

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2024

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 001-40694

Traeger, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

82-2739741

(I.R.S. Employer
Identification No.)

533 South 400 West

Salt Lake City, Utah

(Address of principal executive offices)

84101

(Zip code)

(801) 701-7180

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.0001 per share	COOK	New York Stock Exchange

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, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

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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 May 3, 2024, there were 128,869,832 shares of the registrant's common stock, par value \$0.0001 per share, outstanding.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q may be forward-looking statements. In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “could,” “intends,” “targets,” “projects,” “contemplates,” “believes,” “estimates,” “forecasts,” “predicts,” “potential” or “continue” or the negative of these terms or other similar expressions. Forward-looking statements contained in this Quarterly Report on Form 10-Q include, but are not limited to statements regarding our future results of operations and financial position, general macroeconomic trends, industry and business trends, equity compensation, business strategy, plans, market growth and our objectives for future operations.

The forward-looking statements in this Quarterly Report on Form 10-Q are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. Forward-looking statements involve known and unknown risks, uncertainties and other important 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, including, but not limited to, our history of operating losses, our ability to manage our future growth effectively, our ability to expand into additional markets, our ability to maintain and strengthen our brand to generate and maintain ongoing demand for our products, our ability to cost-effectively attract new customers and retain our existing customers, our failure to maintain product quality and product performance at an acceptable cost, the impact of product liability and warranty claims and product recalls, the highly competitive market in which we operate, the use of social media and community ambassadors, issues in relation to environmental, social and governance (“ESG”) matters, both in relation to our own operations and the operations of our supply chain partners, a decline in sales of our grills, our dependence on three major retailers, risks associated with our international operations, our reliance on a limited number of third-party manufacturers and problems with (or loss of) our suppliers or an inability to obtain raw materials, and the ability of our stockholders to influence corporate matters and the other important factors discussed in Part I, Item 1A. “Risk Factors” in our [Annual Report on Form 10-K](#) for the year ended December 31, 2023, filed with the Securities and Exchange Commission on March 8, 2024. The forward-looking statements in this Quarterly Report on Form 10-Q are based upon information available to us as of the date of this Quarterly Report on Form 10-Q, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

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 as exhibits to this Quarterly Report on Form 10-Q with the understanding that our actual future results, levels of activity, performance and achievements may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements. These forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained in this Quarterly Report on Form 10-Q, whether as a result of any new information, future events or otherwise.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

TRAEGER, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share amounts)

	March 31, 2024	December 31, 2023
	(unaudited)	
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 23,620	\$ 29,921
Accounts receivable, net	79,049	59,938
Inventories	99,902	96,175
Prepaid expenses and other current assets	27,971	30,346
Total current assets	230,542	216,380
Property, plant, and equipment, net	40,725	42,591
Operating lease right-of-use assets	46,985	48,188
Goodwill	74,725	74,725
Intangible assets, net	460,069	470,546
Other non-current assets	9,040	8,329
Total assets	\$ 862,086	\$ 860,759
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	\$ 25,890	\$ 33,280
Accrued expenses	46,144	52,941
Line of credit	40,635	28,400
Current portion of notes payable	250	250
Current portion of operating lease liabilities	3,594	3,608
Current portion of contingent consideration	15,000	15,000
Other current liabilities	998	495
Total current liabilities	132,511	133,974
Notes payable, net of current portion	397,586	397,300
Operating lease liabilities, net of current portion	28,472	29,142
Deferred tax liability	8,244	8,236
Other non-current liabilities	648	759
Total liabilities	567,461	569,411
Commitments and contingencies—See Note 10		
Stockholders' equity:		
Preferred stock, \$0.0001 par value; 25,000,000 shares authorized and no shares issued or outstanding as of March 31, 2024 and December 31, 2023	—	—
Common stock, \$0.0001 par value; 1,000,000,000 shares authorized		
Issued and outstanding shares - 127,946,998 and 125,865,303 as of March 31, 2024 and December 31, 2023	13	13
Additional paid-in capital	945,370	935,272
Accumulated deficit	(659,560)	(654,877)
Accumulated other comprehensive income	8,802	10,940
Total stockholders' equity	294,625	291,348
Total liabilities and stockholders' equity	\$ 862,086	\$ 860,759

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

TRAEGER, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(unaudited)
(in thousands, except share and per share amounts)

	Three Months Ended March 31,	
	2024	2023
Revenue	\$ 144,914	\$ 153,161
Cost of revenue	82,351	97,738
Gross profit	62,563	55,423
Operating expenses:		
Sales and marketing	21,679	22,075
General and administrative	32,138	26,679
Amortization of intangible assets	8,819	8,889
Change in fair value of contingent consideration	—	1,043
Total operating expense	62,636	58,686
Loss from operations	(73)	(3,263)
Other income (expense):		
Interest expense	(8,096)	(8,081)
Other income, net	3,676	578
Total other expense	(4,420)	(7,503)
Loss before provision for income taxes	(4,493)	(10,766)
Provision for income taxes	190	164
Net loss	\$ (4,683)	\$ (10,930)
Net loss per share, basic and diluted	\$ (0.04)	\$ (0.09)
Weighted average common shares outstanding, basic and diluted	125,196,934	122,699,114
Other comprehensive income (loss):		
Foreign currency translation adjustments	\$ 87	\$ (32)
Change in cash flow hedge	—	(2,088)
Amortization of dedesignated cash flow hedge	(2,225)	(2,373)
Total other comprehensive loss	(2,138)	(4,493)
Comprehensive loss	\$ (6,821)	\$ (15,423)

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

TRAEGER, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(unaudited)
(in thousands, except share amounts)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total Stockholders' Equity
	Shares	Amount				
Balance at December 31, 2023	125,865,303	\$ 13	\$ 935,272	\$ (654,877)	\$ 10,940	\$ 291,348
Issuance of common stock under stock plan	2,081,695	—	—	—	—	—
Stock-based compensation	—	—	10,098	—	—	10,098
Net loss	—	—	—	(4,683)	—	(4,683)
Foreign currency translation adjustments	—	—	—	—	87	87
Amortization of dedesignated cash flow hedge	—	—	—	—	(2,225)	(2,225)
Balance at March 31, 2024	127,946,998	\$ 13	\$ 945,370	\$ (659,560)	\$ 8,802	\$ 294,625

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total Stockholders' Equity
	Shares	Amount				
Balance at December 31, 2022	122,624,414	\$ 12	\$ 882,069	\$ (570,475)	\$ 23,263	\$ 334,869
Issuance of common stock under stock plan	18,185	—	—	—	—	—
Stock-based compensation	—	—	7,943	—	—	7,943
Net loss	—	—	—	(10,930)	—	(10,930)
Foreign currency translation adjustments	—	—	—	—	(32)	(32)
Change in cash flow hedge	—	—	—	—	(2,088)	(2,088)
Amortization of dedesignated cash flow hedge	—	—	—	—	(2,373)	(2,373)
Balance at March 31, 2023	122,642,599	\$ 12	\$ 890,012	\$ (581,405)	\$ 18,770	\$ 327,389

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

TRAEGER, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
(in thousands)

	Three Months Ended March 31,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (4,683)	\$ (10,930)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation of property, plant and equipment	3,619	3,564
Amortization of intangible assets	10,629	10,638
Amortization of deferred financing costs	504	534
Loss on disposal of property, plant and equipment	407	1,870
Stock-based compensation expense	10,098	7,943
Unrealized loss (gain) on derivative contracts	(1,124)	1,698
Amortization of dedesignated cash flow hedge	(2,225)	(2,373)
Change in fair value of contingent consideration	—	1,043
Other non-cash adjustments	557	45
Change in operating assets and liabilities:		
Accounts receivable	(19,110)	(57,145)
Inventories	(3,727)	21,090
Prepaid expenses and other current assets	3,071	(1,214)
Other non-current assets	37	18
Accounts payable and accrued expenses	(10,651)	(73)
Other non-current liabilities	—	(298)
Net cash used in operating activities	(12,598)	(23,590)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant, and equipment	(5,683)	(2,082)
Capitalization of patent costs	(152)	(123)
Proceeds from sale of property, plant, and equipment	83	2,450
Net cash provided by (used in) investing activities	(5,752)	245
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds on line of credit	21,000	62,200
Repayments on line of credit	(8,765)	(62,500)
Repayments of long-term debt	(63)	(51)
Principal payments on finance lease obligations	(123)	(127)
Net cash provided by (used in) financing activities	12,049	(478)
Net decrease in cash, cash equivalents and restricted cash	(6,301)	(23,823)
Cash, cash equivalents and restricted cash at beginning of period	29,921	51,555
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF PERIOD	\$ 23,620	\$ 27,732

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

TRAEGER, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
(in thousands)

(Continued)

	Three Months Ended March 31,	
	2024	2023
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for interest	\$ 9,659	\$ 4,718
Income taxes paid (received), net of refunds	\$ (516)	\$ 470
NON-CASH FINANCING AND INVESTING ACTIVITIES		
Equipment purchased under finance leases	\$ 12	\$ 72
Property, plant, and equipment included in accounts payable and accrued expenses	\$ 523	\$ 2,568

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

TRAEGER, INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 – DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

Nature of Operations – Traeger, Inc. and its wholly owned Subsidiaries (collectively “Traeger” or the “Company”) design, source, sell, and support wood pellet fueled barbecue grills sold to retailers, distributors, and direct to consumers. The Company produces and sells the pellets used to fire the grills and also sells Traeger-branded rubs, spices, and sauces, as well as grill accessories (including P.A.L. Pop-And-Lock accessory rails, covers, barbecue tools, trays, liners, MEATER smart thermometers and merchandise). A significant portion of the Company's sales are generated from customers throughout the United States (“U.S.”), and the Company continues to develop distribution in Canada and Europe. The Company's headquarters are in Salt Lake City, Utah.

Basis of Presentation and Principles of Consolidation – The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

The balance sheet as of December 31, 2023 has been derived from the audited consolidated financial statements at that date but does not include all information and footnotes required by U.S. GAAP for complete financial statements. These accompanying unaudited condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2023 included in the Company's [Annual Report on Form 10-K](#), filed with the Securities and Exchange Commission (“SEC”) on March 8, 2024 (the “Annual Report on Form 10-K”).

In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all normal and recurring adjustments necessary to fairly present the consolidated financial position, results of operations and cash flows for the interim periods presented. Operating results for the three months ended March 31, 2024 are not necessarily indicative of results that may be expected for any other interim period or for the year ending December 31, 2024.

The accompanying unaudited condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation. Certain prior period amounts have been reclassified to conform with the current period's presentation. The reclassifications did not have a significant impact on the accompanying unaudited condensed consolidated financial statements.

There have been no significant changes in the Company's significant accounting policies during the three months ended March 31, 2024, as compared with those disclosed in the Company's [Annual Report on Form 10-K](#) for the year ended December 31, 2023 filed with the SEC on March 8, 2023.

Emerging Growth Company Status – The Company is an “emerging growth company” as defined in the Jumpstart Our Business Startups Act of 2012 (“JOBS Act”). Under the JOBS Act, emerging growth companies can delay adopting new or revised financial accounting standards until such time as those standards apply to private companies. The Company has elected to use the extended transition period for complying with the adoption of new or revised accounting standards and as a result of this election, its financial statements may not be comparable to companies that comply with public company effective dates. The Company will remain an emerging growth company until the earliest of (i) the end of the fiscal year in which the market value of its common stock that is held by non-affiliates is at least \$700 million as of the last business day of its most recently completed second fiscal quarter, (ii) the end of the fiscal year in which the Company has total annual gross revenues of \$1.24 billion or more during such fiscal year, (iii) the date on which the Company issues more than \$1.0 billion in non-convertible debt in a three-year period, or (iv) December 31, 2026.

2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates – The preparation of these financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The most significant estimates and the assumptions made by management that present the greatest amount of estimation uncertainty include the fair value of contingent consideration obligations, customer credits and returns, obsolete inventory reserves, valuation and impairment of intangible assets including goodwill, unrealized positions on foreign currency derivatives and reserves for warranty. Actual results could differ from these estimates.

Concentrations – Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash in banks, trade accounts receivable, foreign currency contracts, and business activity with certain third-party contract manufacturers of our products. Credit is extended to customers based on an evaluation of the customer's financial condition and collateral is not generally required in the Company's sales transactions. Three customers (each large U.S. retailers) that accounted for a significant portion of net sales are as follows:

	Three Months Ended March 31,	
	2024	2023
Customer A	23 %	17 %
Customer B	19 %	22 %
Customer C	9 %	12 %

Concentrations of credit risk exist to the extent credit terms are extended with four customers that account for a significant portion of the Company's trade accounts receivables. As of March 31, 2024, there were four larger customers A, B, C, and D accounted for 24%, 23%, 9%, and 6% of the Company's trade accounts receivables as compared to 37%, 11%, 6%, and 14% as of December 31, 2023. A disruption to a business that would impact its ability to meet its financial obligations on the part of any one of the four customers could result in a material amount of exposure to the Company. No other single customer accounted for greater than 10% of trade accounts receivable as of March 31, 2024 and December 31, 2023. Additionally, no other single customer accounted for greater than 10% of the Company's net sales for the three months ended March 31, 2024 and 2023, respectively.

The Company's sales to dealers and distributors located outside the United States are generally denominated in U.S. dollars. The Company does have sales to certain dealers located in the European Union, the United Kingdom and Canada which are denominated in Euros, British Pounds and Canadian Dollars, respectively.

The Company relies on a limited number of suppliers for its contract manufacturing of grills and accessories. A significant disruption in the operations of certain of these manufacturers, or in the transportation of parts and accessories would impact the production of the Company's products for a substantial period of time, which could have a material adverse effect on the Company's business, financial condition and results of operations.

Revenue Recognition and Sales Returns and Allowances – The Company recognizes revenue at the amount to which it expects to be entitled when a contract exists with a customer that specifies the goods and services to be provided at an agreed upon sales price and when the performance obligation is satisfied. The performance obligation for most of the Company's sales transactions is considered complete when control transfers, which is determined when products are shipped or delivered to the customer depending on the terms of the contract. Sales are made on normal and customary short-term credit terms or upon delivery of point-of-sale transactions.

Shipping charges billed to customers are included in net sales and related shipping costs are included in cost of sales. The company has elected to account for shipping and handling activities performed after control has been transferred to the customer as a fulfillment cost.

The Company enters into contractual arrangements with customers in the form of individual customer orders which specify the goods, quantity, pricing, and associated order terms. The Company does not have long-term contracts that are satisfied over time. Due to the nature of the contracts, no significant judgment exists in relation to the identification of the customer contract or satisfaction of the performance obligation. The Company expenses incremental costs of obtaining a contract due to the short-term nature of the contracts.

The Company has certain contractual programs and practices with customers that can give rise to elements of variable consideration such as customer cooperative advertising and volume incentive rebates. The Company estimates the variable consideration using the most likely amount method based on sales and contractual rates with each customer and records the estimated amount of credits for these programs as a reduction to net sales.

The Company has entered into contracts with some customers that allow for credits to be claimed for certain matters of operational compliance or for returns to the retail customer from end consumers. Credits that will be issued associated with these items are estimated using the expected value method and are based on actual historical experience and are recorded as a reduction of revenue at the time of recognition or when circumstances change resulting in a change in estimated returns. Revenue is recognized net of any taxes collected from customers, which are subsequently remitted to governmental authorities.

New Accounting Pronouncements Issued but Not Yet Adopted – In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which requires public entities to disclose information about their reportable segments' significant expenses and other segment items on an interim and annual basis. Public entities with a single reportable segment are required to apply the disclosure requirements in ASU 2023-07, as well as all existing segment disclosures and reconciliation requirements in ASC 280 on an interim and annual basis. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2023-07.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which requires public entities, on an annual basis, to provide disclosure of specific categories in the rate reconciliation, as well as disclosure of income taxes paid disaggregated by jurisdiction. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2023-09.

3 – REVENUE

The following tables disaggregate revenue by product category, geography, and sales channel for the periods indicated (in thousands):

Revenue by product category	Three Months Ended March 31,	
	2024	2023
Grills	\$ 76,819	\$ 89,738
Consumables	32,259	30,045
Accessories	35,836	33,378
Total revenue	\$ 144,914	\$ 153,161

Revenue by geography	Three Months Ended March 31,	
	2024	2023
North America	\$ 126,267	\$ 138,937
Rest of world	18,647	14,224
Total revenue	\$ 144,914	\$ 153,161

Revenue by sales channel	Three Months Ended March 31,	
	2024	2023
Retail	\$ 125,074	\$ 132,610
Direct to consumer	19,840	20,551
Total revenue	\$ 144,914	\$ 153,161

4 – ACCOUNTS RECEIVABLES, NET

Accounts receivable consists of the following (in thousands):

	March 31, 2024	December 31, 2023
Trade accounts receivable	\$ 96,006	\$ 77,299
Allowance for expected credit losses	(565)	(549)
Reserve for returns, discounts and allowances	(16,392)	(16,812)
Total accounts receivable, net	\$ 79,049	\$ 59,938

5 – INVENTORIES

Inventories consisted of the following (in thousands):

	March 31, 2024	December 31, 2023
Raw materials	\$ 6,435	\$ 6,645
Work in process	8,552	9,798
Finished goods	84,915	79,732
Inventories	<u>\$ 99,902</u>	<u>\$ 96,175</u>

6 – ACCRUED EXPENSES

Accrued expenses consisted of the following (in thousands):

	March 31, 2024	December 31, 2023
Accrual for inventories in-transit	\$ 10,900	\$ 9,927
Warranty accrual	7,069	7,240
Accrued compensation and bonus	7,803	6,935
Other	20,372	28,839
Accrued expenses	<u>\$ 46,144</u>	<u>\$ 52,941</u>

The changes in the Company's warranty accrual, included in accrued expenses on the accompanying condensed consolidated balance sheets, were as follows for the fiscal periods indicated (in thousands):

	Three Months Ended March 31,	
	2024	2023
Warranty accrual, beginning of period	\$ 7,240	\$ 7,368
Warranty claims	(1,073)	(1,472)
Warranty costs accrued	902	2,797
Warranty accrual, end of period	<u>\$ 7,069</u>	<u>\$ 8,693</u>

7 – DERIVATIVES

Interest Rate Swap

On February 25, 2022, the Company entered into a floating-to-fixed interest rate swap agreement to hedge or otherwise protect against the Eurocurrency Base Rate (as defined in the First Lien Credit Agreement) fluctuations on a portion of the Company's variable rate debt. The agreement provides for a notional amount of \$379.2 million, fixed rate of 2.08% and a maturity date of February 28, 2026. This agreement was designated as a cash flow hedge on the exposure of the variability of future cash flows subject to the variable monthly interest rates on \$379.2 million of the term loan portion under the First Lien Term Loan Facility (as defined below). The Company assessed hedge effectiveness at the time of entering into the agreement, utilizing a regression analysis, and determined the hedge is expected to be highly effective.

As a cash flow hedge, the interest rate swap is revalued at current market rates, with the changes in valuation being recorded in other comprehensive income (loss) within the accompanying condensed consolidated statements of operations and comprehensive loss, to the extent that the hedge is effective. The gains or losses on the interest rate swaps are recorded in accumulated other comprehensive income within the accompanying condensed consolidated balance sheets and are reclassified into interest expense in the periods in which the interest rate swap affects earnings. The cash flows related to interest settlements and changes in valuation are classified consistent with the treatment of the hedged monthly interest payments generally as operating activities on the accompanying condensed consolidated statement of cash flows.

In January 2023, the Company changed the interest reset period from one month to three months on the term loan portion under the First Lien Term Loan Facility (as defined below). As a result, the Company dedesignated its hedging relationship. At the time of dedesignation total amount recorded in accumulated other comprehensive income ("AOCI") was \$21.3 million and will be amortized into earnings as a reduction of interest expense over the term of the previously hedged interest payments. As of March 31, 2024 the Company had \$8.7 million remaining within AOCI to be amortized into earnings as a reduction of interest expense.

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For periods where the net position is in an asset balance, the balance is recorded within prepaid expenses and other current assets and other non-current assets on the accompanying condensed balance sheets. The gross and net balances from the interest rate swap contract position were as follows (in thousands):

	March 31, 2024	December 31, 2023
Gross Asset Fair Value	\$ 17,951	\$ 16,248
Gross Liability Fair Value	—	—
Net Asset Fair Value	\$ 17,951	\$ 16,248

Foreign Currency Contracts

The Company is exposed to foreign currency exchange rate risk related to its purchases and international operations. The Company utilizes foreign currency contracts to manage foreign currency risk in purchasing inventory and capital equipment, and future settlement of foreign denominated assets and liabilities. The volume of the Company's foreign currency contract activity is limited by the amount of transaction exposure in each foreign currency and the Company's election as to whether to hedge the transactions. There are no derivative instruments entered into for speculative purposes.

The Company had outstanding foreign currency contracts as of March 31, 2024 and December 31, 2023. The Company did not elect hedge accounting for any of these contracts. The fair market value of the contracts in an asset position are offset by the fair market value of the contracts in a liability position to reach a net position. For periods where the net position is an asset balance, the balance is recorded within prepaid expenses and other current assets on the accompanying condensed consolidated balance sheets and for periods where the net position is a liability balance, the balance is recorded within other current liabilities on the accompanying condensed consolidated balance sheets. Changes in the net fair value of contracts are recorded in other income, net in the accompanying condensed consolidated statements of operations and comprehensive loss.

The gross and net balances from foreign currency contract positions were as follows (in thousands):

	March 31, 2024	December 31, 2023
Gross Asset Fair Value	\$ —	\$ 76
Gross Liability Fair Value	504	—
Net Fair Value	\$ 504	\$ 76

Gains (losses) from foreign currency contracts were recorded within other income, net on the accompanying condensed consolidated statements of operations and comprehensive loss as follows (in thousands):

	Three Months Ended March 31,	
	2024	2023
Realized loss	\$ (161)	\$ (867)
Unrealized gain (loss)	(580)	620
Total loss	\$ (741)	\$ (247)

8 – FAIR VALUE MEASUREMENTS

For financial assets and liabilities recorded at fair value on a recurring or non-recurring basis, fair value is the price the Company would receive to sell an asset, or pay to transfer a liability, in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. In the absence of such data, fair value is estimated using internal information consistent with what market participants would use in a hypothetical transaction. In determining fair value, observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. These two types of inputs create the following fair value hierarchy:

- Level 1: Quoted prices for identical instruments in active markets.
- Level 2: Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.
- Level 3: Significant inputs to the valuation model are unobservable.

The following table presents information about the fair value measurement of the Company's financial instruments (in thousands):

Financial Instruments Recorded at Fair Value on a Recurring Basis:	Fair Value Measurement Level	As of March 31, 2024	As of December 31, 2023
Assets:			
Derivative assets—foreign currency contracts ⁽¹⁾	2	\$ —	\$ 76
Derivative assets—interest rate swap contract ⁽²⁾	2	17,951	16,248
Total assets		\$ 17,951	\$ 16,324
Liabilities:			
Derivative liability—foreign currency contracts ⁽³⁾	2	\$ 504	\$ —
Contingent consideration—earn out ⁽⁴⁾	3	15,000	15,000
Total liabilities		\$ 15,504	\$ 15,000

(1) Included in prepaid expenses and other current assets in the accompanying condensed consolidated balance sheets.

(2) Included in prepaid expenses and other current assets and other non-current assets in the accompanying condensed consolidated balance sheets.

(3) Included in other current liabilities in the accompanying condensed consolidated balance sheets.

(4) Included in current contingent consideration in the accompanying condensed consolidated balance sheets.

Transfers of assets and liabilities among Level 1, Level 2 and Level 3 are recorded as of the actual date of the events or change in circumstances that caused the transfer. As of March 31, 2024 and December 31, 2023, there were no transfers between levels of the fair value hierarchy of the Company's assets or liabilities measured at fair value.

The fair value of the Company's derivative assets through its foreign currency contracts is based upon observable market-based inputs that reflect the present values of the differences between estimated future foreign currency rates versus fixed future settlement prices per the contracts, and therefore, are classified within Level 2. The fair value of the Company's interest rate swap contracts held with financial institutions are classified as Level 2 financial instruments, which are valued using observable underlying interest rates and market-determined risk premiums at the reporting date.

On November 10, 2022, the Company entered into the second amendment to the share purchase agreement associated with the Apption Labs business combination to extend the earn out period through the end of fiscal year 2023. This amendment also modified the contingent consideration calculation associated with the achievement of certain revenue, earnings, and successful product launch thresholds for fiscal years 2022 and 2023. In April 2024, the Company paid the remaining \$15.0 million of contingent consideration based on the achievement of certain earnings and product launch thresholds for fiscal year 2023.

The fair values of the Company's contingent consideration earn out obligation was estimated using a Black Scholes model. Key assumptions used in these estimates include the weighted average cost of capital and the probability assessments with respect to the likelihood of achieving the forecasted performance targets consistent with the level of risk of achievement. As these are significant unobservable inputs, the contingent consideration earn out obligation is included in Level 3 inputs.

At each reporting date, the Company revalues the contingent consideration obligation to its fair value and records increases and decreases in fair value in the revaluation of contingent consideration in our accompanying condensed consolidated statements of operations and comprehensive loss. Changes in the fair value of the contingent consideration obligation results from changes in discount periods and rates, and changes in probability assumptions with respect to the likelihood of achieving the performance targets.

The following table presents the fair value contingent consideration (in thousands):

	Three Months Ended March 31,	
	2024	2023
Contingent consideration, beginning balance	\$ 15,000	\$ 22,747
Change in fair value of contingent consideration	—	1,043
Contingent consideration, ending balance	\$ 15,000	\$ 23,790

The following financial instruments are recorded at their carrying amount (in thousands):

Financial Instruments Recorded at Carrying Amount:	As of March 31, 2024		As of December 31, 2023	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Liabilities:				
Debt—Credit Facilities ⁽¹⁾	\$ 403,763	\$ 384,584	\$ 403,825	\$ 357,498
Total liabilities	\$ 403,763	\$ 384,584	\$ 403,825	\$ 357,498

(1) Included in the current portion of notes payable and notes payable, net of current portion in the accompanying condensed consolidated balance sheets. Due to the unobservable nature of the inputs these financial instruments are considered to be Level 3 instruments in the fair value hierarchy.

9 – DEBT AND FINANCING ARRANGEMENTS

Notes Payable

On June 29, 2021, the Company refinanced its existing credit facilities and entered into a new first lien credit agreement, as borrower, with Credit Suisse AG, Cayman Islands Branch, as administrative agent and collateral agent, and other lenders party thereto as joint lead arrangers and joint bookrunners (the “First Lien Credit Agreement”). The First Lien Credit Agreement provides for a \$560.0 million senior secured term loan facility (the “First Lien Term Loan Facility”), including a \$50.0 million delayed draw term loan, and a \$ 125.0 million revolving credit facility (the “Revolving Credit Facility” and, together with the First Lien Term Loan Facility, the “Credit Facilities”). The Company entered into an agency transfer agreement on April 30, 2024, pursuant to which Morgan Stanley Senior Funding, Inc. succeeded Credit Suisse AG, Cayman Islands Branch, as administrative agent and collateral agent for the Credit Facilities. The Company’s obligations under the First Lien Credit Agreement are substantively unchanged.

The First Lien Term Loan Facility accrues interest at a rate per annum that considers both fixed and floating components. The fixed component ranges from 3.00% to 3.25% per annum based on the Company’s Public Debt Rating (as defined in the First Lien Credit Agreement). The floating component is based on the Term SOFR (as defined in the First Lien Credit Agreement) for the relevant interest period. The First Lien Term Loan Facility requires periodic principal payments from December 2021 through June 2028, with any remaining unpaid principal and any accrued and unpaid interest due on the maturity date of June 29, 2028. As of March 31, 2024, the total principal amount outstanding on the First Lien Term Loan Facility was \$403.8 million.

Loans under the Revolving Credit Facility accrue interest at a rate per annum that considers both fixed and floating components. The fixed component ranges from 2.75% to 3.25% per annum based on the Company’s most recently determined First Lien Net Leverage Ratio (as defined in the First Lien Credit Agreement). The floating component is based on the Term SOFR for the relevant interest period. The Revolving Credit Facility also has a variable commitment fee, which is based on the Company’s most recently determined First Lien Net Leverage Ratio and ranges from 0.25% to 0.50% per annum on undrawn amounts. Letters of credit may be issued under the Revolving Credit Facility in an amount not to exceed \$15.0 million which, when issued, lower the overall borrowing capacity of the facility. The Revolving Credit Facility expires on June 29, 2026 and no principal payments are due before such date. As of March 31, 2024, the Company had no outstanding loan amounts under the Revolving Credit Facility.

The First Lien Credit Agreement contains certain affirmative and negative covenants that limit the Company’s ability to, among other things, incur additional indebtedness or liens (with certain exceptions), make certain investments, engage in fundamental changes or transactions including changes of control, transfer or dispose of certain assets, make restricted payments (including dividends), engage in new lines of business, make certain prepayments and engage in certain affiliate transactions. In addition, the Company is subject to a financial covenant and is required to maintain a First Lien Net Leverage Ratio (as defined in the

First Lien Credit Agreement) not to exceed 6.20 to 1.00. As of March 31, 2024, the Company was in compliance with the covenants under the Credit Facilities.

Accounts Receivable Credit Facility

On November 2, 2020, the Company entered into a receivables financing agreement (as amended, the "Receivables Financing Agreement"). Through the Receivables Financing Agreement, the Company participates in a trade receivables securitization program, administered on its behalf by MUFG Bank Ltd. ("MUFG"), using outstanding accounts receivable balances as collateral, which have been contributed by the Company to its wholly owned subsidiary and special purpose entity, Traeger SPE LLC (the "SPE"). While the Company provides operational services to the SPE, the receivables are owned by the SPE once contributed to it by the Company. The Company is the primary beneficiary and holds all equity interests of the SPE, thus the Company consolidates the SPE without any significant judgments.

On November 8, 2023, we entered into Amendment No. 9 to the Receivables Financing Agreement in order to extend the expiration of the facility by one year to June 27, 2025. As part of the amendment, the maximum borrowing capacity was decreased from \$100.0 million to \$75.0 million and a mechanism was added to allow for seasonal adjustments to the maximum borrowing capacity, which can now be set between \$30.0 million and \$75.0 million. A seasonal adjustment schedule was established upon the effectiveness of Amendment No. 9, and further adjustments can be made up to two times annually at the discretion of the Company (with consent of the lenders under the Receivables Financing Agreement). We are required to pay fixed interest on outstanding cash advances of 2.5%, a floating interest based on the CP Rate or Adjusted Term SOFR (each as defined in the Receivables Financing Agreement), and an unused capacity charge that ranges from 0.25% to 0.5%. Amendment No. 9 also implemented a new liquidity threshold at \$42.5 million of liquidity. If our liquidity falls below this threshold, it may result in an increase in the required level of reserves, which would result in a reduction of our borrowing base under the Receivables Financing Agreement during such a liquidity shortfall. We were in compliance with the covenants under the Receivables Financing Agreement as of March 31, 2024.

As of March 31, 2024, the Company had drawn down \$ 40.6 million under this facility for general corporate and working capital purposes.

10 – COMMITMENTS AND CONTINGENCIES

Legal Matters

The Company is subject to various claims, complaints and legal actions in the normal course of business. The Company does not believe it has any currently pending litigation of which the outcome will have a material adverse effect on its operations or financial position.

11 – STOCK-BASED COMPENSATION

The Traeger, Inc. 2021 Incentive Award Plan (the "2021 Plan"), became effective as of July 28, 2021, the day prior to the first public trading date of our common stock. The 2021 Plan provides for the grant of stock options, including incentive stock options, and nonqualified stock options, restricted stock, dividend equivalents, restricted stock units, stock appreciation rights, and other stock or cash awards to the Company's employees and consultants and directors of the Company and its subsidiaries. Subject to the adjustment described in the following sentence, the initial number of shares of the Company's common stock available for issuance under awards granted pursuant to the 2021 Plan is equal to 14,105,750 shares, which shares may be authorized but unissued shares, treasury shares, or shares purchased in the open market. On January 1, 2024 and 2023, an additional 6,293,265 shares and 6,131,220 shares of common stock became available for issuance under awards granted pursuant to the 2021 Plan, respectively, as a result of the operation of an automatic annual increase provision in the 2021 Plan. Notwithstanding anything to the contrary in the 2021 Plan, no more than 100,000,000 shares of our common stock may be issued pursuant to the exercise of incentive stock options under the 2021 Plan.

The Company's stock-based compensation was classified as follows in the accompanying condensed consolidated statements of operations and comprehensive loss (in thousands):

	Three Months Ended March 31,	
	2024	2023
Cost of revenue	\$ 19	\$ 16
Sales and marketing	650	730
General and administrative	9,429	7,197
Total stock-based compensation	\$ 10,098	\$ 7,943

2023 Performance Shares

On April 13, 2023, following mutual agreement between the Company and each named executive officer, our board of directors approved the cancellation and termination of the unearned performance stock units originally granted to certain executives in connection with the initial public offering. On the same day, the Company's board of directors approved a grant to the Chief Executive Officer ("CEO") of an award of 1,037,728 performance-based restricted shares (the "2023 Performance Shares").

The 2023 Performance Shares were eligible to be earned upon the achievement of an Adjusted EBITDA goal during the fiscal year ending on December 31, 2023. Based on the achievement of the Adjusted EBITDA goal, the 2023 Performance Shares became earned and vested on March 31, 2024.

2024 Performance Shares

On February 6, 2024, the Company's board of directors approved a grant to the CEO of an award of 2,075,456 performance-based restricted shares (the "2024 Performance Shares" and, together with the 2023 Performance Shares, the "CEO Performance Shares"). The 2024 Performance Shares were issued under the 2021 Plan and are intended to retain and incentivize the CEO to lead the Company to sustained, long-term superior financial performance.

The number of 2024 Performance Shares eligible to be earned are determined upon the achievement of the Threshold, Target and Maximum Adjusted EBITDA Goals (as defined in the performance-based restricted stock agreement) for the fiscal year ending on December 31, 2024. Any 2024 Performance Shares that become earned based on the achievement of the Adjusted EBITDA goals will vest on March 31, 2025.

To the extent that the Company achieves Adjusted EBITDA that is less than the Threshold Adjusted EBITDA Goal during the 2024 fiscal year, then 1,037,728 of the 2024 Performance Shares will instead become eligible to be earned based on the achievement of a stock price goal of \$ 18.00 per share (the "Stock Price Goal") for the period beginning on January 1, 2025 and ending on August 2, 2031. If the Stock Price Goal is achieved, the 2024 Performance Shares that become earned as a result of the achievement of the Stock Price Goal will vest on the later of March 31, 2025 or the date on which the Stock Price Goal is achieved.

The vesting of the 2024 Performance Shares is in all cases subject to the CEO's continued service as the Company's Chief Executive Officer or Executive Chairman of our board of directors.

For RSUs and CEO Performance Shares, the compensation expense is recognized on a straight-line basis over the vesting schedule and requisite service period, respectively. The compensation expense related to the CEO Performance Shares could increase or decrease depending on the estimated probability of achieving the Adjusted EBITDA goals over the requisite service period. In addition, when an award is forfeited prior to the vesting date, the Company will recognize an adjustment for the previously recognized expense in the period of the forfeiture, with the exception of performance-based awards for which the requisite service period has been satisfied.

The fair value of the 2024 Performance Shares is based on the shares eligible to be earned under the Target Adjusted EBITDA Goal, as of the grant date.

A summary of the time-based restricted stock unit activity during the three months ended March 31, 2024 was as follows:

	Units	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2023	8,098,660	\$ 4.84
Granted	29,564	2.19
Vested	(6,239)	5.37
Forfeited	(191,065)	4.99
Outstanding at March 31, 2024	7,930,920	\$ 4.83

As of March 31, 2024, the Company had \$21.2 million of unrecognized stock-based compensation expense related to unvested time-based restricted stock units that is expected to be recognized over a weighted-average period of 1.67 years.

A summary of the performance-based restricted share activity during the three months ended March 31, 2024 was as follows:

	Units	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2023	1,037,728	\$ 15.58
Granted	2,075,456	1.08
Vested	(1,037,728)	15.58
Forfeited	—	—
Outstanding at March 31, 2024	2,075,456	\$ 1.08

As of March 31, 2024, the Company had \$2.0 million of unrecognized stock-based compensation expense related to unvested performance-based restricted shares that is expected to be recognized over a weighted-average period of 1.00 year.

12 – INCOME TAXES

For the three months ended March 31, 2024 and 2023, the Company recorded an income tax expense of \$ 0.2 million and \$0.2 million, respectively.

The Company regularly evaluates the realizability of its deferred tax assets and establishes a valuation allowance if it is more likely than not that some or all the deferred tax assets will not 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, loss carryback and tax planning strategies.

Generally, more weight is given to objectively verifiable evidence, such as the cumulative loss in recent years, as a significant piece of negative evidence to overcome. As of March 31, 2024, the Company's U.S. operations have resulted in losses, and as such, the Company maintains a valuation allowance against substantially all its U.S. deferred tax assets.

13 – RELATED PARTY TRANSACTIONS

The Company outsources a portion of its customer service and support through a third party who is an affiliate of the Company through common ownership. The total amount of expenses the Company recorded associated with such services totaled \$1.2 million and \$1.0 million for the three months ended March 31, 2024 and 2023, respectively. Amounts payable to the third party as of March 31, 2024 and December 31, 2023 was \$0.8 million and \$1.0 million, respectively.

14 – LOSS PER SHARE

The Company computes basic earnings (loss) per share ("EPS") attributable to common stockholders by dividing net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period. Diluted EPS is calculated by adjusting weighted average shares outstanding for the dilutive effect of potential common shares, determined using the treasury-stock method. For purposes of the diluted EPS calculation, restricted stock units are considered to be potential common shares.

The following table sets forth the computation of the Company's basic and diluted EPS attributable to common stockholders for the fiscal periods indicated (in thousands, except share and per share amounts):

	Three Months Ended March 31,	
	2024	2023
Net loss	\$ (4,683)	\$ (10,930)
Weighted-average common shares outstanding—basic	125,196,934	122,699,114
Effect of dilutive securities:		
Restricted stock units and performance shares	—	—
Weighted-average common shares outstanding—diluted	125,196,934	122,699,114
Loss per share		
Basic and diluted	\$ (0.04)	\$ (0.09)

The following table includes the number of units and shares that may be dilutive common shares in the future, and were not included in the computation of diluted loss per share because the effect was anti-dilutive for the fiscal periods indicated:

	Three Months Ended March 31,	
	2024	2023
Restricted stock units and performance shares	10,006,376	10,504,060

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of financial condition and results of operations should be read together with our condensed consolidated financial statements and the related notes and other financial information included elsewhere in this Quarterly Report on Form 10-Q, as well as our audited consolidated financial statements and the related notes included in our [Annual Report on Form 10-K](#) for the year ended December 31, 2023 (our "Annual Report on Form 10-K"), filed with the Securities and Exchange Commission (the "SEC") on March 8, 2024. Some of the information contained in this discussion and analysis or set forth elsewhere in this Quarterly Report on Form 10-Q contains forward-looking statements that involve risks and uncertainties. As a result of many important factors, such as those set forth in Part I, Item 1A. "Risk Factors" of our [Annual Report on Form 10-K](#), our actual results may differ materially from those anticipated in these forward-looking statements. For convenience of presentation, some of the numbers have been rounded in the text below.

Overview

Traeger is the creator and category leader of the wood pellet grill, an outdoor cooking system that ignites all-natural hardwoods to grill, smoke, bake, roast, braise, and barbecue. Our grills are versatile and easy to use, empowering cooks of all skill sets to create delicious meals with a wood-fired flavor that cannot be replicated with gas, charcoal, or electric grills. Grills are at the core of our platform and are complemented by Traeger wood pellets, rubs, sauces, and accessories.

Our marketing strategy has been instrumental in building our brand and driving customer advocacy and revenue. We have disrupted the outdoor cooking market and created a passionate community, the Traegerhood, which includes foodies, pitmasters, backyard heroes, moms and dads, professional athletes, outdoorsmen and outdoorswomen, and world-class chefs. This community, together with our various marketing initiatives, has helped to promote our brand and products to the wider consumer population and supported our efforts to redefine outdoor cooking as an experience accessible to everyone. We have an active online and social media presence and a content-rich website that drives significant customer engagement and brings our Traegerhood together. We also directly engage with our current and target customers by sponsoring and participating in a variety of events, including live shows, outdoor festivals, rodeos, music and film festivals, barbecue competitions, fishing tournaments, and retailer events. We believe the style and authenticity of our customer engagement reinforces our brand and drives new and existing customer interest in our products and community.

Our revenue is primarily generated through the sale of our wood pellet grills, consumables and accessories. We currently offer seven series of grills – Pro (with and without WiFIRE), Ironwood, Timberline, and Flatrock – as well as a selection of smaller, portable grills within our Town and Travel Series and a special Club Lineup through targeted channels. Our grills are available in a number of different sizes and can be upgraded through a variety of accessories. A growing number of our grills feature WiFIRE technology, which allows users to monitor and adjust their grills remotely using our Traeger app. Our consumables include our wood pellets, which are made from natural, virgin hardwood and are available in a variety of flavors, as well as rubs and sauces. Our accessories include MEATER smart thermometers, P.A.L. Pop-And-Lock accessory rails, grill covers, liners, tools, apparel and other ancillary items.

We sell our grills using an omnichannel distribution strategy that consists primarily of retail and direct to consumer ("DTC") channels. Our retail channel covers brick-and-mortar retailers, e-commerce platforms, and multichannel retailers, who, in turn, sell our grills to their end customers. Our retailers include Ace Hardware, Amazon, Costco, The Home Depot, and Best Buy, among others, as well as a significant number of independent retailers that cater to local communities and specific categories, such as hardware, camping, outdoor, farm, ranch, barbecue and other categories. Our DTC channel covers sales directly to customers through our website and Traeger app, as well as certain country- and region-specific Traeger or distributor websites. Our consumables and accessories are available through the same channels as our grills.

Over the last several years, we have made significant investments in our supply chain and manufacturing operations. Our supply chain includes third party manufacturers for our grills and accessories and pellet production facilities for our wood pellets that we own or lease. We work closely with our manufacturers to evolve on design, manufacturing process and product quality. Our grills are currently manufactured in China and Vietnam, our wood pellets are produced at facilities located in New York, Oregon, Georgia, Virginia, and Texas, and our MEATER smart thermometer accessories are currently manufactured in Taiwan. We have entered into manufacturing agreements covering the supply of substantially all of our grills and accessories, pursuant to which we make purchases on a purchase order basis. We rely on several third-party suppliers for the components used in our grills, including integrated circuits, processors, and system on chips.

Our revenue decreased by 5.4% for the three months ended March 31, 2024 as compared to the three months ended March 31, 2023, and was \$144.9 million for the three months ended March 31, 2024, down from \$153.2 million for the three

months ended March 31, 2023. We recorded net loss of \$4.7 million for the three months ended March 31, 2024, compared to net loss of \$10.9 million for the three months ended March 31, 2023.

Key Factors Affecting Our Financial Condition and Results of Operations

We believe that our financial condition and results of operations have been, and will continue to be, affected by a number of factors that present significant opportunities for us but also pose risks and challenges, including those below and in Part I, Item 1A. "Risk Factors" of our [Annual Report on Form 10-K](#).

Macroeconomic Conditions

We believe challenging macroeconomic pressures and uncertainties have resulted in decreased discretionary consumer spending, particularly for durable goods, and therefore contributed to a decline in our revenue for the three months ended March 31, 2024, compared to the prior year period. For example, we experienced a mid-single digit percentage decline in demand for grills, as measured by unit volume, for the three months ended March 31, 2024, compared to the prior year period. We expect these macroeconomic trends, and a shift in consumer demand away from big-ticket, home related products such as grills, and towards experiences, services, and leisure, to continue throughout fiscal year end 2024, which could result in continued pressure on our revenue and results of operations.

We experienced an increase in excess of 20% in our inbound freight container rates primarily due to global transportation factors for the three months ended March 31, 2024, as compared to the prior year period. If supply chain challenges continue in the future, we will observe increases in our cost of revenues which could impact our operating results.

In response to these macroeconomic conditions, we have taken actions to identify and execute on cost savings initiatives, while simultaneously seeking to maintain product quality and reliability across the supply chain. For example, we took actions to reduce overhead expenses, execute long-term transportation contracts, enact freight surcharges, and implement operational efficiencies across our pellet mill operations. As a result of these actions, we expect cost savings to improve operating results in the long-term, but given the uncertainty of the current macroeconomic environment, there can be no assurance regarding the outcome of our continuing efforts to help mitigate the effects of these conditions on our business.

Components of Results of Operations

Revenue

We derive substantially all of our revenue from the sale of grills, consumables and accessories in North America, which includes the United States and Canada. We recognize revenue, net of product returns, for our grills, consumables and accessories generally at the time of delivery to retailers through our retail channel and to customers through our DTC channel. Estimated product returns are recorded as a reduction of revenue at the time of recognition and are calculated based on product returns history, observable changes in return behavior, and expected returns based on sales volume and mix. We also have certain contractual programs that can give rise to elements of variable consideration, such as volume incentive rebates, with estimated amounts of credits recorded as a reduction to revenue.

Although we experience demand for our products throughout the year, we believe there can be certain seasonal fluctuations in our revenue. We have typically experienced moderately higher levels of sales of our grills in the first and second quarters of the year as our retailers purchase inventory in advance of warmer weather, when demand for outdoor cooking products is the highest across our key markets. Higher sales also coincide with social events and national holidays, which occur during the same warm weather timeframe. Additionally, we have experienced higher sales volume of our accessories during the fourth quarter of the year, due in part to seasonal holiday demand.

Gross Profit

Gross profit reflects revenue less cost of revenue. Cost of revenue consists of product costs, including the costs of components, costs of products from our third-party manufacturers, direct and indirect manufacturing costs across all products, packaging, inbound freight and duties, warehousing and fulfillment, warranty costs, product quality testing and inspection costs, excess and obsolete inventory write-downs, cloud-hosting costs for our WiFIRE connected grills, depreciation of tooling and manufacturing equipment, amortization of internal use software and patented technology, and certain employee-related expenses.

We calculate gross margin as gross profit divided by revenue. Gross margin can be impacted by several factors, including, in particular, product mix and sales channel mix. For example, gross margin on sales through our DTC channel is

generally higher than gross margin on sales through our retail channel. If our DTC sales grow faster than sales from our retail channel, and if we are able to realize greater economies of scale or product cost improvements through engineering and sourcing, we would expect a favorable impact to overall gross margin over time. Additionally, gross margin on sales of certain of our products is higher than for others. If revenue from sales of wood pellets increased as a percentage of total revenue, we would expect to see an increase in overall gross margin. These favorable anticipated gross margin impacts may not be realized, or may be offset by other unfavorable gross margin factors. Additionally, any new products that we develop, or our planned expansion into new geographies, may impact our future gross margin. External factors beyond our control, such as duties and tariffs and costs of doing business in certain geographies can also impact gross margin.

Sales and Marketing

Sales and marketing expense consists primarily of the costs associated with advertising and marketing of our products and employee-related expenses, including salaries, benefits, and stock-based compensation expense, as well as sales incentives and professional services. These costs can include print, internet and television advertising, travel-related expenses, direct customer acquisition costs, costs related to conferences and events, and broker commissions. We anticipate that sales and marketing expense as a percentage of revenue will fluctuate from period to period based on revenue for such period and the timing of the expansion of our sales and marketing functions, as these activities may vary in scope and scale over future periods.

General and Administrative

General and administrative expense consists primarily of employee-related expenses and facilities for our executive, finance, accounting, legal, human resources, information technology and other administrative functions. General and administrative expense also includes fees for professional services, such as external legal, accounting, and information and technology services, and insurance.

In addition, general and administrative expense includes research and development expenses incurred to develop and improve our future products and processes, which primarily consist of employee and facilities-related expenses, including salaries, benefits and stock-based compensation expense, as well as fees for professional services, costs related to prototype tooling and materials, and software platform costs. Research and development expense was \$3.7 million and \$2.2 million for the three months ended March 31, 2024 and 2023, respectively.

We continue to expect our general and administrative expenses, including our research and development expenses and external legal and accounting expenses, to normalize as we continue to manage our investments to support our growth and develop new and enhance existing products. We anticipate that general and administrative expense as a percentage of revenue will vary from period to period, but we expect to leverage these expenses over time as we grow our revenue.

Amortization of Intangible Assets

Amortization of intangible assets primarily consists of amortization of identified finite-lived customer relationships, distributor relationships, non-compete arrangements and trademark assets that were allocated a considerable portion of the purchase price from the corporate reorganization and acquisition of our business in 2017, as well as the July 2021 acquisition of Apption Labs Limited and its subsidiaries (collectively, "Apption Labs") pursuant to a share purchase agreement (the "Share Purchase Agreement"). These costs are amortized on a straight-line basis over 2.5 to 25 year useful lives and, as a result, amortization expense on these assets is expected to remain stable over the coming years. Future business acquisitions may result in incremental amortization of intangible assets acquired in any such transactions.

Change in Fair Value of Contingent Consideration

The fair values of our contingent consideration earn out obligation associated with the Apption Labs business combination is estimated based on probability adjusted present values of the consideration expected to be transferred using significant inputs. At each reporting date, we revalue the contingent consideration obligation to its fair value and records increases and decreases in fair value in the change in fair value of contingent consideration in our accompanying condensed consolidated statements of operations and comprehensive loss. Changes in the fair value of the contingent consideration obligation results from changes in discount periods and rates, and changes in probability assumptions with respect to the likelihood of achieving certain performance targets. For the three months ended March 31, 2024, there was no change in fair value of contingent consideration and in April 2024, the Company paid the remaining \$15.0 million of contingent consideration based on the achievement of certain earnings and product launch thresholds for fiscal year 2023.

Total Other Expense

Total other expense consists of interest expense and other income, net. Interest expense includes interest and other fees associated with our Credit Facilities and Receivables Financing Agreement (each as defined below) as well as the amortization of amounts recorded within accumulated other comprehensive income prior to the dedesignation of the interest rate swap derivative contracts as a cash flow hedge. Other income, net also consists of any unrealized gains (losses) from our interest rate swap derivative contract subsequent to the dedesignation of the swap contract from a cash flow hedge, foreign currency realized and unrealized gains and losses resulting from exchange rate fluctuations on transactions denominated in a currency other than the U.S. Dollar and from the foreign currency contracts that we use to manage our exposure to foreign currency exchange rate risk related to our purchases and international operations.

Results of Operations

The following tables summarize key components of our unaudited results of operations for the periods presented (dollars in thousands). The period-to-period comparisons of our historical results are not necessarily indicative of the results that may be expected in the future.

	Three Months Ended March 31,		Change	
	2024	2023	Amount	%
Revenue	\$ 144,914	\$ 153,161	\$ (8,247)	(5.4)%
Cost of revenue	82,351	97,738	(15,387)	(15.7)%
Gross profit	62,563	55,423	7,140	12.9 %
Operating expenses:				
Sales and marketing	21,679	22,075	(396)	(1.8)%
General and administrative	32,138	26,679	5,459	20.5 %
Amortization of intangible assets	8,819	8,889	(70)	(0.8)%
Change in fair value of contingent consideration	—	1,043	(1,043)	(100.0)%
Total operating expense	62,636	58,686	3,950	6.7 %
Loss from operations	(73)	(3,263)	(3,190)	(97.8)%
Other income (expense):				
Interest expense	(8,096)	(8,081)	15	0.2 %
Other income, net	3,676	578	3,098	536.0 %
Total other expense	(4,420)	(7,503)	(3,083)	(41.1)%
Loss before provision for income taxes	(4,493)	(10,766)	6,273	58.3 %
Provision for income taxes	190	164	26	15.9 %
Net loss	\$ (4,683)	\$ (10,930)	\$ (6,247)	(57.2)%

Comparison of the Three Months Ended March 31, 2024 and 2023

Revenue

	Three Months Ended March 31,		Change	
	2024	2023	Amount	%
(dollars in thousands)				
Revenue:				
Grills	\$ 76,819	\$ 89,738	\$ (12,919)	(14.4)%
Consumables	32,259	30,045	2,214	7.4 %
Accessories	35,836	33,378	2,458	7.4 %
Total Revenue	\$ 144,914	\$ 153,161	\$ (8,247)	(5.4)%

Revenue decreased by \$8.2 million, or 5.4%, to \$144.9 million for the three months ended March 31, 2024 compared to \$153.2 million for the three months ended March 31, 2023. The decrease was driven by lower average selling prices and unit volume for grills, partially offset by higher unit volume for consumables and higher sales of MEATER smart thermometers.

Revenue from our grills decreased by \$12.9 million, or 14.4%, to \$76.8 million for the three months ended March 31, 2024 compared to \$89.7 million for the three months ended March 31, 2023. The decrease was primarily driven by high-single digit percentage decrease in average selling price and mid-single digit percentage reduction in unit volume. Lower unit volume was driven by sales from end-of-life products and new product launches in the comparable period. The decrease in average selling price was primarily due to mix shift to lower priced grills and strategic pricing action on select grills.

Revenue from our consumables increased by \$2.2 million, or 7.4%, to \$32.3 million for the three months ended March 31, 2024 compared to \$30.0 million for the three months ended March 31, 2023. The increase was driven by an increase in excess of 20% in unit volume of food consumables and a mid-single digit percentage increase in unit volume of wood pellets, partially offset by mid-double digit percentage reduction in average selling price of food consumables.

Revenue from our accessories increased by \$2.5 million, or 7.4%, to \$35.8 million for the three months ended March 31, 2024 compared to \$33.4 million for the three months ended March 31, 2023. The increase was driven primarily by increased sales of MEATER smart thermometers.

Gross Profit

	Three Months Ended March 31,		Change	
	2024	2023	Amount	%
<i>(dollars in thousands)</i>				
Gross profit	\$ 62,563	\$ 55,423	\$ 7,140	12.9 %
Gross margin (Gross profit as a percentage of revenue)	43.2 %	36.2 %		

Gross profit increased by \$7.1 million, or 12.9%, to \$62.6 million for the three months ended March 31, 2024 compared to \$55.4 million for the three months ended March 31, 2023. Gross margin increased to 43.2% for the three months ended March 31, 2024 from 36.2% for the three months ended March 31, 2023. The increase in gross margin was driven primarily by favorability from freight and logistics, pellet mill capacity optimization, and favorable foreign exchange rates.

Sales and Marketing

	Three Months Ended March 31,		Change	
	2024	2023	Amount	%
<i>(dollars in thousands)</i>				
Sales and marketing	\$ 21,679	\$ 22,075	\$ (396)	(1.8)%
As a percentage of revenue	15.0 %	14.4 %		

Sales and marketing expense decreased by \$0.4 million, or 1.8%, to \$21.7 million for the three months ended March 31, 2024 compared to \$22.1 million for the three months ended March 31, 2023. As a percentage of revenue, sales and marketing expense increased to 15.0% for the three months ended March 31, 2024 from 14.4% for the three months ended March 31, 2023. The decrease in sales and marketing expense was driven by decreases in demand creation costs, partially offset by increased employee expenses.

General and Administrative

	Three Months Ended March 31,		Change	
	2024	2023	Amount	%
<i>(dollars in thousands)</i>				
General and administrative	\$ 32,138	\$ 26,679	\$ 5,459	20.5 %
As a percentage of revenue	22.2 %	17.4 %		

General and administrative expense increased by \$5.5 million, or 20.5%, to \$32.1 million for the three months ended March 31, 2024 compared to \$26.7 million for the three months ended March 31, 2023. As a percentage of revenue, general and administrative expense increased to 22.2% for the three months ended March 31, 2024 from 17.4% for the three months ended March 31, 2023. The increase in general and administrative expense was driven by higher stock-based compensation expense

primarily due to the earned and vested 2023 Performance Shares, higher employee expenses, and higher occupancy expenses, partially offset by non-recurring expenses relating to the disposal of pellet mill assets in the comparable period.

Change in Fair Value of Contingent Consideration

	Three Months Ended March 31,		Change	
	2024	2023	Amount	%
<i>(dollars in thousands)</i>				
Change in fair value of contingent consideration	\$ —	\$ 1,043	\$ (1,043)	(100.0)%
As a percentage of revenue	— %	0.7 %		

Change in fair value of contingent consideration, attributable to the revalued earn out obligation associated with the Apption Labs business combination, decreased by \$1.0 million for the three months ended March 31, 2024 as compared to the prior year period. The change in fair value was primarily driven by the change in likelihood of achieving the fiscal year 2023 performance targets. For the three months ended March 31, 2024, there was no change in fair value of contingent consideration and in April 2024, the Company paid the remaining \$15.0 million of contingent consideration based on the achievement of certain earnings and product launch thresholds for fiscal year 2023.

Total Other Expense

	Three Months Ended March 31,		Change	
	2024	2023	Amount	%
<i>(dollars in thousands)</i>				
Interest expense	\$ (8,096)	\$ (8,081)	\$ 15	0.2 %
Other income, net	3,676	578	3,098	536.0 %
Total other expense	\$ (4,420)	\$ (7,503)	\$ (3,083)	(41.1)%
As a percentage of revenue	(3.1)%	(4.9)%		

Total other expense decreased by \$3.1 million, or 41.1%, to \$4.4 million for the three months ended March 31, 2024 compared to \$7.5 million for the three months ended March 31, 2023. This decrease was primarily due to realized and unrealized gains on our interest rate swap, partially offset by changes in realized and unrealized gains and losses from foreign currencies.

Liquidity and Capital Resources

Historically, our cash requirements have principally been for working capital purposes, capital expenditures, and debt service payments. We have funded our operations through cash flows from operating activities, cash on hand, and borrowings under our credit facilities and receivables financing agreement. Market conditions can impact the viability of these institutions. In the event of failure of any of the financial institutions where we maintain our cash and cash equivalents, there can be no assurance that we would be able to access uninsured funds in a timely manner or at all. Any inability to access or delay in accessing these funds could adversely affect our business and financial position.

As of March 31, 2024, we had cash and cash equivalents of \$23.6 million, \$125.0 million borrowing capacity under our Revolving Credit Facility (as defined below) and \$4.3 million borrowing capacity under our Receivables Financing Agreement (as defined below). As of March 31, 2024, we had not drawn down on the Revolving Credit Facility and had drawn down \$40.6 million on the Receivables Financing Agreement. As of March 31, 2024, the total principal amount outstanding under our First Lien Term Loan Facility (as defined below) was \$403.8 million. Based on our current business plan and revenue prospects, we continue to believe that our existing cash and cash equivalents, availability under our Revolving Credit Facility and Receivables Financing Agreement, and our anticipated cash flows from operating activities will be sufficient to meet our working capital and operating resource expenditure requirements for at least the next twelve months from the date of this Quarterly Report on Form 10-Q. However, our future working capital requirements will depend on many factors, including our rate of revenue growth and profitability, the timing and size of future acquisitions, and the timing of introductions of new products and investments in our supply chain and implementation of technologies.

We may from time to time seek to raise additional equity or debt financing to support our growth or in connection with the acquisition of complementary businesses. Any equity financing we may undertake could be dilutive to our existing

stockholders, and any additional debt financing we may undertake could require debt service and financial and operational requirements that could adversely affect our business. There is no assurance we would be able to obtain future financing on acceptable terms or at all. See Part I, Item 1A. "Risk Factors" in our [Annual Report on Form 10-K](#).

Cash Flows

The following table sets forth cash flow data for the periods indicated therein (in thousands):

	Three Months Ended March 31,	
	2024	2023
Net cash used in operating activities	\$ (12,598)	\$ (23,590)
Net cash provided by (used in) investing activities	(5,752)	245
Net cash provided by (used in) financing activities	12,049	(478)
Net decrease in cash, cash equivalents and restricted cash	<u>\$ (6,301)</u>	<u>\$ (23,823)</u>

Cash Flow from Operating Activities

Cash flows related to operating activities are dependent on net loss, non-cash adjustments to net loss, and changes in working capital. The decrease in cash used in operating activities during the three months ended March 31, 2024 compared to cash used in operating activities during the three months ended March 31, 2023 is primarily due to a decrease in net cash used for working capital, partially offset by a decrease in net loss, adjusted for non-cash items, as compared to the prior year period. The decrease in cash used in working capital was primarily due to a decrease in the change in accounts receivable in the current period, primarily driven by the collections of large trade receivable balances from our direct import program that were outstanding at the beginning of the prior year period, partially offset by an increase in the change in inventory balances in the current period as a result of strategic inventory management to reduce the high inventory levels at the beginning of the prior year period.

Cash Flow from Investing Activities

The decrease in cash used in investing activities during the three months ended March 31, 2024 was primarily related to improvement costs for our new corporate headquarters in the prior year period.

Cash Flow from Financing Activities

The increase in cash provided by financing activities during the three months ended March 31, 2024 was primarily driven by the net borrowing on our lines of credit under the Receivables Financing Agreement of \$12.2 million for general corporate and working capital purposes.

Credit Facilities

On June 29, 2021, we refinanced our existing credit facilities and entered into a new first lien credit agreement, as borrower, with Credit Suisse AG, Cayman Islands Branch, as administrative agent (in such capacity, the "Administrative Agent") and collateral agent, and other lenders party thereto as joint lead arrangers and joint bookrunners (the "First Lien Credit Agreement"). The First Lien Credit Agreement provides for a senior secured term loan facility (the "First Lien Term Loan Facility") and a revolving credit facility (the "Revolving Credit Facility" and, together with the First Lien Term Loan Facility, the "Credit Facilities"). The Company entered into an agency transfer agreement on April 30, 2024, pursuant to which Morgan Stanley Senior Funding, Inc. succeeded Credit Suisse AG, Cayman Islands Branch, as administrative agent and collateral agent for the Credit Facilities. The Company's obligations under the First Lien Credit Agreement are substantively unchanged.

First Lien Credit Agreement

The First Lien Credit Agreement provides for a \$560.0 million First Lien Term Loan Facility (including a \$50.0 million delayed draw term loan) and a \$125.0 million Revolving Credit Facility.

The First Lien Term Loan Facility accrues interest at a rate per annum that considers both fixed and floating components. The fixed component ranges from 3.00% to 3.25% per annum based on our Public Debt Rating (as defined in the First Lien Credit Agreement). The floating component is based on the Term SOFR (as defined in the First Lien Credit Agreement) for the relevant interest period. The First Lien Term Loan Facility requires periodic principal payments from December 2021 through

June 2028, with any remaining unpaid principal and any accrued and unpaid interest due on the maturity date of June 29, 2028. As of March 31, 2024, the total principal amount outstanding on the First Lien Term Loan Facility was \$403.8 million.

Loans under the Revolving Credit Facility accrue interest at a rate per annum that considers both fixed and floating components. The fixed component ranges from 2.75% to 3.25% per annum based on our most recently determined First Lien Net Leverage Ratio (as defined in the First Lien Credit Agreement). The floating component is based on the Term SOFR for the relevant interest period. The Revolving Credit Facility also has a variable commitment fee, which is based on our most recently determined First Lien Net Leverage Ratio and ranges from 0.25% to 0.50% per annum on undrawn amounts. Letters of credit may be issued under the Revolving Credit Facility in an amount not to exceed \$15.0 million which, when issued, lower the overall borrowing capacity of the facility. The Revolving Credit Facility expires on June 29, 2026 and no principal payments are due before such date. As of March 31, 2024 we had no outstanding loan amounts under the Revolving Credit Facility.

Except as noted below, the Credit Facilities are collateralized by substantially all of the assets of TGP Holdings III LLC, TGPX Holdings II LLC, Traeger Pellet Grills Holdings LLC and certain subsidiaries of Traeger Pellet Grills Holdings LLC, including intellectual property, mortgages and the equity interest of each of these respective entities. The assets of Traeger SPE LLC, substantively consisting of our accounts receivable, collateralize the receivables financing agreement discussed below and do not collateralize the Credit Facilities. There are no guarantees from any entities above TGPX Holdings II LLC, including Traeger, Inc.

The First Lien Credit Agreement contains certain affirmative and negative covenants that limit our ability to, among other things, incur additional indebtedness or liens (with certain exceptions), make certain investments, engage in fundamental changes or transactions including changes of control, transfer or dispose of certain assets, make restricted payments (including dividends), engage in new lines of business, make certain prepayments and engage in certain affiliate transactions. In addition, we are subject to a financial covenant whereby we are required to maintain a First Lien Net Leverage Ratio (as defined in the First Lien Credit Agreement) not to exceed 6.20 to 1.00. As of March 31, 2024, we were in compliance with the covenants under the Credit Facilities.

Accounts Receivable Credit Facility

On November 2, 2020, we entered into a receivables financing agreement (as amended, the "Receivables Financing Agreement"). Through the Receivables Financing Agreement, we participate in a trade receivables securitization program, administered on our behalf by MUFG Bank Ltd. ("MUFG"), using outstanding accounts receivables balances as collateral, which have been contributed by us to our wholly owned subsidiary, Traeger SPE LLC (the "SPE"). While we provide operational services to the SPE, the receivables are owned by the SPE once contributed to it by us. We are the primary beneficiary and hold all equity interests of the SPE, thus we consolidate the SPE without any significant judgments.

On November 8, 2023, we entered into Amendment No. 9 to the Receivables Financing Agreement in order to extend the expiration of the facility by one year to June 27, 2025. As part of the amendment, the maximum borrowing capacity was decreased from \$100.0 million to \$75.0 million and a mechanism was added to allow for seasonal adjustments to the maximum borrowing capacity, which can now be set between \$30.0 million and \$75.0 million. A seasonal adjustment schedule was established upon the effectiveness of Amendment No. 9, and further adjustments can be made up two times annually at our discretion (with consent of the lenders under the Receivables Financing Agreement). We are required to pay fixed interest on outstanding cash advances of 2.5%, a floating interest based on the CP Rate or Adjusted Term SOFR (each as defined in the Receivables Financing Agreement), and an unused capacity charge that ranges from 0.25% to 0.5%. Amendment No. 9 also implemented a new liquidity threshold at \$42.5 million of liquidity. If our liquidity falls below this threshold, it may result in an increase in the required level of reserves, which would result in a reduction of our borrowing base under the Receivables Financing Agreement during such a liquidity shortfall. We were in compliance with the covenants under the Receivables Financing Agreement as of March 31, 2024.

As of March 31, 2024, we had drawn down \$40.6 million under this facility for general corporate and working capital purposes.

Contractual Obligations

There have been no material changes to our contractual obligations as of March 31, 2024 from those disclosed in our [Annual Report on Form 10-K](#). Refer to the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources" included in our [Annual Report on Form 10-K](#) for a discussion of our debt and operating lease obligations, respectively.

Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The preparation of our financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period.

Our critical accounting policies and estimates are described under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates" in our [Annual Report on Form 10-K](#), the notes to the consolidated financial statements included therein and Note 2 – *Summary of Significant Accounting Policies* to the accompanying unaudited condensed consolidated financial statements included in Item 1 of this Quarterly Report on Form 10-Q. During the three months ended March 31, 2024, there were no material changes to our critical accounting policies and estimates from those discussed in our [Annual Report on Form 10-K](#).

Recent Accounting Pronouncements

For information regarding recent accounting pronouncements, see Note 2 – *Summary of Significant Accounting Policies* to the accompanying unaudited condensed consolidated financial statements included in Item 1 of this Quarterly Report on Form 10-Q.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes to our disclosures regarding our exposure to market risk as described in Part II, Item 7A. "Quantitative and Qualitative Disclosures about Market Risk" of our [Annual Report on Form 10-K](#).

ITEM 4. CONTROLS AND PROCEDURES

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial officer, evaluated, as of the end of the period covered by this Quarterly Report on Form 10-Q, the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of March 31, 2024, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended March 31, 2024, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are from time to time subject to various legal proceedings, claims, and governmental inspections, audits, or investigations that arise in the ordinary course of our business. We believe that the ultimate resolution of these matters would not be expected to have a material adverse effect on our business, financial condition, or operating results.

ITEM 1A. RISK FACTORS

There have been no material changes with respect to the risk factors disclosed in Part I, Item 1A. "Risk Factors" of our [Annual Report on Form 10-K](#).

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**Recent Sales of Unregistered Securities; Purchases of Equity Securities by the Issuer or Affiliated Purchaser**

None.

Use of Proceeds

Not applicable.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION***(a) Disclosure in lieu of reporting on a Current Report on Form 8-K.***

None.

(b) Material changes to the procedures by which security holders may recommend nominees to the board of directors.

None.

(c) Insider Trading Arrangements and Policies.

During the three months ended March 31, 2024, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

ITEM 6. EXHIBITS

Exhibit No.	Exhibit Description	Incorporated by Reference			Filed/Furnished Herewith
		Form	Date	Number	
3.1	Amended and Restated Certificate of Incorporation of Traeger, Inc.	8-K	08/03/21	3.1	
3.2	Amended and Restated Bylaws of Traeger, Inc.	8-K	08/30/23	3.2	
10.1 [^]	Performance-Based Restricted Stock Agreement by and between Traeger, Inc. and Jeremy Andrus, dated February 6, 2024.				*
10.2	Agency Transfer Lender Consent to the First Lien Credit Agreement by and among TGP Holdings III LLC, Traeger Pellet Grills Holdings LLC, TGPX Holdings II LLC, Credit Suisse AG, as administrative agent and collateral agent, and certain of the lenders party thereto, dated April 30, 2024.				*
31.1	Certificate of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a)				*

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31.2	Certificate of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a)	*
32.1	Certificate of Chief Executive Officer pursuant to 18 U.S.C. Section 1350	**
32.2	Certificate of Chief Financial Officer pursuant to 18 U.S.C. Section 1350	**
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.	*
101.SCH	Inline XBRL Taxonomy Extension Schema Document	*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	*

* Filed herewith.

** Furnished herewith.

^ Certain portions of this exhibit have been redacted pursuant to Regulation S-K, Item 601(b)(10)(iv)

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 8, 2024

TRAEGER, INC.

By: /s/ Jeremy Andrus
Name: Jeremy Andrus
Title: Chief Executive Officer
(Principal Executive Officer)

Date: May 8, 2024

By: /s/ Dominic Bosil
Name: Dominic Bosil
Title: Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

TRAEGER, INC.

2021 INCENTIVE AWARD PLAN

PERFORMANCE-BASED RESTRICTED STOCK GRANT NOTICE AND
PERFORMANCE-BASED RESTRICTED STOCK AWARD AGREEMENT

Traeger, Inc., a Delaware corporation (the “**Company**”), hereby grants to the participant listed below (“**Participant**”) the shares of Restricted Stock (the “**Restricted Shares**”) described in this Performance-Based Restricted Stock Grant Notice (the “**Grant Notice**”), subject to the terms and conditions of the Traeger, Inc. 2021 Incentive Award Plan (as amended from time to time, the “**Plan**”), the Performance-Based Restricted Stock Agreement attached as **Exhibit A**, the Vesting Schedule attached as **Exhibit B**, the Release attached as **Exhibit C** and the 83(b) Election attached as **Exhibit D** (collectively, the “**Agreement**”). Capitalized terms not specifically defined in this Grant Notice or the Agreement have the meanings given to them in the Plan.

Participant:	Jeremy Andrus
Grant Date:	February 6, 2024
Number of Restricted Shares:	2,075,456
Expiration Date:	August 2, 2031
Vesting Schedule:	Exhibit B

By accepting (whether in writing, electronically or otherwise) the Restricted Shares, Participant agrees to be bound by the terms of this Grant Notice, the Plan and the Agreement. Participant has reviewed the Plan, this Grant Notice and the Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice and fully understands all provisions of the Plan, this Grant Notice and the Agreement.

TRAEGER, INC.

By: /s/ Courtland Astill
Name: Courtland Astill
Title: General Counsel

PARTICIPANT

/s/ Jeremy Andrus
Jeremy Andrus

PERFORMANCE-BASED RESTRICTED STOCK AGREEMENT

WHEREAS, the parties desire to enter into this Performance-Based Restricted Stock Agreement, effective as of the Grant Date, evidencing the grant by the Company to Participant the Restricted Shares;

WHEREAS, the Company and Participant previously entered into that certain letter agreement, dated as of August 2, 2021 (the "**Side Letter**");

WHEREAS, for purposes of the Side Letter, references to the "PSU Award" and the related award agreement shall include this award of Restricted Shares and this Agreement; and

WHEREAS, notwithstanding anything in the Side Letter to the contrary, the Company previously acknowledged that Participant shall be eligible to receive an equity-based compensation award in calendar year 2024.

NOW, THEREFORE, the Company and Participant hereby agree as follows:

**ARTICLE I.
GENERAL**

I.1 Issuance of Restricted Shares. Effective as of the Grant Date, the Restricted Shares are issued to Participant and the Company caused (a) a stock certificate or certificates representing the Restricted Shares to be registered in Participant's name or (b) the Restricted Shares to be held in book-entry form. If a stock certificate is issued, the certificate will be delivered to, and held in accordance with this Agreement by, the Company or its authorized representatives and will bear the restrictive legends required by this Agreement. If the Restricted Shares are held in book-entry form, then the book-entry will indicate that the Restricted Shares are subject to the restrictions of this Agreement.

I.2 Incorporation of Terms of Plan. The Restricted Shares are subject to the terms and conditions set forth in this Agreement and the Plan, which is incorporated herein by reference.

I.3 Definitions. Capitalized terms not specifically defined in this Agreement have the meanings specified in the Grant Notice or in the Plan. In addition, the following defined terms shall apply:

(a) "**Cause**" means the occurrence of any one or more of the following events:

(i) Participant's willful misconduct or gross negligence in the performance of Participant's duties as Chief Executive Officer or, if applicable, Executive Chairman of the Board, in either case, which causes the Company or its Subsidiaries material harm;

(ii) Participant's repeated willful failure to follow the lawful directives of the Board that are not inconsistent with his position as Chief Executive Officer or, if applicable, as Executive Chairman of the Board (other than as a result of death or physical or mental incapacity), in either case, which causes the Company or its Subsidiaries material harm;

(iii) Participant's conviction of, or pleading of guilty or nolo contendere to, a felony or any crime involving moral turpitude if it impacts the reputation or goodwill of the Company or its Subsidiaries;

(iv) Participant's performance of any material act of theft, embezzlement, fraud, dishonesty or misappropriation of the property of the Company or its Subsidiaries;

(v) Participant's use of illegal drugs, or Participant's abuse of alcohol that materially impairs Participant's ability to perform Participant's duties contemplated hereunder; or

(vi) Participant's material breach of any obligation under any written agreement with the Company or its Subsidiaries or under any applicable written policy of the Company or its Subsidiaries that has been provided to or made available to Participant (including any code of conduct or harassment policies) which causes the Company material harm.

Notwithstanding the foregoing, "Cause" shall not include or be predicated upon any act or omission by Participant which is taken or made either (A) at the direction of the Board, (B) in good faith under Participant's reasonable belief that the act or omission was in the best interest of the Company or its Subsidiaries, (C) pursuant to the advice of the Company's counsel, or (D) to comply with a lawful court order, directive from a federal, state or local government agency or industry regulatory authority, or subpoena. The Company shall provide Participant with a written notice detailing the specific circumstances alleged to constitute Cause within 90 days after the Board (other than Participant) first knows, or with the exercise of reasonable diligence would know, of the occurrence of such circumstances, and, except with respect to clause (iii) above, any determination of Cause by the Company will be made by a resolution approved by a majority of the members of the Board (other than Participant, as applicable) within 30 days following the expiration of Participant's cure period followed by a termination of Participant's employment within such 30 day period, provided that no such determination or termination may be made until Participant has been given written notice detailing the specific Cause event and a period of 30 days following receipt of such notice to cure such event (if susceptible to cure) in all material respects to the reasonable satisfaction of the Board. Otherwise, any claim of such circumstances as "Cause" shall be deemed irrevocably waived by the Company. Notwithstanding anything to the contrary contained herein, Participant's right to cure shall not apply if there are habitual breaches by Participant.

(b) **"Disability"** means a permanent and total disability under Code Section 22(e)(3).

(c) **"Good Reason"** means the occurrence of any one or more of the following events without Participant's prior written consent, unless the Company fully corrects the circumstances constituting Good Reason (provided such circumstances are capable of correction) as provided below:

(i) material diminution in Participant's duties, authorities or responsibilities (other than temporarily while physically or mentally incapacitated or as required by Applicable Laws) or removal from any of Participant's executive officer positions;

(ii) a change in the geographic location of Participant's principal work location with the Company by more than 35 miles from its existing location;

(iii) assignment to Participant of any duties inconsistent with Participant's position, titles and offices as set forth in the Employment Agreement (as defined below); or

(iv) the Company's material breach of this Agreement, that certain Management Stockholders' Agreement by and between the Company and Participant, dated as of July 28, 2021, the Employment Agreement, the Side Letter, or any amendment to any of the foregoing, or any agreement that supersedes either or both of the Employment Agreement and/or the Side Letter.

Notwithstanding the foregoing, Participant will not be deemed to have resigned for Good Reason unless (A) Participant provides the Company with written notice setting forth in reasonable detail the facts and circumstances claimed by Participant to constitute Good Reason within 90 days after the date of the occurrence of any event that Participant knows or should reasonably have known to constitute Good Reason, (B) the Company fails to cure such acts or omissions in all material respects to the reasonable satisfaction of Participant within 30 days following its receipt of such notice (provided that the Company's right to cure shall not apply if there are habitual breaches by the Company), and (C) the effective date of Participant's termination for Good Reason occurs no later than 60 days after the expiration of the Company's cure period. Otherwise, any claim of such circumstances as "Good Reason" shall be deemed irrevocably waived by Participant.

(d) **"Qualifying Termination"** means a termination of Participant's Service by the Company without Cause, by Participant for Good Reason or due to Participant's death or Disability.

(e) **"Service"** means Participant's employment or service with the Company as its Chief Executive Officer, or as Executive Chairman.

ARTICLE II. VESTING, FORFEITURE AND ESCROW

II.1 **General Vesting.** The Restricted Shares will be earned and vest in connection with the achievement of the Adjusted EBITDA Goals or Price Per Share Goal, as applicable, as defined in and as set forth in **Exhibit B**, subject to Participant's continued Service through the applicable Vesting Date(s) (as defined in **Exhibit B**), except to the extent provided in Sections 2.2 and 2.3 below. Any Restricted Shares that are not Vested Shares (as defined in **Exhibit B**) are referred to herein as **"Unvested Shares"**.

II.2 **Change in Control.** If (i) a Change in Control occurs, (ii) Participant remains in continued Service until at least immediately prior to the Change in Control, and (iii) the Restricted Shares remain Unvested Shares as of immediately prior to such Change in Control, then:

(a) Any then-unvested Earned Restricted Shares (as defined in **Exhibit B**) will vest immediately prior to the closing of such Change in Control and become Vested Shares.

(b) With respect to any Restricted Shares that are not Earned Restricted Shares, regardless of whether the Change in Control occurs during the Adjusted EBITDA Performance Period or the PPS Performance Period (each, as defined in **Exhibit B**), a number of Restricted Shares equal to the difference between 1,037,728 and the number of Earned Restricted Shares that vest in accordance with Section 2.2(a) (if any), shall become Earned Restricted Shares as of immediately prior to the closing of such Change in Control if the Price Per Share Goal is first achieved based on the CIC Price (or, with respect to a Non-Transactional Change in Control, if the Price Per Share Goal is achieved as of the Change in Control date). Any Restricted Shares that become Earned Restricted Shares in accordance with this Section 2.2(b) will vest and become Vested Shares immediately prior to the closing of such Change in Control. Notwithstanding the generality of the foregoing, (i) in the event that the Price Per Share Goal was achieved prior to the Change in Control, no additional Restricted Shares shall become Earned Restricted Shares pursuant to the first sentence of this Section 2.2(b) with respect to the Price Per Share Goal and (ii) the Outperformance Shares (as defined in **Exhibit B**) are not eligible to become Earned Restricted Shares pursuant to this Section 2.2(b).

(c) Notwithstanding anything to the contrary contained in Section 8.3 of the Plan, if, following the application of Section 2.2(b), any Restricted Shares have not become Earned Restricted

Shares as of (or in connection with) the Change in Control, then such Restricted Shares automatically will be forfeited and terminated as of immediately prior to such Change in Control without consideration therefor.

II.3 Termination of Service.

(a) If Participant experiences a Qualifying Termination, then (i) any Restricted Shares that are Earned Restricted Shares as of the date of such Qualifying Termination will vest and become Vested Shares as of such termination date and (ii) any Restricted Shares that are not Earned Restricted Shares as of such Qualifying Termination will be forfeited and terminated without consideration therefor. For clarity, if the Qualifying Termination occurs following the end of the Adjusted EBITDA Performance Period (as defined in **Exhibit B**) but prior to the filing of the Company's Annual Report on Form 10-K for the Adjusted EBITDA Performance Period, the Restricted Shares shall remain outstanding and eligible to vest and become Vested Shares upon the filing of such Annual Report on Form 10-K to the extent an Adjusted EBITDA Goal is achieved.

(b) The treatment set forth in Section 2.3(a)(i) is subject to and conditioned upon Participant's (or Participant's estate's) timely execution, delivery and non-revocation of a general release of claims in the form attached hereto as **Exhibit C** (the "**Release**") and continued compliance with the Restrictive Covenants (as defined below) through the effective date of the Release. The Release shall be delivered to Participant (or Participant's estate's) within five business days following the termination date, and Participant shall have 21 days thereafter (or 45 days, if necessary to comply with Applicable Law) to execute and deliver the Release to the Company. The Company may update the Release attached hereto to the extent necessary to reflect changes in law.

(c) If Participant experiences a termination of Service for any reason other than a Qualifying Termination, all Restricted Shares that have not become Vested Shares on or prior to the date of such termination of Service (including any Earned Restricted Shares) automatically will be forfeited and terminated as of the termination date without consideration therefor.

II.4 Forfeiture.

(a) Any Restricted Shares that remain outstanding and are not Earned Restricted Shares as of the close of business on the Expiration Date automatically will be forfeited and terminated at the close of business on the Expiration Date without consideration therefor.

(b) Upon Participant's material breach of any of the Restrictive Covenants, any Unvested Shares that remain outstanding as of the date of such breach (if any) automatically will be forfeited and terminated as of the date that such breach is determined by a court of competent jurisdiction.

II.5 Escrow.

(a) Unvested Shares will be held by the Company or its authorized representatives until (i) they are forfeited, (ii) they become Vested Shares or (iii) this Agreement is no longer in effect. By accepting this Award (as defined below), Participant appoints the Company and its authorized representatives as Participant's attorney(s)-in-fact to take all actions necessary to effect any transfer of forfeited Unvested Shares (and Retained Distributions (as defined below)) to the Company as may be required pursuant to the Plan or this Agreement and to execute such representations or other documents or assurances as the Company or such representatives reasonably deem necessary or advisable in connection

with any such transfer. The Company, or its authorized representative, will not be liable for any good faith act or omission with respect to the holding in escrow or transfer of the Restricted Shares.

(b) As soon as reasonably practicable following the date on which an Unvested Share becomes a Vested Share, the Company will cause a new certificate without the legend required by this Agreement representing the Share to be delivered to Participant or, if the Share is held in book-entry form, cause the notations indicating the Share is subject to the restrictions of this Agreement to be removed.

II.6 Rights as Stockholder; Dividends. Except as otherwise provided in this Agreement or the Plan, upon issuance of the Restricted Shares by the Company, Participant will have all other rights of a stockholder with respect to the Restricted Shares, including the right to vote such Restricted Shares and to receive dividends or other distributions paid or made with respect to the Restricted Shares. Notwithstanding the generality of the foregoing, all cash dividends and other distributions made or declared with respect to Unvested Shares ("**Retained Distributions**") will be held by the Company until the time (if ever) when the Unvested Shares to which such Retained Distributions relate become Vested Shares. The Company will establish a separate Retained Distribution bookkeeping account ("**Retained Distribution Account**") for each Unvested Share with respect to which Retained Distributions have been made or declared in cash and credit the Retained Distribution Account (without interest) on the date of payment with the amount of such cash made or declared with respect to the Unvested Share. Retained Distributions (including any Retained Distribution Account balance) with respect to a Share will be paid to Participant on the date (if ever) that such Share becomes a Vested Share. Retained Distributions (including any Retained Distribution Account balance) relating to Unvested Shares will immediately and automatically be forfeited upon forfeiture of the Unvested Share with respect to which the Retained Distributions were paid or declared.

ARTICLE III. TAXATION AND TAX WITHHOLDING

III.1 Representation. Participant represents to the Company that Participant has reviewed with Participant's own tax advisors the tax consequences of this award of Restricted Shares (the "**Award**") and the transactions contemplated by the Grant Notice and this Agreement. Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents.

III.2 Section 83(b) Election. Participant shall make an election under Section 83(b) of the Code with respect to 1,660,365 Restricted Shares (622,637 of which shall constitute Outperformance Shares), and Participant shall deliver a copy of the election to the Company promptly after filing the election with the Internal Revenue Service.

III.3 Tax Withholding.

(a) Payment of the withholding tax obligations with respect to this Award shall be by cash or check, or a combination thereof.

(b) Participant acknowledges that Participant is ultimately liable and responsible for all taxes owed in connection with the Restricted Shares, regardless of any action the Company or any affiliate takes with respect to any tax withholding obligations that arise in connection with the Restricted Shares. Neither the Company nor any affiliate makes any representation or undertaking regarding the treatment of any tax withholding in connection with the awarding, vesting or payment of the Restricted

Shares or the subsequent sale of the Restricted Shares. The Company and its affiliates do not commit and are under no obligation to structure this Award to reduce or eliminate Participant's tax liability.

ARTICLE IV. RESTRICTIVE LEGENDS AND TRANSFERABILITY

IV.1 Legends. Any certificate representing a Restricted Share will bear the following legend until the Restricted Share becomes a Vested Share:

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO FORFEITURE IN FAVOR OF THE COMPANY AND MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF A RESTRICTED STOCK AGREEMENT BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY.

IV.2 Transferability.

(a) General. The Restricted Shares and Retained Distributions are subject to the restrictions on transfer in the Plan. Any attempted transfer or disposition of Unvested Shares or related Retained Distributions prior to the time the Unvested Shares become Vested Shares will be null and void. The Company will not be required to (i) transfer on its books any Restricted Share that has been sold or otherwise transferred in violation of this Agreement or (ii) treat as owner of such Restricted Share or accord the right to vote or pay dividends to any purchaser or other transferee to whom such Restricted Share has been so transferred. The Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, or make appropriate notations to the same effect in its records.

(b) In addition, notwithstanding anything to the contrary contained herein, Participant shall not, without the consent of the Administrator (which shall not be unreasonably withheld), sell, pledge, assign, hypothecate, transfer or otherwise dispose of (collectively, "**Transfer**") any Shares issued under this Agreement prior to the second (2nd) anniversary of the applicable Vesting Date (the "**Post-Vesting Transfer Restrictions**"). Notwithstanding the foregoing, the Post-Vesting Transfer Restrictions shall not apply to (i) any Transfer of Shares to the Company, (ii) any Transfer following Participant's termination of Service due to death or Disability, including without limitation by will or pursuant to the laws of descent and distribution, (iii) subject to the consent of the Administrator (which shall not be unreasonably withheld), any Transfer of the Shares to an estate planning vehicle of Participant or (iv) any Transfer upon the occurrence of or following a Change in Control (or such earlier time as is necessary in order for Participant to participate in such Change in Control transaction with respect to the Shares and receive the consideration payable with respect thereto in connection with such Change in Control). If any Shares are Transferred to an estate planning vehicle of Participant in accordance with the foregoing sentence, then the Shares shall continue to be subject to all terms and conditions set forth herein (including with respect to the Post-Vesting Transfer Restrictions) and Participant and the transferee shall execute any documents reasonably requested by the Administrator to (x) confirm the status of the transferee as an estate planning vehicle of Participant, (y) satisfy any requirements for the Transfer under Applicable Law and (z) evidence such Transfer.

ARTICLE V. OTHER PROVISIONS

V.1 Adjustments. Participant acknowledges that the Restricted Shares and the Price Per Share Goal are subject to adjustment, modification and/or termination in certain events as provided in this Agreement and the Plan. For purposes of clarity, in connection with an Equity Restructuring the Price Per Share Goal shall be subject to Section 8.1 of the Plan.

V.2 Clawback. Notwithstanding Section 10.13 of the Plan, the Award and the Restricted Shares shall be subject to (a) any Company clawback or recoupment policy required in order to comply with Applicable Law, including the Company's Policy for Recovery of Erroneously Awarded Compensation, as amended from time to time, and (b) any other Company clawback or recoupment policy approved by the Company's Board which applies to the senior executives of the Company. The Company and Participant acknowledge that neither this Section 5.2 nor Section 10.13 of the Plan are intended to limit any clawback and/or disgorgement of the Award and/or the Shares issuable hereunder pursuant to Section 304 of the Sarbanes-Oxley Act of 2002.

V.3 Notices. Any notice to be given under the terms of this Agreement to the Company must be in writing and addressed to the Company in care of the Company's General Counsel at the Company's principal office or the General Counsel's then-current email address or facsimile number. Any notice to be given under the terms of this Agreement to Participant must be in writing and addressed to Participant (or, if Participant is then deceased, to the Designated Beneficiary) at Participant's last known mailing address, email address or facsimile number in the Company's personnel files. By a notice given pursuant to this Section, either party may designate a different address for notices to be given to that party. Any notice will be deemed duly given when actually received, when sent by email, when sent by certified mail (return receipt requested) and deposited with postage prepaid in a post office or branch post office regularly maintained by the United States Postal Service, when delivered by a nationally recognized express shipping company or upon receipt of a facsimile transmission confirmation.

V.4 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

V.5 Conformity to Securities Laws. Participant acknowledges that the Plan, the Grant Notice and this Agreement are intended to conform to the extent necessary with all Applicable Laws and, to the extent Applicable Laws permit, will be deemed amended as necessary to conform to Applicable Laws.

V.6 Successors and Assigns. The Company may assign any of its rights under this Agreement to a single or multiple assignees, and this Agreement will inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth in this Agreement or the Plan, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

V.7 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if Participant is subject to Section 16 of the Exchange Act, the Plan, the Grant Notice, this Agreement and the Restricted Shares will be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3) that are requirements for the application of such exemptive rule. To the extent Applicable Laws permit, this Agreement will be deemed amended as necessary to conform to such applicable exemptive rule.

V.8 Restrictive Covenants. In consideration of the benefits being provided to Participant pursuant to this Agreement, Participant agrees to be bound by the restrictive covenants (the “**Restrictive Covenants**”) contained in Section 9 of the Amended and Restated Employment Agreement by and between Traeger Pellet Grills, LLC and Participant, dated as of September 27, 2017 (the “**Employment Agreement**”), which are incorporated herein by reference.

V.9 Agreement; Amendment. The Plan, the Grant Notice and the Agreement (including any exhibit to the Grant Notice and/or the Agreement) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the Restricted Shares described herein. To the extent permitted by the Plan, this Agreement may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Administrator or the Board; provided, however, that except as may otherwise be provided by Article VIII and Sections 10.4 and 10.6 of the Plan, no amendment, modification, suspension or termination of this Agreement shall adversely affect the Restricted Shares without the prior written consent of Participant.

V.10 Agreement Severable. In the event that any provision of the Grant Notice or this Agreement is held illegal or invalid, the provision will be severable from, and the illegality or invalidity of the provision will not be construed to have any effect on, the remaining provisions of the Grant Notice or this Agreement.

V.11 Limitation on Participant's Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and may not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. Participant will have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the Award.

V.12 Not a Contract of Service. Nothing in the Plan, the Grant Notice or this Agreement confers upon Participant any right to continue in the employ or service of the Company or any Subsidiary or interferes with or restricts in any way the rights of the Company and its Subsidiaries, which rights are hereby expressly reserved, to discharge or terminate the services of Participant at any time for any reason whatsoever, with or without cause, except to the extent expressly provided otherwise in a written agreement between the Company or a Subsidiary and Participant.

V.13 Counterparts. The Grant Notice may be executed in one or more counterparts, including by way of any electronic signature, subject to Applicable Law, each of which will be deemed an original and all of which together will constitute one instrument.

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EARNED RESTRICTED SHARES; VESTING SCHEDULE

Earned Restricted SharesAdjusted EBITDA Goals

Subject to Sections 2.2 through 2.4 of the Agreement, the Restricted Shares set forth below will become **Earned Restricted Shares** based on the achievement of the applicable Adjusted EBITDA Goal in the table below during the Adjusted EBITDA Performance Period.

Vesting Tranche	Adjusted EBITDA Goal	Adjusted EBITDA	Number of Earned Restricted Shares
"EBITDA Vesting Tranche"	"Threshold Adjusted EBITDA Goal"	\$[***]	778,296
	"Target Adjusted EBITDA Goal"	\$[***] - \$[***]	1,037,728
	"Maximum Adjusted EBITDA Goal"	≥ \$[***]	2,075,456

If the Company achieves an Adjusted EBITDA during the Adjusted EBITDA Performance Period that is less than the Threshold Adjusted EBITDA Goal, then (i) no Restricted Shares shall become Earned Restricted Shares as a result of reaching any Adjusted EBITDA Goal, (ii) 1,037,728 of the Restricted Shares instead shall be eligible to become Earned Restricted Shares based on the achievement of the Price Per Share Goal during the PPS Performance Period, as described below (the **"PPS Restricted Shares"**) and (iii) the remaining 1,037,728 of the Restricted Shares shall be forfeited and terminated without consideration as of December 31, 2024.

If the Company achieves an Adjusted EBITDA during the Adjusted EBITDA Performance Period greater than \$[***] and less than \$[***], then (i) the number of Restricted Shares that become Earned Restricted Shares shall be determined using straight line linear interpolation between the Threshold Adjusted EBITDA Goal and the Target Adjusted EBITDA Goal, (ii) the number of Restricted Shares representing the excess of (x) 1,037,728 over (y) the number of Restricted Shares that become Earned Restricted Shares in accordance with the foregoing clause (i) shall instead become **"PPS Restricted Shares"** (and shall be eligible to become Earned Restricted Shares based on the achievement of the Price Per Share Goal during the PPS Performance Period, as described below) and (iii) the remaining Restricted Shares which do not become Earned Restricted Shares (in accordance with clause (i) above) or PPS Restricted Shares (in accordance with clause (ii) above) shall be forfeited and terminated without consideration as of December 31, 2024.

If the Company achieves an Adjusted EBITDA during the Adjusted EBITDA Performance Period greater than \$[***] and less than \$[***], then (i) the number of Restricted Shares that become Earned Restricted Shares shall be determined using straight line linear interpolation between the Target Adjusted EBITDA Goal and the Maximum Adjusted EBITDA Goal and (ii) the remaining Restricted Shares shall be forfeited and terminated without consideration as of December 31, 2024 (and no Restricted Shares shall become PPS Restricted Shares).

Price Per Share Goal

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Subject to Sections 2.2 through 2.4 of the Agreement, the PPS Restricted Shares will become ***Earned Restricted Shares*** based on the achievement of the Price Per Share Goal set forth in the table below during the PPS Performance Period, subject to certification by the Administrator that the Price Per Share Goal has been achieved (provided that no such certification shall be required in the event the Price Per Share Goal is achieved as a result of the occurrence of a Change in Control). Except in connection with a Qualifying Termination or a Change in Control, the PPS Restricted Shares will become Earned Restricted Shares based on the achievement of the Price Per Share Goal during the PPS Performance Period.

Vesting Tranche	Price Per Share Goal	Number of Earned Restricted Shares
"Price Per Share Vesting Tranche"	\$18.00	The PPS Restricted Shares

For the avoidance of doubt, the Price Per Share Goal may be achieved only once during the PPS Performance Period. For example, if the Price Per Share Goal is determined by the Administrator to have been satisfied on January 1, 2026, the Price Per Share thereafter drops below such level and again reaches \$18.00 per share during the 30 consecutive trading day period ending September 30, 2026, no additional PPS Restricted Shares shall become Earned Restricted Shares as a result of reaching the same Price Per Share Goal for a second time.

Vesting of Earned Restricted Shares

Subject to Sections 2.2 through 2.4 of the Agreement, with respect to any Restricted Shares that become Earned Restricted Shares, such Earned Restricted Shares shall vest and become ***Vested Shares*** on the applicable ***Vesting Date*** set forth in the table below based on such Earned Restricted Shares' Vesting Tranche.

Earned Restricted Shares' Vesting Tranche	Vesting Date
EBITDA Vesting Tranche	100% on March 31, 2025
Price Per Share Vesting Tranche	100% on the later of March 31, 2025 or the date on which the Price Per Share Goal is achieved

In no event may more than 2,075,456 Restricted Shares vest pursuant to this Award following the Grant Date.

Definitions

"Adjusted EBITDA" means Adjusted EBITDA as reported in the Company's Annual Report on Form 10-K for the Adjusted EBITDA Performance Period.

"Adjusted EBITDA Goals" means each of the Threshold Adjusted EBITDA Goal, Target Adjusted EBITDA Goal and Maximum Adjusted EBITDA Goal, as set forth in the table above, measured over the Adjusted EBITDA Performance Period.

“Adjusted EBITDA Performance Period” means the period beginning on (and including) January 1, 2024 and ending on (and including) December 31, 2024.

“CIC Price” means the price per share of Common Stock (or, in connection with a sale or other disposition of all or substantially all of the Company’s assets, the implied price per share of Common Stock) paid by an acquiror in connection with such Change in Control or, to the extent that the consideration in the Change in Control transaction is paid in stock of the acquiror or its affiliate, then, unless otherwise determined by the Administrator, the CIC Price shall mean the value of the consideration paid per Share based on the average of the closing trading prices of a share of such acquiror stock on the principal exchange on which such shares are then traded for each trading day during the five consecutive trading days ending on and including the date on which a Change in Control occurs. In the event the consideration in the Change in Control takes any other form, the value of such consideration shall be determined by the Administrator in its good faith reasonable discretion in a manner intended to not diminish the value of the Award to Participant.

“Outperformance Shares” means the (up to) 1,037,728 Restricted Shares that are eligible to become Earned Restricted Shares if the Company achieves an Adjusted EBITDA during the Adjusted EBITDA Performance Period greater than \$[***].

“PPS Performance Period” means the period beginning on (and including) January 1, 2025 and ending on (and including) the Expiration Date.

“Price Per Share” means the Fair Market Value per Share.

“Price Per Share Goal” means a target average Price Per Share as set forth in the table above measured over any 30 consecutive trading-day period; provided, however, that if a Change in Control occurs, then the Price Per Share Goals shall be evaluated solely by reference to the CIC Price (other than in connection with a Change in Control that is solely a Non-Transactional Change in Control). For the avoidance of doubt, the Price Per Share does not need to be maintained over the 30 consecutive trading day period and achievement of the Price Per Share Goal shall be determined based on the average Price Per Share over a 30 consecutive trading-day period.

“Vesting Tranche” means each of the EBITDA Vesting Tranche and the Price Per Share Vesting Tranche.

GENERAL RELEASE

1. Release. For valuable consideration, the receipt and adequacy of which is hereby acknowledged, the undersigned does hereby release and forever discharge the “**Releasees**” hereunder, consisting of Traeger, Inc., a Delaware corporation (“**Company**”), and the Company’s partners, subsidiaries, associates, affiliates, successors, heirs, assigns, directors, officers and employees of and from any and all manner of action or actions, cause or causes of action, in law or in equity, suits, debts, liens, contracts, agreements, promises, liability, claims, demands, damages, losses, costs, attorneys’ fees or expenses, of any nature whatsoever, known or unknown, fixed or contingent (hereinafter called “**Claims**”), which the undersigned now has or may hereafter have against the Releasees, or any of them, by reason of any matter, cause, or thing whatsoever from the beginning of time to the date hereof. The Claims released herein include, without limiting the generality of the foregoing, any Claims in any way arising out of, based upon, or related to the employment or service, or termination of employment or service, of the undersigned by the Releasees, or any of them; any alleged breach of any express or implied contract of employment or service; any alleged torts or other alleged legal restrictions on Releasees’ right to terminate the employment or service of the undersigned; and any alleged violation of any federal, state or local statute or ordinance including, without limitation, Title VII of the Civil Rights Act of 1964, the Age Discrimination In Employment Act (“**ADEA**”), the Americans With Disabilities Act.

2. Claims Not Released. Notwithstanding the foregoing, this general release (the “**Release**”) shall not operate to release any rights or claims of the undersigned (i) to payments or benefits under the performance-based restricted stock agreement between the undersigned and the Company (to which this Release is attached) or as a holder of any securities of the Company, (ii) to accrued or vested benefits the undersigned may have, if any, as of the date hereof under any applicable plan, policy, practice, program, contract or agreement with the Company, (iii) to any Claims, including claims for indemnification and/or advancement of expenses arising under any indemnification agreement between the undersigned and the Company, under any directors’ and officers’ liability insurance policy or under the bylaws, certificate of incorporation or other similar governing document of the Company, (iv) to any Claims which cannot be waived by an employee under applicable law or (v) with respect to the undersigned’s right to communicate directly with, cooperate with, or provide information to, any federal, state or local government regulator.

3. Exceptions. Notwithstanding anything in this Release to the contrary, nothing contained in this Release shall prohibit the undersigned from (i) filing a charge with, reporting possible violations of federal law or regulation to, participating in any investigation by, or cooperating with any governmental agency or entity or making other disclosures that are protected under the whistleblower provisions of applicable law or regulation and/or (ii) communicating directly with, cooperating with, or providing information (including trade secrets) in confidence to, any federal, state or local government regulator (including, but not limited to, the U.S. Securities and Exchange Commission, the U.S. Commodity Futures Trading Commission, or the U.S. Department of Justice) for the purpose of reporting or investigating a suspected violation of law, or from providing such information to the undersigned’s attorney or in a sealed complaint or other document filed in a lawsuit or other governmental proceeding. Pursuant to 18 USC Section 1833(b), (1) the undersigned will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made: (x) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (y) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal and (2) the undersigned acknowledges that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and

use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

4. Representations. The undersigned represents and warrants that there has been no assignment or other transfer of any interest in any Claim which the undersigned may have against Releasees, or any of them, and the undersigned agrees to indemnify and hold Releasees, and each of them, harmless from any liability, Claims, demands, damages, costs, expenses and attorneys' fees incurred by Releasees, or any of them, as the result of any such assignment or transfer or any rights or Claims under any such assignment or transfer. It is the intention of the parties that this indemnity does not require payment as a condition precedent to recovery by the Releasees against the undersigned under this indemnity.

5. No Action. The undersigned agrees that if the undersigned hereafter commences any suit arising out of, based upon, or relating to any of the Claims released hereunder or in any manner asserts against Releasees, or any of them, any of the Claims released hereunder, then the undersigned agrees to pay to Releasees, and each of them, in addition to any other damages caused to Releasees thereby, all attorneys' fees incurred by Releasees in defending or otherwise responding to said suit or Claim. Notwithstanding the foregoing, this provision shall not apply to any suit or Claim to the extent it challenges the effectiveness of this Release with respect to a claim under the ADEA.

6. No Admission. The undersigned further understands and agrees that neither the payment of any sum of money nor the execution of this Release shall constitute or be construed as an admission of any liability whatsoever by the Releasees, or any of them, who have consistently taken the position that they have no liability whatsoever to the undersigned.

7. OWBPA. The undersigned agrees and acknowledges that this Release constitutes a knowing and voluntary waiver and release of all Claims the undersigned has or may have against the Company and/or any of the Releasees as set forth herein, including, but not limited to, all Claims arising under the Older Worker's Benefit Protection Act and the ADEA. In accordance with the Older Worker's Benefit Protection Act, the undersigned is hereby advised as follows:

- (i) the undersigned has read the terms of this Release, and understands its terms and effects, including the fact that the undersigned agreed to release and forever discharge the Company and each of the Releasees, from any Claims released in this Release;
- (ii) the undersigned understands that, by entering into this Release, the undersigned does not waive any Claims that may arise after the date of the undersigned's execution of this Release, including without limitation any rights or claims that the undersigned may have to secure enforcement of the terms and conditions of this Release;
- (iii) the undersigned has signed this Release voluntarily and knowingly in exchange for the consideration described in this Release, which the undersigned acknowledges is adequate and satisfactory to the undersigned and which the undersigned acknowledges is in addition to any other benefits to which the undersigned is otherwise entitled;
- (iv) the Company advises the undersigned to consult with an attorney prior to executing this Release;

(v) the undersigned has been given at least [21] days in which to review and consider this Release. To the extent that the undersigned chooses to sign this Release prior to the expiration of such period, the undersigned acknowledges that the undersigned has done so voluntarily, had sufficient time to consider the Release, to consult with counsel and that the undersigned does not desire additional time and hereby waives the remainder of the [21]-day period; and

(vi) the undersigned may revoke this Release within seven days from the date the undersigned signs this Release and this Release will become effective upon the expiration of that revocation period if the undersigned has not revoked this Release during such seven-day period. If the undersigned revokes this Release during such seven-day period, this Release will be null and void and of no force or effect on either the Company or the undersigned and the undersigned will not be entitled to any of the payments or benefits which are expressly conditioned upon the execution and non-revocation of this Release. Any revocation must be in writing and sent to [name], via electronic mail at [email address], on or before 11:59 p.m. Mountain time on the seventh day after this Release is executed by the undersigned.

8. Acknowledgement. The undersigned acknowledges that different or additional facts may be discovered in addition to what is now known or believed to be true by the undersigned with respect to the matters released in this Release, and the undersigned agrees that this Release shall be and remain in effect in all respects as a complete and final release of the matters released, notwithstanding any different or additional facts.

9. Governing Law. This Release is deemed made and entered into in the State of Utah, and in all respects shall be interpreted, enforced and governed under the internal laws of the State of Utah, to the extent not preempted by federal law.

IN WITNESS WHEREOF, the undersigned has executed this Release this ____ day of _____, ____.

Jeremy Andrus

¹ NTD: Use 45 days in a group termination, and include information regarding terminated positions.

Exhibit D

Section 83(b) Election

See attached.

**ELECTION UNDER SECTION 83(b)
OF THE INTERNAL REVENUE CODE OF 1986**

The undersigned taxpayer hereby elects, pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended, to include in taxpayer's gross income for the taxable year in which the property was transferred the excess (if any) of the fair market value of the property described below, over the amount the undersigned paid for such property, if any, and supplies herewith the following information in accordance with the Treasury regulations promulgated under Section 83(b).

1. The name, address and taxpayer identification number of the undersigned and the undersigned's spouse or registered domestic partner, and the taxable year in which this election is being made, are as follows:

NAME OF TAXPAYER: Jeremy Andrus

NAME OF SPOUSE: _____

ADDRESS: _____

SOCIAL SECURITY NO.: _____

SOCIAL SECURITY NO. OF SPOUSE: _____

TAXABLE YEAR: 2024

2. The property with respect to which the election is made consists of 1,660,365 shares of common stock (the "Shares") of Traeger, Inc. (the "Company").

3. The date on which the above property was transferred to the undersigned is: _____, 2024.

4. The above property is subject to the following restrictions:

The Shares may not be transferred and are subject to forfeiture under the terms of an agreement between the taxpayer and the Company. These restrictions lapse upon the satisfaction of certain conditions contained in such agreement.

5. The fair market value of the above property at the time of transfer, determined without regard to any restriction other than a restriction which by its terms will never lapse, was \$_____ per share (\$_____ aggregate).
-

6. The amount (if any) paid for the above property was \$0.00.

The undersigned taxpayer will file this election with the Internal Revenue Service office with which taxpayer files his or her annual income tax return not later than 30 days after the date of transfer of the property. The undersigned has submitted a copy of this statement to the person for whom the services were performed in connection with the undersigned's receipt of the above-described property. The transferee of such property is the person performing the services in connection with the transfer of said property.

Dated: _____, 2024

Name of Taxpayer: Jeremy Andrus

The undersigned spouse or registered domestic partner of taxpayer joins in this election.

Dated: _____, 2024

Name of Spouse:

FIRST LIEN CREDIT AGREEMENT CONSENT (this "Consent"), dated as of April 30, 2024 to that certain First Lien Credit Agreement, dated as of June 29, 2021, as amended by Amendment No. 1, dated as of August 18, 2021, Amendment No. 2, dated as of August 9, 2022 and Amendment No. 3, dated as of June 2, 2023 (as so amended, and as it may otherwise have been amended, supplemented or otherwise modified as of immediately prior to the date of this Consent, the "Credit Agreement"), among TGP HOLDINGS III LLC, a Delaware limited liability company (the "Lead Borrower"), TRAEGER PELLET GRILLS HOLDINGS LLC, a Delaware limited liability company (together with the Lead Borrower, the "Borrowers"), TGPX HOLDINGS II LLC, a Delaware limited liability company ("Holdings"), CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, ("Credit Suisse"), in its capacity as the Administrative Agent and Collateral Agent under the Credit Agreement and the other Loan Documents (in such capacity, the "Predecessor Agent"), and the Lenders from time to time party thereto (collectively, the "Lenders" and individually, a "Lender"). Capitalized terms used herein but not defined herein shall have the meaning given to such term in the Credit Agreement.

A. Pursuant to Section 9.09(a) of the Credit Agreement, the Required Lenders and the Borrowers wish to appoint Morgan Stanley Senior Funding, Inc. ("Morgan Stanley") as the Administrative Agent and Collateral Agent under the Credit Agreement and the other Loan Documents immediately upon the resignation of the Predecessor Agent on the date hereof.

B. Pursuant to Section 10.01 of the Credit Agreement, the Required Lenders and the Borrowers wish to waive the 30 days' notice requirement set forth in Section 9.09(a) of the Credit Agreement in connection with the appointment referred to above.

Accordingly, the Required Lenders hereto agree as follows:

SECTION 1. Consent.

(a) Pursuant to Section 9.09(a) of the Credit Agreement, the Required Lenders and the Borrowers hereby appoint Morgan Stanley as the Administrative Agent and Collateral Agent under the Credit Agreement and the other Loan Documents immediately upon the resignation of the Predecessor Agent on the date hereof.

(b) Pursuant to Section 10.01 of the Credit Agreement, the Required Lenders and the Borrowers hereby consent to the waiver of the 30 days' notice requirement set forth in Section 9.09(a) of the Credit Agreement in connection with the appointment referred to above.

SECTION 2. Effectiveness. This Consent shall become effective as of the date that the Predecessor Agent shall have received counterparts of this Consent that, when taken together, bear the signatures of the Required Lenders and the Borrowers.

SECTION 3. Effect of Consent. Except as expressly set forth herein, this Consent shall not by implication or otherwise limit, impair, constitute a waiver of, or otherwise affect the rights and remedies of the Lenders or the Predecessor Agent under the Credit Agreement or any other Loan Document, and shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect. Nothing herein shall be deemed to entitle the Borrowers to a consent to, or a waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document in similar or different circumstances.

SECTION 4. Applicable Law. THIS CONSENT AND ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS CONSENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 5. Counterparts. This Consent may be executed in any number of counterparts (and by different parties hereto on different counterparts), each of which when so executed and delivered shall be deemed an original and all of which, when taken together, shall constitute one consent. Any signature to this Consent may be delivered by facsimile, electronic mail (including pdf) or any electronic signature complying with the U.S. federal ESIGN Act of 2000 or the New York Electronic Signature and Records Act or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes to the fullest extent permitted by applicable law.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Required Lenders and the Borrowers have caused this Consent to be duly executed by their respective authorized officers as of the day and year first above written.

Acknowledged by:

CREDIT SUISSE AG, CAYMAN
ISLANDS BRANCH, as Administrative
Agent and Collateral Agent,

By:

/s/ William O'Daly

Name: William O'Daly

Title: Authorized Signatory

By:

/s/ Michael Wagner

Name: Michael Wagner

Title: Authorized Signatory

TGP HOLDINGS III LLC,
as Lead Borrower,

By:

/s/ Dominic Blosil

Name: Dominic Blosil

Title: Chief Financial Officer

TRAEGER PELLET GRILLS HOLDINGS
LLC, as a Borrower,

By:

/s/ Dominic Blosil

Name: Dominic Blosil

Title: Chief Financial Officer

CERTIFICATION

I, Jeremy Andrus, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Traeger, 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(s) 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(s) 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 8, 2024

By:

/s/ Jeremy Andrus

Jeremy Andrus

Chief Executive Officer

(Principal Executive Officer)

CERTIFICATION

I, Dominic Bosil, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Traeger, 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(s) 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(s) 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 8, 2024

By:

/s/ Dominic Blossil

Dominic Blossil

Chief Financial Officer

(Principal Financial Officer and
Principal Accounting Officer)

- (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 results of operations of the Company.

By: /s/ Jeremy Andrus
Jeremy Andrus
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION 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 Traeger, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Dominic Bosil, Chief Financial Officer of the Company, 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 results of operations of the Company.

Date: May 8, 2024

By: /s/ Dominic Bosil
Dominic Bosil
Chief Financial Officer
*(Principal Financial Officer and
Principal Accounting Officer)*