or other proceeding without the prior written consent of BCP and Abrams (such consent not to be unreasonably withheld, conditioned or delayed).

(h) **Survival.** The provisions of this Section 11.02 and the obligations of a Member pursuant to Section 11.02 shall survive the termination, dissolution, liquidation and winding up of the Company and the withdrawal of such Member from the Company or Transfer of its Units. The Company may pursue and enforce all rights and remedies it may have against each Member under this Section 11.02.

### **Section 11.03 Tax Returns.**

(a) Within one hundred twenty (120) days, following the last day of each tax year of the Company, the Company shall prepare and make available, or cause its accountants to prepare and make available, to each Member and, to the extent necessary, to each former Member (or its legal representatives), a report setting forth in sufficient detail such information as shall enable such Member or former Member (or such Member's legal representatives) to prepare its U.S. federal income tax return in accordance with the laws, rules and regulations then prevailing including the Schedule K-1, provided that if the Company has not delivered such report within 75 days following the last day of each tax year of the Company, then within 75 days following the last day of each tax year, the Company shall deliver an estimated report with the best available information as of that date. The Managing Member or its designated agent shall prepare and file, or cause the accountants of the Company to prepare and file, any required U.S. federal information tax return in compliance with Section 6031 of the Code and any required state, local and non-U.S. income tax and information returns for each Fiscal Year of the Company; provided, that draft tax returns shall be provided to BCP and Abrams as soon as reasonably practicable for review and comment, and the Company shall consider in good faith any such reasonable comments.

(b) By November 1 of each calendar year, the Company shall provide to each Member a report showing the estimated year-to date taxable income (which considers all the different characters of taxable income) and any state sourced income, nonresident state income tax withholding, and unrelated business taxable income in respect of the Company.

(c) By February 1 of each calendar year, the Company shall provide to each Member a report showing estimated taxable income (which considers all the different characters of taxable income) and any state sourced income, nonresident state income tax withholding, and unrelated business taxable income for the preceding calendar year in respect of the Company.

**Section 11.04 Company Funds.** All funds of the Company shall be deposited in its name, or in such name as may be designated by the Managing Member, in such checking, savings or other accounts, or held in its name in the form of such other investments as shall be designated by the Managing Member. The funds of the Company shall not be commingled with the funds of any other Person. All withdrawals of such deposits or liquidations of such investments by the Company shall be made exclusively upon the signature or signatures of such Officer or Officers as the Managing Member may designate.

## **ARTICLE XII DISSOLUTION AND LIQUIDATION**

**Section 12.01 Events of Dissolution.** The Company shall be dissolved and its affairs wound up only upon the occurrence of any of the following events (each, a "**Dissolution Event**"):

- (a) The determination of the Managing Member, with the prior written consent of each of BCP and Abrams, to dissolve the Company;
- (b) The sale, exchange, involuntary conversion, or other disposition or Transfer of all or substantially all the assets of the Company; or
- (c) The entry of a decree of judicial dissolution under § 18-802 of the Delaware Act.

**Section 12.02 Effectiveness of Dissolution.** Dissolution of the Company shall be effective on the day on which the event described in Section 12.01 occurs, but the Company shall not terminate until the winding up of the Company has been completed, the assets of the Company have been distributed as provided in Section 12.03 and the Certificate of Formation shall have been cancelled as provided in Section 12.04.

**Section 12.03 Liquidation.** If the Company is dissolved pursuant to Section 12.01, the Company shall be liquidated and its business and affairs wound up in accordance with the Delaware Act and the following provisions:

(a) **Liquidator.** The Liquidator shall have full power and authority to sell, assign, and encumber any or all of the Company's assets and to wind up and liquidate the affairs of the Company in an orderly and business-like manner.

(b) **Accounting.** As promptly as possible after dissolution and again after final liquidation, the Liquidator shall cause a proper accounting to be made by a recognized firm of certified public accountants of the Company's assets, liabilities and operations through the last day of the calendar month in which the dissolution occurs or the final liquidation is completed, as applicable.

(c) **Distribution of Proceeds.**

(i) The Liquidator shall liquidate the assets of the Company and Distribute the proceeds of such liquidation in the following order of priority, unless otherwise required by mandatory provisions of Applicable Law:

- (A) *first*, to the payment of all of the Company's debts and liabilities, and the expenses of liquidation (including sales commissions incident to any sales of assets of the Company);
- (B) *second*, to the establishment of and additions to reserves that are determined by the Managing Member in its sole discretion to be reasonably necessary for any contingent liabilities or obligations of the Company;
- (C) *third*, to Parent, in one or more Distributions at the discretion of the Managing Member to satisfy any Business Needs that accrued or arose following the Original Closing Date;
- (D) *fourth*, to the Class A Members, *pro rata*, in accordance with their respective Class A Percentage Interests, until each Class A Member has been Distributed an amount equal to such Class A Member's aggregate Capital Contributions in respect of Class A Convertible Preferred **Units**; *provided*, that prior to the making of any Distribution pursuant to this Section 12.03(c)(i)(D), each Class A Member shall have been (i) provided a Class A Distribution Notice at least five (5) Business Days prior to such Distribution including reasonable detail as to (A) the amount of such Distribution with respect to the Class A Convertible Preferred Units and the Class B Common Units, (B) the amount of such Distribution with respect to the Class A Convertible Preferred Units and the Class B Common Units if the Class A Convertible Preferred Units were converted into Class B-2 Common Units prior to such Distribution pursuant to Section 3.04 hereof, and (C) the date by which a Conversion Notice must be delivered to the Company to convert Class A Convertible Preferred Units into Class B-2 Common Units prior to such Distribution and (ii) given the opportunity to convert their Class A Convertible Preferred Units into Class B-2 Common Units pursuant to the terms of the Class A Distribution Notice and Section 3.04 hereof;

- (E) *fifth*, 100% to the Class B Members, *pro rata*, in accordance with their respective Class B Percentage Interests, until each Class B Member has been Distributed an amount equal to such Class B Member's aggregate Capital Contributions in respect of Class B Common Units;
- (F) *sixth*, subject to any Retained Distributions, 100% to the Class P Member until the total Distributions made in respect of the Class P Units is an amount equal to the Class P Percentage multiplied by the total amount of Distributions made pursuant to clauses (D) and (E) of this Section 12.03(c); and
- (G) *thereafter*, 100% to all the Members, *pro rata* based upon the aggregate number of Class B Common Units and, subject to any Retained Distributions, Class P Units held by such Member as of the time of distribution in proportion to the aggregate number of all such Units outstanding as of the time of distribution.

(d) **Discretion of Liquidator.** Notwithstanding the provisions of Section 12.03(c) that require the liquidation of the assets of the Company, but subject to the order of priorities set forth in Section 12.03(c), if upon dissolution of the Company the Liquidator determines that an immediate sale of part or all of the Company's assets would be impractical or could cause undue loss to the Members, the Liquidator may defer the liquidation of any assets except those necessary to satisfy Company liabilities and reserves, and may, in its absolute discretion, Distribute to the Members, in lieu of cash, as tenants in common and in accordance with the provisions of Section 12.03(c), undivided interests in such Company assets as the Liquidator deems not suitable for liquidation. Any such Distribution in kind will be subject to such conditions relating to the disposition and management of such properties as the Liquidator deems reasonable and equitable and to any agreements governing the operating of such properties at such time. For purposes of any such Distribution, any property to be Distributed will be valued at its Fair Market Value.

**Section 12.04 Cancellation of Certificate.** Upon completion of the Distribution of the assets of the Company as provided in Section 12.03(c) hereof, the Company shall be terminated and the Liquidator shall cause the cancellation of the Certificate of Formation in the State of Delaware and of all qualifications and registrations of the Company as a foreign limited liability company in jurisdictions other than the State of Delaware and shall take such other actions as may be necessary to terminate the Company.

**Section 12.05 Survival of Rights, Duties and Obligations.** Dissolution, liquidation, winding up or termination of the Company for any reason shall not release any party from any Loss which at the time of such dissolution, liquidation, winding up or termination already had accrued to any other party or which thereafter may accrue in respect of any act or omission prior to such dissolution, liquidation, winding up or termination. For the avoidance of doubt, none of the foregoing shall replace, diminish or otherwise adversely affect any Member's right to indemnification pursuant to Section 13.03.

**Section 12.06 Recourse for Claims.** Each Member shall look solely to the assets of the Company for all Distributions with respect to the Company, such Member's Capital Account, and such Member's share of Net Income, Net Loss and other items of income, gain, loss and deduction, and shall have no recourse therefor (upon dissolution or otherwise) against the Managing Member, the Liquidator or any other Member.

**ARTICLE XIII**  
**EXCULPATION AND INDEMNIFICATION**

**Section 13.01 Exculpation of Covered Persons.**

(a) **Covered Persons.** As used herein, the term “**Covered Person**” shall mean (i) each Member, (ii) the Managing Member in its capacity as such, (iii) each officer, director, shareholder, partner, member, controlling Affiliate, employee, agent or representative of each Member, and each of their controlling Affiliates, (iv) each Officer, employee, agent or representative of the Company or the Company Subsidiaries and (v) the Partnership Representative.

(b) **Standard of Care.** No Covered Person shall be liable to the Company or any other Covered Person for any loss, damage or claim incurred by reason of any action taken or omitted to be taken by such Covered Person in good-faith reliance on the provisions of this Agreement, so long as such action or omission does not constitute fraud, willful misconduct, or a breach of any of the terms of this Agreement by such Covered Person.

(c) **Good Faith Reliance.** A Covered Person shall be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements (including financial statements and information, opinions, reports or statements as to the value or amount of the assets, liabilities, Net Income or Net Losses of the Company or any facts pertinent to the existence and amount of assets from which Distributions might properly be paid) of the following Persons or groups: (i) one or more Officers or employees of the Company; (ii) any attorney, independent accountant, appraiser or other expert or professional employed or engaged by or on behalf of the Company or the Managing Member; or (iii) any other Person selected in good faith by or on behalf of the Company or the Managing Member, in each case as to matters that such relying Person reasonably believes to be within such other Person’s professional or expert competence. The preceding sentence shall in no way limit any Person’s right to rely on information to the extent provided in § 18-406 of the Delaware Act.

**Section 13.02 Liabilities and Duties of Covered Persons.** No Covered Person shall have any duty to, or otherwise be liable to, the Company or any other Member except as expressly set forth herein or in other written agreements and the waiver of duties and limitations of liability set forth in this Section 13.02 shall apply to each such Person’s capacity as a Member (including as the Managing Member) or Officer.

(a) **No Fiduciary Duties.** Notwithstanding anything herein to the contrary, any and all fiduciary duties of any Covered Person to the Company, any Company Subsidiary or to another Member or to another person shall be eliminated to the maximum extent permitted under the Delaware Act and any other applicable law. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of a Covered Person otherwise existing at law or in equity, are agreed by the Members to replace such other duties and liabilities of such Covered Person.

(b) Further, whenever in this Agreement a Covered Person is permitted or required to make a decision (including a decision that is in such Covered Person's "discretion" or under a grant of similar authority or latitude), the Covered Person shall be entitled to consider only such interests and factors as such Covered Person desires, including its own interests, and shall have no duty or obligation to give any consideration to any interest of or factors affecting the Company or any other Person. Whenever in this Agreement a Covered Person is permitted or required to make a decision in such Covered Person's "good faith," the Covered Person shall act under such express standard and shall not be subject to any other or different standard imposed by this Agreement or any other Applicable Law.

### **Section 13.03 Indemnification.**

(a) **Indemnification.** To the fullest extent permitted by the Delaware Act, as the same now exists or may hereafter be amended, substituted or replaced (but, in the case of any such amendment, substitution or replacement only to the extent that such amendment, substitution or replacement permits the Company to provide broader indemnification rights than the Delaware Act permitted the Company to provide prior to such amendment, substitution or replacement), the Company shall indemnify, hold harmless, defend, pay and reimburse any Covered Person against any and all losses, claims, damages, judgments, fines or liabilities, including reasonable legal fees or other expenses incurred in investigating or defending against such losses, claims, damages, judgments, fines or liabilities, and any amounts expended in settlement of any claims (collectively, "**Losses**") to which such Covered Person may become subject by reason of:

(i) Any act or omission or alleged act or omission performed or omitted to be performed on behalf of the Company, any Member or any direct or indirect Subsidiary of the foregoing in connection with the business of the Company or any Company Subsidiary; or

(ii) The fact that such Covered Person is or was acting in connection with the business of the Company or any Company Subsidiary as a partner, member, stockholder, controlling Affiliate, manager, director, officer, employee or agent of the Company, any Company Subsidiary, any Member, or any of their respective controlling Affiliates, or that such Covered Person is or was serving at the request of the Company as a partner, member, manager, director, officer, employee or agent of any Person including the Company or any Company Subsidiary;

*provided*, that (x) such Covered Person acted in good faith and in a manner believed by such Covered Person to be in, or not opposed to, the best interests of the Company and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful, and (y) such Covered Person's conduct did not constitute fraud or willful misconduct, in either case as determined by a final, nonappealable order of a court of competent jurisdiction. In connection with the foregoing, the termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the Covered Person did not act in good faith or, with respect to any criminal proceeding, had reasonable cause to believe that such Covered Person's conduct was unlawful, or that the Covered Person's conduct constituted fraud or willful misconduct; *provided, further*, that, unless the Managing Member otherwise determines, no Person shall be entitled to indemnification hereunder with respect to a proceeding initiated by such Person or with respect to a proceeding between such Person on the one hand and any of the Company or its Subsidiaries on the other.

(b) **Reimbursement.** The Company shall promptly reimburse (and/or advance to the extent reasonably required) each Covered Person for reasonable legal or other expenses (as incurred) of such Covered Person in connection with investigating, preparing to defend or defending any claim, lawsuit or other proceeding relating to any Losses for which such Covered Person may be indemnified pursuant to this Section 13.03; *provided*, that if it is finally judicially determined that such Covered Person is not entitled to the indemnification provided by this Section 13.03, then such Covered Person shall promptly reimburse the Company for any reimbursed or advanced expenses.

(c) **Entitlement to Indemnity.** The indemnification provided by this Section 13.03 shall not be deemed exclusive of any other rights to indemnification to which those seeking indemnification may be entitled under any agreement or otherwise. The provisions of this Section 13.03 shall continue to afford protection to each Covered Person regardless of whether such Covered Person remains in the position or capacity pursuant to which such Covered Person became entitled to indemnification under this Section 13.03 and shall inure to the benefit of the executors, administrators, legatees and distributees of such Covered Person.

(d) **Insurance.** To the extent available on commercially reasonable terms, the Company shall purchase and maintain, at its expense as determined by the Managing Member, insurance to cover Losses covered by the foregoing indemnification provisions and to otherwise cover Losses for any breach or alleged breach by any Covered Person of such Covered Person's duties in such amount and with such deductibles as the Managing Member may determine; *provided*, that the failure to obtain such insurance shall not affect the right to indemnification of any Covered Person under the indemnification provisions contained herein, including the right to be reimbursed or advanced expenses or otherwise indemnified for Losses hereunder. If any Covered Person recovers any amounts in respect of any Losses from any insurance coverage, then such Covered Person shall, to the extent that such recovery is duplicative, reimburse the Company for any amounts previously paid to such Covered Person by the Company in respect of such Losses. The Company hereby acknowledges that the Covered Persons may have certain rights to indemnification, advancement of expenses and/or insurance provided by Parent or its Affiliates (excluding the Company and its Subsidiaries). The Company hereby agrees, on behalf of itself and its Subsidiaries, (i) that it is an indemnitor of first resort (i.e., its obligations to each of the Covered Persons are primary and any obligation of Parent or its Affiliates to advance expenses or to provide indemnification for the same expenses or liabilities incurred by or on behalf of any of the Covered Persons is secondary), (ii) that it shall be required to advance the full amount of expenses incurred by or on behalf of each of the Covered Persons and shall be liable for the full amount of all Losses to the extent legally permitted and as required by the terms of this Agreement (or, to the extent applicable, the Delaware Act), without regard to any rights such Covered Persons may have against Parent or its Affiliates (including under director and officer insurance policies), and (iii) that it irrevocably waives, relinquishes and releases Parent and its Affiliates from any and all claims for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by Parent or its Affiliates on behalf of a Covered Persons with respect to any claim for which a Covered Person has sought indemnification from the Company or any Subsidiary of the Company shall affect the foregoing, and Parent and its Affiliates shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of a Covered Person against the Company or any Subsidiary of the Company. The Company and each of the Covered Persons agree that Parent and its respective Affiliates are express third-party beneficiaries of the terms of this Section 13.03(d).

(e) **Funding of Indemnification Obligation.** Notwithstanding anything contained herein to the contrary, any indemnity by the Company relating to the matters covered in this Section 13.03 shall be provided out of and to the extent of Company assets only, and no Member (unless such Member otherwise agrees in writing) shall have personal liability on account thereof or shall be required to make additional Capital Contributions to help satisfy such indemnity by the Company.

(f) **Subrogation.** Notwithstanding anything to the contrary contained in this Agreement or otherwise, if any Covered Person may be entitled to indemnification, advancement or reimbursement from both the Company and Abrams or BCP (or any of Abrams' or BCP's respective Affiliates), then the Company shall be the indemnitor, provider of advancement and/or provider of reimbursement, as applicable, of first resort, and Abrams or BCP (or any of their respective Affiliates), as applicable, shall be the indemnitor, provider of advancement and/or provider of reimbursement of last resort.

(g) **Savings Clause.** If this Section 13.03 or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Company shall nevertheless indemnify and hold harmless each Covered Person pursuant to this Section 13.03 to the fullest extent permitted by any applicable portion of this Section 13.03 that shall not have been invalidated and to the fullest extent permitted by Applicable Law.

(h) **Amendment.** The provisions of this Section 13.03 shall be a contract between the Company, on the one hand, and each Covered Person who served in such capacity at any time while this Section 13.03 is in effect, on the other hand, pursuant to which the Company and each such Covered Person intend to be legally bound. No amendment, modification or repeal of this Section 13.03 that adversely affects the rights of a Covered Person to indemnification for Losses incurred or relating to a state of facts existing prior to such amendment, modification or repeal shall apply in such a way as to eliminate or reduce such Covered Person's entitlement to indemnification for such Losses without the Covered Person's prior written consent.

**Section 13.04 Survival.** The provisions of this Article XIII shall survive the dissolution, liquidation, winding up and termination of the Company.

#### **ARTICLE XIV MISCELLANEOUS**

**Section 14.01 Expenses.** Except as otherwise expressly provided herein, all costs and expenses, including fees and disbursements of counsel, financial advisors and accountants, incurred in connection with the preparation and execution of this Agreement, or any amendment or waiver hereof, and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses.

**Section 14.02 Further Assurances.** In connection with this Agreement and the transactions contemplated hereby, the Company and each Member hereby agree, at the request of the Company or any other Member, to execute and deliver such additional documents, instruments, conveyances and assurances and to take such further actions as may be required to carry out the provisions hereof and give effect to the transactions contemplated hereby.

**Section 14.03 Notices.** All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by e-mail of a PDF document if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 14.03):

If to the Company: ContextLogic Holdings, LLC  
c/o ContextLogic Holdings, Inc.  
2648 International Blvd Ste 301  
Oakland, CA 94601  
Attention: President, Corporate Secretary  
Email: [\*\*\*]; [\*\*\*]

with a copy to: McDermott Will & Schulte LLP  
919 Third Avenue  
New York, New York 10022  
Email: dcurtiss@mcdermottlaw.com; hsteele@mcdermottlaw.com  
Attention: David A. Curtiss; Heidi Steele

If to a Member, to such Member's respective mailing address as set forth on the Members Schedule.

**Section 14.04 Headings.** The headings in this Agreement are inserted for convenience or reference only and are in no way intended to describe, interpret, define, or limit the scope, extent or intent of this Agreement or any provision of this Agreement.

**Section 14.05 Severability.** If any term or provision of this Agreement is held to be invalid, illegal or unenforceable under Applicable Law in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

**Section 14.06 Entire Agreement.** This Agreement together with the Certificate of Formation and all related Exhibits and Schedules, constitutes the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein and therein, and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to such subject matter.

**Section 14.07 Successors and Assigns.** Subject to the restrictions on Transfers set forth herein, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

**Section 14.08 No Third-party Beneficiaries.** Except as provided in Article XIII, which shall be for the benefit of and enforceable by Covered Persons as described therein, this Agreement is for the sole benefit of the parties hereto (and their respective heirs, executors, administrators, successors and assigns) and nothing herein, express or implied, is intended to or shall confer upon any other Person, including any creditor of the Company, any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

#### **Section 14.09 Amendment.**

(a) No provision of this Agreement or the Certificate of Formation of the Company may be amended, modified, restated, repealed or waived (by amendment, merger, consolidation, operation of law, or otherwise) except by a writing that is executed by the Managing Member after having received all consents required with respect thereto pursuant to Section 4.12; *provided*, that no such amendment or modification shall be effective as to a particular Member if such amendment would by its express terms materially and adversely affect the rights or obligations of such Member hereunder in a manner disproportionate to the effect on other Members similarly situated, in each case, unless such Member has voted or consented in writing in favor thereof. In addition to, and not in limitation of the foregoing, this Agreement may not be amended or modified so as to impose upon any Member (x) personal liability for the debts, obligations and liabilities of the Company or any Company Subsidiary, or (y) any new or additional Capital Contribution, in each case, without the written consent of such Member.

(b) Any amendment in accordance with Section 14.09(a) shall be binding upon each Member and the Company.

(c) Subject to compliance with each of Section 4.12 and Section 14.09(a) above, this Agreement may be amended from time to time in each and every manner deemed necessary or appropriate by the Managing Member to comply with the then existing requirements of the Code and the Treasury Regulations affecting the Company or any other provision of applicable law or regulation.

(d) Subject to compliance with each of Section 4.12 and Section 14.09(a) above, the Managing Member shall be entitled to amend, amend and restate, or authorize the amendment, or amendment and restatement of, the Certificate of Formation from time to time to reflect any action, matter or change (whether an amendment to this Agreement or otherwise) approved by the Class A Members holding the majority of the Class A Convertible Preferred Units and the Class B Members.

**Section 14.10 Waiver.** No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. For the avoidance of doubt, nothing contained in this Section 14.10 shall diminish any of the waivers set forth in this Agreement, including in Section 4.07(e), Section 13.02(a), Section 13.03(d) and Section 14.13 hereof.

**Section 14.11 Governing Law.** All issues and questions concerning the application, construction, validity, interpretation and enforcement of this Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware, without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of laws of any jurisdiction other than those of the State of Delaware.

**Section 14.12 Submission to Jurisdiction.** The parties hereby agree that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby, whether in contract, tort or otherwise, shall be brought in the United States District Court for the District of Delaware (or in the Court of Chancery of the State of Delaware located in New Castle County, Delaware or, if such court lacks subject matter jurisdiction, in the Superior Court of the State of Delaware), so long as one of such courts shall have subject-matter jurisdiction over such suit, action or proceeding, and that any cause of action arising out of this Agreement shall be deemed to have arisen from a transaction of business in the State of Delaware. Each of the parties hereby irrevocably consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding which is brought in any such court has been brought in an inconvenient form. Service of process, summons, notice or other document by registered mail to the address set forth in Section 14.03 shall be effective service of process for any suit, action or other proceeding brought in any such court.

**Section 14.13 Waiver of Jury Trial.** Each party hereto hereby acknowledges and agrees that any controversy which may arise under this Agreement is likely to involve complicated and difficult issues and, therefore, each such party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action arising out of or relating to this Agreement or the transactions contemplated hereby.

**Section 14.14 Expense Reimbursement.** The Company shall, or shall cause an applicable Company Group Member to, reimburse each of BCP and Abrams for all reasonably documented out-of-pocket costs and expenses (including external legal fees) incurred by BCP and Abrams on or prior to the date hereof in connection with the negotiation, execution and performance of this Agreement, the Purchase Agreement and the Ancillary Agreements (as that term is defined in the Purchase Agreement) and the transactions contemplated hereby and thereby; *provided*, that, notwithstanding the foregoing, any expenses of Abrams that constitute “Company Transaction Expenses” pursuant to the Purchase Agreement shall not be subject to reimbursement pursuant to this Agreement.

**Section 14.15 Equitable Remedies.** Each party hereto acknowledges that a breach or threatened breach by such party of any of its obligations under this Agreement may give rise to irreparable harm to the other parties, for which monetary damages may not be an adequate remedy, and hereby agrees that in the event of a breach or a threatened breach by such party of any such obligations, each of the other parties hereto shall, in addition to any and all other rights and remedies that may be available to them in respect of such breach, be entitled to equitable relief, including a temporary restraining order, an injunction, specific performance and any other relief that may be available from a court of competent jurisdiction (without any requirement to post bond).

**Section 14.16 Remedies Cumulative.** The rights and remedies under this Agreement are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise, except to the extent expressly provided in Section 13.02 to the contrary.

**Section 14.17 Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of Electronic Transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[SIGNATURE PAGES FOLLOW]



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

**MANAGING MEMBER:**

**CONTEXTLOGIC HOLDINGS INC.**

By: /s/ Mark Ward  
Name: Mark Ward  
Title: President

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

**MEMBER:**

**RIVA CAPITAL PARTNERS V, L.P.**

By: Abrams Capital Management, L.P.,  
its investment manager

By: Abrams Capital Management, LLC,  
its general partner

By: /s/ David Abrams

Name: David Abrams  
Title: Managing Member

**RIVA CAPITAL PARTNERS VI, L.P.**

By: Abrams Capital Management, L.P.,  
its investment manager

By: Abrams Capital Management, LLC,  
its general partner

By: /s/ David Abrams

Name: David Abrams  
Title: Managing Member

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

**MEMBER:**

**ABRAMS CAPITAL PARTNERS I, L.P.**

By: Abrams Capital Management, L.P.,  
its investment manager

By: Abrams Capital Management, LLC,  
its general partner

By: /s/ David Abrams

Name: David Abrams  
Title: Managing Member

**ABRAMS CAPITAL PARTNERS II, L.P.**

By: Abrams Capital Management, L.P.,  
its investment manager

By: Abrams Capital Management, LLC,  
its general partner

By: /s/ David Abrams

Name: David Abrams  
Title: Managing Member

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

**MEMBER:**

**SALT MANAGEMENT AGGREGATOR, LLC**

By: /s/ David Sugarman  
Name: David Sugarman  
Title: Manager

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

**MEMBER:**

**RB STRATEGIC HOLDINGS LP - EASTER SERIES**

By: /s/ Rishi Bajaj  
Name: Rishi Bajaj  
Title: Authorized Signatory

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## JOINDER AGREEMENT

Reference is hereby made to the Second Amended and Restated Limited Liability Company Agreement, dated February 26, 2026, as amended and/or restated from time to time (the “**LLC Agreement**”), by and among ContextLogic Holdings, LLC, a limited liability company organized under the laws of Delaware (the “**Company**”), and each of the Members of the Company. Pursuant to and in accordance with Section 4.01(b) of the LLC Agreement, the undersigned hereby acknowledges that it has received and reviewed a complete copy of the LLC Agreement and agrees that upon execution of this Joinder Agreement, such Person shall become a party to the LLC Agreement and shall be fully bound by, and subject to, all of the covenants, terms and conditions of the LLC Agreement as though an original party thereto and shall be deemed, and is hereby admitted as, a Member for all purposes thereof and entitled to all the rights incidental thereto.

Capitalized terms used herein without definition shall have the meanings ascribed thereto in the LLC Agreement.

[SIGNATURE PAGE FOLLOWS]

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

**BCRED Investments LLC**

By: /s/ Marisa Beeney

Name: Marisa Beeney

Title: Authorized Signatory

**Empire Sub LLC**

By: /s/ Marisa Beeney

Name: Marisa Beeney

Title: Authorized Signatory

**BXCI BXDR II Sub LLC**

By: /s/ Marisa Beeney

Name: Marisa Beeney

Title: Authorized Signatory

**Alder Sub L.L.C.**

By: /s/ Marisa Beeney

Name: Marisa Beeney

Title: Authorized Signatory

**Beech Sub L.L.C.**

By: /s/ Marisa Beeney

Name: Marisa Beeney

Title: Authorized Signatory

**Cottonwood Sub L.L.C.**

By: /s/ Marisa Beeney

Name: Marisa Beeney

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Title: Authorized Signatory

**Dogwood Sub L.L.C.**

By: /s/ Marisa Beeney

Name: Marisa Beeney

Title: Authorized Signatory

**Elderberry Sub L.L.C.**

By: /s/ Marisa Beeney

Name: Marisa Beeney

Title: Authorized Signatory

**Fir Sub L.L.C.**

By: /s/ Marisa Beeney

Name: Marisa Beeney

Title: Authorized Signatory

**Greywood Sub L.L.C.**

By: /s/ Marisa Beeney

Name: Marisa Beeney

Title: Authorized Signatory

**Blackstone COF V AIV-2 LP**

By: /s/ Marisa Beeney

Name: Marisa Beeney

Title: Authorized Signatory

**BXCI Crystal LLC**

By: /s/ Marisa Beeney

Name: Marisa Beeney

Title: Authorized Signatory

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**Exhibit A**

FORM OF JOINDER AGREEMENT

Reference is hereby made to the Second Amended and Restated Limited Liability Company Agreement, dated February 26, 2026, as amended and/or restated from time to time (the “**LLC Agreement**”), by and among ContextLogic Holdings, LLC, a limited liability company organized under the laws of Delaware (the “**Company**”), and each of the Members of the Company. Pursuant to and in accordance with Section 4.01(b) of the LLC Agreement, the undersigned hereby acknowledges that it has received and reviewed a complete copy of the LLC Agreement and agrees that upon execution of this Joinder Agreement, such Person shall become a party to the LLC Agreement and shall be fully bound by, and subject to, all of the covenants, terms and conditions of the LLC Agreement as though an original party thereto and shall be deemed, and is hereby admitted as, a Member for all purposes thereof and entitled to all the rights incidental thereto.

Capitalized terms used herein without definition shall have the meanings ascribed thereto in the LLC Agreement.

[SIGNATURE PAGE FOLLOWS]

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

[\_\_\_\_\_]

By \_\_\_\_\_  
Name:  
Title:

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**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER  
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Chad Chevalier, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of ContextLogic Holdings Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our 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;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 15, 2026

By: \_\_\_\_\_ /s/ Chad Chevalier  
**Chad Chevalier**  
Interim Chief Financial Officer  
(Principal Financial Officer)

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**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER  
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of ContextLogic Holdings Inc. (the "Company") on Form 10-Q for the period ended March 31, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company for the period presented therein.

Date: May 15, 2026

By: \_\_\_\_\_ /s/ Mark Ward  
**Mark Ward**  
President  
(Principal Executive Officer)

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