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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: **June 30, 2025**

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: **001-34767**

CLARUS CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**58-1972600**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
2084 East 3900 South Salt Lake City, Utah	**84124**
(Address of principal executive offices)	(Zip code)

(801) 278-5552

(Registrant's telephone number, including area code)

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

Title of each class	**Trading Symbol**	**Name of each exchange on which registered**
Common Stock, par value $.0001 per share	CLAR	NASDAQ Global Select Market

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	☐	Non-accelerated filer	☐
Accelerated filer	☒	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 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 July 24, 2025, there were 38,401,824 shares of common stock, par value $0.0001, outstanding.

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CLARUS CORPORATION

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CLARUS CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(In thousands, except per share amounts)

	June 30, 2025	December 31, 2024
Assets		
Current assets		
Cash	$ 28,474	$ 45,359
Accounts receivable, less allowance for credit losses of $1,146 and $1,271	37,963	43,678
Inventories	91,527	82,278
Prepaid and other current assets	6,770	5,555
Income tax receivable	1,863	910
Assets held for sale	9,330	-
Total current assets	175,927	177,780
Property and equipment, net	18,247	17,606
Other intangible assets, net	27,570	31,516
Indefinite-lived intangible assets	45,022	46,750
Goodwill	3,804	3,804
Deferred income taxes	35	36
Other long-term assets	15,905	16,602
Total assets	$ 286,510	$ 294,094
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	$ 9,068	$ 11,873
Accrued liabilities	26,629	22,276
Current portion of long-term debt	1,949	1,888
Liabilities held for sale	980	-
Total current liabilities	38,626	36,037
Deferred income taxes	10,867	12,210
Other long-term liabilities	11,897	12,754
Total liabilities	61,390	61,001
Stockholders' Equity		
Preferred stock, $0.0001 par value per share; 5,000 shares authorized; none issued	-	-
Common stock, $0.0001 par value per share; 100,000 shares authorized; 43,054 and 43,004 issued and 38,402 and 38,362 outstanding, respectively	4	4
Additional paid in capital	700,616	697,592
Accumulated deficit	(422,455)	(406,857)
Treasury stock, at cost	(33,156)	(33,114)
Accumulated other comprehensive loss	(19,889)	(24,532)
Total stockholders' equity	225,120	233,093
Total liabilities and stockholders' equity	$ 286,510	$ 294,094

See accompanying notes to condensed consolidated financial statements.

CLARUS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited)
(In thousands, except per share amounts)

	Three Months Ended	
	June 30, 2025	**June 30, 2024**
Sales		
Domestic sales	$ 24,724	$ 22,934
International sales	30,523	33,550
Total sales	55,247	56,484
Cost of goods sold	35,567	36,078
Gross profit	19,680	20,406
Operating expenses		
Selling, general and administrative	26,910	28,081
Restructuring charges	161	161
Transaction costs	108	27
Contingent consideration benefit	-	(125)
Legal costs and regulatory matter expenses	1,837	399
Impairment of indefinite-lived intangible assets	1,565	-
Total operating expenses	30,581	28,543
Operating loss	(10,901)	(8,137)
Other income		
Interest income, net	153	455
Other, net	1,483	414
Total other income, net	1,636	869
Loss before income tax	(9,265)	(7,268)
Income tax benefit	(831)	(1,775)
Net loss	(8,434)	(5,493)
Other comprehensive income, net of tax:		
Foreign currency translation adjustment	4,677	1,537
Unrealized (loss) gain on hedging activities	(1,007)	8
Other comprehensive income	3,670	1,545
Comprehensive loss	$ (4,764)	$ (3,948)
Net loss per share:		
Basic	$ (0.22)	$ (0.14)
Diluted	(0.22)	(0.14)
Weighted average shares outstanding:		
Basic	38,402	38,297
Diluted	38,402	38,297

See accompanying notes to condensed consolidated financial statements.

CLARUS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
(Unaudited)
(In thousands, except per share amounts)

	Six Months Ended	
	June 30, 2025	June 30, 2024
Sales		
Domestic sales	$ 49,533	$ 51,218
International sales	66,147	74,577
Total sales	115,680	125,795
Cost of goods sold	75,206	80,538
Gross profit	40,474	45,257
Operating expenses		
Selling, general and administrative	53,526	56,296
Restructuring charges	334	531
Transaction costs	250	65
Contingent consideration benefit	-	(125)
Legal costs and regulatory matter expenses	2,462	3,401
Impairment of indefinite-lived intangible assets	1,565	-
Total operating expenses	58,137	60,168
Operating loss	(17,663)	(14,911)
Other income (expense)		
Interest income, net	410	825
Other, net	1,942	(495)
Total other income, net	2,352	330
Loss before income tax	(15,311)	(14,581)
Income tax benefit	(1,633)	(2,626)
Loss from continuing operations	(13,678)	(11,955)
Discontinued operations, net of tax	-	28,346
Net (loss) income	(13,678)	16,391
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustment	6,394	(2,498)
Unrealized (loss) gain on hedging activities	(1,751)	372
Other comprehensive income (loss)	4,643	(2,126)
Comprehensive (loss) income	$ (9,035)	$ 14,265
Loss from continuing operations per share:		
Basic	$ (0.36)	$ (0.31)
Diluted	(0.36)	(0.31)
Net (loss) income per share:		
Basic	$ (0.36)	$ 0.43
Diluted	(0.36)	0.43
Weighted average shares outstanding:		
Basic	38,384	38,253
Diluted	38,384	38,253

See accompanying notes to condensed consolidated financial statements.

CLARUS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands)

	Six Months Ended	
	June 30, 2025	**June 30, 2024**
Cash Flows From Operating Activities:		
Net (loss) income	$ (13,678)	$ 16,391
Adjustments to reconcile net (loss) income to net cash used in operating activities:		
Depreciation of property and equipment	1,760	2,071
Amortization of other intangible assets	4,437	4,900
Impairment of indefinite-lived intangible assets	1,565	-
Gain on sale of business	-	(40,585)
Accretion of notes payable	61	-
Amortization of debt issuance costs	-	1,209
Loss (gain) on disposition of property and equipment	428	(123)
Noncash lease expense	1,750	1,527
Contingent consideration benefit	-	(125)
Stock-based compensation	3,024	2,711
Deferred income taxes	(1,858)	4,434
Changes in operating assets and liabilities, net of disposition:		
Accounts receivable	5,657	11,653
Inventories	(10,178)	(4,607)
Prepaid and other assets	(3,145)	295
Accounts payable	(2,717)	(10,848)
Accrued liabilities	2,288	(3,163)
Income taxes	(891)	(1,267)
Net cash used in operating activities	(11,497)	(15,527)
Cash Flows From Investing Activities:		
Proceeds from the sale of business	-	175,674
Proceeds from disposition of property and equipment	54	213
Purchase of intangible assets	-	(250)
Purchases of property and equipment	(3,044)	(3,475)
Net cash (used in) provided by investing activities	(2,990)	172,162
Cash Flows From Financing Activities:		
Proceeds from revolving credit facilities	-	31,205
Repayments on revolving credit facilities	-	(41,580)
Repayments on term loans and other debt	-	(109,463)
Proceeds from issuance of term loans and other debt	-	49
Purchase of treasury stock	(42)	(185)
Proceeds from exercise of options	-	285
Cash dividends paid	(1,920)	(1,913)
Net cash used in financing activities	(1,962)	(121,602)
Effect of foreign exchange rates on cash	520	(136)
Change in cash	(15,929)	34,897
Cash, beginning of year	45,359	11,324
Cash, end of period	$ 29,430	$ 46,221
Supplemental Disclosure of Cash Flow Information:		
Cash paid for income taxes	$ 861	$ 1,888
Cash paid for interest	$ 14	$ 1,947
Supplemental Disclosures of Non-Cash Investing and Financing Activities:		
Purchases of property and equipment incurred but not paid	$ 79	$ 224
Lease liabilities arising from obtaining right-of-use assets	$ 485	$ 161

See accompanying notes to condensed consolidated financial statements.

CLARUS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)
(In thousands, except per share amounts)

	Common Stock		Additional Paid-In	Accumulated	Treasury Stock		Accumulated Other Comprehensive	Total Stockholders'
	Shares	Amount	Capital	Deficit	Shares	Amount	Loss	Equity
Balance, December 31, 2023	42,761	$ 4	$ 691,198	$ (350,739)	(4,612)	$ (32,929)	$ (15,414)	$ 292,120
Net income	-	-	-	21,884	-	-	-	21,884
Other comprehensive loss	-	-	-	-	-	-	(3,671)	(3,671)
Cash dividends ($0.025 per share)	-	-	-	(956)	-	-	-	(956)
Purchase of treasury stock	-	-	-	-	(30)	(185)	-	(185)
Stock-based compensation expense	-	-	1,183	-	-	-	-	1,183
Proceeds from exercise of options	117	-	-	-	-	-	-	-
Balance, March 31, 2024	42,878	$ 4	$ 692,381	$ (329,811)	(4,642)	$ (33,114)	$ (19,085)	$ 310,375
Net loss	-	-	-	(5,493)	-	-	-	(5,493)
Other comprehensive income	-	-	-	-	-	-	1,545	1,545
Cash dividends ($0.025 per share)	-	-	-	(957)	-	-	-	(957)
Stock-based compensation expense	-	-	1,528	-	-	-	-	1,528
Proceeds from exercise of options	62	-	285	-	-	-	-	285
Balance, June 30, 2024	42,940	$ 4	$ 694,194	$ (336,261)	(4,642)	$ (33,114)	$ (17,540)	$ 307,283

	Common Stock		Additional Paid-In	Accumulated	Treasury Stock		Accumulated Other Comprehensive	Total Stockholders'
	Shares	Amount	Capital	Deficit	Shares	Amount	Loss	Equity
Balance, December 31, 2024	43,004	$ 4	$ 697,592	$ (406,857)	(4,642)	$ (33,114)	$ (24,532)	$ 233,093
Net loss	-	-	-	(5,244)	-	-	-	(5,244)
Other comprehensive income	-	-	-	-	-	-	973	973
Cash dividends ($0.025 per share)	-	-	-	(959)	-	-	-	(959)
Purchase of treasury stock	-	-	-	-	(10)	(42)	-	(42)
Stock-based compensation expense	-	-	1,469	-	-	-	-	1,469
Proceeds from exercise of options	50	-	-	-	-	-	-	-
Balance, March 31, 2025	43,054	$ 4	$ 699,061	$ (413,060)	(4,652)	$ (33,156)	$ (23,559)	$ 229,290
Net loss	-	-	-	(8,434)	-	-	-	(8,434)
Other comprehensive income	-	-	-	-	-	-	3,670	3,670
Cash dividends ($0.025 per share)	-	-	-	(961)	-	-	-	(961)
Stock-based compensation expense	-	-	1,555	-	-	-	-	1,555
Balance, June 30, 2025	43,054	$ 4	$ 700,616	$ (422,455)	(4,652)	$ (33,156)	$ (19,889)	$ 225,120

See accompanying notes to condensed consolidated financial statements.

CLARUS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(in thousands, except per share amounts)

NOTE 1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying unaudited condensed consolidated financial statements of Clarus Corporation and its subsidiaries (which may be collectively referred to as the "Company," "Clarus," "we," "us" or "our") as of June 30, 2025 and December 31, 2024 and for the three and six months ended June 30, 2025 and 2024, have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP"), instructions to the Quarterly Report on Form 10-Q, and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and notes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting only of normal recurring adjustments, except otherwise disclosed) necessary for a fair presentation of the unaudited condensed consolidated financial statements have been included. The results for the three and six months ended June 30, 2025 are not necessarily indicative of the results to be obtained for the year ending December 31, 2025. These interim financial statements should be read in conjunction with the Company's audited consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024, filed with the Securities and Exchange Commission (the "SEC") on March 6, 2025.

Nature of Business

Headquartered in Salt Lake City, Utah, we are a global leading designer, developer, manufacturer and distributor of best-in-class outdoor equipment and lifestyle products focused on the outdoor enthusiast markets. Each of our brands has a long history of continuous product innovation for core and everyday users alike. The Company's products are principally sold globally under the Black Diamond®, Rhino-Rack®, MAXTRAX®, and TRED Outdoors® brand names through outdoor specialty and online retailers, our own websites, distributors and original equipment manufacturers. We believe that our portfolio of iconic brands is well-positioned for sustainable, long-term growth underpinned by industry trends across the outdoor and adventure sport end markets.

Use of Estimates

The preparation of consolidated financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. We continually evaluate our estimates and assumptions including those related to revenue recognition, income taxes and valuation of long-lived assets, goodwill and indefinite-lived intangible assets, and other intangible assets. We base our estimates on historical experience and other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

Recent Accounting Pronouncements

Accounting Pronouncements issued and not yet adopted

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which requires a public entity to disclose in its rate reconciliation table additional categories of information about federal, state and foreign income taxes and provide more details about the reconciling items in some categories if items meet a quantitative threshold. The guidance will require all entities to disclose income taxes paid, net of refunds, disaggregated by federal (national), state and foreign taxes for annual periods and to disaggregate the information by jurisdiction based on a quantitative threshold. The guidance makes several other changes to the disclosure requirements. All entities are required to apply the guidance prospectively, with the option to apply it retrospectively. The guidance is effective for public business entities for fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company is currently evaluating the enhanced disclosure requirements, however it does not anticipate a material change to the consolidated financial statements.

CLARUS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(Unaudited)
(in thousands, except per share amounts)

In November 2024, the FASB issued ASU 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses, which requires a public entity to disclose, in the notes to the financial statements, specified information about certain costs and expenses on an annual and interim basis. The guidance will require all entities to disclose the amounts of purchases of inventory, employee compensation, depreciation, and intangible asset amortization included in each relevant expense caption. The guidance also requires disclosure of a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively, as well as disclosure of the total amount of selling expenses and, in annual reporting periods, an entity's definition of selling expenses. All entities are required to apply the guidance prospectively, with the option to apply it retrospectively. The amendments in ASU 2024-03 are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the enhanced disclosure requirements, however it does not anticipate a material change to the consolidated financial statements.

NOTE 2. ACQUISITIONS

RockyMounts

On December 5, 2024, Clarus and its wholly-owned subsidiary, Rhino-Rack USA LLC, entered into an Asset Purchase Agreement (the "RockyMounts Purchase Agreement") with RockyMounts, Inc. (the "Seller" or "RockyMounts") and Robert C. Noyes, pursuant to which the Company agreed to (i) acquire certain assets and liabilities of the Seller constituting the RockyMounts business, including equipment, inventory, intellectual property (including exclusive use of the brand name ROCKYMOUNTS and the tradename ROCKY MOUNTS INC.), software, domain names and social media accounts, and (ii) assume certain liabilities related to the RockyMounts assets, including all liabilities and obligations of the Seller under the Assigned Contracts (as defined in the RockyMounts Purchase Agreement), arising or to be performed after the closing of the RockyMounts Purchase Agreement.

Pursuant to the RockyMounts Purchase Agreement, the purchase price to be paid for the RockyMounts assets is up to $8,000, which includes (i) $4,000 paid in cash at closing, subject to adjustment as set forth in the RockyMounts Purchase Agreement, (ii) the issuance of a promissory note by Rhino-Rack USA LLC in favor of the Seller in the original principal amount of $2,000, payable on the one-year anniversary of the closing of the RockyMounts Purchase Agreement, and (iii) the payment of additional contingent consideration of up to $2,000 in cash upon the satisfaction of certain net sales targets (the "RockyMounts Contingent Consideration"). The Company estimated the initial fair value of the RockyMounts Contingent Consideration to be $609 and recorded this liability within accrued liabilities. See Note 12 for discussion regarding the valuation of the RockyMounts Contingent Consideration as of June 30, 2025. The acquisition was accounted for as a business combination.

The Company believes the acquisition of RockyMounts will provide the Company with a greater combined global revenue base, increased gross margins, profitability and free cash flows, and access to increased liquidity to further acquire and grow businesses.

The following table is a reconciliation to the fair value of the purchase consideration and how the purchase consideration is allocated to assets acquired and liabilities assumed which have been estimated at their fair values. The fair value estimates for the purchase price allocation for RockyMounts are based on the Company's best estimates and assumptions as of the reporting date and are considered preliminary. The fair value measurements of identifiable assets and liabilities, and the resulting goodwill related to the RockyMounts acquisition are subject to change and the final purchase price allocations could be different from the amounts presented below. We expect to finalize the valuations as soon as practicable, but not later than one year from the date of the acquisition. The excess of purchase consideration over the assets acquired and liabilities assumed is recorded as goodwill. Goodwill for RockyMounts is included in the Adventure segment. The goodwill consists largely of the growth and profitability expected from these acquisitions.

CLARUS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(Unaudited)
(in thousands, except per share amounts)

	RockyMounts
	December 5, 2024
	Estimated Fair Value
Cash paid	$ 3,840
Seller Note	1,878
Contingent consideration	609
Total purchase consideration	$ 6,327
Assets acquired and liabilities assumed	
Assets	
Accounts receivable	$ 160
Inventories	928
Prepaid and other current assets	85
Property and equipment	97
Other intangible assets	2,366
Goodwill	2,741
Total assets	6,377
Liabilities	
Accounts payable and accrued liabilities	$ 50
Total liabilities	50
Net Book Value Acquired	$ 6,327

The estimated fair value of inventory was recorded at expected sales price less cost to sell plus a reasonable profit margin for selling efforts.

CLARUS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(Unaudited)
(in thousands, except per share amounts)

In connection with the acquisition, the Company acquired exclusive rights to RockyMounts' trademarks, customer relationships, product technologies, and tradenames. The amounts assigned to each class of intangible asset, other than goodwill acquired, and the related average useful lives are as follows:

	RockyMounts	
	Gross	Average Useful Life
Intangibles subject to amortization		
Customer relationships	$ 1,138	3.0 years
Product technologies	374	3.0 years
Tradenames	622	3.0 years
Non-compete agreements	232	5.0 years
	$ 2,366	3.2 years

The full amount of goodwill of $2,741 at RockyMounts is expected to be deductible for tax purposes. No pre-existing relationships existed between the Company and RockyMounts or their sellers prior to the acquisition. RockyMounts revenue and operating income are included in the Adventure segment. Total revenue and net income of RockyMounts from the date of acquisition to December 31, 2024 were not material to the Company's consolidated financial statements.

NOTE 3. DISCONTINUED OPERATIONS

On February 29, 2024, the Company and Everest/Sapphire Acquisition, LLC, its wholly-owned subsidiary, completed the sale to Bullseye Acquisitions, LLC, an affiliate of JDH Capital Company, of all of the equity associated with the Company's Precision Sport segment, which is comprised of the Company's subsidiaries Sierra and Barnes, pursuant to a Purchase and Sale Agreement dated as of December 29, 2023, by and among, Bullseye Acquisitions, LLC, Everest/Sapphire Acquisition, LLC and the Company (the "Precision Sport Purchase Agreement"). The Precision Sport segment engaged in the business of designing, developing, manufacturing, and marketing bullets and ammunition to the military, law enforcement, and commercial/consumer markets. Under the terms of the Precision Sport Purchase Agreement, the Buyer agreed to pay $175,000 in cash, which is subject to a customary working capital adjustment. The Company received $175,674 in cash under the terms of the Precision Sport Purchase Agreement, which included a preliminary working capital adjustment. As of December 31, 2024, the working capital adjustment had been finalized, with no changes from the preliminary working capital adjustment. The Company recognized a pre-tax gain on such sale of $40,585. The activities of the Precision Sport segment have been segregated and reported as discontinued operations for the six months ended June 30, 2024. There was no activity in discontinued operations during the three months ended June 30, 2024.

CLARUS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(Unaudited)
(in thousands, except per share amounts)

Summarized results of discontinued operations for the Precision Sport segment are as follows:

	Six Months Ended June 30, 2024
Sales	$ 10,585
Cost of goods sold	(6,543)
Selling, general and administrative	(2,062)
Restructuring charges	(3)
Transaction costs	(3,440)
Interest expense, net	(2,455)
Other, net	(38)
Loss from operations of discontinued operations	(3,956)
Gain on sale of discontinued operations	40,585
Income from discontinued operations before taxes	36,629
Income tax expense	8,283
Income from discontinued operations, net of tax	$ 28,346

In connection with the sale of the Precision Sport segment, all interest expense related to outstanding debt that was required to be repaid with the proceeds received from the sale pursuant to the terms of the Company's credit facility is allocated to discontinued operations in our condensed consolidated financial statements for the six months ended June 30, 2024.

Summarized cash flow information for the Precision Sport segment discontinued operations are as follows:

	Six Months Ended June 30, 2024
Stock-based compensation	$ 5
Purchase of property and equipment	$ 886

NOTE 4. ASSETS AND LIABILITIES HELD FOR SALE

We classify assets and related liabilities as held for sale when the following conditions are met: (i) management has committed to a plan to sell the net assets, (ii) the net assets are available for immediate sale, (iii) there is an active program to locate a buyer, (iv) the sale and transfer of the net assets is probable within one year, (v) the net assets are being actively marketed for sale at a price that is reasonable in relation to the current fair value, and (vi) it is unlikely that significant changes will be made to the plan to sell the net assets. Upon designation as held for sale, we record the assets and related liabilities at the lower of their carrying value or their estimated fair value, reduced for the costs to dispose of the assets and related liabilities, which are determined using the estimated proceeds from the sale.

On May 8, 2025, BD European Holdings, LLC, a Delaware limited liability company and wholly owned subsidiary of the Company, entered into a Share Purchase and Transfer Agreement (the "Share Purchase Agreement") to sell all of the issued and outstanding shares of Black Diamond Austria GmbH, together with its operating subsidiary, PIEPS GmbH (collectively, "PIEPS").

CLARUS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(Unaudited)
(in thousands, except per share amounts)

As a result of the execution of the Share Purchase Agreement, during the second quarter of 2025 we determined that our PIEPS business, which is included within our Outdoor segment, met the criteria to be classified as held for sale, and therefore we have reclassified the related assets and liabilities as held for sale on the condensed consolidated balance sheets. As described in Note 7 below, indefinite-lived intangible assets at our Outdoor segment, specifically the PIEPS trademark, were impaired by $1,565 during the three months ended June 30, 2025. This impairment is included within impairment of indefinite-lived intangible assets in our condensed consolidated statements of comprehensive (loss) income.

The PIEPS sale closed on July 11, 2025, upon the satisfaction of customary closing conditions and other regulatory matters, including foreign direct investment. The following is a summary of the major categories of assets and liabilities that have been classified as assets and liabilities held for sale on the condensed consolidated balance sheets as of June 30, 2025:

	June 30, 2025
Cash	$ 956
Accounts receivable, net	508
Inventories	4,729
Prepaid and other current assets	55
Income tax receivable	2
Total current assets held for sale	6,250
Property and equipment, net	363
Other intangible assets, net	660
Indefinite-lived intangible assets	1,712
Deferred income taxes	319
Other long-term assets	26
Total assets held for sale	$ 9,330
Accounts payable	$ 555
Accrued liabilities	421
Total current liabilities held for sale	976
Other long-term liabilities	4
Total liabilities held for sale	$ 980

We determined that the sale of the PIEPS business would not represent a strategic shift that had or will have a major effect on the condensed consolidated statements of comprehensive (loss) income, and therefore results were not classified as discontinued operations.

The following table provides a reconciliation of cash reported within the condensed consolidated balance sheets to the total cash shown in the condensed consolidated statements of cash flows.

	June 30, 2025
Cash	$ 28,474
Cash in Assets held for sale	956
	$ 29,430

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NOTE 5. INVENTORIES

Inventories, as of June 30, 2025 and December 31, 2024, were as follows:

	June 30, 2025	December 31, 2024
Finished goods	$ 85,123	$ 72,329
Work-in-process	291	234
Raw materials and supplies	6,113	9,715
	$ 91,527	$ 82,278

NOTE 6. PROPERTY AND EQUIPMENT

Property and equipment, net, as of June 30, 2025 and December 31, 2024, were as follows:

	June 30, 2025	December 31, 2024
Land	$ 2,850	$ 2,850
Building and improvements	7,804	5,891
Furniture and fixtures	5,296	4,958
Computer hardware and software	8,413	8,380
Machinery and equipment	16,874	16,795
Construction in progress	2,704	3,412
	43,941	42,286
Less accumulated depreciation	(25,694)	(24,680)
	$ 18,247	$ 17,606

Depreciation expense for continuing operations for the three months ended June 30, 2025 and 2024 was $877 and $1,045, respectively, and for the six months ended June 30, 2025 and 2024 was $1,760 and $2,071, respectively.

NOTE 7. GOODWILL AND INTANGIBLE ASSETS

Goodwill

The following table summarizes the balances in goodwill by segment:

	Outdoor	Adventure	Total
Goodwill	$ 29,507	$ 96,966	$ 126,473
Accumulated goodwill impairments	(29,507)	(88,335)	(117,842)
Balance at December 31, 2024	$ -	$ 3,804	$ 3,804
Balance at June 30, 2025	$ -	$ 3,804	$ 3,804

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Indefinite-Lived Intangible Assets

The following table summarizes the changes in indefinite-lived intangible assets:

Balance at December 31, 2024	$	46,750
Decrease due to impairment		(1,565)
Indefinite-lived intangible assets held for sale		(1,712)
Impact of foreign currency exchange rates		1,549
Balance at June 30, 2025	$	45,022

Management performs an interim indefinite-lived intangible asset impairment assessment whenever events or circumstances make it more likely than not that an impairment may have occurred, such as a significant adverse change in the business climate or a decision to sell or dispose of the asset. If the carrying value of the indefinite-lived asset is higher than its fair value, the asset is deemed to be impaired and the impairment charge is estimated as the difference.

The Company calculates the fair value of its indefinite-lived intangible assets using the income approach, specifically the relief-from-royalty method. The relief-from-royalty method is used to estimate the cost savings that accrue to the owner of an intangible asset who would otherwise have to pay royalties or license fees on revenues earned through the use of the asset. Internally forecasted revenues, which the Company believes reasonably approximate market participant assumptions, are multiplied by a royalty rate to arrive at the estimated net after tax cost savings. The royalty rate used in the analysis is based on an analysis of empirical, market-derived royalty rates for comparable intangible assets. Our discounted cash flow estimates use discount rates that correspond to a weighted-average cost of capital consistent with a market-participant view. The discount rates are consistent with those used for investment decisions and take into account our future operating plans and strategies.

As described above, we determined that a triggering event had occurred during the quarter ended June 30, 2025, with respect to certain indefinite-lived intangible assets within our Outdoor reporting unit, which required that we perform a quantitative assessment. We assessed the fair value of the specific indefinite-lived intangible assets using the relief-from-royalty method described above. As a result of this assessment, the carrying value of the PIEPS trademark recorded within our Outdoor reporting unit exceeded its estimated related fair value, thus an impairment of the PIEPS trademark of $1,565 was recorded.

If we do not achieve the results reflected in the forecasted estimates utilized in our impairment assessments, or if there are changes to market assumptions, our valuation of the reporting unit, including related indefinite-lived intangible assets, could be adversely affected, and we may be required to impair a portion or all of the related goodwill, indefinite-lived intangibles, and other long-lived assets which would adversely affect our operating results in the period of impairment.

Trademarks classified as indefinite-lived intangible assets by brand as of June 30, 2025 and December 31, 2024, were as follows:

		June 30, 2025		**December 31, 2024**
Black Diamond	$	19,600	$	19,600
PIEPS		-		2,899
Rhino-Rack		21,064		20,093
MAXTRAX		4,358		4,158
	$	45,022	$	46,750

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Other Intangible Assets, net

The following table summarizes the changes in gross other intangible assets:

Gross balance at December 31, 2024	$ 77,960
Definite-lived intangible assets held for sale	(4,734)
Impact of foreign currency exchange rates	3,102
Gross balance at June 30, 2025	$ 76,328

Other intangible assets, net of amortization as of June 30, 2025 and December 31, 2024, were as follows:

	June 30, 2025			
	Gross	Accumulated Amortization	Net	Weighted Average Useful Life
Intangibles subject to amortization				
Customer relationships	$ 58,202	$ (37,793)	$ 20,409	13.7 years
Product technologies	15,570	(10,528)	5,042	9.3 years
Tradenames	2,324	(410)	1,914	9.6 years
Non-compete agreements	232	(27)	205	5.0 years
	$ 76,328	$ (48,758)	$ 27,570	12.6 years

	December 31, 2024			
	Gross	Accumulated Amortization	Net	Weighted Average Useful Life
Customer relationships	$ 58,737	$ (35,715)	$ 23,022	13.6 years
Product technologies	16,745	(10,528)	6,217	9.9 years
Tradenames	2,246	(197)	2,049	9.5 years
Core technologies	232	(4)	228	5.0 years
	$ 77,960	$ (46,444)	$ 31,516	12.7 years

Amortization expense for continuing operations for the three months ended June 30, 2025 and 2024, was $2,213 and $2,451, respectively, and for the six months ended June 30, 2025 and 2024 was $4,437 and $4,900, respectively. Future amortization expense for other intangible assets as of June 30, 2025 is as follows:

Years Ending December 31,	Amortization Expense
2025 (excluding the six months ended June 30, 2025)	$ 4,294
2026	6,796
2027	4,875
2028	3,415
2029	2,570
2030	1,858
Thereafter	3,762
	$ 27,570

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NOTE 8. ACCRUED LIABILITIES AND OTHER LONG-TERM LIABILITIES

Accrued liabilities as of June 30, 2025 and December 31, 2024, were as follows:

	June 30, 2025	December 31, 2024
Accrued payroll and related items	$ 3,685	$ 4,054
Accrued bonus	1,996	1,866
Designated forward exchange contracts	1,926	-
Accrued warranty	1,687	2,212
Current lease liabilities	3,604	3,470
Accrued commissions	380	376
Sales returns and rebates	2,896	2,145
Contingent consideration liabilities	355	355
Accrued CPSC regulatory matter	2,500	2,500
Accrued legal expenses	1,130	436
Restructuring liabilities	74	541
Other	6,396	4,321
	$ 26,629	$ 22,276

Other long-term liabilities as of June 30, 2025 and December 31, 2024, were as follows:

	June 30, 2025	December 31, 2024
Long-term lease liabilities	$ 10,335	$ 11,288
Contingent consideration liabilities	254	254
Other	1,308	1,212
	$ 11,897	$ 12,754

NOTE 9. LONG-TERM DEBT

Long-term debt as of June 30, 2025 and December 31, 2024, was as follows:

	June 30, 2025	December 31, 2024
Revolving credit facility (a)	$ -	$ -
Other debt (b)	1,949	1,888
Term loan (c)	-	-
	1,949	1,888
Less current portion	(1,949)	(1,888)
	$ -	$ -

(a) On February 29, 2024, upon the closing of the disposition of the Precision Sport segment, the Company terminated and paid off amounts outstanding under the revolving credit facility, and pursuant to the Credit Agreement with JPMorgan Chase Bank, N.A., as administrative agent and the lenders party thereto (the “Restated

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Credit Agreement"), in full. The Company paid interest monthly on any borrowings on the Restated Credit Agreement.

(b) On December 5, 2024, pursuant to the RockyMounts Purchase Agreement, Clarus and its wholly-owned subsidiary, Rhino-Rack USA LLC, issued a promissory note in favor of RockyMounts, Inc. in the principal amount of $2,000, payable on December 5, 2025. Imputed interest is included within the principal amount and the fair value of the note was $1,878 on the date of issuance. As of June 30, 2025 and December 31, 2024, the borrowing rate was 6.5%.

(c) On February 29, 2024, upon the closing of the disposition of the Precision Sport segment, the Company terminated and paid off amounts outstanding under the term loan in full. The Company paid interest monthly on any borrowings on the Restated Credit Agreement.

NOTE 10. DERIVATIVE FINANCIAL INSTRUMENTS

The Company's primary exchange rate risk management objective is to attempt to mitigate the uncertainty of anticipated cash flows attributable to changes in foreign currency exchange rates. The Company primarily focuses on mitigating changes in cash flows resulting from sales denominated in currencies other than the U.S. dollar. The Company manages this risk primarily by using currency forward and option contracts. If the anticipated transactions are deemed probable, the resulting relationships are formally designated as cash flow hedges. The Company accounts for these contracts as cash flow hedges and tests effectiveness by determining whether changes in the expected cash flow of the derivative offset, within a range, changes in the expected cash flow of the hedged item.

At June 30, 2025, the Company's derivative contracts had remaining maturities of less than one year. The counterparties to these transactions had both long-term and short-term investment grade credit ratings. The maximum net exposure of the Company's credit risk to the counterparties is generally limited to the aggregate unrealized loss of all contracts with that counterparty, which was $1,926 as of June 30, 2025. The Company's exposure of counterparty credit risk is limited to the aggregate unrealized gain on all contracts. As of June 30, 2025, there was no such exposure to the counterparties. The Company's derivative counterparties have strong credit ratings and as a result, the Company does not require collateral to facilitate transactions.

The Company held the following contracts designated as hedging instruments as of June 30, 2025 and December 31, 2024:

	June 30, 2025	
	Notional Amount	Latest Maturity
Foreign exchange contracts - Canadian Dollars	$6,366	February 2026
Foreign exchange contracts - Euros	€ 14,745	February 2026

	December 31, 2024	
	Notional Amount	Latest Maturity
Foreign exchange contracts - Canadian Dollars	$1,379	February 2025
Foreign exchange contracts - Euros	€ 6,711	August 2025

For contracts that qualify as effective hedge instruments, the effective portion of gains and losses resulting from changes in fair value of the instruments are included in accumulated other comprehensive loss and reclassified to sales in the period

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the underlying hedged transaction is recognized in earnings. Gains (losses) of ($503) and $136 were reclassified to sales during the three months ended June 30, 2025 and 2024, respectively, and ($427) and $217 were reclassified to sales during the six months ended June 30, 2025 and 2024, respectively.

The following table presents the balance sheet classification and fair value of derivative instruments as of June 30, 2025 and December 31, 2024:

	Classification	June 30, 2025	December 31, 2024
Derivative instruments in asset positions:			
Designated forward exchange contracts	Prepaid and other current assets	$ -	$ 600
Derivative instruments in liability positions:			
Designated forward exchange contracts	Accrued liabilities	$ 1,926	$ -

NOTE 11. ACCUMULATED OTHER COMPREHENSIVE LOSS

Accumulated other comprehensive loss ("AOCI") primarily consists of foreign currency translation adjustments and changes in our forward foreign exchange contracts. The following table sets forth the changes in AOCI, net of tax, for the three months ended June 30, 2025:

	Foreign Currency Translation Adjustments	Unrealized Gains (Losses) on Cash Flow Hedges	Total
Balance as of March 31, 2025	$ (23,141)	$ (418)	$ (23,559)
Other comprehensive income (loss) before reclassifications	4,677	(1,386)	3,291
Amounts reclassified from other comprehensive income (loss)	-	379	379
Net current period other comprehensive income (loss)	4,677	(1,007)	3,670
Balance as of June 30, 2025	$ (18,464)	$ (1,425)	$ (19,889)

The following table sets forth the changes in AOCI, net of tax, for the three months ended June 30, 2024:

	Foreign Currency Translation Adjustments	Unrealized Gains (Losses) on Cash Flow Hedges	Total
Balance as of March 31, 2024	$ (19,258)	$ 173	$ (19,085)
Other comprehensive income before reclassifications	1,537	(128)	1,409
Amounts reclassified from other comprehensive loss	-	136	136
Net current period other comprehensive income	1,537	8	1,545
Balance as of June 30, 2024	$ (17,721)	$ 181	$ (17,540)

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The following table sets forth the changes in AOCI, net of tax, for the six months ended June 30, 2025:

	Foreign Currency Translation Adjustments	Unrealized Gains (Losses) on Cash Flow Hedges	Total
Balance as of December 31, 2024	$ (24,858)	$ 326	$ (24,532)
Other comprehensive income (loss) before reclassifications	6,394	(2,073)	4,321
Amounts reclassified from other comprehensive income (loss)	-	322	322
Net current period other comprehensive income (loss)	6,394	(1,751)	4,643
Balance as of June 30, 2025	$ (18,464)	$ (1,425)	$ (19,889)

The following table sets forth the changes in AOCI, net of tax, for the six months ended June 30, 2024:

	Foreign Currency Translation Adjustments	Unrealized Gains (Losses) on Cash Flow Hedges	Total
Balance as of December 31, 2023	$ (15,223)	$ (191)	$ (15,414)
Other comprehensive (loss) income before reclassifications	(2,498)	539	(1,959)
Amounts reclassified from other comprehensive loss	-	(167)	(167)
Net current period other comprehensive (loss) income	(2,498)	372	(2,126)
Balance as of June 30, 2024	$ (17,721)	$ 181	$ (17,540)

The effects on net income of amounts reclassified from unrealized gains (losses) on cash flow hedges for foreign exchange contracts for the three and six months ended June 30, 2025 and 2024, were as follows:

Affected line item in the Consolidated Statements of Comprehensive (Loss) Income	Gains (losses) reclassified from AOCI to the Consolidated Statements of Comprehensive (Loss) Income			
	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Foreign exchange contracts:				
Sales	$ (503)	$ 136	$ (427)	$ 217
Less: Income tax (benefit) expense	(124)	31	(105)	50
Amount reclassified, net of tax	$ (379)	$ 105	$ (322)	$ 167
Total reclassifications from AOCI	$ (379)	$ 105	$ (322)	$ 167

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NOTE 12. FAIR VALUE MEASUREMENTS

We measure certain financial assets and liabilities at fair value on a recurring basis. Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, under a three-tier fair value hierarchy that prioritizes the inputs used in measuring fair value as follows:

Level 1 - inputs to the valuation methodology are quoted market prices for identical assets or liabilities in active markets.

Level 2 - inputs to the valuation methodology include quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3 - inputs to the valuation methodology are based on prices or valuation techniques that are unobservable.

Items Measured at Fair Value on a Recurring Basis

Assets and liabilities measured at fair value on a recurring basis at June 30, 2025 and December 31, 2024 were as follows:

	June 30, 2025			
	Level 1	Level 2	Level 3	Total
Assets				
Designated forward exchange contracts	$ -	$ -	$ -	$ -
	$ -	$ -	$ -	$ -
Liabilities				
Designated forward exchange contracts	$ -	$ 1,926	$ -	$ 1,926
Contingent consideration liabilities	$ -	$ -	$ 609	$ 609
	$ -	$ 1,926	$ 609	$ 2,535

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Assets				
Designated forward exchange contracts	$ -	$ 600	$ -	$ 600
	$ -	$ 600	$ -	$ 600
Liabilities				
Contingent consideration liabilities	$ -	$ -	$ 609	$ 609
	$ -	$ -	$ 609	$ 609

Derivative financial instruments are recorded at fair value based on current market pricing models.

The Company estimated the initial fair value of the contingent consideration liabilities primarily using the Monte-Carlo pricing model. Significant unobservable inputs used in the valuation of contingent consideration liabilities related to the acquisition of RockyMounts included a discount rate of 13.0%. Contingent consideration liabilities are subsequently remeasured at the estimated fair value at the end of each reporting period using financial projections of the acquired company, such as sales-based milestones and estimated probabilities of achievement, with the change in fair value

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recognized in contingent consideration benefit in the accompanying consolidated statements of comprehensive (loss) income for such period. We measure the initial liability and remeasure the liability on a recurring basis using Level 3 inputs as defined under authoritative guidance for fair value measurements.

The following table summarizes the changes in contingent consideration liabilities:

	RockyMounts
Balance at December 31, 2024	$ 609
Fair value adjustments	-
Balance at June 30, 2025	$ 609

As the contingent consideration liabilities are remeasured to fair value each reporting period, significant increases or decreases in projected sales, discount rates or the time until payment is made could have resulted in a significantly lower or higher fair value measurement. Our determination of fair value of the contingent consideration liabilities could change in future periods based on our ongoing evaluation of these significant unobservable inputs. The net sales threshold required for the payment of the TRED contingent consideration was not met during the measurement period ended June 30, 2025.

NOTE 13. STOCKHOLDERS' EQUITY

On August 6, 2018, the Company announced that its Board of Directors approved the initiation of a quarterly cash dividend program of $0.025 per share of the Company's common stock (the "Quarterly Cash Dividend") or $0.10 per share on an annualized basis. The declaration and payment of future Quarterly Cash Dividends is subject to the discretion of and approval of the Company's Board of Directors. On July 30, 2025, the Company announced that its Board of Directors approved the payment on August 20, 2025 of the Quarterly Cash Dividend of $0.025 to the record holders of shares of the Company's common stock as of the close of business on August 11, 2025.

NOTE 14. EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share is computed by dividing earnings (loss) by the weighted average number of common shares outstanding during each period. Diluted earnings (loss) per share is computed by dividing earnings (loss) by the total of the weighted average number of shares of common stock outstanding during each period, plus the effect of dilutive outstanding stock options and unvested restricted stock grants. Potentially dilutive securities are excluded from the computation of diluted earnings (loss) per share if their effect is anti-dilutive to the loss from continuing operations.

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The following table is a reconciliation of basic and diluted shares of common stock outstanding used in the calculation of earnings (loss) per share:

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Weighted average shares outstanding - basic	38,402	38,297	38,384	38,253
Effect of dilutive stock awards	-	-	-	-
Weighted average shares outstanding - diluted	38,402	38,297	38,384	38,253
Loss from continuing operations per share:				
Basic	$ (0.22)	$ (0.14)	$ (0.36)	$ (0.31)
Diluted	(0.22)	(0.14)	(0.36)	(0.31)
Income from discontinued operations per share:				
Basic	$ -	$ -	$ -	$ 0.74
Diluted	-	-	-	0.74
Net (loss) income per share:				
Basic	$ (0.22)	$ (0.14)	$ (0.36)	$ 0.43
Diluted	(0.22)	(0.14)	(0.36)	0.43

For the three months ended June 30, 2025 and 2024, equity awards of 4,644 and 5,762, respectively, and for the six months ended June 30, 2025 and 2024, equity awards of 4,455 and 5,405, respectively, were excluded from the calculation of earnings (loss) per share for these periods as they were anti-dilutive.

NOTE 15. STOCK-BASED COMPENSATION PLAN

On May 29, 2025, at the Company's 2025 Annual Meeting, stockholders approved the Clarus Corporation Amended and Restated 2015 Stock Incentive Plan (the "Amended and Restated 2015 Plan"), which had previously been adopted by the Board of Directors on April 16, 2025, subject to such approval. The Amended and Restated 2015 Plan amends and restates the Clarus Corporation 2015 Stock Incentive Plan (the "2015 Plan"), originally approved by stockholders on December 11, 2015. Upon stockholder approval of the Amended and Restated 2015 Plan, the 2015 Plan was terminated, and no further awards will be granted under it. Any remaining shares available for grant under the 2015 Plan were canceled. However, 4,232 shares subject to outstanding awards previously granted under the 2015 Plan will remain available for issuance pursuant to their existing terms.

Under the Amended and Restated 2015 Plan, the Company's Board of Directors has flexibility to determine the type and amount of awards to be granted to eligible participants, who must be employees, directors, officers or consultants of the Company or its subsidiaries. The Amended and Restated 2015 Plan allows for grants of incentive stock options, nonqualified stock options, restricted stock awards, stock appreciation rights, and restricted stock unit awards. Unless earlier terminated as provided therein, the Amended and Restated 2015 Plan will terminate on the tenth (10th) anniversary of the effective date of the Amended and Restated 2015 Plan.

Options Granted:

During the six months ended June 30, 2025, the Company issued stock option awards for an aggregate of 630 shares of Common Stock under the Amended and Restated 2015 Plan and the 2015 Plan to directors and employees of the Company. Of the 630 stock options, 500 stock options shall vest and become exercisable one year from the date of the grant, 50 stock

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options shall vest and become exercisable over a period of three years from the date of the grant, and 80 stock options shall vest and become exercisable in four equal consecutive quarterly tranches from the date of grant. All of the issued stock options expire ten years from the date of the grant.

For computing the fair value of the stock-based awards, the fair value of each option grant has been estimated as of the date of grant using the Black-Scholes option-pricing model with the following assumptions:

Options Granted During the Six Months Ended June 30, 2025

Number of options	630
Option vesting period	1 - 3 Years
Grant price (per share)	$3.21 - $4.02
Dividend yield	2.49% - 3.12%
Expected volatility (a)	50.6% - 53.2%
Risk-free interest rate	4.01% - 4.17%
Expected life (years) (b)	5.50 - 6.69
Weighted average fair value (per share)	$1.32 - $1.74

(a) Expected volatility is based upon the Company's historical volatility.

(b) The expected term was determined based upon the underlying terms of the awards and the category and employment history of employee award recipient.

The grant date fair value of the stock options granted during the six months ended June 30, 2025 was $1,046, which will be recognized over the vesting period of the options.

During the six months ended June 30, 2025, the Company did not issue any restricted stock unit awards under the Amended and Restated 2015 Plan and the 2015 Plan to directors and employees of the Company.

The total non-cash stock compensation expense for continuing operations related to grants of incentive stock options, nonqualified stock options, restricted stock awards, stock appreciation rights, and restricted stock unit awards recorded by the Company for the three months ended June 30, 2025 and 2024 was $1,555 and $1,528, respectively, and for the six months ended June 30, 2025 and 2024 was $3,024 and $2,706, respectively. For the three and six months ended June 30, 2025 and 2024, the majority of stock-based compensation costs were classified as selling, general and administrative expenses.

As of June 30, 2025, there were 1,073 unvested stock options and unrecognized compensation cost of $1,815 related to unvested stock options, as well as 1,050 unvested restricted stock unit awards and unrecognized compensation costs of $2,549 related to unvested restricted stock unit awards.

NOTE 16. RESTRUCTURING

Starting in 2023, the Company began incurring expenses to facilitate long-term sustainable growth through cost reduction actions, consisting of employee reductions, facility rationalization and contract termination costs. During the three months ended June 30, 2025 and 2024, the Company incurred $161 and $161, respectively, and during the six months ended June 30, 2025 and 2024, the Company incurred $334 and $531, respectively, of restructuring charges related to these actions. The Company has incurred $5,505 of cumulative restructuring charges since the commencement of our restructuring actions in 2023. The Company accrues for restructuring costs when they are probable and reasonably estimable. These costs include severance costs, exit costs, and other restructuring costs and are included in restructuring charges in the

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condensed consolidated statements of comprehensive (loss) income. Severance costs primarily consist of severance benefits through payroll continuation, conditional separation costs and employer tax liabilities, while exit costs primarily consist of lease exit and contract termination costs. Other costs consist primarily of costs related to the discontinuance of certain product lines and are distinguishable and directly attributable to the Company's restructuring initiative and not a result of external market factors associated with the ongoing business. We estimate that we will continue to incur restructuring costs related to employee-related costs and facility exit costs during the year ending December 31, 2025; however, the Company cannot estimate the total amount expected to be incurred as cost reduction actions continue to be evaluated. The Company anticipates completing these restructuring activities in the year ending December 31, 2025.

The following table summarizes the restructuring charges, payments and the remaining liabilities related to restructuring costs at June 30, 2025, which are included within accrued liabilities in the condensed consolidated balance sheets:

	Outdoor	Adventure	Corporate	Total
Balance at December 31, 2024	$ 541	$ -	$ -	$ 541
Charges to expense:				
Employee termination benefits	101	203	-	304
Exit costs	30	-	-	30
Total restructuring charges	$ 131	$ 203	$ -	$ 334
Cash payments and non-cash charges:				
Cash payments	(598)	(203)	-	(801)
Balance at June 30, 2025	$ 74	$ -	$ -	$ 74

NOTE 17. COMMITMENTS, CONTINGENCIES AND LEGAL MATTERS

As a consumer goods manufacturer and distributor, the Company faces the risk of product liability and related lawsuits involving claims for substantial money damages, product recall actions and higher than anticipated rates of warranty returns or other returns of goods. The Company is therefore vulnerable to various personal injury and property damage lawsuits relating to its products and incidental to its business.

The Company is involved in various legal disputes and other legal proceedings that arise from time to time in the ordinary course of business. Anticipated costs related to litigation matters are accrued when it is both probable that a liability has been incurred and the amount can be reasonably estimated. Based on currently available information, the Company does not believe that it is reasonably possible that the disposition of any of the legal disputes the Company or its subsidiaries is currently involved in will have a material adverse effect upon the Company's consolidated financial position, results of operations or cash flows, except for the U.S. Consumer Product Safety Commission ("CPSC") and Department of Justice matter discussed below. There is a reasonable possibility of loss from contingencies in excess of the amounts accrued by the Company in the accompanying condensed consolidated balance sheets; however, the actual amounts of such possible losses cannot currently be reasonably estimated by the Company. It is possible that, as additional information becomes available, the Company may subsequently determine that it may incur losses from such contingencies materially in excess of the amounts initially accrued by the Company which could have a material adverse effect on the Company's liquidity, stock price, consolidated financial position, results of operations and/or cash flows. See Part II, Item 1. "Legal Proceedings."

Legal expenses incurred in the ordinary course of business are included in selling, general, and administrative expenses in the consolidated statements of comprehensive (loss) income except as described below.

CLARUS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(Unaudited)
(in thousands, except per share amounts)

U.S. Consumer Product Safety Commission

In January 2021, Black Diamond Equipment, Ltd. ("BDEL") wrote to the U.S. Consumer Product Safety Commission ("CPSC") outlining its new cradle solution for certain models of its avalanche beacon transceivers to prevent such transceivers from switching unexpectedly out of "send" mode. The proposed new cradle solution was designed to improve transceiver safety by locking the transceiver into "send" mode prior to use so that it would not switch unexpectedly out of "send" mode. BDEL also requested approval for the CPSC Fast-Track Program for a voluntary product recall to implement this cradle solution. The CPSC approved the recall and entered into a Corrective Action Plan agreement with BDEL in March 2021. BDEL received a letter from the CPSC, dated October 28, 2021, stating that the CPSC is investigating whether BDEL has timely complied with the reporting requirements of Section 15(b) of the Consumer Protection Safety Act and related regulations regarding certain models of avalanche transceivers switching unexpectedly out of "send" mode.

Separately, on April 21, 2022, BDEL filed a Section 15(b) report and applied for Fast-Track consideration for a voluntary recall, consisting of free repair or replacement of such malfunctioning models of avalanche transceivers, which would not switch from "send" mode to "search" mode due to an electronic malfunction in the reed switch or foil. The CPSC approved the recall and entered into a Corrective Action Plan agreement with BDEL in August 2022. BDEL received a letter from the CPSC, dated January 17, 2023, stating that the CPSC is investigating whether BDEL has timely complied with the reporting requirements of Section 15(b) of the Consumer Protection Safety Act and related regulations regarding the malfunction in the reed switch or foil in certain models of avalanche transceivers switching out of "search" mode. BDEL responded to the CPSC's investigation by letter dated March 31, 2023, accompanied with documents responsive to the CPSC's requests. The CPSC asked for further clarification and documents, and BDEL sent a responsive letter accompanied by additional documents on June 23, 2023. On September 6, 2023, the CPSC requested further clarification and information regarding the reed switch issue, to which BDEL responded on October 6, 2023 and October 13, 2023.

By letters dated October 12, 2023 and December 18, 2023, respectively, BDEL was notified by the CPSC that the agency staff had concluded that BDEL failed to timely meet its statutory reporting obligations under the Consumer Product Safety Act with respect to certain models of avalanche transmitters distributed by BDEL switching unexpectedly out of "send" mode and certain models of avalanche transmitters distributed by BDEL not switching from "send" mode into "search" mode, that BDEL made a material misrepresentation in a report to the CPSC, and that the agency staff intends to recommend that the CPSC impose civil monetary penalties of $16,135 and $9,000, respectively, for the two matters described above.

On November 20, 2023 and February 8, 2024, respectively, BDEL submitted a comprehensive response disputing the CPSC's findings and conclusions in the October 12, 2023 and December 18, 2023 letters, including the amount of any potential penalties. The CPSC ultimately disagreed with our position and the agency voted to refer the matter to the U.S. Department of Justice for further proceedings. The Company and BDEL intend to strongly contest and vigorously defend against any claims which may be asserted against them by the Department of Justice or the CPSC.

John C. Walbrecht, the former President of BDEL and the Company, received a letter from the CPSC dated June 25, 2024 alleging that in his personal capacity he knowingly violated the Consumer Product Safety Act by failing to timely report the occurrence resulting in beacons switching unexpectedly out of "send" mode. The staff of the CPSC recommended a $5,000 fine against Mr. Walbrecht personally. Pursuant to the Company's by-laws, the Company has agreed to indemnify Mr. Walbrecht and pay his legal fees, and he has provided an undertaking to the Company that the Company will be entitled to recover those expenses if it is ultimately determined that he was not entitled to indemnification. On August 26, 2024, Mr. Walbrecht's independent counsel responded to the CPSC, denying the allegations of its June 25, 2024, letter and rejecting its demand for a penalty.

On January 23, 2025, the Company and BDEL were each served with grand jury subpoenas from the United States Department of Justice requiring the production of documents relating to avalanche transmitters distributed by BDEL. The Company and BDEL are cooperating with this investigation.

CLARUS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(Unaudited)
(in thousands, except per share amounts)

On March 13, 2025, the Company received a letter from the CPSC requesting various categories of documents and information in connection with an investigation into whether BDEL sold products that were subject to a recall. The Company has cooperated with that investigation, substantially completed document production, and delivered a narrative explanatory letter to the CPSC on June 18, 2025.

Based on currently available information, the Company believes an unfavorable outcome with the CPSC is probable, however, we cannot reasonably estimate on what terms this matter will be resolved with the CPSC or the U.S. Department of Justice. During the year ended December 31, 2024, the Company recorded a liability of $2,500 representing the low end of the range of our estimated exposure. The Company does not have a better estimate of the loss; therefore the low-end of the range was recorded as an accrued liability during the first quarter of 2024 and a corresponding expense is included in legal costs and regulatory matter expenses in the consolidated statements of comprehensive (loss) income.

We believe it is reasonably possible that a change in our ability to estimate the amount of loss could occur in the near term and that the change in the estimate could be material. In addition, as this matter is ongoing, the Company is currently unable to predict its duration, resources required or outcome, or the impact it may have on the Company's liquidity, financial condition, results of operations and/or cash flows. Any penalties imposed by the CPSC or other regulators could be costly to us and could damage our business and reputation as well as have a material adverse effect on the Company's liquidity, stock price, consolidated financial position, results of operations and/or cash flows. During the three months ended June 30, 2025 and 2024, the Company incurred legal expenses of $1,150 and $180, respectively, and during the six months ended June 30, 2025 and 2024, the Company incurred legal expenses of $1,728 and $385, respectively, in efforts to resolve this matter. These legal expenses are included in legal costs and regulatory matter expenses in the consolidated statements of comprehensive (loss) income.

Clarus Corporation v. HAP Trading, LLC and Harsh A. Padia

On September 23, 2022, the Company filed a lawsuit in the United States District Court for the Southern District of New York against HAP Trading, LLC and Harsh A. Padia ("HAP Trading"), seeking disgorgement of profits from transactions in the Company's common stock and related derivative securities in violation of Section 16(b) of the Securities Exchange Act of 1934, as amended.

On March 14, 2025, the Court issued an Opinion and Order granting the defendants' motion for summary judgment on the ground that they qualified for the market making exemption under Section 16(d) of the Exchange Act. On April 11, 2025, the Company filed a timely Notice of Appeal and filed its opening brief on July 18, 2025.

Clarus Corporation v. Caption Management, LLC, et al.

On March 8, 2024, the Company filed a lawsuit in the United States District Court for the Southern District of New York against Caption Management, LLC, Caption Partners II LP, Caption GP, LLC, William Cooper and Jason Strasser ("Caption Management"), seeking disgorgement of short-swing profits from transactions in the Company's stock and related derivative securities in violation of Section 16(b) of the Securities Exchange Act of 1934, as amended.

Defendants filed a motion to dismiss and on March 24, 2025, the Court issued an Order and Opinion denying the motion to dismiss and directing the defendants to answer the Complaint and proceed to discovery.

During the three months ended June 30, 2025 and 2024, the Company incurred legal expenses of $687 and $219, respectively, and during the six months ended June 30, 2025 and 2024, the Company incurred legal expenses of $734 and $516, respectively, in the efforts to bring the cases against HAP Trading and Caption Management to trial. These legal expenses are included in legal costs and regulatory matter expenses in the consolidated statements of comprehensive (loss) income.

CLARUS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(Unaudited)
(in thousands, except per share amounts)

NOTE 18. INCOME TAXES

The Company's U.S. federal statutory tax rate is 21% and its foreign operations have statutory tax rates of approximately 23% in Austria, 28% in New Zealand, and 30% in Australia.

The difference between the Company's estimated effective tax rate benefit of 9.0% for the three months ended June 30, 2025, and the U.S. federal statutory tax rate of 21% was primarily due to the impact of valuation allowance, stock compensation, and research and experimentation expenditures and credits in the second quarter of 2025.

The difference between the Company's estimated effective tax rate benefit of 10.7% for the six months ended June 30, 2025, and the U.S. federal statutory tax rate of 21% was primarily due to the impact of valuation allowance, stock compensation, and research and experimentation expenditures and credits in the first half of 2025.

As of December 31, 2024, the Company's gross deferred tax asset was $35,658. The Company has recorded a valuation allowance of $23,344, resulting in a net deferred tax asset of $12,314, before deferred tax liabilities of $24,488. As of June 30, 2025 and December 31, 2024, the Company has provided a full valuation allowance against all of the U.S. deferred tax assets because the ultimate realization of those assets did not meet the more-likely-than-not criteria. Part of the Company's deferred tax assets consist of net operating loss carryforwards ("NOLs") for federal tax purposes. If a change in control were to occur, these could be limited under Section 382 of the Internal Revenue Code of 1986 ("Code"), as amended.

In assessing the realizability of deferred income tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible and net operating loss and credit carryforwards expire. The estimates and judgments associated with the Company's valuation allowance on deferred tax assets are considered critical due to the amount of deferred tax assets recorded by the Company on its consolidated balance sheets and the judgment required in determining the Company's future taxable income. The need for a valuation allowance is reassessed at each interim reporting period.

As of December 31, 2024, the Company had NOLs and research and experimentation credit for U.S. federal income tax purposes of $0 and $5,439, respectively.

On July 4, 2025, H.R.1 (the "Tax Reform Act of 2025") was signed into law, which includes significant changes to federal tax law and other regulatory provisions that may impact the Company. The Company is currently evaluating the provisions of the new law and the potential effects on its financial position, results of operations, and cash flows. As of the date of these financial statements, the Company has not completed its assessment, and therefore no adjustments have been made. Additional disclosures will be provided in future periods as the impact of the legislation is determined.

CLARUS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(Unaudited)
(in thousands, except per share amounts)

NOTE 19. SEGMENT INFORMATION

We operate our business structure within two segments. These segments are defined based on the internal financial reporting used by our chief operating decision maker ("CODM") to allocate resources and assess performance. The Company's CODM is the Executive Chairman and Director (Principal Executive Officer). The CODM allocates resources based on revenue and operating income primarily through the annual budget and periodic forecasting process. The CODM considers budget-to-actual variances when making decisions about allocating capital and personnel to the segments. Corporate costs consist of corporate office expenses including compensation, benefits, non-cash stock compensation expense, transaction costs, and other administrative costs, as well as charges related to certain legal and regulatory matters, that are managed at a corporate level and are not included within segment results when evaluating performance or allocating resources.

Each segment is described below:

- Prior to its sale on July 11, 2025, PIEPS was included in our Outdoor segment alongside Black Diamond Equipment. Our Outdoor segment is a global leader in designing, manufacturing, and marketing innovative outdoor engineered equipment and apparel for climbing, mountaineering, trail running, backpacking, skiing, and a wide range of other year-round outdoor recreation activities. Our Outdoor segment offers a broad range of products, including: high-performance, activity-based apparel (such as shells, insulation, midlayers, pants, and logowear); rock-climbing footwear and equipment (such as carabiners, protection devices, harnesses, belay devices, helmets, and ice-climbing gear); technical backpacks and high-end day packs; trekking poles; headlamps and lanterns; and gloves and mittens. We also offer advanced skis, ski poles, ski skins, and snow safety products, including avalanche airbag systems, avalanche transceivers, shovels, and probes.

- Our Adventure segment, which includes Rhino-Rack, MAXTRAX, and TRED, is a manufacturer of highly-engineered automotive roof racks, trays, mounting systems, luggage boxes, carriers, recovery boards, bicycle racks, and accessories in Australia and New Zealand and a growing presence in the United States and Europe.

As noted above, the Company has a wide variety of technical outdoor equipment and lifestyle products that are sold to a variety of customers in multiple end markets. While there are multiple products sold, the terms and nature of revenue recognition policy is similar for all segments.

CLARUS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(Unaudited)
(in thousands, except per share amounts)

Financial information for our segments, as well as revenue by geography, which the Company believes provides a meaningful depiction how the nature, timing and uncertainty of revenue are affected by economic factors, is as follows:

	Three Months Ended June 30, 2025		
	Outdoor	Adventure	Total
Sales			
Domestic sales	$ 18,621	$ 6,103	$ 24,724
International sales	18,040	12,483	30,523
Total sales	36,661	18,586	55,247
Cost of goods sold	23,429	11,648	
Other inventory reserves	490	-	
Selling, general and administrative	14,225	8,938	
Restructuring charges	(42)	203	
Transaction costs	86	-	
Legal costs and regulatory matter expenses	1,150	-	
Impairment of indefinite-lived intangible assets	1,565	-	
Segment operating loss	$ (4,242)	$ (2,203)	$ (6,445)
Corporate costs			(4,456)
Interest income, net			153
Other, net			1,483
Loss before income tax			$ (9,265)

	Three Months Ended June 30, 2024		
	Outdoor	Adventure	Total
Sales			
Domestic sales	$ 18,885	$ 4,049	$ 22,934
International sales	17,302	16,248	33,550
Total sales	36,187	20,297	56,484
Cost of goods sold	23,245	12,117	
PFAS and other inventory reserves	716	-	
Selling, general and administrative	14,295	9,557	
Restructuring charges	146	15	
Contingent consideration benefit	-	(125)	
Legal costs and regulatory matter expenses	180	-	
Segment operating income (loss)	$ (2,395)	$ (1,267)	$ (3,662)
Corporate costs			(4,475)
Interest income, net			455
Other, net			414
Loss before income tax			$ (7,268)

CLARUS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(Unaudited)
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	Six Months Ended June 30, 2025		
	Outdoor	Adventure	Total
Sales			
Domestic sales	$ 39,315	$ 10,218	$ 49,533
International sales	41,669	24,478	66,147
Total sales	80,984	34,696	115,680
Cost of goods sold	52,783	21,813	
Inventory fair value of purchase accounting	-	120	
Other inventory reserves	490	-	
Selling, general and administrative	28,251	17,777	
Restructuring charges	131	203	
Transaction costs	156	40	
Legal costs and regulatory matter expenses	1,728	-	
Impairment of indefinite-lived intangible assets	1,565	-	
Segment operating loss	$ (4,120)	$ (5,257)	$ (9,377)
Corporate costs			(8,286)
Interest income, net			410
Other, net			1,942
Loss before income tax			$ (15,311)

	Six Months Ended June 30, 2024		
	Outdoor	Adventure	Total
Sales			
Domestic sales	$ 42,514	$ 8,704	$ 51,218
International sales	40,695	33,882	74,577
Total sales	83,209	42,586	125,795
Cost of goods sold	53,246	25,847	
PFAS and other inventory reserves	1,445	-	
Selling, general and administrative	29,369	18,740	
Restructuring charges	370	161	
Contingent consideration benefit	-	(125)	
Legal costs and regulatory matter expenses	2,885	-	
Segment operating loss	$ (4,106)	$ (2,037)	$ (6,143)
Corporate costs			(8,768)
Interest income, net			825
Other, net			(495)
Loss before income tax			$ (14,581)

There were no intercompany sales between the Outdoor and Adventure segments for the periods presented.

CLARUS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(Unaudited)
(in thousands, except per share amounts)

Total assets by segment, as of June 30, 2025 and December 31, 2024, were as follows:

	June 30, 2025	December 31, 2024
Outdoor	$ 137,400	$ 137,062
Adventure	122,012	120,063
Corporate	17,768	36,969
	$ 277,180	$ 294,094

Capital expenditures, depreciation and amortization by segment is as follows.

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Capital expenditures:				
Outdoor	$ 1,644	$ 787	$ 2,787	$ 1,507
Adventure	219	776	257	1,067
Total capital expenditures	$ 1,863	$ 1,563	$ 3,044	$ 2,574
Depreciation:				
Outdoor	$ 534	$ 661	$ 1,040	$ 1,334
Adventure	343	384	720	737
Total depreciation	$ 877	$ 1,045	$ 1,760	$ 2,071
Amortization:				
Outdoor	$ 245	$ 285	$ 528	$ 571
Adventure	1,968	2,166	3,909	4,329
Total amortization	$ 2,213	$ 2,451	$ 4,437	$ 4,900

NOTE 20. SUBSEQUENT EVENT

On July 11, 2025, the Company completed the sale of PIEPS to a private investment firm for a total purchase price of €7,825 (approximately $9,124), including cash and assumed debt. The transaction was completed pursuant to the Share Purchase Agreement entered into on May 8, 2025, by BD European Holdings, LLC, a Delaware limited liability company and wholly owned subsidiary of the Company.

CLARUS CORPORATION
MANAGEMENT DISCUSSION AND ANALYSIS
(in thousands, except per share amounts)

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

Forward-Looking Statements

Please note that in this Quarterly Report on Form 10-Q Clarus Corporation (which may be referred to as the "Company," "Clarus," "we," "our" or "us") may use words such as "appears," "anticipates," "believes," "plans," "expects," "intends," "future" and similar expressions which constitute forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are made based on our expectations and beliefs concerning future events impacting the Company and therefore involve a number of risks and uncertainties. We caution that forward-looking statements are not guarantees and that actual results could differ materially from those expressed or implied in the forward-looking statements.

Potential risks and uncertainties that could cause the actual results of operations or financial condition of the Company to differ materially from those expressed or implied by forward-looking statements in this Quarterly Report on Form 10 Q include, but are not limited to, the overall level of consumer demand on our products; general economic conditions and other factors affecting consumer confidence, preferences, and behavior; the potential impact of the uncertain macroeconomic environment on our financial results, including, but not limited to, the effects of sustained global inflationary pressures and interest rates, potential economic slowdowns or recessions, trade restrictions and regulatory changes, and global supply chain disruptions; the effect of inflation on our business, including any future pricing actions taken in an effort to mitigate the effects of inflation and potential impacts on our revenue, operating margins and net income; disruption and volatility in the global currency, capital and credit markets; the financial strength of retail economies and the Company's customers; the Company's ability to implement its business strategy; the Company's ability to execute and integrate acquisitions, as well as to complete dispositions and effectively manage the associated separation and transition risks, including those related to the recent sale of PIEPS; the Company's exposure to product liability or product warranty claims and other loss contingencies, including, without limitation, recalls and liability claims relating to certain avalanche beacon transceivers distributed by BDEL; disruptions and other impacts to the Company's business, as a result of an outbreak of disease or similar public health threat, and government actions and restrictive measures implemented in response; stability of the Company's manufacturing facilities and suppliers, as well as consumer demand for our products, in light of disease epidemics and health-related concerns; the impact that global climate change trends may have on the Company and its suppliers and customers, increased focus on sustainability issues as a result of global climate change; regulatory or market responses to global climate change; the Company's ability to protect patents, trademarks and other intellectual property rights; any breaches of, or interruptions in, our information systems; the ability of our information technology systems or information security systems to operate effectively, including as a result of security breaches, viruses, hackers, malware, natural disasters, vendor business interruptions or other causes; our ability to properly maintain, protect, repair or upgrade our information technology systems or information security systems, or problems with our transitioning to upgraded or replacement systems; the impact of adverse publicity about the Company and/or its brands and products, including without limitation, through social media or in connection with brand damaging events and/or public perception; the potential impact of the Consumer Products Safety Commission's and the U.S. Department of Justice's investigations related to BDEL's reporting obligations under the Consumer Product Safety Act in connection with BDEL's recall of certain models of its avalanche transceivers on our business, results of operations, and financial condition; fluctuations in the price, availability and quality of raw materials and contracted products as well as foreign currency fluctuations; ongoing disruptions and delays in the shipping and transportation of our products due to port congestion, container ship availability and/or other logistical challenges; the impact of political unrest, natural disasters or other crises, terrorist acts, acts of war and/or military operations; our ability to utilize our net operating loss carryforwards; changes in tax laws and liabilities, tariffs, legal, regulatory, political and economic risks; the Company's ability to maintain a quarterly dividend; our ability to obtain additional capital and funding on acceptable terms to meet our financial obligations as well as to support our business operations and growth strategy; and any material differences in the actual financial results of the Company's past and future acquisitions and dispositions, including the impact of such transactions and any related recognition of impairment or other charges, such as the recent impairment recognized in the Outdoor segment, on the Company's future earnings per share. More information on potential factors that could affect the

CLARUS CORPORATION
MANAGEMENT DISCUSSION AND ANALYSIS
(in thousands, except per share amounts)

Company's financial results is included from time to time in the Company's public reports filed with the Securities and Exchange Commission, including the Company's Annual Report on Form 10 K, Quarterly Reports on Form 10 Q and Current Reports on Form 8 K. All forward-looking statements included in this Quarterly Report on Form 10 Q are based upon information available to the Company as of the date of this Quarterly Report on Form 10 Q, and speak only as of the date hereof. We assume no obligation to update any forward-looking statements to reflect events or circumstances after the date of this Quarterly Report on Form 10 Q.

Overview

Headquartered in Salt Lake City, Utah, Clarus is a global leading designer, developer, manufacturer and distributor of best-in-class outdoor equipment and lifestyle products focused on the outdoor enthusiast markets. Each of our brands has a long history of continuous product innovation for core and everyday users alike. The Company's products are principally sold globally under the Black Diamond®, Rhino-Rack®, MAXTRAX®, and TRED Outdoors® brand names through outdoor specialty and online retailers, our own websites, distributors and original equipment manufacturers. Our portfolio of iconic brands is well-positioned for sustainable, long-term growth underpinned by powerful industry trends across the outdoor and adventure sport end markets.

Our iconic brands are rooted in performance-defining technologies that enable our customers to have their best days outdoors. We have a long history of technical innovation and product development, backed by an extensive patent portfolio that continues to evolve and advance our markets. We focus on enhancing our customers' performance in the most critical moments. Our commitment to quality, rigorous safety, and ultimately best-in-class design is evidenced by outstanding industry recognition, as we have received numerous product awards across our portfolio of brands.

Each of our brands represents a unique customer value proposition. Supported by six decades of proven innovation, our Black Diamond brand is an established global leader in high-performance, activity-based climbing, skiing, and technical mountain sports equipment. The brand is synonymous with premium performance, safety and reliability. Founded in 1992, our Rhino-Rack brand is a globally-recognized designer and distributor of highly-engineered automotive roof racks and accessories to enhance the outdoor enthusiast's overlanding experience. Founded in 2005, our MAXTRAX brand offers high-quality overlanding and off-road vehicle recovery and extraction tracks for the overland and off-road market. Similarly, our TRED brand, founded in 2012, is a trusted brand for key retailers and distributors in the overlanding and off-road vehicle recovery market.

Clarus, incorporated in Delaware in 1991, acquired Black Diamond Equipment, Ltd. ("Black Diamond Equipment") in May 2010 and changed its name to Black Diamond, Inc. in January 2011. In October 2012, we acquired PIEPS Holding GmbH and its subsidiaries (collectively, "PIEPS"). On August 14, 2017, the Company changed its name from Black Diamond, Inc. to Clarus Corporation and its stock ticker symbol from "BDE" to "CLAR" on the NASDAQ stock exchange.

On August 21, 2017, the Company acquired Sierra Bullets, L.L.C. ("Sierra"). On October 2, 2020, the Company completed the acquisition of certain assets and liabilities constituting the Barnes business ("Barnes"). On July 1, 2021, the Company completed the acquisition of Australia-based Rhino-Rack Holdings Pty Ltd ("Rhino-Rack"). On December 1, 2021, the Company completed the acquisition of Australia-based MaxTrax Australia Pty Ltd ("MAXTRAX"). On October 9, 2023, the Company completed the acquisition of Australia-based TRED Outdoors Pty Ltd. ("TRED"). On December 5, 2024, the Company completed the acquisition of certain assets and liabilities constituting the RockyMounts business ("RockyMounts").

On February 29, 2024, the Company completed the sale of all of the equity associated with the Company's Precision Sport segment, comprised of the Company's subsidiaries Sierra and Barnes, pursuant to a Purchase and Sale Agreement dated as of December 29, 2023 (the "Precision Sport Purchase Agreement"). Under the terms of the Precision Sport Purchase Agreement, the Company received net proceeds of approximately $37,871 in cash, after payment of certain fees and settlement of the Restated Credit Agreement, for all of the equity associated with the Company's Precision Sport segment. The activities of the Precision Sport segment have been segregated and reported as discontinued operations for all periods

presented. See Note 3 to our condensed consolidated financial statements for financial information regarding discontinued operations.

On July 11, 2025, the Company completed the sale of Black Diamond Austria GmbH and its operating subsidiary, PIEPS GmbH (together, "PIEPS"), to a private investment firm for a total purchase price of €7,800 (approximately $8,400), including cash and assumed debt. The transaction was effected pursuant to a Share Purchase and Transfer Agreement entered into on May 8, 2025, by BD European Holdings, LLC, a Delaware limited liability company and wholly owned subsidiary of the Company. See Note 4 to our condensed consolidated financial statements for financial information regarding assets and liabilities held for sale.

On August 6, 2018, the Company announced that its Board of Directors approved the initiation of a quarterly cash dividend program of $0.025 per share of the Company's common stock (the "Quarterly Cash Dividend") or $0.10 per share on an annualized basis. The declaration and payment of future Quarterly Cash Dividends is subject to the discretion of and approval of the Company's Board of Directors. On July 30, 2025, the Company announced that its Board of Directors approved the payment on August 20, 2025 of the Quarterly Cash Dividend of $0.025 to the record holders of shares of the Company's common stock as of the close of business on August 11, 2025.

Restructuring

Starting in 2023, the Company began incurring expenses to facilitate long-term sustainable growth through cost reduction actions, consisting of employee reductions, facility rationalization and contract termination costs. During the three months ended June 30, 2025 and 2024, the Company incurred $161 and $161, respectively, and during the six months ended June 30, 2025 and 2024, the Company incurred $334 and $531, respectively, of restructuring charges related to these actions. The Company has incurred $5,505 of cumulative restructuring charges since the commencement of our restructuring actions in 2023. The Company accrues for restructuring costs when they are probable and reasonably estimable. These costs include severance costs, exit costs, and other restructuring costs and are included in restructuring charges in the condensed consolidated statements of comprehensive (loss) income. Severance costs primarily consist of severance benefits through payroll continuation, conditional separation costs and employer tax liabilities, while exit costs primarily consist of lease exit and contract termination costs. Other costs consist primarily of costs related to the discontinuance of certain product lines and are distinguishable and directly attributable to the Company's restructuring initiative and not a result of external market factors associated with the ongoing business. We estimate that we will continue to incur restructuring costs related to employee-related costs and facility exit costs during the year ending December 31, 2025; however, the Company cannot estimate the total amount expected to be incurred as cost reduction actions continue to be evaluated. The Company anticipates completing these restructuring activities in the year ending December 31, 2025.

Critical Accounting Policies and Use of Estimates

Management's discussion of our financial condition and results of operations is based on the consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). The preparation of the consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting periods. Our critical accounting policies that require the use of estimates and assumptions were discussed in detail in our Annual Report on Form 10-K for the year ended December 31, 2024. We base our estimates on historical experience and other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

There have been no significant changes to our critical accounting policies as described in our Annual Report on Form 10-K for the year ended December 31, 2024.

CLARUS CORPORATION
MANAGEMENT DISCUSSION AND ANALYSIS
(in thousands, except per share amounts)

Recent Accounting Pronouncements

See "Recent Accounting Pronouncements" in Note 1 to our condensed consolidated financial statements.

Results of Operations

Three Months Ended June 30, 2025 Compared to Three Months Ended June 30, 2024

The following presents a discussion of operations for the three months ended June 30, 2025, compared with the three months ended June 30, 2024.

	Three Months Ended	
	June 30, 2025	**June 30, 2024**
Sales		
Domestic sales	$ 24,724	$ 22,934
International sales	30,523	33,550
Total sales	55,247	56,484
Cost of goods sold	35,567	36,078
Gross profit	19,680	20,406
Operating expenses		
Selling, general and administrative	26,910	28,081
Restructuring charges	161	161
Transaction costs	108	27
Contingent consideration benefit	-	(125)
Legal costs and regulatory matter expenses	1,837	399
Impairment of indefinite-lived intangible assets	1,565	-
Total operating expenses	30,581	28,543
Operating loss	(10,901)	(8,137)
Other income		
Interest income, net	153	455
Other, net	1,483	414
Total other income, net	1,636	869
Loss before income tax	(9,265)	(7,268)
Income tax benefit	(831)	(1,775)
Net loss	$ (8,434)	$ (5,493)

Sales

Total sales decreased $1,237, or 2.2%, to $55,247 during the three months ended June 30, 2025, compared to total sales of $56,484 during the three months ended June 30, 2024. The decrease in sales was attributable to a decrease in sales at the Adventure segment of $1,712, partially offset by an increase in sales at the Outdoor segment of $475.

Sales in the Outdoor segment were reduced by $99 due to foreign exchange impact from the strengthening of the U.S. dollar primarily against the euro during the three months ended June 30, 2025, compared to the prior period. Sales in the Adventure segment were reduced by $364 due to foreign exchange impact from the strengthening of the U.S. dollar against the Australian dollar during the three months ended June 30, 2025, compared to the prior period.

Sales in the Adventure segment decreased due to significantly lower demand from global original equipment manufacturer ("OEM") customers and a challenging wholesale market in Australia for Rhino-Rack, partially offset by a $2,099 increase from the RockyMounts acquisition and higher promotional sales in North America. Sales in the Outdoor segment increased due to a shift in timing for independent global distributor ("IGD") revenues into the three months ended June 30, 2025, partially offset by decreases in our direct-to-consumer channels in both North America and Europe.

Domestic sales increased $1,790, or 7.8%, to $24,724 during the three months ended June 30, 2025, compared to domestic sales of $22,934 during the three months ended June 30, 2024. The increase in sales was attributable to an increase in sales at the Adventure segment of $2,053, partially offset by a decrease in sales at the Outdoor segment of $263.

International sales decreased $3,027, or 9.0%, to $30,523 during the three months ended June 30, 2025, compared to international sales of $33,550 during the three months ended June 30, 2024. The decrease in sales was attributable to a decrease in sales at the Adventure segment of $3,765, partially offset by an increase in sales at the Outdoor segment of $738.

Cost of Goods Sold

Cost of goods sold decreased $511, or 1.4%, to $35,567 during the three months ended June 30, 2025, compared to cost of goods sold of $36,078 during the three months ended June 30, 2024.

Gross Profit

Gross profit decreased $726, or 3.6%, to $19,680 during the three months ended June 30, 2025, compared to gross profit of $20,406 during the three months ended June 30, 2024. Gross margin was 35.6% during the three months ended June 30, 2025, compared to a gross margin of 36.1% during the three months ended June 30, 2024. Gross margin during the three months ended June 30, 2025, decreased compared to the prior year as a result of lower volumes and an unfavorable product mix at the Adventure segment. Specifically, the unfavorable product mix at Adventure was primarily driven by promotional sales efforts in North America. This combined with lower wholesale volume at Rhino-Rack in Australia drove the decline in gross margin compared to the three months ended June 30, 2024. These decreases were partially offset by higher volumes and a favorable product mix at the Outdoor segment during the three months ended June 30, 2025 compared to prior year.

Selling, General and Administrative

Selling, general, and administrative expenses decreased $1,171, or 4.2%, to $26,910 during the three months ended June 30, 2025, compared to selling, general and administrative expenses of $28,081 during the three months ended June 30, 2024. Selling, general and administrative expenses at the Outdoor segment decreased by $70 primarily as a result of lower employee-related costs and other expense reduction initiatives to manage costs. Selling, general and administrative expenses at the Adventure segment decreased by $617 primarily as a result of lower marketing, amortization, and employee-related costs, combined with other expense reduction initiatives. Additionally, Corporate costs decreased $484 due to lower outside service and employee-related costs.

CLARUS CORPORATION
MANAGEMENT DISCUSSION AND ANALYSIS
(in thousands, except per share amounts)

Restructuring Charges

Restructuring charges were $161 during the three months ended June 30, 2025, compared to restructuring charges of $161 during the three months ended June 30, 2024. The restructuring charges incurred during the three months ended June 30, 2025, relate to benefits provided to employees who were terminated due to the Company's reduction-in-force as part of its continued realignment of resources within the organization.

Transaction Costs

Transaction costs increased to $108 during the three months ended June 30, 2025, compared to transaction costs of $27 during the three months ended June 30, 2024, which consisted of expenses related to the Company's various acquisition and disposal efforts.

Contingent Consideration Benefit

Contingent consideration benefit decreased to $0 during the three months ended June 30, 2025, compared to a contingent consideration benefit of $125 during the three months ended June 30, 2024, which consisted of changes in the estimated fair value of contingent consideration liabilities associated with our acquisition of TRED in 2023.

Legal Costs and Regulatory Matter Expenses

Legal costs and regulatory matter expenses increased to $1,837 during the three months ended June 30, 2025, compared to legal costs and regulatory matter expenses of $399 during the three months ended June 30, 2024, which consisted of expenses related to the Company's specific legal matters. See Note 17 to our condensed consolidated financial statements for financial information regarding specific legal matters.

Impairment of Indefinite-Lived Intangible Assets

Impairment of indefinite-lived intangible assets increased to $1,565 during the three months ended June 30, 2025, compared to impairment of indefinite-lived intangible assets of $0 during the three months ended June 30, 2024. Based on the results of the Company's impairment analysis completed as of June 30, 2025, the Company determined that certain indefinite-lived intangible assets, specifically the PIEPS trademark, were impaired and recognized charges of $1,565 during the three months ended June 30, 2025.

Interest Income, net

Interest income, net decreased to $153 during the three months ended June 30, 2025, compared to interest income, net of $455 during the three months ended June 30, 2024. The decrease in interest income recognized during the three months ended June 30, 2025, was due to lower interest rates on lower cash balances, compared to the prior period.

Other, net

Other, net, changed by $1,069, or 258.2%, to $1,483 during the three months ended June 30, 2025, compared to other, net of $414 during the three months ended June 30, 2024. The change in other, net, was primarily attributable to an increase in remeasurement gains recognized on the Company's foreign denominated accounts receivable and accounts payable. The change was partially offset by losses in mark-to-market adjustments on non-hedged foreign currency contracts during the three months ended June 30, 2025.

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MANAGEMENT DISCUSSION AND ANALYSIS
(in thousands, except per share amounts)

Income Taxes

Income tax benefit decreased by $944, or 53.2%, to $831 during the three months ended June 30, 2025, compared to $1,775 during the same period in 2024. Our effective income tax rate was a benefit of 9.0% for the three months ended June 30, 2025, and differed compared to the statutory tax rates primarily due to the impact of valuation allowance, stock compensation, and research and experimentation expenditures and credits. For the three months ended June 30, 2024, our effective income tax rate was a benefit of 24.4% and differed compared to the statutory tax rates primarily due to the impact of stock compensation and research and experimentation expenditures and credits.

CLARUS CORPORATION
MANAGEMENT DISCUSSION AND ANALYSIS
(in thousands, except per share amounts)

Six Months Ended June 30, 2025 Compared to Six Months Ended June 30, 2024

The following presents a discussion of operations for the six months ended June 30, 2025, compared with the six months ended June 30, 2024.

	Six Months Ended	
	June 30, 2025	**June 30, 2024**
Sales		
Domestic sales	$ 49,533	$ 51,218
International sales	66,147	74,577
Total sales	115,680	125,795
Cost of goods sold	75,206	80,538
Gross profit	40,474	45,257
Operating expenses		
Selling, general and administrative	53,526	56,296
Restructuring charges	334	531
Transaction costs	250	65
Contingent consideration benefit	-	(125)
Legal costs and regulatory matter expenses	2,462	3,401
Impairment of indefinite-lived intangible assets	1,565	-
Total operating expenses	58,137	60,168
Operating loss	(17,663)	(14,911)
Other income (expense)		
Interest income, net	410	825
Other, net	1,942	(495)
Total other income, net	2,352	330
Loss before income tax	(15,311)	(14,581)
Income tax benefit	(1,633)	(2,626)
Loss from continuing operations	(13,678)	(11,955)
Discontinued operations, net of tax	-	28,346
Net (loss) income	$ (13,678)	$ 16,391

Sales

Total sales decreased $10,115, or 8.0%, to $115,680 during the six months ended June 30, 2025, compared to total sales of $125,795 during the six months ended June 30, 2024. The decrease in sales was attributable to a decrease in sales at the Adventure and Outdoor segments of $7,890 and $2,225, respectively.

CLARUS CORPORATION
MANAGEMENT DISCUSSION AND ANALYSIS
(in thousands, except per share amounts)

Sales in the Outdoor segment were reduced by $795 due to foreign exchange impact from the strengthening of the U.S. dollar primarily against the euro during the six months ended June 30, 2025, compared to the prior period. Sales in the Adventure segment were reduced by $933 due to foreign exchange impact from the strengthening of the U.S. dollar against the Australian dollar during the six months ended June 30, 2025, compared to the prior period.

Sales in the Adventure segment decreased due to significantly lower demand from global original equipment manufacturer ("OEM") customers and a challenging wholesale market in Australia for both Rhino-Rack and MAXTRAX, combined with a prior year large wholesale customer in North America not reoccurring in the six months ended June 30, 2025, partially offset by a $3,441 increase from the RockyMounts acquisition. Sales in the Outdoor segment decreased due to our product simplification and SKU rationalization strategy across Black Diamond and decreases in our direct-to-consumer channels in both North America and Europe, partially offset by higher apparel revenue during the six months ended June 30, 2025.

Domestic sales decreased $1,685, or 3.3%, to $49,533 during the six months ended June 30, 2025, compared to domestic sales of $51,218 during the six months ended June 30, 2024. The decrease in sales was attributable to a decrease in sales at the Outdoor segment of $3,199, partially offset by an increase in sales at the Adventure segment of $1,514.

International sales decreased $8,430, or 11.3%, to $66,147 during the six months ended June 30, 2025, compared to international sales of $74,577 during the six months ended June 30, 2024. The decrease in sales was attributable to a decrease in sales at the Adventure segment of $9,404, partially offset by an increase in sales at the Outdoor segment of $974.

Cost of Goods Sold

Cost of goods sold decreased $5,332, or 6.6%, to $75,206 during the six months ended June 30, 2025, compared to cost of goods sold of $80,538 during the six months ended June 30, 2024.

Gross Profit

Gross profit decreased $4,783, or 10.6%, to $40,474 during the six months ended June 30, 2025, compared to gross profit of $45,257 during the six months ended June 30, 2024. Gross margin was 35.0% during the six months ended June 30, 2025, compared to a gross margin of 36.0% during the six months ended June 30, 2024. Gross margin during the six months ended June 30, 2025, decreased compared to the prior year as a result of lower volumes and unfavorable product mix at the Outdoor and Adventure segments. Specifically, the unfavorable product mix at Outdoor was related to high levels of discontinued merchandise that was sold, including the vast majority of the remaining Per- and Polyfluoroalkyl Substances ("PFAS") inventory. The unfavorable product mix at Adventure was primarily driven by promotional sales efforts in North America. This combined with lower wholesale volume at both Rhino-Rack and MAXTRAX in Australia drove the decline in gross margin compared to the six months ended June 30, 2024.

Selling, General and Administrative

Selling, general, and administrative expenses decreased $2,770, or 4.9%, to $53,526 during the six months ended June 30, 2025, compared to selling, general and administrative expenses of $56,296 during the six months ended June 30, 2024. Selling, general and administrative expenses at the Outdoor segment decreased by $1,112 primarily as a result of lower digital marketing and employee-related costs, as well as lower retail expenses due to store closures and other expense reduction initiatives to manage costs. Selling, general and administrative expenses at the Adventure segment decreased by $963 primarily as a result of lower marketing, amortization, and employee-related costs, combined with other expense reduction initiatives, partially offset by a write-off of internally developed software during the six months ended June 30, 2025. Additionally, Corporate costs decreased $695 due to lower outside service and employee-related costs.

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MANAGEMENT DISCUSSION AND ANALYSIS
(in thousands, except per share amounts)

Restructuring Charges

Restructuring charges decreased to $334 during the six months ended June 30, 2025, compared to restructuring charges of $531 during the six months ended June 30, 2024. The restructuring charges incurred during the six months ended June 30, 2025 relate to benefits provided to employees who were terminated due to the Company's reduction-in-force as part of its continued realignment of resources within the organization of $304 and lease exit and contract termination costs of $30.

Transaction Costs

Transaction costs increased to $250 during the six months ended June 30, 2025, compared to transaction costs of $65 during the six months ended June 30, 2024, which consisted of expenses related to the Company's various acquisition and disposal efforts.

Contingent Consideration Benefit

Contingent consideration benefit decreased to $0 during the six months ended June 30, 2025, compared to a contingent consideration benefit of $125 during the six months ended June 30, 2024, which consisted of changes in the estimated fair value of contingent consideration liabilities associated with our acquisition of TRED in 2023.

Legal Costs and Regulatory Matter Expenses

Legal costs and regulatory matter expenses decreased to $2,462 during the six months ended June 30, 2025, compared to legal costs and regulatory matter expenses of $3,401 during the six months ended June 30, 2024, which consisted of expenses related to the Company's specific legal matters. See Note 17 to our condensed consolidated financial statements for financial information regarding specific legal matters.

Impairment of Indefinite-Lived Intangible Assets

Impairment of indefinite-lived intangible assets increased to $1,565 during the six months ended June 30, 2025, compared to impairment of indefinite-lived intangible assets of $0 during the six months ended June 30, 2024. Based on the results of the Company's impairment analysis completed as of June 30, 2025, the Company determined that certain indefinite-lived intangible assets, specifically the PIEPS trademark, were impaired and recognized charges of $1,565 during the six months ended June 30, 2025.

Interest Income, net

Interest income, net decreased to $410 during the six months ended June 30, 2025, compared to interest income, net of $825 during the six months ended June 30, 2024. The decrease in interest income recognized during the six months ended June 30, 2025, was due to lower interest rates on lower cash balances, compared to the prior period.

Other, net

Other, net, changed by $2,437, or 492.3%, to $1,942 during the six months ended June 30, 2025, compared to other, net of ($495) during the six months ended June 30, 2024. The change in other, net, was primarily attributable to an increase in remeasurement gains recognized on the Company's foreign denominated accounts receivable and accounts payable. The change was partially offset by losses in mark-to-market adjustments on non-hedged foreign currency contracts during the six months ended June 30, 2025.

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(in thousands, except per share amounts)

Income Taxes

Income tax benefit decreased by $993, or 37.8%, to $1,633 during the six months ended June 30, 2025, compared to $2,626 during the same period in 2024. Our effective income tax rate was a benefit of 10.7% for the six months ended June 30, 2025, and differed compared to the statutory tax rates primarily due to the impact of valuation allowance, stock compensation, and research and experimentation expenditures and credits. For the six months ended June 30, 2024, our effective income tax rate was a benefit of 18.0%, and differed compared to the statutory tax rates primarily due to the impact of stock compensation and research and experimentation expenditures and credits.

Discontinued Operations

Net income from discontinued operations was $0 during the six months ended June 30, 2025, compared to net income from discontinued operations of $28,346 during the six months ended June 30, 2024. The change in net income from discontinued operations is due to the sale of the Precision Sport segment occurring during the six months ended June 30, 2024. There was no activity in discontinued operations during the six months ended June 30, 2025.

Liquidity and Capital Resources

Six Months Ended June 30, 2025 Compared to Six Months Ended June 30, 2024

Our primary ongoing funding requirements are for working capital, expansion of our operations (both organically and through acquisitions) and general corporate needs, as well as investing in the various brands. We plan to fund these activities through a combination of our future operating cash flows and net proceeds from the sale of our Precision Sport segment. Upon the closing of the sale of the Precision Sport segment, the Company terminated and settled all outstanding borrowings on our revolving credit facility and term debt under the Credit Agreement with JPMorgan Chase Bank, N.A., as administrative agent and the lenders party thereto (the "Restated Credit Agreement"). We believe that our liquidity requirements and contractual obligations for at least the next 12 months will be adequately covered by cash provided by operations and the net proceeds from the sale of the Precision Sport segment after the settlement of the Restated Credit Agreement. Additionally, long-term contractual obligations are also currently expected to be funded from cash from operations and net proceeds from the sale of the Precision Sport segment after the settlement of the Restated Credit Agreement.

At June 30, 2025, we had total cash of $28,474, compared to total cash of $45,359 at December 31, 2024. At June 30, 2025, the Company had $4,931 of the $28,474 in cash held by foreign entities, of which $3,917 is considered permanently reinvested.

The following presents a discussion of cash flows for the condensed consolidated six months ended June 30, 2025 compared with the condensed consolidated six months ended June 30, 2024.

	Six Months Ended	
	June 30, 2025	**June 30, 2024**
Net cash used in operating activities	$ (11,497)	$ (15,527)
Net cash (used in) provided by investing activities	(2,990)	172,162
Net cash used in financing activities	(1,962)	(121,602)
Effect of foreign exchange rates on cash	520	(136)
Change in cash	(15,929)	34,897
Cash, beginning of year	45,359	11,324
Cash, end of period	$ 29,430	$ 46,221

CLARUS CORPORATION
MANAGEMENT DISCUSSION AND ANALYSIS
(in thousands, except per share amounts)

Net Cash From Operating Activities

Net cash used in operating activities was $11,497 during the six months ended June 30, 2025, compared to net cash used in operating activities of $15,527 during the six months ended June 30, 2024. The change in net cash used in operating activities during 2025 is primarily due to the gain on sale of $40,585 during the six months ended June 30, 2024 related to the disposition of the Precision Sport segment. This impact was partially offset by a decrease in net income and deferred income taxes, and an increase in cash outflows related to working capital during the six months ended June 30, 2025, compared to the same period in 2024.

Free cash flow, defined as net cash used in operating activities less capital expenditures, of $14,541 was used during the six months ended June 30, 2025 compared to $19,002 used during the same period in 2024. The Company believes that the non-GAAP measure, free cash flow, provides an understanding of the capital required by the Company to expand its asset base. A reconciliation of free cash flows to the nearest comparable GAAP financial measure is set forth below:

	Six Months Ended	
	June 30, 2025	June 30, 2024
Net cash used in operating activities	$ (11,497)	$ (15,527)
Purchase of property and equipment	(3,044)	(3,475)
Free cash flow	$ (14,541)	$ (19,002)

Net Cash From Investing Activities

Net cash (used in) provided by investing activities was ($2,990) during the six months ended June 30, 2025, compared to net cash provided by investing activities of $172,162 during the six months ended June 30, 2024. The change in cash (used in) provided by investing activities during the six months ended June 30, 2025 is primarily due to the cash received related to the disposition of the Precision Sport segment during the six months ended June 30, 2024.

Net Cash From Financing Activities

Net cash used in financing activities was $1,962 during the six months ended June 30, 2025, compared to net cash used in financing activities of $121,602 during the six months ended June 30, 2024. The change in net cash used in financing activities during the six months ended June 30, 2025, compared to the same period in 2024 was primarily due to the settlement of all outstanding borrowings on our revolving credit facility and term debt under the Restated Credit Agreement during the six months ended June 30, 2024.

Net Operating Loss

As of December 31, 2024, the Company had net operating loss carryforwards (“NOLs”) and research and experimentation credit for U.S. federal income tax purposes of $0 and $5,439, respectively.

As of December 31, 2024, the Company’s gross deferred tax asset was $35,658. The Company has recorded a valuation allowance of $23,344, resulting in a net deferred tax asset of $12,314, before deferred tax liabilities of $24,488. The Company has provided a full valuation allowance against all of the net U.S. deferred tax assets as of December 31, 2024, because the ultimate realization of those assets does not meet the more-likely-than-not criteria. The majority of the Company’s deferred tax assets consist of research and experimentation credits and capitalized costs for federal tax purposes. These deferred tax assets are expected to reverse into NOL carryforwards that can be used to offset taxable income and reduce income taxes payable in future periods. If a change in control were to occur, these future NOLs could be limited under Section 382 of the Internal Revenue Code of 1986 (“Code”), as amended.

CLARUS CORPORATION
MANAGEMENT DISCUSSION AND ANALYSIS
(in thousands, except per share amounts)

Credit Agreement

Upon the closing of the sale of the Precision Sport segment on February 29, 2024, the Company terminated and settled all outstanding borrowings on our revolving credit facility and term debt under the Restated Credit Agreement.

Off-Balance Sheet Arrangements

We do not engage in any transactions or have relationships or other arrangements with unconsolidated entities. These include special purpose and similar entities or other off-balance sheet arrangements. We also do not engage in energy, weather or other commodity-based contracts.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There has not been any material change in the market risk disclosure contained in our Annual Report on Form 10-K for the year ended December 31, 2024.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company's management carried out an evaluation, under the supervision and with the participation of the Company's Executive Chairman and Chief Financial Officer, its principal executive officer and principal financial officer, respectively, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) under the Securities Exchange Act of 1934, as amended ("Exchange Act")) as of June 30, 2025. Such disclosure controls and procedures are designed to ensure that information required to be disclosed by the Company is accumulated and communicated to the appropriate management on a basis that permits timely decisions regarding disclosure. Based upon that evaluation, the Company's Executive Chairman and Chief Financial Officer concluded that the Company's disclosure controls and procedures as of June 30, 2025, were effective.

Changes in Internal Control over Financial Reporting

There have been no changes in the Company's internal control over financial reporting that occurred during the quarter ended June 30, 2025, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting, pursuant to Exchange Act Rule 13a-15(d).

CLARUS CORPORATION

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Legal Proceedings

The Company is involved in various legal disputes and other legal proceedings that arise from time to time in the ordinary course of business. Based on currently available information, and except as disclosed herein, the Company does not believe that the existence of any of the legal disputes the Company or its subsidiaries is currently involved in will have a material adverse effect upon the Company's consolidated financial position, results of operations or cash flows, except for the U.S. Consumer Product Safety Commission ("CPSC") matter discussed below. It is possible that, as additional information becomes available, the impact on the Company of an adverse determination could have a different effect. See also Part II, Item 1A. "Risk Factors.".

Litigation

The Company is involved in various lawsuits arising from time to time that the Company considers ordinary routine litigation incidental to its business. Amounts accrued for litigation matters represent the anticipated costs (damages and/or settlement amounts) in connection with pending litigation and claims and related anticipated legal fees and other expenses or costs for defending such actions, which legal fees and expenses or costs are expensed as incurred. The costs are accrued when it is both probable that a liability has been incurred and the amount can be reasonably estimated. The accruals are based upon the Company's assessment, after consultation with counsel (if deemed appropriate), of probable loss based on the facts and circumstances of each case, the legal issues involved, the nature of the claim made, the nature of the damages sought and any relevant information about the plaintiffs and other significant factors that vary by case. When it is not possible to estimate a specific expected cost to be incurred, the Company evaluates the range of probable loss and records the minimum end of the range. Based on currently available information, and except as set forth herein, the Company does not believe that it is reasonably possible that the disposition of any of the legal disputes the Company or its subsidiaries is currently involved in will have a material adverse effect upon the Company's consolidated financial condition, results of operations or cash flows, except for the CPSC matter discussed below. There is a reasonable possibility of loss from contingencies in excess of the amounts accrued by the Company in the accompanying condensed consolidated balance sheets; however, the actual amounts of such possible losses cannot currently be reasonably estimated by the Company at this time. It is possible that, as additional information becomes available, the impact on the Company could have a different effect.

Product Liability

As a consumer goods manufacturer and distributor, the Company faces the risk of product liability and related lawsuits involving claims for substantial money damages, product recall actions and higher than anticipated rates of warranty returns or other returns of goods. The Company is therefore vulnerable to various personal injury and property damage lawsuits relating to its products and incidental to its business.

Except as disclosed herein, there are no pending product liability claims and lawsuits of the Company, which the Company believes in the aggregate, will have a material adverse effect on the Company's business, brand reputation, liquidity, stock price, consolidated financial position, results of operations and/or cash flows. See also Part II, Item 1A. "Risk Factors.".

U.S. Consumer Product Safety Commission

In January 2021, Black Diamond Equipment, Ltd. ("BDEL") wrote to the U.S. Consumer Product Safety Commission ("CPSC") outlining its new cradle solution for certain models of its avalanche beacon transceivers to prevent such transceivers from switching unexpectedly out of "send" mode. The proposed new cradle solution was designed to improve transceiver safety by locking the transceiver into "send" mode prior to use so that it would not switch unexpectedly out of "send" mode. BDEL also requested approval for the CPSC Fast-Track Program for a voluntary product recall to implement this cradle solution. The CPSC approved the recall and entered into a Corrective Action Plan agreement with BDEL in

March 2021. BDEL received a letter from the CPSC, dated October 28, 2021, stating that the CPSC is investigating whether BDEL has timely complied with the reporting requirements of Section 15(b) of the Consumer Protection Safety Act and related regulations regarding certain models of avalanche transceivers switching unexpectedly out of "send" mode.

Separately, on April 21, 2022, BDEL filed a Section 15(b) report and applied for Fast-Track consideration for a voluntary recall, consisting of free repair or replacement of such malfunctioning models of avalanche transceivers, which would not switch from "send" mode to "search" mode due to an electronic malfunction in the reed switch or foil. The CPSC approved the recall and entered into a Corrective Action Plan agreement with BDEL in August 2022. BDEL received a letter from the CPSC, dated January 17, 2023, stating that the CPSC is investigating whether BDEL has timely complied with the reporting requirements of Section 15(b) of the Consumer Protection Safety Act and related regulations regarding the malfunction in the reed switch or foil in certain models of avalanche transceivers switching out of "search" mode. BDEL responded to the CPSC's investigation by letter dated March 31, 2023, accompanied with documents responsive to the CPSC's requests. The CPSC asked for further clarification and documents, and BDEL sent a responsive letter accompanied by additional documents on June 23, 2023. On September 6, 2023, the CPSC requested further clarification and information regarding the reed switch issue, to which BDEL responded on October 6, 2023 and October 13, 2023.

By letters dated October 12, 2023 and December 18, 2023, respectively, BDEL was notified by the CPSC that the agency staff had concluded that BDEL failed to timely meet its statutory reporting obligations under the Consumer Product Safety Act with respect to certain models of avalanche transmitters distributed by BDEL switching unexpectedly out of "send" mode and certain models of avalanche transmitters distributed by BDEL not switching from "send" mode into "search" mode, that BDEL made a material misrepresentation in a report to the CPSC, and that the agency staff intends to recommend that the CPSC impose civil monetary penalties of $16,135,000 and $9,000,000, respectively, for the two matters described above.

On November 20, 2023 and February 8, 2024, respectively, BDEL submitted a comprehensive response disputing the CPSC's findings and conclusions in the October 12, 2023 and December 18, 2023 letters, including the amount of any potential penalties. The CPSC ultimately disagreed with our position and the agency voted to refer the matter to the U.S. Department of Justice for further proceedings. The Company and BDEL intend to strongly contest and vigorously defend against any claims which may be asserted against them by the Department of Justice or the CPSC.

John C. Walbrecht, the former President of BDEL and the Company, received a letter from the CPSC dated June 25, 2024, alleging that in his personal capacity he knowingly violated the Consumer Product Safety Act by failing to timely report the occurrence resulting in beacons switching unexpectedly out of "send" mode. The staff of the CPSC recommended a $5,000,000 fine against Mr. Walbrecht personally. Pursuant to the Company's by-laws, the Company has agreed to indemnify Mr. Walbrecht and pay his legal fees, and he has provided an undertaking to the Company that the Company will be entitled to recover those expenses if it is ultimately determined that he was not entitled to indemnification. On August 26, 2024, Mr. Walbrecht's independent counsel responded to the CPSC, denying the allegations of its June 25, 2024 letter and rejecting its demand for a penalty.

On January 23, 2025, the Company and BDEL were each served with grand jury subpoenas from the United States Department of Justice requiring the production of documents relating to avalanche transmitters distributed by BDEL. The Company and BDEL are cooperating with this investigation.

On March 13, 2025, the Company received a letter from the CPSC requesting various categories of documents and information in connection with an investigation into whether BDEL sold products that were subject to a recall. The Company has cooperated with that investigation, substantially completed document production, and delivered a narrative explanatory letter to the CPSC on June 18, 2025.

Based on currently available information, the Company believes an unfavorable outcome with the CPSC is probable, however, we cannot reasonably estimate on what terms this matter will be resolved with the CPSC or the U.S. Department of Justice. During the year ended December 31, 2024, the Company recorded a liability of $2,500,000 representing the low end of the range of our estimated exposure. The Company does not have a better estimate of the loss; therefore the low-end of the range was recorded as an accrued liability during the first quarter of 2024 and a corresponding expense is

included in legal costs and regulatory matter expenses in the consolidated statements of comprehensive (loss) income. Any penalties imposed by the CPSC or other regulators, could be costly to us and could damage our business and reputation as well as have a material adverse effect on the Company's liquidity, stock price, consolidated financial position, results of operations and/or cash flows.

ITEM 1A. RISK FACTORS

There have been no material changes in our risk factors from those disclosed in Part I, Item 1A. of the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

ITEM 5. OTHER INFORMATION

During the three month period ended June 30, 2025, 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 of Regulation S-K, nor did the Company during such fiscal quarter adopt or terminate any "Rule 10b5-1 trading arrangement".

CLARUS CORPORATION

ITEM 6. EXHIBITS

Exhibit	Description
10.1	Clarus Corporation Amended and Restated 2015 Stock Incentive Plan. *
10.2	Form of Stock Option Agreement for the Clarus Corporation Amended and Restated 2015 Stock Incentive Plan. *
10.3	Form of Restricted Stock Unit Agreement for the Clarus Corporation Amended and Restated 2015 Stock Incentive Plan. *
31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. *
31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. *
32.1	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. **
32.2	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. **
101.INS	XBRL Instance Document *
101.SCH	XBRL Taxonomy Extension Schema Document *
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document*
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document *
101.LAB	XBRL Taxonomy Extension Label Linkbase Document *
101.PRE	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

CLARUS CORPORATION
SIGNATURES

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

CLARUS CORPORATION

Date: July 31, 2025

By: */s/ Warren B. Kanders*
Name: Warren B. Kanders
Title: Executive Chairman
(Principal Executive Officer)

Date: July 31, 2025

By: */s/ Michael J. Yates*
Name: Michael J. Yates
Title: Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Exhibit 10.1

CLARUS CORPORATION
AMENDED AND RESTATED 2015 STOCK INCENTIVE PLAN

1. **PURPOSE**. The purpose of this Clarus Corporation Amended and Restated 2015 Stock Incentive Plan (the "Plan") is to provide a means through which the Company and its Affiliates may attract able persons to enter and remain in the employ of the Company and its Affiliates and to provide a means whereby eligible persons can acquire and maintain Common Stock ownership, or be paid incentive compensation measured by reference to the value of Common Stock, thereby strengthening their commitment to the welfare of the Company and its Affiliates and promoting an identity of interest between stockholders and these eligible persons.

So that the appropriate incentive can be provided, the Plan provides for granting Incentive Stock Options, NQSOs, SARs, Restricted Stock Awards, Restricted Stock Unit Awards, Performance Awards and Other Stock-Based Awards, or any combination of the foregoing. Capitalized terms not defined in the text are defined in Section 24.

This Plan was adopted by the Company's Board of Directors on April 16, 2025, subject to approval of the Company's stockholders at the annual meeting of stockholders to be held on May 29, 2025, to amend and restate in its entirety the Clarus Corporation 2015 Stock Incentive Plan previously approved by the Company's stockholders at the annual meeting of the stockholders held on December 11, 2015.

2. **SHARES SUBJECT TO THE PLAN**.

2.1 Number of Shares. Subject to Section 18, the total number of Shares reserved and available for grant and issuance pursuant to this Plan will be 7,500,000 Shares. Of the total Shares reserved for issuance under the Plan, no more than 5,625,000 Shares may be issued under the Plan as Awards under Sections 6 and 7 of the Plan. Shares (a) that have been reserved for issuance under Options which have expired or otherwise terminated without issuance of the underlying Shares, (b) that have been reserved for issuance or issued under an Award granted hereunder but are forfeited, cancelled or repurchased by the Company at the original issue price, (c) with respect to which an Award has been settled in cash, or (d) with respect to which an Award is surrendered pursuant to an Exchange Program, shall be available for issuance. In the event of the exercise of SARs, whether or not granted in tandem with Options, only the number of shares of Common Stock actually issued in payment of such SARs shall be charged against the number of shares of Common Stock available for the grant of Awards hereunder, and any Common Stock subject to tandem Options, or portions thereof, which have been surrendered in connection with any such exercise of SARs shall not be charged against the number of shares of Common Stock available for the grant of Awards hereunder. Notwithstanding anything to the contrary contained herein, Shares subject to an Award under the Plan shall not again be made available for issuance or delivery under the Plan if such Shares are (a) tendered or withheld in payment of an Option, or (b) delivered or withheld by the Company to satisfy any Tax-Related Items. At all times the Company shall reserve and keep available a sufficient number of Shares as shall be required to satisfy the requirements of all outstanding Options granted under this Plan and all other outstanding but unvested Awards granted under this Plan. The Shares to be offered under the Plan shall be authorized and unissued Common Stock, treasury shares, or issued Common Stock that shall have been reacquired by the Company. Subject to adjustment in accordance with Section 18.4, not more than 7,500,000 Shares may be issued in the aggregate pursuant to the exercise of Incentive Stock Options.

3. **ELIGIBILITY**.

3.1 General. ISOs (as defined in Section 5 below) may be granted only to Employees (including Officers and Directors who are also Employees) of the Company or of a Subsidiary. All other Awards may be granted to Employees, Officers, Directors, or Consultants of the Company or an Affiliate and to those who the Committee determines are reasonably expected to become Employees, Officers, Directors, or Consultants, of the Company or an Affiliate.

4. **ADMINISTRATION**.

4.1 Committee Authority. This Plan will be administered by the Committee. Any power, authority or discretion granted to the Committee may also be taken by the Board. Subject to the general purposes, terms and conditions of this Plan, any charter adopted by the Board governing the actions of the Committee, and to the direction of the Board, the Committee will have full power to implement and carry out this Plan. Without limitation, the Committee will have the authority to:

(a) select persons to receive Awards;

(b) determine the nature, extent, form and terms of Awards and the number of Shares or other consideration subject to Awards;

(c) determine when Awards are to be granted under the Plan and the applicable Grant Date;

(d) determine the vesting, exerciseability and payment of Awards;

(e) correct any defect, supply any omission or reconcile any inconsistency in this Plan, any Award or any Award Agreement;

(f) determine whether Awards will be granted singly, in combination with, in tandem with, in replacement of, or as alternatives to, other Awards under this Plan or any other incentive or compensation plan of the Company or any Subsidiary of the Company;

(g) prescribe, amend and rescind rules and regulations relating to this Plan or any Award;

(h) make all factual determinations with respect to, and otherwise construe and interpret, this Plan, any Award Agreement and any other agreement or document executed pursuant to this Plan;

(i) grant waivers of Plan or Award conditions;

(j) determine whether an Award has been earned;

(k) accelerate the vesting of any Award;

(l) authorize any person to execute, on behalf of the Company, any instrument required to carry out the purposes of the Plan;

(m) amend any outstanding Awards, including for the purpose of modifying the time or manner of vesting, or the term of any outstanding Award;

(n) interpret, administer, reconcile any inconsistency in, correct any defect in and/or supply any omission in the Plan and any instrument or agreement relating to, or Award granted under, the Plan; and

(o) make all other determinations necessary or advisable for the administration of this Plan.

The Committee's interpretation of the Plan or any documents evidencing Awards granted pursuant thereto and all decisions and determinations by the Committee with respect to the Plan shall be final, binding, and conclusive on all parties unless otherwise determined by the Board. Any dispute regarding the interpretation of the Plan or any Award Agreement shall be submitted by the Participant or Company to the

Committee for review. The resolution of such a dispute by the Committee shall be final and binding on the Company and the Participant. The Committee may delegate to Officers the authority to review and resolve disputes with respect to Awards held by Participants who are not Insiders, and such resolution shall be final and binding on the Company and the Participant.

4.2 Committee Discretion. Any determination made by the Committee with respect to any Award will be made in its sole discretion at the time of grant of the Award or, unless in contravention of any express term of this Plan or Award, at any later time, and such determination will be final and binding on the Company and its Affiliates and on all persons having an interest in any Award under this Plan. The Committee may delegate such of its powers and authority under the Plan as it deems appropriate to designated Officers of the Company with respect to Awards that do not involve Insiders. In addition, the full Board may exercise any of the powers and authority of the Committee under the Plan. In the event of such delegation of authority or exercise of authority by the Board, references in the Plan to the Committee shall be deemed to refer, as appropriate, to the delegate of the Committee or the Board. Actions taken by the Committee and any delegation by the Committee to designated Officers shall comply with Section 16(b) of the Exchange Act and the regulations promulgated thereunder, or the successor to such statutory provision or regulations, as in effect from time to time, to the extent applicable. Notwithstanding any other provision of the Plan, if the Committee deems it to be in the best interest of the Company, the Committee retains the discretion to make such Awards under the Plan that may not comply with the requirements of Section 16(b) of the Exchange Act or any other relevant statute or regulation.

4.3 Award Agreements; Clawbacks.

The grant of any Award shall be contingent upon the Participant executing the appropriate Award Agreement. The Company may retain the right in an Award Agreement to cause a forfeiture of the gain realized by a Participant on account of actions taken by the Participant in violation or breach of or in conflict with any employment agreement, non-competition agreement, any agreement prohibiting solicitation of employees or clients of the Company or any Affiliate thereof or any confidentiality obligation with respect to the Company or any Affiliate thereof, or upon the Participant's otherwise engaging in competition with the Company or any Affiliate thereof, to the extent specified in such Award Agreement applicable to the Participant. Furthermore, the Company may annul an Award if the Participant is terminated for Cause.

All Awards and any amounts or benefits received or outstanding under the Plan shall be subject to clawback, cancellation, recoupment, rescission, payback, reduction or other similar action in accordance with any applicable Company clawback or similar policy, which shall include, but not be limited to the Clarus Corporation Compensation Recovery Policy ("Clawback Policy") or any Applicable Law related to such actions. In addition, a Participant may be required to repay to the Company previously paid compensation whether provided pursuant to the Plan or an Award Agreement in accordance with the Clawback Policy. A Participant's acceptance of an Award shall be deemed to constitute the Participant's acknowledgement of and consent to the Company's application, implementation and enforcement of any applicable Company clawback or similar policy that may apply to the Participant, whether adopted before or after the Effective Date or, with respect to an Award, the Grant Date of such Award, and any provision of Applicable Law relating to clawback, cancellation, recoupment, rescission payback, or reduction of compensation, and to the Participant's agreement that the Company may take any actions that may be necessary to effectuate any such policy or Applicable Law, without further consideration or action.

4.4 Deferral Arrangement. The Committee may permit or require the deferral of any Award payment into a deferred compensation arrangement, subject to such rules and procedures as it may establish and in accordance with Section 409A of the Code, which may include provisions for the payment or crediting of interest or dividend equivalents, including converting such credits into deferred Share units.

4.5 No Liability. No member of the Board or of the Committee shall be liable for any action or determination made in good faith with respect to the Plan, any Award or Award Agreement.

5. **STOCK OPTIONS AND STOCK APPRECIATION RIGHTS**.

5.1 Options. The Committee may grant Options to eligible persons and will determine whether such Options will be intended to be "Incentive Stock Options" within the meaning of Section 422 of the Code or any successor section thereof ("ISOs") or nonqualified stock options (Options not intended to qualify as incentive stock options) ("NQSOs"), the number of Shares subject to the Option, the Exercise Price of the Option, the period during which the Option may be exercised, and all other terms and conditions of the Option, subject to the following:

5.2 Form of Option Grant. Each Option granted under this Plan will be evidenced by an Award Agreement ("Stock Option Agreement"), which will expressly identify the Option as an ISO or NQSO, and will be in such form and contain such provisions (which need not be the same for each Participant) as the Committee may from time to time approve, and which will comply with and be subject to the terms and conditions of this Plan. The Company shall have no liability to any Participant or any other person if an Option designated as an Incentive Stock Option fails to qualify as such at any time or if an Option is determined to constitute "nonqualified deferred Compensation" with the meaning of Section 409A of the Code.

5.3 Exercise Period. Options may be exercisable to the extent vested within the times or upon the events determined by the Committee as set forth in the Stock Option Agreement governing such Option; provided, however, that no Option will be exercisable after the expiration of ten (10) years from the date the Option is granted; and provided further that no ISO granted to a person who directly or by attribution owns more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or of any Parent or Subsidiary of the Company ("Ten Percent Stockholder") will be exercisable after the expiration of five (5) years from the date the ISO is granted. The Committee also may provide for options to become exercisable at one time or from time to time, periodically or otherwise, in such number of Shares or percentage of Shares as the Committee determines.

5.4 Exercise Price. The Exercise Price of an option will be determined by the Committee when the option is granted and may be greater, less than, or equal to the Fair Market Value of the Shares on the Grant Date; provided that: (i) the Exercise Price of an ISO will be not less than 100% of the Fair Market Value of the Shares on the Grant Date; and (ii) the Exercise Price of any ISO granted to a Ten Percent Stockholder will not be less than 110% of the Fair Market Value of the Shares on the Grant Date. In addition, the Exercise Price may be subject to a limit on the economic value that may be realized by a Participant from an Option or SAR. Notwithstanding the foregoing, an ISO may be granted with an Exercise Price lower than one hundred percent (100%) of the Fair Market Value in connection with an assumption of or substitution for another Award as provided in Section 18.3 of the Plan to the extent permitted by the Code.

5.5 Delivery of Stock Option Agreement and Plan. The Stock Option Agreement and a copy of this Plan will be delivered to the Participant within a reasonable time after the granting of the Option.

5.6 Method of Exercise. Options may be exercised by delivery to the Company of a written stock option exercise agreement (the "Exercise Agreement") in a form approved from time to time by the Committee (which need not be the same for each Participant), stating the number of Shares being purchased, the restrictions imposed on the Shares purchased under such Exercise Agreement, if any, and such representations and agreements regarding Participant's investment intent and access to information and other matters, if any, as may be required or desirable by the Company to comply with applicable securities laws, together with payment in full of the Exercise Price for the number of Shares being purchased. Payment for the Shares purchased may be made in accordance with Section 8 of this Plan. The Option will be deemed exercised only when the Company receives (i) the properly signed and completed Exercise Agreement, (ii) full payment of the Exercise Price in accordance with Section 8 of the Plan and the applicable Award Agreement, and (iii) payment of applicable Tax-Related Items, as determined by the Committee. The Company will issues (or cause to be issued) the Shares with respect to which the Option is exercised promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which

the record date is prior to the date the Shares are issued, except pursuant to Section 18.4. Exercising an Option in any manner will decrease the number of Shares thereafter available, both for purposes of the Plan and the for sale under the Option, by the number of Shares as to which the Option is exercised.

5.7 Termination. Unless otherwise expressly provided in an Award Agreement or otherwise determined by the Committee, exercise of an option will always be subject to the following:

a. If the Participant is Terminated for any reason (including voluntary Termination) other than death or Disability, then the Participant may exercise such Participant's Options only to the extent that such Options would have been exercisable upon the Termination Date no later than three (3) months after the Termination Date (or such shorter or longer time period not exceeding five (5) years as may be determined by the Committee, with any exercise of an ISO more than three (3) months after termination of employment causing such ISO to be deemed to be a NQSO), but in any event, no later than the expiration date of the Options.

b. If the Participant is Terminated because of Participant's death or Disability (or the Participant dies within three (3) months after a Termination other than for Cause or because of Participant's Disability), then Participant's Options may be exercised only to the extent that such Options would have been exercisable by the Participant on the Termination Date and must be exercised by the Participant (or the Participant's legal representative or authorized assignee) no later than twelve (12) months after the Termination Date (or such shorter or longer time period not exceeding five (5) years as may be determined by the Committee, with any such exercise of an ISO more than twelve (12) months after death or Disability causing such ISO to be deemed to be a NQSO), but in any event no later than the expiration date of the Options.

c. Notwithstanding the provisions in paragraph 5.7(a) above, if a Participant is Terminated for Cause, neither the Participant, the Participant's estate nor such other person who may then hold the Option shall be entitled to exercise any Option with respect to any Shares whatsoever, after Termination, whether or not after Termination the Participant may receive payment from the Company or an Affiliate for vacation pay, for services rendered prior to Termination, for services rendered for the day on which Termination occurs, for salary in lieu of notice, or for any other benefits. For the purpose of this paragraph, Termination shall be deemed to occur on the date when the Company dispatches notice or advice to the Participant that his or her service is Terminated.

Following the Termination Date, to the extent the Participant does not exercise the Option within the applicable post-Termination period set forth above (or, if earlier, the expiration of the maximum term of the Option, or, in the case of Termination for Cause, prior to the Termination Date), such unexercised portion of the Option will terminate, and the Participant will have no further right, title or interest in the terminated Option.

Except as otherwise provided in the Award Agreement, if a Participant's Terminates for any reason other than for Cause and, at any time during the last thirty (30) days of the applicable post-Termination exercise period: (i) the exercise of the Participant's Option would be prohibited solely because the issuance of Shares upon such exercise would violate Applicable Law, or (ii) the immediate sale of any Shares issued upon such exercise would violate the Company's Share trading policies, then the applicable post-Termination exercise period will be extended to the last day of the calendar month that commences following the date the Option would otherwise expire, with an additional extension of the exercise period to the last day of the next calendar month to apply if any of the foregoing restrictions apply at any time during such extended exercise period, generally without limitation as to the maximum permitted number of extensions; provided, however, that in no event may such Option be exercised after the expiration of its maximum term.

5.8 Limitations on ISO. The aggregate Fair Market Value (determined as of the Grant Date) of Shares with respect to which ISOs are exercisable for the first time by a Participant during any calendar year (under this Plan or under any other incentive stock option plan of the Company or Subsidiary of the Company) will not exceed $100,000 or such other amount as may be required by the Code. If the Fair Market Value of Shares on the Grant Date with respect to which ISOs are exercisable for the first time by a Participant during any calendar year exceeds $100,000, then the Options for the first $100,000 worth of Shares to become exercisable in such calendar year will be ISOs and the Options for the amount in excess of $100,000 that become exercisable in that calendar year will be NQSOs. In the event that the Code or the regulations promulgated thereunder are amended after the Effective Date of this Plan to provide for a different limit on the Fair Market Value of Shares permitted to be subject to ISOs, such different limit will be automatically incorporated herein and will apply to any Options granted after the effective date of such amendment. For purposes of this Section 5.8, ISOs will be taken into account in the order in which they were granted.

5.9 Modification, Extension or Renewal. The Committee may modify, extend or renew outstanding Options and authorize the grant of new Options in substitution therefor, including in connection with an Exchange Program; provided that, except as expressly provided for in the Plan or an Award Agreement, any such action may not, without the written consent of a Participant, impair any of such Participant's rights under any Option previously granted and (ii) except as provided for in Section 18 of the Plan, Options issued hereunder will not be repriced, replaced or regranted through cancellation or by lowering the Exercise Price of a previously granted Option without prior approval of the Company's stockholders to the extent required by Applicable Law. Any outstanding ISO that is modified, extended, renewed or otherwise altered will be treated in accordance with Section 424(h) of the Code.

5.10 Limitations on Exercise. Options may be exercised only with respect to whole Shares. The Committee may specify a reasonable minimum number of Shares that may be purchased on any exercise of an option, provided that such minimum number will not prevent Participant from exercising the option for the full number of Shares for which it is then exercisable. The Committee may prohibit the exercise of any Option during a period of up to thirty (30) days prior to the consummation of any pending adjustment pursuant to Section 18.4 or Change-of-Control Event, or any other change affecting the Shares, or the Fair Market Value, for reasons of administrative convenience.

5.11 Lapsed Awards. Notwithstanding anything in the Plan to the contrary, the Company may, in its sole discretion, allow the exercise of a lapsed Award if the Company determines that: (i) the lapse was solely the result of the Company's inability to timely execute the exercise of an option award prior to its lapse, and (ii) the Participant made valid and reasonable efforts to exercise the Award. In the event the Company makes such a determination, the Company shall allow the exercise to occur as promptly as possible following its receipt of exercise instructions subsequent to such determination.

5.12 Non-Exempt Employees. If an Option is granted to an Employee who is a non-exempt employee for purposes of the U.S. Fair Labor Standards Act of 1938, as amended, the Option will not be first exercisable for any Shares until at least six months following the Grant Date of the Option (although the Option may vest prior to such date). Notwithstanding the foregoing, in accordance with the provisions of the U.S. Worker Economic Opportunity Act, any vested portion of such Option may be exercised earlier than six months following the Grant Date of such Option in the event of (i) such Participant's death or Disability, (ii) a Change-of-Control Event in which such Option is not assumed, continued or substituted, or (iii) such Participant's retirement (as such term may be defined in the Option Agreement or another applicable agreement or, in the absence of any such definition, in accordance with the Company's then current employment policies and guidelines). The foregoing provision is intended to operate so that any income derived by a non-exempt employee in connection with the exercise or vesting of an Option will be exempt from his or her regular rate of pay.

5.13 Stock Appreciation Rights (SARs). In addition to the grant of Options, as set forth above, the Committee may also grant SARs to any person eligible to be a Participant, which grant shall consist of a right that is the economic equivalent, and in all other regards is identical to an Option that is permitted to be granted under the Plan (and subject to the same terms as conditions under this Plan as Options), except that on the exercise of

such SAR, the Participant shall receive shares of Common Stock having a Fair Market Value that is equal to the amount by which the Fair Market Value of the shares of Common Stock that would be subject to such an Option exceeds the amount that would be required to be paid by the Participant as the Exercise price of such Option, or cash equal to such amount, or a combination of both, at the discretion of the Committee. A grant of a SAR shall be documented by means of an Award Agreement containing the relevant terms and conditions of such grant. For purposes of the limitation on the number of shares of Common Stock that may be subject to Options granted to any Participant during any one calendar year, and for purposes of the aggregate limitation on the number of shares of Common Stock that may be subject to Awards under the Plan, SARs shall be treated in the same manner as Options would be treated.

6. **RESTRICTED STOCK**.

6.1. Restricted Stock Awards. The Committee may grant to any Participant an Award of Common Stock in such number of shares, and on such terms, conditions and restrictions, whether based on performance standards, periods of service, retention by the Participant of ownership of purchased or designated shares of Common Stock or other criteria, as the Committee shall establish. The terms of any Restricted Stock Award granted under this Plan shall be set forth in an Award Agreement which shall contain provisions determined by the Committee and not inconsistent with this Plan.

6.2 Issuance of Restricted Shares. As soon as practicable after the Grant Date of a Restricted Stock Award by the Committee, the Company shall cause to be transferred on the books of the Company, or its agent, Common Stock, registered on behalf of the Participant, evidencing the restricted Shares covered by the Award, but subject to forfeiture to the Company as of the Grant Date if an Award Agreement with respect to the Restricted Shares covered by the Award is not duly executed by the Participant and timely returned to the Company. All Common Stock covered by Awards under this Section 6 shall be subject to the restrictions, terms and conditions contained in the Plan and the Award Agreement entered into by the Participant. Until the lapse or release of all restrictions applicable to an Award of restricted Shares, the share certificates representing such restricted Shares may be held in custody by the Company, its designee, or, if the certificates bear a restrictive legend, by the Participant. Upon the lapse or release of all restrictions with respect to an Award as described in Section 6.5, one or more share certificates, registered in the name of the Participant, for an appropriate number of shares as provided in Section 6.5, free of any restrictions set forth in the Plan and the Award Agreement shall be delivered to the Participant. Except as otherwise provided in an Award Agreement, a Restricted Stock Award will be accepted by the Participant's execution and delivery of the Award Agreement and full payment of the purchase price for the Shares to the Company (if any) within thirty (30) days from the date the Award Agreement is delivered to the Participant. If the Participant does not execute and deliver the Award Agreement along with full payment for the Shares (if applicable) to the Company within such thirty (30) days, then the offer will terminate, unless otherwise determined by the Committee. The purchase price for Shares issued pursuant to a Restricted Stock Award, if any, will be determined by the Committee on the date the Restricted Stock Award is granted and, if permitted by Applicable Law, no cash consideration will be required in connection with the payment for the purchase price where the Committee determines that payment shall be in the form of services previously rendered. Payment of the purchase price shall be made in accordance with Section 8 of the Plan and the applicable Award Agreement.

6.3 Shareholder Rights. Beginning on the Grant Date of the Restricted Stock Award and subject to execution of the Award Agreement as provided in Section 6.2, the Participant shall become a shareholder of the Company with respect to all shares subject to the Award Agreement and shall have all of the rights of a shareholder, including, but not limited to, the right to vote such shares and the right to receive dividends; provided, however, that any Common Stock distributed as a dividend or otherwise with respect to any restricted Shares as to which the restrictions have not yet lapsed, shall be subject to the same restrictions as such restricted Shares and held or restricted as provided in Section 6.2.

6.4 Restriction on Transferability. None of the restricted Shares may be assigned or transferred (other than by will or the laws of descent and distribution, or to an inter vivos trust with respect to which the Participant is treated as the owner under Sections 671 through 677 of the Code, except to the extent that Section 16 of the Exchange Act limits a Participant's right to make such transfers), pledged or sold prior to lapse of the restrictions applicable thereto.

6.5 Delivery of Shares Upon Vesting. Upon expiration or earlier termination of the forfeiture period without a forfeiture and the satisfaction of or release from any other conditions prescribed by the Committee, or at such earlier time as provided under the provisions of Section 6.7, the restrictions applicable to the restricted Shares shall lapse. As promptly as administratively feasible thereafter, the Company shall deliver to the Participant or, in case of the Participant's death, to the Participant's beneficiary, one or more share certificates for the appropriate number of shares of Common Stock, free of all such restrictions, except for any restrictions that may be imposed by law.

6.6 Forfeiture of Restricted Shares. Subject to Sections 6.7, all restricted Shares shall be forfeited and returned to the Company and all rights of the Participant with respect to such restricted Shares shall terminate unless the Participant continues in the service of the Company or a Subsidiary as an Employee until the expiration of the forfeiture period for such restricted Shares and satisfies any and all other conditions set forth in the Award Agreement. The Committee shall determine the forfeiture period (which may, but need not, lapse in installments) and any other terms and conditions applicable with respect to any Restricted Stock Award.

6.7 Waiver of Forfeiture Period. Notwithstanding anything contained in this Section 6 to the contrary, the Committee may, in its sole discretion, waive the forfeiture period and any other conditions set forth in any Award Agreement under appropriate circumstances (including the death, Disability or retirement of the Participant or a material change in circumstances arising after the date of an Award) and subject to such terms and conditions (including forfeiture of a proportionate number of the restricted Shares) as the Committee shall deem appropriate.

6.8 Dividends and Other Distributions. Participants holding Restricted Stock Awards will be entitled to receive all dividends and other distributions paid with respect to Shares subject to such Awards, unless the Committee provides otherwise at the time the Award is granted. If any such dividends or distributions are paid in Shares, the Shares will be subject to the same restrictions on transferability and forfeitability as the Restricted Stock Awards with respect to which they were paid.

6.9 Restricted Stock Unit Awards. Without limiting the generality of the foregoing provisions of this Section 6, and subject to such terms, limitations and restrictions as the Committee may impose, Participants designated by the Committee may receive Awards of Restricted Stock Units representing the right to receive shares of Common Stock in the future subject to the achievement of one or more goals relating to the completion of service by the Participant and/or the achievement of performance or other objectives. Restricted Stock Unit Awards shall be subject to the restrictions, terms and conditions contained in the Plan and the applicable Award Agreements entered into by the appropriate Participants. Until the lapse or release of all restrictions applicable to an Award of Restricted Stock Units, no shares of Common Stock shall be issued in respect of such Awards and no Participant shall have any rights as a stockholder of the Company with respect to the shares of Common Stock covered by such Restricted Stock Unit Award. Upon the lapse or release of all restrictions with respect to a Restricted Stock Unit Award or at a later date if distribution has been deferred, one or more share certificates, registered in the name of the Participant, for an appropriate number of shares, free of any restrictions set forth in the Plan and the related Award Agreement shall be delivered to the Participant. The Committee may, in its sole discretion, settle any portion of any vested Restricted Stock Units in cash having a Fair Market Value equal to the Shares with respect to which the Restricted Stock Units are so settled. A Participant's Restricted Stock Unit Award shall not be contingent on any payment by or consideration from the Participant other than the rendering of services. Notwithstanding anything contained in this Section 6.9 to the contrary, the Committee may, in its sole discretion, waive the forfeiture period and any other conditions set forth in any Award Agreement under appropriate circumstances (including the death, Disability or retirement of the Participant) and subject to such terms and conditions (including forfeiture of a proportionate number of the Restricted Stock Units) as the Committee shall deem appropriate. The Committee may permit Participants holding Restricted Stock Units to receive dividend equivalent rights on outstanding Restricted Stock Units if and when dividends are paid to stockholders on Shares. In the discretion of the Committee, such dividend equivalent rights may be paid in cash or Shares, and may be subject to the same vesting or performance requirements as the Restricted Stock Units. If the Committee permits dividend equivalent rights to be made on Restricted Stock Units, the terms and conditions for such dividend equivalent rights will be set forth in the applicable Award Agreement.

7. **PERFORMANCE AND OTHER STOCK-BASED AWARDS**.

7.1 Performance Awards.

(a) Award Periods and Calculations of Potential Incentive Amounts. The Committee may grant Performance Awards to Participants. A Performance Award shall consist of the right to receive a payment (measured by the Fair Market Value of a specified number of shares of Common Stock, increases in such Fair Market Value during the Award Period and/or a fixed cash amount) contingent upon the extent to which certain predetermined performance targets have been met during an Award Period. The Award Period shall be as determined by the Committee. The Committee, in its discretion and under such terms as it deems appropriate, may permit newly eligible Participants, such as those who are promoted or newly hired, to receive Performance Awards after an Award Period has commenced.

(b) Performance Targets. The performance targets may include such goals related to the performance of the Company or, where relevant, any one or more of its Subsidiaries or divisions and/or the performance of a Participant as may be established by the Committee in its discretion. The performance targets established by the Committee may vary for different Award Periods and need not be the same for each Participant receiving a Performance Award in an Award Period. The Committee, in its discretion, but only under extraordinary circumstances as determined by the Committee, may change any prior determination of performance targets for any Award Period at any time prior to the final determination of the Award when events or transactions occur to cause the performance targets to be an inappropriate measure of achievement.

(c) Earning Performance Awards. The Committee, at or as soon as practicable after the Grant Date, shall prescribe a formula to determine the percentage of the Performance Award to be earned based upon the degree of attainment of the applicable performance targets.

(d) Payment of Earned Performance Awards. Payments of earned Performance Awards shall be made in cash, Common Stock or Stock Units, or a combination of cash, Common Stock and Stock Units, in the discretion of the Committee. The Committee, in its sole discretion, may define, and set forth in the applicable Award Agreement, such terms and conditions with respect to the payment of earned Performance Awards as it may deem desirable.

(e) Termination of Service. In the event of a Participant's Termination during an Award Period, the Participant's Performance Awards shall be forfeited except as may otherwise be provided in the applicable Award Agreement.

7.2. Grant of Other Stock-Based Awards. Other stock-based awards, consisting of stock purchase rights (with or without loans to Participants by the Company containing such terms as the Committee shall determine), Awards of Common Stock, or Awards valued in whole or in part by reference to, or otherwise based on, Common Stock, may be granted either alone or in addition to or in conjunction with other Awards under the Plan. Subject to the provisions of the Plan, the Committee shall have sole and complete authority to determine the persons to whom and the time or times at which such Awards shall be made, the number of shares of Common Stock to be granted pursuant to such Awards, and all other conditions of the Awards. Any such Award shall be confirmed by an Award Agreement executed by the Committee and the Participant, which Award Agreement shall contain such provisions as the Committee determines to be necessary or appropriate to carry out the intent of this Plan with respect to such Award.

7.3. Terms of Other Stock-Based Awards. In addition to the terms and conditions specified in the Award Agreement, Awards made pursuant to Section 7.2 shall be subject to the following:

(a) Any Common Stock subject to Awards made under Section 7.2 may not be sold, assigned, transferred, pledged or otherwise encumbered prior to the date on which the shares are issued, or, if later, the date on which any applicable restriction, performance or deferral period lapses; and

(b) If specified by the Committee in the Award Agreement, the recipient of an Award under Section 7.2 shall be entitled to receive, currently or on a deferred basis, interest or dividends or dividend equivalents with respect to the Common Stock or other securities covered by the Award; and

(c) The Award Agreement with respect to any Award shall contain provisions dealing with the disposition of such Award in the event of the Participant's Termination prior to the exercise, realization or payment of such Award, whether such termination occurs because of retirement, Disability, death or other reason, with such provisions to take account of the specific nature and purpose of the Award.

8. **PAYMENT FOR SHARE PURCHASES**.

8.1 Payment. Payment for Shares purchased pursuant to this Plan may be made in cash (by check) or, where expressly approved for the Participant by the Committee or where expressly indicated in the Participant's Award Agreement and where permitted by Applicable Law:

a. by the tender to the Company of Shares that are clear of all liens, claims, encumbrances or security interests, which Shares shall be valued at their Fair Market Value on the date of exercise or surrender. Notwithstanding the foregoing, in the case of an Incentive Stock Option, the right to make payment in the form of already-owned Shares may be authorized only at the time of grant;

b. with respect to an Option only (and not with respect to Restricted Stock), to the extent permitted by law and to the extent the Award Agreement so provides, payment of the Exercise Price may be made all or in part by delivery (on a form acceptable to the Company) of an irrevocable direction to a licensed securities broker acceptable to the Company to sell Shares and to deliver all or part of the sales proceeds to the Company in payment of the Exercise Price;

c. by cancellation of indebtedness of the Company owed to the Participant;

d. by waiver of compensation due or accrued to the Participant for services rendered or to be rendered to the Company or an Affiliate;

e. in any other form that is consistent with Applicable Laws, regulations and rules, including the Company's withholding of Shares otherwise due to the exercising Participant; or

f. any combination of the foregoing.

At its discretion, the Committee may modify or suspend any method for the exercise of Options, including any of the methods specified in the previous sentence. Delivery of Shares for exercising an Option shall be made either through the physical delivery of Shares or through an appropriate certification or attestation of valid ownership.

9. **TAXES**

9.1 Responsibility for Taxes. Regardless of any action taken by the Company or any Affiliate, the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account, employment tax, stamp tax or other tax-related items related to the Participant's participation in the Plan and legally applicable to the Participant, including any employer liability for which the Participant is liable (the "Tax-Related Items") is the Participant's responsibility and may exceed the amount, if any, withheld by the

Company or an Affiliate. If the Participant is subject to Tax-Related Items in more than one jurisdiction, the Company or an Affiliate may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

9.2 Withholding Methods. Unless otherwise provided in the Participant's Award Agreement, the Committee, or its delegate(s), as permitted by Applicable Law, in its sole discretion and pursuant to such procedures as it may specify from time to time and subject to limitations of Applicable Law, may require or permit a Participant to satisfy any applicable withholding obligations for Tax-Related Items, in whole or in part by (without limitation) (a) requiring the Participant to make a cash payment, (b) withholding from the Participant's wages or other cash compensation paid to the Participant by the Company or any Affiliate; (c) withholding from the Shares otherwise issuable pursuant to an Award; (d) permitting the Participant to deliver to the Company or an Affiliate already-owned Shares or (e) withholding from the proceeds of the sale of otherwise deliverable Shares acquired pursuant to an Award either through a voluntary sale or through a mandatory sale arranged by the Company or an Affiliate. The Committee has authority to adopt policies and procedures, in consultation with the Company's tax accountants and legal advisors, to determine the Fair Market Value of the Shares solely for purposes of withholding and reporting Tax-Related Items related to Awards granted under the Plan.

9.3 Withholding Tax Rates. The Company or an Affiliate may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates, including up to the maximum applicable rate in the Participant's jurisdiction. If the obligation for Tax-Related Items is satisfied by withholding a number of Shares, for tax purposes, a Participant is deemed to have been issued the full number of Shares, notwithstanding that a number of the Shares is held back solely for the purpose of paying the Tax-Related Items. In the event the Company or an Affiliate withholds less than it is obligated to withhold in connection with an Award, the Participant will indemnify and hold the Company and its Affiliates harmless from any liability for Tax-Related Items.

10. **PRIVILEGES OF STOCK OWNERSHIP**. No Participant will have any of the rights of a stockholder with respect to any Shares until the Shares are issued to the Participant. After Shares are issued to the Participant, the Participant will be a stockholder and have all the rights of a stockholder with respect to such Shares, including the right to vote and receive all dividends or, other distributions made or paid with respect to such Shares; provided, that if such Shares are Restricted Stock, then any new, additional or different securities the Participant may become entitled to receive with respect to such Shares by virtue of a stock dividend, stock split or any other change in the corporate or capital structure of the Company will be subject to the same restrictions as the Restricted Stock; provided, further, that the Participant will have no right to retain such stock dividends or stock distributions with respect to Shares that are repurchased at the Participant's purchase price or Exercise Price pursuant to Section 12.

11. **TRANSFERABILITY**.

11.1 Non-Transferability of Options. No Award granted under the Plan shall be transferable by the Participant otherwise than by will or by the laws of descent and distribution, and such option right shall be exercisable, during the Participant's lifetime, only by the Participant. Notwithstanding the foregoing, the Committee may set forth in an Award Agreement at the time of grant or thereafter, that the Award (other than Incentive Stock Options) may be transferred to members of the Participant's immediate family, to trusts solely for the benefit of such immediate family members and to partnerships or limited liability companies in which such family members and/or trusts are the only partners or members, as the case may be. For this purpose, immediate family means the Participant's spouse, parents, children, stepchildren, grandchildren and legal dependents. Any transfer of an Award made under this provision will not be effective until notice of such transfer is delivered to the Company.

11.2 Rights of Transferee. Notwithstanding anything to the contrary herein, if an Award has been transferred in accordance with Section 11.1 above, the Award shall be exercisable solely by the transferee. The Award shall remain subject to the provisions of the Plan, including that it will be exercisable only to the extent that the Participant or Participant's estate would have been entitled to exercise it if the Participant had not transferred the Award. In the event of the death of the Participant prior to the expiration of the right to exercise the transferred Award, the period during which the Award shall be exercisable will terminate on the date 12 months following the date of the Participant's death. In the case of an Option, in no

event will the Option be exercisable after the expiration of the exercise period set forth in the Award Agreement. The Award shall be subject to such other rules relating to transferees as the Committee shall determine.

12. **RESTRICTIONS ON SHARES**. At the discretion of the Committee, the Company may reserve to itself and/or its assignee(s) in the Award Agreement a right to repurchase a portion of or all Unvested Shares held by a Participant following such Participant's Termination at any time within three (3) months after the later of Participant's Termination Date and the date Participant purchases Shares under this Plan, for cash and/or cancellation of purchase money indebtedness, at the Participant's Exercise Price or purchase price, as the case may be.

13. **CERTIFICATES**. All certificates for Shares or other securities delivered under this Plan will be subject to such stock transfer orders, legends and other restrictions, consistent with the terms of the Awards, as the Committee may deem necessary or advisable, including restrictions under any applicable federal, state or foreign securities law, or any rules, regulations and other requirements of the SEC or any stock exchange or automated quotation system upon which the Shares may be listed or quoted.

14. **ESCROW; PLEDGE OF SHARES**. To enforce any restrictions on a Participant's Shares, the Committee may require the Participant to deposit all certificates representing Shares, together with stock powers or other instruments of transfer approved by the Committee, appropriately endorsed in blank, with the Company or an agent designated by the Company to hold in escrow until such restrictions have lapsed or terminated, and the Committee may cause a legend or legends referencing such restrictions to be placed on the certificates. Any Participant who is permitted to execute a promissory note as partial or full consideration for the purchase of Shares under this Plan will be required to pledge and deposit with the Company all or part of the Shares so purchased as collateral to secure the payment of Participant's obligation to the Company under the promissory note; provided, however, that the Committee may require or accept other or additional forms of collateral to secure the payment of such obligation and, in any event, the Company will have full recourse against the Participant under the promissory note notwithstanding any pledge of the Participant's Shares or other collateral. In connection with any pledge of the Shares, Participant will be required to execute and deliver a written pledge agreement in such form as the Committee will from time to time approve. In the discretion of the Committee, the pledge agreement may provide that the Shares purchased with the promissory note may be released from the pledge on a pro rata basis as the promissory note is paid.

15. **EXCHANGE AND BUYOUT OF AWARDS**. The Committee may, at any time or from time to time, authorize the Company, with the consent of the respective Participants (unless such consent is not otherwise required pursuant to the Plan or under the terms of an Award Agreement), to conduct an Exchange Program in compliance with applicable law. In addition, the Committee may at any time buy from a Participant an Award previously granted with payment in cash, Shares (including Restricted Stock) or other consideration, based on such terms and conditions as the Committee and the Participant may agree.

16. **SECURITIES LAW AND OTHER REGULATORY COMPLIANCE**. An Award will not be effective unless such Award is in compliance with all applicable federal and state securities laws, rules and regulations of any governmental body, and the requirements of any stock exchange or automated quotation system upon which the Shares may then be listed or quoted, as they are in effect on the date of grant of the Award and also on the date of exercise or other issuance. However, in the event that an Award is not effective as discussed in the preceding sentence, the Company will use reasonable efforts to modify, revise or renew such Award in a manner so as to make the Award effective. Notwithstanding any other provision in this Plan, the Company will have no obligation to issue or deliver certificates for Shares under this Plan prior to: (a) obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and/or (b) completion of any registration or other qualification of such Shares under any state or federal law or ruling of any governmental body that the Company determines to be necessary or advisable. The Company will be under no obligation to register the Shares with the SEC or to effect compliance with the registration, qualification or listing requirements of any state securities laws, stock exchange or automated quotation system, and the Company will have no liability for any inability or failure to do so. The Company will not be obligated, and will have no liability for failure, to issue or deliver any

Shares under the Plan unless such issuance or delivery would comply with Applicable Laws, with such compliance determined by the Company. The Committee may require, as a condition to the issuance of Shares pursuant to the terms hereof, that the recipient of such Shares make such covenants, agreements and representations, and that any related certificates representing such shares bear such legends, as the Committee, in its sole discretion, deems necessary or desirable. The Company may, in its sole discretion, defer the effectiveness of any exercise or settlement of an Award granted hereunder in order to allow the issuance of Shares pursuant thereto to be made pursuant to registration or an exemption from registration or other methods for compliance available under U.S. federal, state, local or non-U.S. securities laws. The Company will inform the Participant in writing of its decision to defer the effectiveness of the exercise or settlement of an Award granted hereunder. During the period that the effectiveness of the exercise of an Award has been deferred, the Participant may, by written notice, withdraw such exercise and obtain the refund of any amount paid with respect thereto.

17. **NO OBLIGATION TO EMPLOY**. Nothing in this Plan or any Award granted under this Plan will confer or be deemed to confer on any Participant any right to continue in the employ of, or to continue any other relationship with, the Company or any Affiliate of the Company or limit in any way the right of the Company or any Affiliate of the Company to terminate Participant's employment or other relationship at any time, with or without cause.

18. **CORPORATE TRANSACTIONS**.

(a) 18.1 Treatment of Awards. In the event that the Company is subject to a Change-of-Control Event, outstanding Awards acquired under the Plan shall be subject to the agreement evidencing the Change-of-Control Event, which need not treat all outstanding Awards in an identical manner. Such agreement, without the Participant's consent, may provide for one or more of the following with respect to all outstanding Awards as of the effective date of such Change-of-Control Event:

(i) The continuation of an outstanding Award by the Company (if the Company is the successor entity).

(ii) The assumption of an outstanding Award by the successor or acquiring entity (if any) of such Change-of-Control Event (or by its parents, if any), which assumption, will be binding on all selected Participants; provided that the Exercise Price and the number and nature of shares issuable upon exercise of any Option, or any Award that is subject to Section 409A of the Code, will be adjusted appropriately pursuant to Section 424(a) of the Code and/or Section 409A of the Code, as applicable.

(iii) The substitution by the successor or acquiring entity in such Change-of-Control Event (or by its parents, if any) of equivalent awards with substantially the same terms for such outstanding Awards (except that the Exercise Price and the number and nature of shares issuable upon exercise of any Option, or any Award that is subject to Section 409A of the Code, will be adjusted appropriately pursuant to Section 424(a) of the Code and/or Section 409A of the Code, as applicable).

(iv) The full or partial acceleration of exercisability or vesting and accelerated expiration of an outstanding Award and lapse of the Company's right to repurchase or re-acquire Shares acquired under an Award or lapse of forfeiture rights with respect to Shares acquired under an Award.

(v) The settlement of such outstanding Award (whether or not then vested or exercisable) in cash, cash equivalents, or securities of the successor entity (or its parent, if any) with a Fair Market Value equal to the required amount provided in the definitive agreement evidencing the Change-of-Control Event, followed by the cancellation of such Awards; provided however, that such Award may be cancelled without consideration if such Award has no value, as determined by the Committee in its sole discretion. Subject to compliance with Section 409A of the Code, such payment may be made in installments and may be deferred until the date or dates the Awards would have become exercisable or

vested. Such payment may be subject to vesting based on the Participant's continued service, provided that the vesting schedule shall not be less favorable to the Participant than the schedule under which the Award would have become vested or exercisable. For purposes of this paragraph, the Fair Market Value of any security shall be determined without regard to any vesting conditions that may apply to such security.

(vi) The cancellation of outstanding Awards in exchange for no consideration.

The Board shall have full power and authority to assign the Company's right to repurchase or re-acquire or forfeiture rights to such successor or acquiring corporation. In addition, in the event such successor or acquiring corporation (if any) refuses to assume, convert, replace or substitute Awards, as provided above, pursuant to a Change-of-Control Event, the Committee will notify the Award in writing or electronically that such Award will be exercisable (to the extent vested and exercisable pursuant to its terms) for a period of time determined by the Committee in its sole discretion, and such Award will terminate upon the expiration of such period.

18.2 Other Treatment of Awards. Subject to any rights and limitations set forth in Section 18.1, if a Change-of-Control Event occurs or has occurred, any outstanding Awards will be treated as provided in the applicable agreement or plan of merger, consolidation, dissolution, liquidation, or sale of assets constituting the Change-of-Control Event.

18.3 Assumption of Awards by the Company. The Company, from time to time, also may substitute or assume outstanding awards granted by another company, whether in connection with an acquisition of such other company or otherwise, by either (a) granting an Award under this Plan in substitution of such other company's award, or (b) assuming such award as if it had been granted under this Plan if the terms of such assumed award could be applied to an Award granted under this Plan. Such substitution or assumption will be permissible if the holder of the substituted or assumed award would have been eligible to be granted an Award under this Plan if the other company had applied the rules of this Plan to such grant. If the Company assumes an award granted by another company, the terms and conditions of such award will remain unchanged (except that the exercise price and the number and nature of Shares issuable upon exercise of any such Option will be adjusted appropriately pursuant to Section 424(a) of the Code). If the Company elects to grant a new Option rather than assuming an existing option, such new Option may be granted with a similarly adjusted Exercise Price.

18.4 Adjustment of Shares. In the event that the number of outstanding shares is changed by a stock dividend, extraordinary dividend or distribution (whether in cash, shaers or other property, other than regular cash dividend), recapitalization, stock split, reverse stock split, subdivision, combination, reclassification, spin-off or similar change in the capital structure of the Company or amn similar equity restructuring transaction, as that term is used in Statement of Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto) without consideration, then (a) the number of Shares and/or type of security reserved for issuance under this Plan (including the limitation on Incentive Stock Options set forth in Section 2.1), (b) the Exercise Prices of and number of Shares and/or type of security subject to outstanding Options, and (c) the number of Shares and/or type of security subject to other outstanding Awards will be proportionately adjusted, subject to any required action by the Board or the stockholders of the Company and compliance with Applicable Laws; provided, however, that fractions of a Share will not be issued but will either be replaced by a cash payment equal to the Fair Market Value of such fraction of a Share or will be rounded up to the nearest whole Share, as determined by the Committee.

19. **ADOPTION AND STOCKHOLDER APPROVAL**. The Plan will come into existence on the Effective Date. In addition, no Option may be exercised, and no other type of Award may be granted, unless and until the Plan has been approved by the stockholders of the Company, which approval will be within twelve (12) months after the Adoption Date.

20. **TERM OF PLAN**. Unless earlier terminated as provided herein, this Plan will terminate on the tenth (10^{th}) anniversary of the Effective Date. No Award will be granted pursuant to the Plan after such date. The expiration of the Plan, however, shall not affect the rights of Participants under Awards

theretofore granted to them, and all unexpired Awards shall continue in force and operation after termination of the Plan, except as they may lapse or be terminated by their own terms and conditions. The Board may suspend or terminate the Plan at any earlier date at any time.

21. **AMENDMENT OR TERMINATION OF PLAN**. The Board may at any time terminate or amend this Plan in any respect, including without limitation, amendment of any form of Award Agreement or instrument to be executed pursuant to this Plan; provided, however, that the Board will not, without the approval of the stockholders of the Company, amend this Plan in any manner that Applicable Law or regulation requires such stockholder approval. Notwithstanding the foregoing, if an Award has been transferred in accordance with the terms of this Plan, written consent of the transferee (and not the Participant) shall be necessary to substantially alter or impair any option or Award previously granted under the Plan. No amendment, suspension or termination of the Plan or any Award may materially impair a Participant's rights under any outstanding Award, except with the written consent of the affected Participant or as otherwise expressly permitted in the Plan. Subject to the limitations of Applicable Law, if any, the Committee may amend the terms of any one or more Awards without the affected Participant's consent (a) to maintain the qualified status of the Award as an Incentive Stock Option under Section 422 of the Code; (b) to change the terms of an Incentive Stock Option, if such change results in impairment of the Award solely because it impairs the qualified status of the Award as an Incentive Stock Option; (c) to clarify the manner of exemption from, or to bring the Award into compliance with, Section 409A of the Code; or (d) to facilitate compliance with other Applicable Laws.

22. **EFFECT OF 409A OF THE CODE**.

22.1 Section 409A Compliance. No Award (or modification thereof) intended to comply with Section 409A of the Code shall provide for deferral of compensation that does not comply with Section 409A of the Code. Notwithstanding any provision of this Plan to the contrary, if one or more of the payments or benefits received or to be received by a Participant pursuant to an Award would cause the Participant to incur any additional tax or interest under Section 409A of the Code, the Committee may reform such provision to maintain to the maximum extent practicable the original intent of the applicable provision without violating the provisions of Section 409A of the Code. For purposes of this Plan, and solely to the extent necessary or advisable to comply with any applicable requirements of Section 409A of the Code and the regulations thereunder, references to termination of a Participant's employment or service shall be deemed to mean a "separation from service" as that term is defined under Treasury Reg. Section 1.409A-1(h). Notwithstanding any other provisions of this Plan to the contrary, and solely to the extent necessary for compliance with Section 409A of the Code (and only to the extent not otherwise eligible for exclusion from the requirements of Section 409A of the Code), if the Participant becomes entitled to a payment of any benefit or settlement of any Award under this Plan in connection with the Participant's termination of service (other than due to death) and the Participant is deemed to be a "Specified Employee" (as defined under Section 409A of the Code) as of the date of such termination of service, no payment, settlement or other distribution required to be made to the Participant hereunder (including any payment of cash, any transfer of property and any provision of taxable benefits) shall be made earlier than the date that is six (6) months and one day following the date of the Participant's termination of employment with the Company. Unless otherwise expressly provided in an Award Agreement, the Plan and Award Agreements will be interpreted to the greatest extent possible in a manner that makes the Plan and the Awards granted hereunder exempt from Section 409A of the Code, and, to the extent not so exempt, in compliance with Section 409A of the Code. To the extent that any amount constituting deferred compensation under Section 409A of the Code would become payable under this Plan by reason of a Change-of-Control Event or similar transaction, such amount shall become payable only if the event constituting a Change-in Control Event or similar transaction would also qualify as a change in ownership or effective control of the Company or a change in the ownership of a substantial portion of the assets of the Company within the meaning of Code Section 409A. Each payment payable under an Award Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). In no event will any Participant have a right to payment or reimbursement or otherwise from the Company or its Affiliates, or their successors or assigns, for any taxes imposed or other costs incurred as a result of Section 409A of the Code.

23. **GENERAL**.

23.1 Additional Provisions of an Award. Awards under the Plan also may be subject to such other provisions (whether or not applicable to the benefit awarded to any other Participant) as the Committee determines appropriate including, without limitation, provisions to assist the Participant in financing the purchase of Stock upon the exercise of options, provisions for the forfeiture of or restrictions on resale or other disposition of shares of Stork acquired under any Award, provisions giving the Company the right to repurchase shares of Stock acquired under any Award in the event the Participant elects to dispose of such shares, provisions which restrict a Participant's ability to sell Shares for a period of time under certain circumstances, and provisions to comply with Federal and state securities laws and Federal and state tax withholding requirements. Any such provisions shall be reflected in the applicable Award Agreement. Notwithstanding any provision herein to the contrary, in no event will a dividend, dividend equivalent or other distribution be paid with respect to an Award prior to the date on which such Award becomes vested.

23.2. Claim to Awards and Employment Rights. Unless otherwise expressly agreed in writing by the Company, no employee or other person shall have any claim or right to be granted an Award under the Plan or, having been selected for the grant of an Award, to be selected for a grant of any other Award. Neither the Plan nor any action taken hereunder shall be construed as giving any Participant any right to be retained in the employ or service of the Company, a Subsidiary or an Affiliate.

23.3. Payments to Persons Other Than Participants. If the Committee shall find that any person to whom any amount is payable under the Plan is unable to care for his or her affairs because of illness or accident, or is a minor, or is otherwise legally incompetent or incapacitated or has died, then any payment due to such person or such person's estate (unless a prior claim therefor has been made by a duly appointed legal representative) may, if the Committee so directs the Company, be paid to such person's spouse, child, relative, an institution maintaining or having custody of such person, or any other person deemed by the Committee, in its absolute discretion, to be a proper recipient on behalf of such person otherwise entitled to payment. Any such payment shall be a complete discharge of the liability of the Committee and the Company therefor.

23.4. No Liability of Committee Members. No member of the Committee and the Board shall be personally liable by reason of any contract or other instrument executed by such Committee member or on his or her behalf in his or her capacity as a member of the Committee nor for any mistake of judgment made in good faith, and the Company shall indemnify and hold harmless each member of the Committee and each other employee, officer or director of the Company to whom any duty or power relating to the administration or interpretation of the Plan may be allocated or delegated, against any cost or expense (including counsel fees) or liability (including any sum paid in settlement of a claim) arising out of any act or omission to act in connection with the Plan unless arising out of such person's own fraud or willful bad faith; provided, however, that approval of the Board shall be required for the payment of any amount in settlement of a claim against any such person. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Articles of Incorporation or By-Laws, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

23.5. Governing Law. The Plan and all agreements hereunder shall be governed by and construed in accordance with the internal laws of the State of Delaware without regard to the principles of conflicts of law thereof.

23.6. Funding. No provision of the Plan shall require the Company, for the purpose of satisfying any obligations under the Plan, to purchase assets or place any assets in a trust or other entity to which contributions are made or otherwise to segregate any assets, nor shall the Company maintain separate bank accounts, books, records or other evidence of the existence of a segregated or separately maintained or administered fund for such purposes. Participants shall have no rights under the Plan other than as general

unsecured creditors of the Company, except that insofar as they may have become entitled to payment of additional compensation by performance of services, they shall have the same rights as other employees under general law.

23.7. Reliance on Reports. Each member of the Committee and each member of the Board shall be fully justified in relying, acting or failing or refusing to act, and shall not be liable for having so relied, acted or failed or refused to act in good faith, upon any report made by the independent public accountant of the Company and its Affiliates and upon any other information furnished in connection with the Plan by any person or persons other than himself.

23.8. Relationship to Other Benefits. No payment under the Plan shall be taken into account in determining any benefits under any pension, retirement, profit sharing, group insurance or other benefit plan of the Company or any Affiliate except as otherwise specifically provided in such other plan.

23.9. Expenses. The expenses of administering the Plan shall be borne by the Company and its Affiliates.

23.10. Pronouns. Masculine pronouns and other words of masculine gender shall refer to both men and women.

23.11. Titles and Headings. The titles and headings of the sections in the Plan are for convenience of reference only, and in the event of any conflict, the text of the Plan, rather than such titles or headings shall control.

23.12. Termination of Employment. For all purposes herein, a person who transfers from employment or service with the Company to employment or service with an Affiliate or vice versa shall not be deemed to have terminated employment or service with the Company or Affiliate.

23.13 Nonexclusivity of the Plan. Neither the adoption of this Plan by the Board, the submission of this Plan to the stockholders of the Company for approval, nor any provision of this Plan will be construed as creating any limitations on the power of the Board to adopt such incentive arrangements as it may deem desirable, including, without limitation, the granting of stock options and bonuses otherwise than under this Plan, and such arrangements may be either generally applicable or applicable only in specific cases.

23.14 Employees Based Outside of the United States. Notwithstanding any provision of the Plan to the contrary, in order to foster and promote achievement of the purposes of the Plan or to comply with provisions of laws in other countries in which the Company, its Affiliates, and its Subsidiaries operate or have employees, the Committee, in its sole discretion, shall have the power and authority to (i) determine which employees employed outside the United States are eligible to participate in the Plan, (ii) modify the terms and conditions of Awards granted to employees who are employed outside the United States, and (iii) establish subplans (through the addition of schedules to the Plan or otherwise), modify Option exercise procedures and other terms and procedures to the extent such actions may be necessary or advisable. Notwithstanding the foregoing, no sub-plan or modification may increase the share limitations set forth in Section 2.1 and the Committee may not take any action hereunder, and no Award may be granted, that would violate any Applicable Law in the United States.

23.15 Disqualifying Dispositions. Any Participant who shall make a “disposition” (as defined in Section 424 of the Code) or all or any portion of shares of Common Stock acquired upon exercise of an Incentive Stock Option within two years from the Grant Date of such Incentive Stock Option or within one year after the issuance of the shares of Common Stock acquired upon exercise of such Incentive Stock Option (a “Disqualifying Disposition”) shall be required to immediately advise the Company in writing as to the occurrence of the sale and the price realized upon the sale of such shares of Common Stock.

24. **DEFINITIONS**. As used in this Plan, the following terms will have the following meanings:

"Affiliate" means company or other trade or business that "controls," is "controlled by" or is "under common control" with the Company within the meaning of Rule 405 of Regulation C under the Securities Act, including any Subsidiary.

"Applicable Law" means any applicable securities, federal, state, foreign, material local or municipal or other law, statute, constitution, principle of common law, resolution, ordinance, code, edict, decree, rule, listing rule, regulation, judicial decision, ruling or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any governmental or regulatory body or self-regulatory organization (including New York Stock Exchange, Nasdaq Stock Market and the Financial Industry Regulatory Authority).

"Award" means any award under this Plan, including any Option, SAR, Restricted Stock, Restricted Stock Unit, Performance Award or Other Stock-Based Award.

"Award Agreement" means, with respect to each Award, the signed written agreement between the Company and the Participant setting forth the terms and conditions of the Award.

"Board" means the Board of Directors of the Company.

"Cause" means the Company, a Subsidiary or Affiliate having cause to terminate a Participant's employment or service under any existing employment, consulting or any other agreement between the Participant and the Company or a Subsidiary or Affiliate or, in the absence of such an employment, consulting or other agreement, upon (i) the determination by the Committee that the Participant has ceased to perform his duties to the Company, a Subsidiary or Affiliate (other than as a result of his incapacity due to physical or mental illness or injury), which failure amounts to an intentional and extended neglect of his duties to such party, (ii) the Committee's determination that the Participant has engaged or is about to engage in conduct materially injurious to the company, a Subsidiary or Affiliate or (iii) the Participant having been convicted of a felony or a misdemeanor carrying a jail sentence of six months or more.

"Change-of-Control Event" means the occurrence of any one or more of the following events: (i) there shall have been a change in a majority of the Board of Directors of the Company within a two (2) year period, unless the appointment of a director or the nomination for election by the Company's stockholders of each new director was approved by the vote of a majority of the directors then still in office who were in office at the beginning of such two (2) year period, or (ii) the Company shall have been sold by either (A) a sale of all or substantially all its assets, or (B) a merger or consolidation, other than any merger or consolidation pursuant to which the Company acquires another entity, or (C) a tender offer, whether solicited or unsolicited.

"Code" means the Internal Revenue Code of 1986, as amended. Reference in the Plan to any section of the Code shall be deemed to include any amendments or successor provisions to such section and any regulations under such section.

"Committee" means the Compensation Committee, the Stock Option Committee or such other committee appointed by the Board consisting solely of two or more Outside Directors or the Board.

"Common Stock" means the outstanding common stock, par value $0.0001 per share, of the Company, or any other class of securities into which substantially all the Common Stock is converted or for which substantially all the Common Stock is exchanged.

"Company" means the Clarus Corporation, a Delaware corporation, or any successor corporation.

"Consultant" means any individual or entity that performs bona fide services for the Company or an Affiliate, other than as an Employee or Director, and who may be offered securities registerable pursuant to registration statement on Form S-8 under the Securities Act.

"Director" means a member of the Board.

"Disability" or "Disabled" means a disability, whether temporary or permanent, partial or total, as determined in good faith by the Committee; provided, however, for purposes of determining the term of an Incentive Stock Option pursuant to Section 5.7(b) hereof, the term "Disability" shall have the meaning ascribed to it under Section 22(e)(3) of the Code.

"Effective Date" means the date this Plan is approved by the Board.

"Employee" means any person employed by the Company, or any Affiliate, with the status of employment determined pursuant to such factors as are deemed appropriate by the Committee in its sole discretion, subject to any requirements of Applicable Law, including the Code. Service as a Director or payment by the Company or an Affiliate of a Director's fee shall not be sufficient to constitute "employment" of such Director by the Company or any Affiliate.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Exchange Program" means a program pursuant to which (a) outstanding Awards are surrendered, cancelled or exchanged for cash, the same type of Award or a different Award (or combination thereof) or (b) the Exercise Price for an Option or SAR is increased or reduced.

"Exercise Price" means the price at which a holder of an Option may purchase the Shares issuable upon exercise of the Option.

"Fair Market Value" means, as of any date, the value of a share of the Company's Common Stock determined as follows:

a. if such Common Stock is publicly traded and is then listed on a national securities exchange (i.e. The New York Stock Exchange), its closing price on the date of determination on the principal national securities exchange on which the Common Stock is listed or admitted to trading, and if there were no trades on such date, on the day on which a trade occurred next preceding such date;

b. if such Common Stock is publicly traded and is then quoted on the NASDAQ National Market, its closing price on the NASDAQ National Market on the date of determination as reported in The Wall Street Journal, and if there were no trades on such date, on the day on which a trade occurred next preceding such date;

c. if such Common Stock is publicly traded but is not quoted on the NASDAQ National market nor listed or admitted to trading on a national securities exchange, the average of the closing bid and asked prices on the date of determination as reported in The Wall Street Journal or, if not reported in The Wall Street Journal, as reported by any reputable publisher or quotation service, as determined by the Committee in good faith, and if there were no trades on such date, on the day on which a trade occurred next preceding such date;

d. if none of the foregoing is applicable, by the Committee in good faith based upon factors available at the time of the determination, including, but not limited to, capital raising activities of the Company.

"Grant Date" means the latest to occur of (i) the date as of which the Committee approves an Award, (ii) the date on which the recipient of an Award first becomes eligible to receive an Award under Section 3 or (iii) such other date as may be specified by the Committee in the Award Agreement. Corporate action constituting a grant by the Company of an Award to any Participant will be deemed completed as of the date of such corporate action, unless otherwise determined by the Committee, regardless of when the instrument, certificate, or letter evidencing the Award is communicated to, or actually received or accepted by, the Participant. In the event that the corporate records (e.g., Board consents, resolutions or minutes) documenting the corporate action constituting the Award contain terms (e.g., Exercise Price, purchase price, vesting schedule or number of Shares) that are inconsistent with those in the Award Agreement or related Award documents as a result of a clerical error in the preparation of the Award Agreement or related Award documentation, the corporate records will control, and the Participant will have no legally binding right to the incorrect term in the Award Agreement or related Award documentation.

"Incentive Stock Option" or "ISO" has the meaning set forth in Section 5.

"Insider" means an officer or director of the Company or any other person whose transactions in the Company's Common Stock are subject to Section 16 of the Exchange Act.

"Non-Employee Director" means a Director who is not an Employee of the Company or any Affiliate, and who satisfies the requirements of a "non-employee director" within the meaning of Section 16 of the Exchange Act.

"NQSOs" has the meaning set forth in Section 5.

"Officer" means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act.

"Option" means an Award of an option to purchase Shares pursuant to Section 5.

"Other Stock-Based Award" means an Award pursuant to Section 7.2.

"Outside Director" means a person who is a "nonemployee director" within the meaning of Rule 16b-3 under the Exchange Act.

"Participant" means a person who receives an Award under this Plan.

"Performance Award" means an Award of Shares, or cash in lieu of Shares, pursuant to Section 7.

"Restricted Stock Award" means an award of Shares pursuant to Section 6.

"Restricted Stock Unit Award" means an Award pursuant to Section 6.9.

"SAR" or "Stock Appreciation Right" means an Award pursuant to Section 5.13

"SEC" means the Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended.

"Shares" means shares of the Company's Common Stock reserved for issuance under this Plan, as adjusted pursuant to Section 18, and any successor security.

"Stock Unit" means an Award giving the right to receive Shares granted under either Section 6.9 or Section 7 of the Plan.

"Subsidiary" means any "subsidiary corporation" of the Company within the meaning of Code Section 424(f).

"Ten Percent Stockholder" has the meaning set forth in Section 5.3.

"Termination" or "Terminated" means, for purposes of this Plan with respect to a Participant, that the Participant has for any reason ceased to provide services as an Employee, Officer, Director, Consultant or advisor to the Company or Affiliate of the Company. An Employee will not be deemed to have ceased to provide services in the case of (i) sick leave, (ii) military leave, or (iii) any other leave of absence approved by the Committee, provided, that such leave is for a period of not more than 90 days, unless re-employment upon the expiration of such leave is guaranteed by contract or statute or unless provided otherwise pursuant to formal policy adopted from time to time by the Company and issued and promulgated to Employees in writing. In the case of any Employee on an approved leave of absence, the Committee may make such provisions respecting suspension of vesting of the Award while on leave from the employ of the Company or an Affiliate as it may deem appropriate, except that in no event may an Option be exercised after the expiration of the term set forth in the Stock Option Agreement. The Committee will have sole discretion to determine whether a Participant has ceased to provide services and the effective date on which the Participant ceased to provide services (the "Termination Date").

"Unvested Shares" means "Unvested Shares" as defined in the Award Agreement.

Exhibit 10.2

CLARUS CORPORATION
AMENDED AND RESTATED 2015 STOCK INCENTIVE PLAN
STOCK OPTION AGREEMENT

STOCK OPTION AGREEMENT (the "Agreement") made as of the **«number date»** day of **«month», «year»**, by and between Clarus Corporation, a Delaware corporation, having its principal office at 2084 East 3900 South, Salt Lake City, Utah 84124 (the "Company"), and **«First Name» «Last Name»**, an individual residing in **«City State»** (the "Optionee"). Capitalized terms not defined herein shall have the meanings ascribed to them in the Clarus Corporation Amended and Restated 2015 Stock Incentive Plan (the "Plan").

WHEREAS, the Company has heretofore adopted the Plan for the benefit of certain employees, officers, directors or consultants of the Company or Subsidiaries of the Company, which Plan has been approved by the Company's stockholders; and

WHEREAS, the Optionee is a valued and trusted **«employee or director»** of the Company and/or one of its Subsidiaries and the Company believes it to be in the best interests of the Company to secure the future services of the Optionee by providing the Optionee with an inducement to remain an **«employee or director»** of the Company and/or one of its Subsidiaries through the grant of an option to acquire an ownership interest in the Company.

NOW, THEREFORE, the parties agree as follows:

1. Option Grant. Subject to the provisions hereinafter set forth and the terms and conditions of the Plan, the Company hereby grants to the Optionee, as of **«grant date»** (the "Grant Date"), the right, privilege and option (the "Option") to purchase all or any part of an aggregate of **«amount of option»** shares (the "Shares") of common stock of the Company, par value $0.0001 per share (the "Common Stock"), such number being subject to adjustment as provided in the Plan. To the extent applicable, this Option is intended to qualify as an "incentive stock option" ("ISO") within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), to the extent permitted under Section 422 of the Code.

2. Exercise Price. Subject to adjustment as provided in the Plan, the purchase price per Share of Common Stock as to which this Option is exercised (the "Exercise Price") shall be $**«exercise price»**, the Fair Market Value of such Shares on the Grant Date.

3. Exercise of Option. The term of the Option shall be for a period of ten (10) years from the Grant Date and shall expire without further action being taken at 5:00 p.m., **«expiration date»**, subject to earlier termination as provided in Section 5 hereof (the "Expiration Date"). The Option may be exercised at any time, or from time to time, prior to the Expiration Date (or such additional period as may be permitted under the Plan) as to any part or all of the Shares covered by the Option, pursuant to the vesting schedule contained in Section 4.1 hereof; provided, however, that the Option may not be exercised as to less than one hundred (100) shares, unless it is exercised as to all Shares as to which this Option is then exercisable.

4. Vesting Schedule.

4.1 Vesting Date. The Shares into which this Option is exercisable shall vest in accordance with the following schedule:

Vesting Date	Number of ISOs	Number of Non-Qualified	Total Number of Shares
<<Insert Date>>	**«Total_ISOs»**	**«Total_NQSOs»**	**«amountofoptions»**

The allocation of options granted between ISOs and NQSOs indicated above is a result of the Limitations on ISO as outlined in the Plan and reproduced below.

5.8 Limitations on ISO. The aggregate Fair Market Value (determined as of the Grant Date) of Shares with respect to which ISOs are exercisable for the first time by a Participant during any calendar year (under this Plan or under any other incentive stock option plan of the Company or Subsidiary of the Company) will not exceed $100,000 or such other amount as may be required by the Code. If the Fair Market Value of Shares on the Grant Date with respect to which ISOs are exercisable for the first time by a Participant during any calendar year exceeds $100,000, then the Options for the first $100,000 worth of Shares to become exercisable in such calendar year will be ISOs and the Options for the amount in excess of $100,000 that become exercisable in that calendar year will be NQSOs. In the event that the Code or the regulations promulgated thereunder are amended after the Effective Date of this Plan to provide for a different limit on the Fair Market Value of Shares permitted to be subject to ISOs, such different limit will be automatically incorporated herein and will apply to any Options granted after the effective date of such amendment. For purposes of this Section 5.8, ISOs will be taken into account in the order in which they were granted.

4.2 Shares that are vested pursuant to the schedule set forth in Section 4.1 hereof are "Vested Shares."

5. Termination.

5.1 Termination for Any Reason Except Death, Disability or Cause. If Optionee is Terminated by the Company for any reason (including if the Optionee voluntarily terminates employment with the Company) except upon Optionee's death, Disability or Termination for Cause, then this Option, to the extent (and only to the extent) that it is vested in accordance with the schedule set forth in Section 4.1 hereof on the Termination Date, may be

exercised by Optionee no later than three (3) months after the Termination Date (or such longer time period not exceeding five (5) years as may be determined by the Committee, with any exercise beyond three (3) months after the Termination Date deemed to be a NQSO), but in any event no later than the Expiration Date.

5.2 Termination Because of Death or Disability. If Optionee's service to the Company is Terminated because of death or Disability of Optionee, then this Option, to the extent that it is vested in accordance with the schedule set forth in Section 4.1 hereof on the Termination Date, may be exercised by Optionee (or Optionee's legal representative or authorized assignee) no later than twelve (12) months after the Termination Date (or such longer time period not exceeding five (5) years as may be determined by the Committee, with any such exercise beyond twelve (12) months after the Termination Date when the Termination is for Participant's death or Disability, deemed to be a NQSO), but in any event no later than the Expiration Date. Any exercise after three months after the Termination Date when the Termination is for any reason other than Optionee's disability, within the meaning of Section 22(e)(3) of the Code, shall be deemed to be the exercise of a nonqualified stock option.

5.3 Termination for Cause. If the Optionee is Terminated for Cause, neither the Optionee, the Optionee's estate nor such other person who may then hold the Option shall be entitled to exercise any Option with respect to any Shares whatsoever, after termination of service, whether or not after termination of service the Optionee may receive payment from the Company or Subsidiary for vacation pay, for services rendered prior to termination, for services rendered for the day on which termination occurs, for salary in lieu of notice, or for any other benefits. In making such determination, the Committee shall give the Optionee an opportunity to present to the Committee evidence on his behalf. For the purpose of this paragraph, termination of service shall be deemed to occur on the date when the Company dispatches notice or advice to the Optionee that Optionee's service is terminated.

For purposes of this Agreement, Termination for Cause means that the Company has cause to terminate an Optionee's employment or service under any existing employment, consulting or any other agreement between the Optionee and the Company or, if such an agreement does not exist, upon finding that (i) the Optionee has ceased to perform his duties (other than as a result of his incapacity due to physical or mental illness or injury), which constitutes an intentional or extended neglect of his/her duties, (ii) the Optionee has engaged or is about to engage in conduct materially injurious to the Company or (iii) the Optionee has been convicted of a felony.

5.4 No Obligation to Employ. Nothing in the Plan or this Agreement shall confer on Optionee any right to continue in the employ of, or other relationship with, the Company, a Subsidiary or an Affiliate, or limit in any way the right of the Company or any Affiliate or Subsidiary of the Company to terminate Optionee's employment or other relationship at any time, with or without Cause. This Agreement does not constitute an employment or other service contract. This Agreement does not guarantee employment or other service for the length of time of the Vesting Schedule or for any portion thereof.

6. Manner of Exercise.

6.1 Stock Option Exercise Procedures. To exercise this Option, Optionee (or in the case of exercise after Optionee's death, Optionee's executor, administrator, heir or legatee, as the case may be) must follow such exercise procedures as may be established by the Committee from time to time in its sole discretion. Such procedures may include requiring that the Optionee provide certain information including, inter alia, Optionee's election to exercise this Option, the number of Shares being purchased, any restrictions imposed on the Shares and any representations, warranties and agreements regarding Optionee's investment intent and access to information as may be required by the Company to comply with applicable securities laws. If someone other than Optionee exercises this Option, then such person may be required to submit documentation reasonably acceptable to the Company that such person has the right to exercise this Option.

6.2 Limitations on Exercise. This Option may not be exercised unless such exercise is in compliance with all applicable federal and state securities laws, as they are in effect on the date of exercise.

6.3 Payment. An exercise of this Option shall be accompanied by full payment of the aggregate Exercise Price for the Shares being purchased (a) in cash (by check), or (b) provided that a public market for the Company's stock exists: (1) through a "same day sale" commitment from Optionee and a broker-dealer that is a member of the National Association of Securities Dealers (an "NASD Dealer") whereby Optionee irrevocably elects to exercise this Option and to sell a portion of the Shares so purchased to pay for the aggregate Exercise Price and whereby the NASD Dealer irrevocably commits upon receipt of such Shares to forward the aggregate Exercise Price directly to the Company; or (2) through a "margin" commitment from Optionee and an NASD Dealer whereby Optionee irrevocably elects to exercise this Option and to pledge the Shares so purchased to the NASD Dealer in a margin account as security for a loan from the NASD Dealer in the amount of the aggregate Exercise Price, and whereby the NASD Dealer irrevocably commits upon receipt of such Shares to forward the aggregate Exercise Price directly to the Company. Notwithstanding the foregoing, the Board of Directors or the Committee, in their sole discretion, may allow for the full payment of the aggregate Exercise Price for the Shares being purchased to be made by any other method which is in accordance with the provisions of the Plan.

6.4 Tax Withholding. Prior to the issuance of the Shares upon exercise of this Option, Optionee must pay or provide for any applicable federal or state withholding obligations of the Company. If the Committee permits, Optionee may provide for payment of withholding taxes upon exercise of this Option by requesting that the Company retain Shares with a Fair Market Value equal to the minimum amount of taxes required to be withheld determined on the date that the amount of tax to be withheld is to be determined. In such case, the Company shall issue the net number of Shares to the Optionee by deducting the Shares retained from the Shares issuable upon exercise.

6.5 Issuance of Shares. Provided that both the exercise procedures established by the Committee and payment are in manner, form and substance satisfactory to the Company, and upon the Company's request to counsel for the Company, the Company shall issue the

Shares registered in the name of Optionee, Optionee's authorized assignee, or Optionee's legal representative, and shall deliver certificates representing the Shares with the appropriate legends affixed thereto.

7. Notice of Disqualifying Disposition of ISO Shares. To the extent this Option is an ISO, if Optionee sells or otherwise disposes of any of the Shares acquired pursuant to the ISO on or before the later of (a) the date two (2) years after the Date of Grant, and (b) the date one (1) year after transfer of such Shares to Optionee upon exercise of this Option, then Optionee shall immediately notify the Company in writing of such disposition.

8. Compliance With Laws and Regulations. The exercise of this Option and the issuance and transfer of Shares to the Optionee shall be subject to compliance by the Company and Optionee with (i) all applicable requirements of federal and state securities laws, (ii) all applicable requirements of any stock exchange on which the Company's Common Stock may be listed and (iii) any applicable policy of the Company regarding the trading of securities of the Company, each at the time of such issuance and transfer. Optionee understands that the Company is under no obligation to register or qualify the Shares with the SEC, any state securities commission or any stock exchange to effect such compliance.

9. Nontransferability of Option. This Option may not be transferred in any manner other than transfers by will or by the laws of descent and distribution or to members of the Optionee's immediate family, to trusts solely for the benefit of such immediate family members and to partnerships or limited liability companies in which such family members and/or trusts are the only partners or members, as the case may be. For this purpose, "immediate family" means the Optionee's spouse, parents, children, stepchildren, grandchildren and legal dependents. Any transfer of Options made under this provision will not be effective until notice of such transfer is delivered to the Company. The terms of this Option shall be binding upon the executors, administrators, successors and assigns of Optionee.

10. Privileges of Stock Ownership. Optionee shall not have any of the rights of a stockholder with respect to any Shares until the Shares are issued to Optionee.

11. Interpretation. Any dispute regarding the interpretation of this Agreement shall be submitted by Optionee or the Company to the Committee for review. The resolution of such a dispute by the Committee shall be final and binding on the Company and Optionee.

12. Entire Agreement. The Plan is incorporated herein by reference. This Agreement and the Plan and any exercise procedures as may be established by the Committee constitute the entire agreement and understanding of the parties hereto with respect to the subject matter hereof and supersede all prior understandings and agreements with respect to such subject matter.

13. Notices. Any notice required to be given or delivered to the Company under the terms of this Agreement shall be in writing and addressed to the Corporate Secretary of the Company at its principal corporate offices. Any notice required to be given or delivered to Optionee shall be in writing and addressed to Optionee at the address indicated above or to such

other address as such party may designate in writing from time to time to the Company. All notices shall be deemed to have been given or delivered upon: personal delivery; three (3) days after deposit in the United States mail by certified or registered mail (return receipt requested); one (1) business day after deposit with any return receipt express courier (prepaid); or one (1) business day after transmission by facsimile.

14. Successors and Assigns. The Company may assign any of its rights under this Agreement. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Agreement shall be binding upon Optionee and Optionee's heirs, executors, administrators, legal representatives, successors and assigns.

15. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, applicable to agreements made and to be performed entirely within such state, other than conflict of laws principles thereof directing the application of any law other than that of Delaware.

16. Acceptance. Optionee hereby acknowledges receipt of a copy of the Plan and this Agreement. Optionee has read and understands the terms and provisions of the Plan, and accepts this Option subject to all the terms and conditions of the Plan and this Agreement. This Option is subject to, and the Company and the Optionee agree to be bound by, all of the terms and conditions of the Plan under which this Option was granted, as the same shall have been amended, restated or otherwise modified from time to time in accordance with the terms thereof. Pursuant to said Plan, the Board of Directors of the Company or the Committee is vested with final authority to interpret and construe the Plan and this Option, and its present form is available for inspection during the business hours by the Optionee or other persons entitled to exercise this Option at the Company's principal office. Optionee acknowledges that there may be adverse tax consequences upon exercise of this Option or disposition of the Shares and that the Company has advised Optionee to consult a tax advisor prior to such exercise or disposition.

17. Covenants of the Optionee

The Optionee agrees (and for any heir, executor, administrator, legal representative, successor, or assignee hereby agrees), as a condition upon exercise of the Option granted hereunder:

(a) Upon the request of the Committee, to execute and deliver a certificate, in form satisfactory to the Committee, certifying that the Shares being acquired upon exercise of the Option are for such person's own account for investment only and not with any view to or present intention to resell or distribute the same. The Optionee hereby agrees that the Company shall have no obligation to deliver the Shares issuable upon exercise of the Option unless and until such certificate shall be executed and delivered to the Company by the Optionee or any successor.

(b) Upon the request of the Committee, to execute and deliver a certificate, in form satisfactory to the Committee, certifying that any subsequent resale or distribution of the Shares by the Optionee shall be made only pursuant to either (i) a Registration Statement on an

appropriate form under the Securities Act of 1933, as amended (the "Securities Act"), which Registration Statement has become effective and is current with regard to the Shares being sold, or (ii) a specific exemption from the registration requirements of the Securities Act, but in claiming such exemption the Optionee shall, prior to any offer of sale or sale of such Shares, obtain a prior favorable written opinion of counsel, in form and substance satisfactory to counsel for the Company, as to the application of such exemption thereto. The foregoing restriction contained in this subparagraph (b) shall not apply to (x) issuances by the Company so long as the Shares being issued are registered under the Securities Act and a prospectus in respect thereof is current, or (y) re-offerings of Shares by Affiliates of the Company (as defined in Rule 405 or any successor rule or regulation promulgated under the Securities Act) if the Shares being re-offered are registered under the Securities Act and a prospectus in respect thereof is current.

(c) That certificates evidencing Shares purchased upon exercise of the Option shall bear a legend, in form satisfactory to counsel for the Company, manifesting the investment intent and resale restrictions of the Optionee described in this Section.

(d) That upon exercise of the Option granted hereby, or upon sale of the Shares purchased upon exercise of the Option, as the case may be, the Company shall have the right to require the Optionee to remit to the Company, or in lieu thereof, the Company may deduct, an amount of shares or cash sufficient to satisfy federal, state or local withholding tax requirements, if any, prior to the delivery of any certificate for such Shares or thereafter, as appropriate.

18. Obligations of the Company

18.1 Upon the exercise of this Option in whole or in part, the Company shall cause the purchased Shares to be issued only when it shall have received the full payment of the aggregate Exercise Price in accordance with the terms of this Agreement.

18.2 The Company shall cause certificates for the Shares as to which the Option shall have been exercised to be registered in the name of the person or persons exercising the Option, which certificates shall be delivered by the Company to the Optionee only against payment of the full Exercise Price in accordance with the terms of this Agreement for the portion of the Option exercised.

18.3 In the event that the Optionee shall exercise this Option with respect to less than all of the Shares of Common Stock that may be purchased under the terms hereof, the Company shall issue to the Optionee a new Option, duly executed by the Company and the Optionee, in form and substance identical to this Option, for the balance of Shares of Common Stock then issuable pursuant to the terms of this Option.

18.4 Notwithstanding anything to the contrary contained herein, neither the Company nor its transfer agent shall be required to issue any fraction of a Share of Common Stock in connection with the exercise of this Option, and the Company shall, upon exercise of this Option in whole or in part, issue the largest number of whole Shares of Common Stock to which this Option is entitled upon such full or partial exercise and shall return to the Optionee

the amount of the aggregate Exercise Price paid by the Optionee in respect of any fractional Share.

18.5 The Company may endorse such legend or legends upon the certificates for Shares issued to the Optionee pursuant to the Plan and may issue such "stop transfer" instructions to its transfer agent in respect of such Shares as, in its discretion, it determines to be necessary or appropriate to: (i) prevent a violation of, or to perfect an exemption from, the registration requirements of the Securities Act; (ii) implement the provisions of the Plan and any agreement between the Company and the Optionee with respect to such Shares; or (iii) permit the Company to determine the occurrence of a disqualifying disposition, as described in Section 421(b) of the Code, of Shares transferred upon exercise of an incentive stock option granted pursuant to this Agreement and under the Plan.

18.6 The Company shall pay all issue or transfer taxes with respect to the issuance or transfer of Shares to the Optionee, as well as all fees and expenses necessarily incurred by the Company in connection with such issuance or transfer, except fees and expenses which may be necessitated by the filing or amending of a Registration Statement under the Securities Act, which fees and expenses shall be borne by the Optionee, unless such Registration Statement under the Securities Act has been filed by the Company for its own corporate purposes (and the Company so states) in which event the Optionee shall bear only such fees and expenses as are attributable solely to the inclusion of the Shares he or she receives in the Registration Statement.

18.7 All Shares issued following exercise of the Option and the payment of the Exercise Price in accordance with the terms of this Agreement therefore shall be fully paid and non-assessable to the extent permitted by law.

19. Miscellaneous.

19.1 If the Optionee loses this Agreement representing the Option granted hereunder, or if this Agreement is stolen or destroyed, the Company shall, subject to such reasonable terms as to indemnity as the Committee, in its sole discretion shall require, enter into a new option agreement pursuant to which the Company shall issue a new Option, in form and substance identical to this Option, and in substitution for, the Option so lost, stolen or destroyed, and in the event this Agreement representing the Option shall be mutilated, the Company shall, upon the surrender hereof, enter into a new option agreement pursuant to which the Company shall issue a new Option, in form and substance identical to this Option, and in substitution for, the Option so mutilated.

19.2 This Agreement cannot be amended, supplemented or changed, and no provision hereof can be waived, except by a written instrument making specific reference to this Agreement and signed by the party against whom enforcement of any such amendment, supplement, modification or waiver is sought. A waiver of any right derived hereunder by the Optionee shall not be deemed a waiver of any other right derived hereunder.

19.3 This Agreement may be executed in any number of counterparts, but all counterparts will together constitute but one agreement.

19.4 In the event of a conflict between the terms and conditions of this Agreement and the Plan, the terms and conditions of the Plan shall govern.

19.5 Any dispute regarding the interpretation of this Agreement shall be submitted by Optionee or the Company to the Committee for review. The resolution of such a dispute by the Committee shall be final and binding on the Company and Optionee.

19.6 All Options and benefits provided under this Agreement shall be subject to any compensation recovery or clawback policy as required under applicable law, rule or regulation or otherwise adopted by the Company from time to time.

(Signature Page Follows)

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed in duplicate by its duly authorized representative and Optionee has executed this Agreement in duplicate as of the Date of Grant.

CLARUS CORPORATION

By: _____
Name:
Title:

OPTIONEE:

_____
«FirstName» «LastName»

Exhibit 10.3

CLARUS CORPORATION
AMENDED AND RESTATED 2015 STOCK INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT

RESTRICTED STOCK UNIT AWARD AGREEMENT (the "Agreement") made as of this **«numberdate»** day of **«month»**, **«year»**, by and between Clarus Corporation, a Delaware corporation, having its principal office at 2084 East 3900 South, Salt Lake City, Utah 84124 (the "Company"), and **«FirstName» «LastName»,** an individual residing in **«citystate»** (the "Recipient"). Capitalized terms not defined herein shall have the meanings ascribed to them in the Clarus Corporation Amended and Restated 2015 Stock Incentive Plan (the "Plan").

WHEREAS, the Company has heretofore adopted the Plan for the benefit of certain employees, officers, directors or consultants of the Company or Subsidiaries of the Company, which Plan has been approved by the Company's stockholders; and the Recipient is a valued and trusted **«employee / director»** of the Company and/or one of its Subsidiaries; and

WHEREAS, the Company believes it to be in the best interests of the Company to secure the future services of the Recipient by providing the Recipient with an inducement to remain an **«employee / director»** of the Company and/or one of its Subsidiaries through the grant of a restricted stock unit award in the Company.

NOW, THEREFORE, the parties agree as follows:

1. Restricted Stock Unit Award. Subject to the provisions hereinafter set forth and the terms and conditions of the Plan, the Company hereby grants to the Recipient, as of **«grantdate»** (the "Grant Date"), an award of up to an aggregate of **«amountofshares»** Restricted Stock Units (the "RSUs"), each RSU representing the right to receive one share of common stock of the Company, par value $0.0001 per share (the "Common Stock"), such number being subject to adjustment as provided in the Plan. As more fully described below, the RSUs granted hereby are subject to forfeiture by the Recipient if certain criteria are not satisfied.

2. Vesting.

(a) The RSUs shall vest and become non-forfeitable in accordance with the following schedule:

Vesting Date	Number of RSUs
<<Insert Date>>	**«shares»**

(b) Notwithstanding the vesting schedule set forth above, such vesting schedule may be accelerated by the Board of Directors or the Compensation Committee of the Board of Directors (the "Committee") in their sole decision.

(c) Upon the vesting date the earned portion of the RSUs shall be settled by delivering to the Recipient one share of Common Stock for each vested RSU in accordance with the Plan and the terms hereof including Section 3 below.

(d) If the Recipient is terminated by the Company or its Subsidiaries for Cause, or if the Recipient voluntarily terminates employment with the Company or its Subsidiaries or if Recipient's service to the Company is Terminated because of death or Disability of Recipient, prior to the satisfaction of the vesting provisions set forth above, no further portion of the RSUs shall become vested pursuant to this Agreement and such unvested RSUs shall be forfeited effective as of the date that the Recipient ceases to be so employed by the Company.

(e) Nothing in the Plan or this Agreement shall confer on Recipient any right to continue in the employ of, or other relationship with, the Company or any Subsidiary of the Company, or limit in any way the right of the Company or any Affiliate or Subsidiary of the Company to terminate Recipient's employment or other relationship at any time, with or without Cause. This Agreement does not constitute an employment contract. This Agreement does not guarantee employment for the length of time of the vesting schedule set forth above or for any portion thereof.

(f) Recipient understands that Recipient may suffer adverse tax consequences as a result of the grant, vesting or settlement of the RSUs and the delivery or disposition of any shares delivered in settlement thereof. Recipient represents that Recipient has consulted with his or her own independent tax consultant(s) as Recipient deems advisable in connection with the grant, vesting or settlement of the RSUs and that Recipient is not relying on the Company for any tax advice.

3. Settlement and Withholding.

(a) Upon vesting, the Company shall settle the vested RSUs by delivering to the Recipient, Recipient's authorized assignee, or Recipient's legal representative, one share of Common Stock for each vested RSU, and shall deliver certificates representing the shares or evidence of book-entry ownership.

(b) Subject to Section 16 below, prior to the settlement of the RSUs and delivery of the shares, Recipient must pay or provide for any applicable federal or state withholding obligations of the Company.

4. Compliance With Laws and Regulations. The settlement and transfer of shares underlying the RSUs shall be subject to compliance by the Company and Recipient with all applicable requirements of federal and state securities laws and with all applicable requirements of any stock exchange or quotation system on which the Company's Common Stock may be listed at the time of such settlement or transfer

5. Non-transferability. Until the RSUs shall be vested and settled and until the satisfaction of any and all other conditions specified herein, the RSUs may not be sold, transferred, assigned, pledged or otherwise encumbered or disposed of by the Recipient, other than by will or by the laws of descent and distribution, except upon the written consent of the Company and, in any case, in compliance with the terms and conditions of this Agreement. The terms of this RSU award shall be binding upon the executors, administrators, successors and assigns of Recipient.

6. Privileges of Stock Ownership. Recipient shall not have any of the rights of a stockholder with respect to any RSUs or the shares or evidence of book-entry ownership underlying the RSUs until such shares are delivered to Recipient in settlement of the RSUs.

7. **Interpretation.** Any dispute regarding the interpretation of this Agreement shall be submitted by Recipient or the Company to the Committee for review. The resolution of such a dispute by the Committee shall be final and binding on the Company and Recipient.

8. **Entire Agreement.** The Plan is incorporated herein by reference. This Agreement and the Plan constitute the entire agreement and understanding of the parties hereto with respect to the subject matter hereof and supersede all prior understandings and agreements with respect to such subject matter.

9. **Notices.** Any notice required to be given or delivered to the Company under the terms of this Agreement shall be in writing and addressed to the Corporate Secretary of the Company at its principal corporate offices. Any notice required to be given or delivered to Recipient shall be in writing and addressed to Recipient at the address indicated above or to such other address as such party may designate in writing from time to time to the Company. All notices shall be deemed to have been given or delivered upon: personal delivery; three (3) days after deposit in the United States mail by certified or registered mail (return receipt requested); one (1) business day after deposit with any return receipt express courier (prepaid); or one (1) business day after transmission by facsimile.

10. **Successors and Assigns.** The Company may assign any of its rights under this Agreement. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Agreement shall be binding upon Recipient and Recipient's heirs, executors, administrators, legal representatives, successors and assigns.

11. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, applicable to agreements made and to be performed entirely within such state, other than conflict of laws principles thereof directing the application of any law other than that of Delaware.

12. **Acceptance.** Recipient hereby acknowledges receipt of a copy of the Plan and this Agreement. Recipient has read and understands the terms and provisions thereof, and accepts this RSU award subject to all the terms and conditions of the Plan and this Agreement. Recipient acknowledges that there may be adverse tax consequences upon the grant or the vesting and settlement of this RSU award, and that the Company has advised Recipient to consult a tax advisor regarding the tax consequences of the grant, vesting, issuance or disposition.

13. **Covenants of the Recipient.** The Recipient agrees (and for any heir, executor, administrator, legal representative, successor, or assignee hereby agrees), as a condition upon the grant of the RSU award hereunder:

(a) Upon the request of the Committee, to execute and deliver a certificate, in form satisfactory to the Committee, certifying that the shares delivered in settlement of the RSUs are for such person's own account for investment only and not with any view to or present intention to resell or distribute the same. The Recipient hereby agrees that the Company shall have no obligation to deliver the shares unless and until such certificate shall be executed and delivered to the Company by the Recipient or any successor.

(b) Upon the request of the Committee, to execute and deliver a certificate, in form satisfactory to the Committee, certifying that any subsequent resale or distribution of the shares delivered in settlement of the RSUs by the Recipient shall be made only pursuant to either (i) a Registration Statement on an appropriate form under the Securities Act of 1933, as amended (the "Securities Act"), which Registration Statement has become effective and is current with regard to the shares being sold, or (ii) a specific exemption from the registration requirements of the Securities Act, but in claiming such exemption the Recipient shall, prior to any offer of sale or sale of such shares, obtain a prior favorable written opinion of counsel, in form and substance satisfactory to counsel for the Company, as to the application of such exemption thereto. The foregoing restriction contained in this subparagraph (b) shall not apply to (x) issuances by the Company so long as the shares being issued are registered under the Securities Act and a prospectus in respect thereof is current, or (y) re-offerings of the shares by Affiliates of the Company if the shares being re-offered are registered under the Securities Act and a prospectus in respect thereof is current.

(c) That certificates evidencing shares delivered in settlement of the RSUs shall bear a legend, in form satisfactory to counsel for the Company, manifesting the investment intent and resale restrictions of the Recipient described in this Section.

(d) That upon vesting and settlement of the RSUs, or upon sale of the shares delivered in settlement thereof, as the case may be, the Company shall have the right to require the Recipient to remit to the Company, or in lieu thereof, the Company may deduct, an amount of shares or cash sufficient to satisfy federal, state or local withholding tax requirements, if any, prior to the delivery of any certificate for such shares or thereafter, as appropriate.

14. Obligations of the Company.

(a) Notwithstanding anything to the contrary contained herein, neither the Company nor its transfer agent shall be required to issue any fraction of a share of Common Stock, and the Company shall issue the largest number of whole shares to which Recipient is entitled and shall return to the Recipient the amount of any unissued fractional share in cash.

(b) The Company may endorse such legend or legends upon the certificates for shares delivered in settlement of the RSUs issued to the Recipient pursuant to the Plan and may issue such "stop transfer" instructions to its transfer agent in respect of such shares as, in its discretion, it determines to be necessary or appropriate to: (i) prevent a violation of, or to perfect an exemption from, the registration requirements of the Securities Act; or (ii) implement the provisions of the Plan and any agreement between the Company and the Recipient or grantee with respect to such shares.

(c) The Company shall pay all issue or transfer taxes with respect to the issuance or transfer of shares to Recipient, as well as all fees and expenses necessarily incurred by the Company in connection with such issuance or transfer.

(d) All shares delivered following settlement of the RSUs shall be fully paid and non-assessable to the extent permitted by law.

15. **No Section 83(b) Election.** Recipient shall not file an election with the Internal Revenue Service under Section 83(b).

16. **Withholding Taxes.** The Recipient acknowledges that the Company is not responsible for the tax consequences to the Recipient of the granting, vesting or settlement of the RSUs or the delivery or disposition of shares, and that it is the responsibility of the Recipient to consult with the Recipient's personal tax advisor regarding all matters with respect to the tax consequences of the granting, vesting, settlement, delivery and disposition. The Company shall have the right to deduct from the shares delivered in settlement of the RSUs or any payment to be made with respect to the RSUs any amount that federal, state, local or foreign tax law requires to be withheld with respect to the RSUs or any such payment. Alternatively, the Company may require that the Recipient, prior to or simultaneously with the Company incurring any obligation to withhold any such amount, pay such amount to the Company in cash or in shares of the Company's Common Stock (including shares of Common Stock retained from the RSU award creating the tax obligation), which shall be valued at the Fair Market Value of such shares on the date of such payment. In any case where it is determined that taxes are required to be withheld in connection with the issuance, transfer or delivery of the shares, the Company may reduce the number of shares so issued, transferred or delivered by such number of shares as the Company may deem appropriate to comply with such withholding. The Company may also impose such conditions on the payment of any withholding obligations as may be required to satisfy applicable regulatory requirements under the Exchange Act, if any.

17. **Miscellaneous.**

(a) If the Recipient loses this Agreement representing the RSU award granted hereunder, or if this Agreement is stolen, damaged or destroyed, the Company shall, subject to such reasonable terms as to indemnity as the Committee, in its sole discretion shall require, replace the Agreement.

(b) This Agreement cannot be amended, supplemented or changed, and no provision hereof can be waived, except by a written instrument making specific reference to this Agreement and signed by the party against whom enforcement of any such amendment, supplement, modification or waiver is sought. A waiver of any right derived hereunder by the Recipient shall not be deemed a waiver of any other right derived hereunder.

(c) This Agreement may be executed in any number of counterparts, but all counterparts will together constitute but one agreement.

(d) In the event of a conflict between the terms and conditions of this Agreement and the Plan, the terms and conditions of the Plan shall govern. All capitalized terms used herein but not defined shall have the meanings given to such terms in the Plan.

(e) All RSUs and benefits provided under this Agreement shall be subject to any compensation recovery or clawback policy as required under applicable law, rule or regulation or otherwise adopted by the Company from time to time.

(Signature Page Follows)

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed in duplicate by its duly authorized representative and Recipient has executed this Agreement in duplicate as of the Date of Grant.

CLARUS CORPORATION

By: _____
Name:
Title:

RECIPIENT

By: _____
«FirstName» «LastName»

EXHIBIT 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, Warren B. Kanders, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Clarus Corporation;

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: July 31, 2025

By: /s/ Warren B. Kanders
Name: Warren B. Kanders
Title: Executive Chairman
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Michael J. Yates, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Clarus Corporation;

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: July 31, 2025

By: /s/ Michael J. Yates
Name: Michael J. Yates
Title: Chief Financial Officer
(Principal Financial Officer and
Principal Accounting Officer)

EXHIBIT 32.1

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 Clarus Corporation (the "Company") on Form 10-Q for the period ended June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Warren B. Kanders, Executive Chairman, certify to my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 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; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Date: July 31, 2025

By: /s/ Warren B. Kanders
Name: Warren B. Kanders
Title: Executive Chairman
(Principal Executive Officer)

EXHIBIT 32.2

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 Clarus Corporation (the "Company") on Form 10-Q for the period ended June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael J. Yates, Chief Financial Officer, certify to my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 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; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Date: July 31, 2025

By: /s/ Michael J. Yates
Name: Michael J. Yates
Title: Chief Financial Officer
(Principal Financial Officer and
Principal Accounting Officer)