

Blue Nile

Mudrick Capital Acquisition
Corporation II



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This investor presentation (this "Presentation") is for informational purposes only to assist interested parties in making their own evaluation with respect to the proposed business combination (the "Business Combination") between Mudrick Capital Acquisition Corporation II ("Mudrick") and Blue Nile Inc. (the "Company"). The information contained herein does not purport to be all-inclusive and none of Mudrick, the Company or their respective affiliates makes any representation or warranty, express or implied, as to the accuracy, completeness or reliability of the information contained in this Presentation. Neither the Company nor Mudrick has verified, or will verify, any part of this Presentation. The recipient should make its own independent investigations and analyses of the Company and its own assessment of all information and material provided, or made available, by the Company, Mudrick or any of their respective directors, officers, employees, affiliates, agents, advisors or representatives.

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This Presentation may contain forward-looking statements. Forward-looking statements include, without limitation, statements regarding the estimated future financial performance and financial position of the Company. Future results are not possible to predict. Opinions and estimates offered in this Presentation constitute the Company's judgment and are subject to change without notice, as are statements about market trends, which are based on current market conditions. This Presentation contains forward-looking statements, including without limitation, forward-looking statements that represent opinions, expectations, beliefs, intentions, estimates or strategies regarding the future of the Company and its affiliates, which may not be realized. Forward-looking statements can be identified by the words, including, without limitation, "believe," "anticipate," "continue," "estimate," "may," "project," "expect," "plan," "potential," "target," "intend," "seek," "will," "would," "could," "should," "forecast," or the negative or plural of these words, or other similar expressions that are predictions or indicate future events, trends or prospects but the absence of these words does not necessarily mean that a statement is not forward-looking. Any statements that refer to expectations, projections, indications of, and guidance or outlook on, future earnings, dividends or financial position or performance or other characterizations of future events or circumstances are also forward-looking statements.

All forward-looking statements are based on estimates and assumptions that are inherently uncertain and that could cause actual results to differ materially from expected results. Many of these factors are beyond the Company's ability to control or predict. Factors that may cause actual results to differ materially from current expectations include, but are not limited to: (1) the occurrence of any event, change or other circumstances that could give rise to the termination of any definitive agreements with respect to the Business Combination; (2) the outcome of any legal proceedings that may be instituted against Mudrick, the combined company or others following the announcement of the Business Combination and any definitive agreements with respect thereto; (3) the inability to complete the Business Combination due to the failure to obtain approval of the shareholders of Mudrick, or to satisfy other conditions to closing; (4) changes to the proposed structure of the Business Combination that may be required or appropriate as a result of applicable laws or regulations or as a condition to obtaining regulatory approval of the Business Combination; (5) the ability to meet stock exchange listing standards following the consummation of the Business Combination; (6) the risk that the Business Combination disrupts current plans and operations of the Company as a result of the announcement and consummation of the Business Combination; (7) the ability to recognize the anticipated benefits of the Business Combination, which may be affected by, among other things, competition, the ability of the combined company to grow and manage growth profitably, maintain relationships with customers and suppliers and retain its management and key employees; (8) costs related to the Business Combination; (9) changes in applicable laws or regulations; (10) the possibility that the Company or the combined company may be adversely affected by other economic, business, and/or competitive factors; (11) the Company's estimates of expenses and profitability; (12) the risks and uncertainties set forth on the slides titled "Summary of Risk Factors" located in the appendix to this Presentation; and (13) other risks and uncertainties set forth in the sections entitled "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements in Mudrick's Annual Report on Form 10-K filed on March 29, 2022. There may be additional risks that neither Mudrick nor the Company presently know or that Mudrick and the Company currently believe are immaterial that could also cause actual results to differ from those contained in the forward-looking statements.

You are cautioned not to place undue reliance upon any forward-looking statements. Any forward-looking statement speaks only as of the date on which it was made, based on information available as of the date of this Presentation, and such information may be inaccurate or incomplete. The Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law. Information regarding performance by, or businesses associated with, our management team or businesses associated with them is presented for informational purposes only. Past performance by the Company's management team and its affiliates is not a guarantee of future performance. Therefore, you should not rely on the historical record of the performance of the Company's management team or businesses associated with them as indicative of the Company's future performance of an investment or the returns the Company will, or is likely to, generate going forward.

Disclaimer (Cont.)

Non-GAAP Financial Measures

This Presentation includes certain financial measures not presented in accordance with generally accepted accounting principles ("GAAP") including, but not limited to, Adjusted EBITDA, Free Cash Flow and certain ratios and other metrics derived therefrom. These non-GAAP financial measures are not measures of financial performance in accordance with GAAP and may exclude items that are significant in understanding and assessing the Company's financial results. Therefore, these measures should not be considered in isolation or as an alternative to net income, cash flows from operations or other measures of profitability, liquidity or performance under GAAP. You should be aware that the Company's presentation of these measures may not be comparable to similarly-titled measures used by other companies.

The Company believes these non-GAAP measures of financial results provide useful information to management and investors regarding certain financial and business trends relating to the Company's financial condition and results of operations. The Company believes that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends in and in comparing the Company's financial measures with other similar companies, many of which present similar non-GAAP financial measures to investors. These non-GAAP financial measures are subject to inherent limitations as they reflect the exercise of judgments by management about which expense and income are excluded or included in determining these non-GAAP financial measures. Please refer to footnotes where presented on each page of this Presentation or to the appendix found at the end of this Presentation for a reconciliation of these measures to what the Company believes are the most directly comparable measure evaluated in accordance with GAAP.

This Presentation also includes certain projections of non-GAAP financial measures. Due to the high variability and difficulty in making accurate forecasts and projections of some of the information excluded from these projected measures, together with some of the excluded information not being ascertainable or accessible, the Company is unable to quantify certain amounts that would be required to be included in the most directly comparable GAAP financial measures without unreasonable effort. Consequently, no disclosure of estimated comparable GAAP measures is included and no reconciliation of the forward-looking non-GAAP financial measures is included. For the same reasons, the Company is unable to address the probable significance of the unavailable information, which could be material to future results.

Financial Information

The historical financial statements provided for fiscal year 2019 have only been reviewed under private company standards and have not undergone a public company audit. Updating for public company disclosure requirements will likely include changes to the classification and disclosure of preferred stock, derivative instruments and foreign currency, as well as other adjustments resulting from the public company audit. An audit of the Company's historical financial statements for fiscal year 2019 in accordance with the requirements of the Public Company Accounting Oversight Board ("PCAOB") is in process and such financial statements will be included in the definitive proxy statement related to the Business Combination. Accordingly, the historical financial information for fiscal year 2019 included herein should be considered preliminary and subject to adjustment in connection with the completion of the PCAOB audit. The Company's results and financial condition as reflected in the financial statements included in the definitive proxy statement may be adjusted or presented differently from the historical financial information for fiscal year 2019 included herein and the differences could be material.

Use of Projections

This Presentation contains financial forecasts with respect to the Company's projected financial results, including Revenue and Adjusted EBITDA, for the Company's fiscal years 2022 through 2025. The Company's independent auditors have not audited, reviewed, compiled or performed any procedures with respect to the projections for the purpose of their inclusion in this Presentation, and accordingly, they did not express an opinion or provide any other form of assurance with respect thereto for the purpose of this Presentation. These projections should not be relied upon as being necessarily indicative of future results. The assumptions and estimates underlying the prospective financial information are inherently uncertain and are subject to a wide variety of significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the prospective financial information. Accordingly, there can be no assurance that the prospective results are indicative of the future performance of the Company or that actual results will not differ materially from those presented in the prospective financial information. Inclusion of the prospective financial information in this Presentation should not be regarded as a representation by any person that the results contained in the prospective financial information will be achieved.

Industry and Market Data

In this Presentation, the Company may rely on and refer to certain information and statistics obtained from third-party sources which they believe to be reliable. The Company has not independently verified the accuracy or completeness of any such third-party information. No representation is made as to the reasonableness of the assumptions made within or the accuracy or completeness of any such third-party information.

Additional Information

In connection with the proposed Business Combination, Mudrick intends to file with the SEC and mail a definitive proxy statement relating to the proposed Business Combination to its shareholders. This Investor Presentation does not contain all the information that should be considered concerning the proposed Business Combination and is not intended to form the basis of any investment decision or any other decision in respect of the Business Combination. Mudrick's shareholders and other interested persons are advised to read, when available, the preliminary proxy statement and the amendments thereto and the definitive proxy statement and other documents filed in connection with the proposed Business Combination, as these materials will contain important information about Mudrick, the Company and the Business Combination. When available, the definitive proxy statement and other relevant materials for the proposed Business Combination will be mailed to shareholders of Mudrick as of a record date to be established for voting on the proposed Business Combination. Shareholders will also be able to obtain copies of the preliminary proxy statement, the definitive proxy statement and other documents filed with the SEC, without charge, once available, at the SEC's website at www.sec.gov, or by directing a request to: Mudrick Capital Acquisition Corporation II; 527 Madison Avenue, 6th Floor, New York, NY 10022.

Disclaimer (Cont.)

Participants in the Solicitation

Mudrick and its directors and executive officers may be deemed participants in the solicitation of proxies from Mudrick's shareholders with respect to the proposed Business Combination. A list of the names of those directors and executive officers and a description of their interests in Mudrick is contained in Mudrick's Annual Report on Form 10-K, which was filed with the SEC on March 29, 2022 and is available free of charge at the SEC's web site at www.sec.gov, or by directing a request to Mudrick Capital Acquisition Corporation II; 527 Madison Avenue, 6th Floor, New York, NY 10022. Additional information regarding the interests of such participants will be contained in the proxy statement for the proposed Business Combination when available.

The Company and its directors and executive officers may also be deemed to be participants in the solicitation of proxies from the shareholders of Mudrick in connection with the proposed Business Combination. A list of the names of such directors and executive officers and information regarding their interests in the proposed Business Combination will be included in the proxy statement for the proposed Business Combination when available.

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Our Presenters

Blue Nile



Sean Kell
Chief Executive Officer

- CEO of Blue Nile since September 2019
- 25 years of experience in eCommerce, digital marketing, and B2C brand building



Dom Bourgault
Chief Financial Officer

- CFO of Blue Nile since March 2020
- Held multiple finance roles at several divisions at Expedia Group, including CFO, from 2002-2020



Jason Mudrick
Founder & Chief Investment Officer

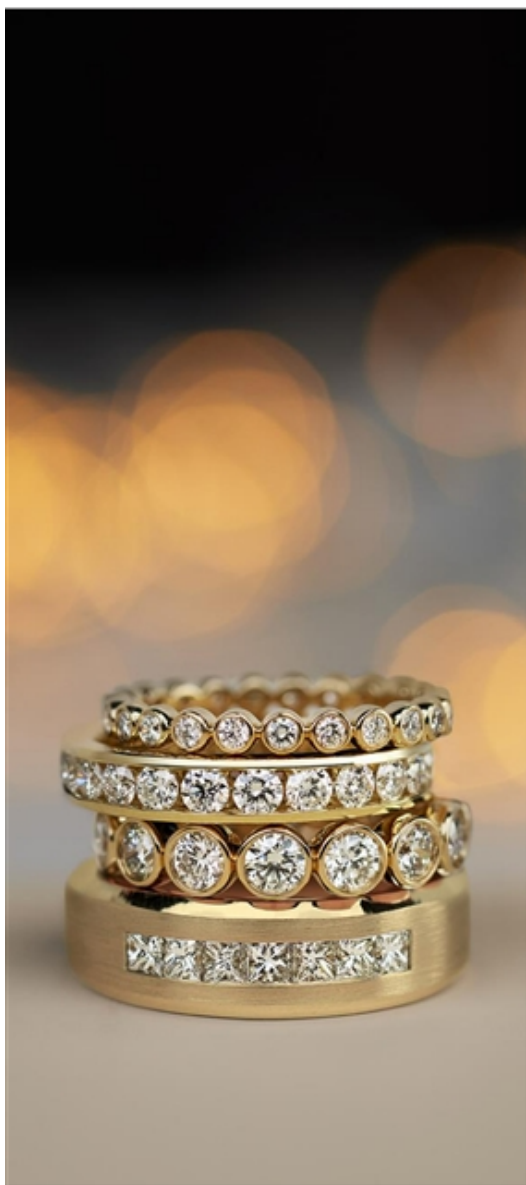
- Founded Mudrick Capital in 2009 and serves as CIO
- 20+ years of experience, including on the Board of Directors of numerous public and private companies



Victor Danh
Managing Director

- Managing Director at Mudrick Capital since 2009
- 20+ years of experience analyzing equity opportunities across a diverse range of industries

Blue Chip Sponsorship



- Bain Capital Private Equity has partnered closely with management teams to provide the strategic resources that build great companies and help them thrive since its founding in 1984
- More than 275 investment professionals create value for portfolio companies through a global platform and depth of expertise in key verticals including in technology, consumer and retail
- Offices on 4 continents with investments in more than 1,000 companies since inception
- Bain Capital invests across asset classes including credit, public equity, venture capital, real estate and insurance, managing ~\$150 billion, leveraging the firm's shared platform to capture opportunities in strategic areas of focus

BOW STREET

- Founded in 2011, Bow Street is a New York-based investment manager that invests opportunistically across public and private equity, real estate and special situations
- Long history of active, strategic board-level engagement across portfolio companies
- Long holding period and flexible mandate facilitates deep involvement throughout investment lifecycle



- Founded in 2009, Mudrick Capital currently manages approximately \$3.3 billion with a specialty in event-driven and special situation investing in public and private companies
- 12 years of capital deployment spanning over 200 investments since the firm's inception
- Over 30 investments with active involvement via board of directors or creditor committee involvement
- Long-term investment focus with history of post-transaction support for our portfolio companies
 - Typical hold period for core investments is 5 years, some substantially longer

Blue Nile Checks All The Boxes



Digitally native disrupter in an industry with a massive addressable market rapidly moving online



Category pioneer and leader – *the* destination in online fine jewelry



Superior customer value proposition – selection, value, quality, convenience, and service



Omnichannel approach accelerating growth



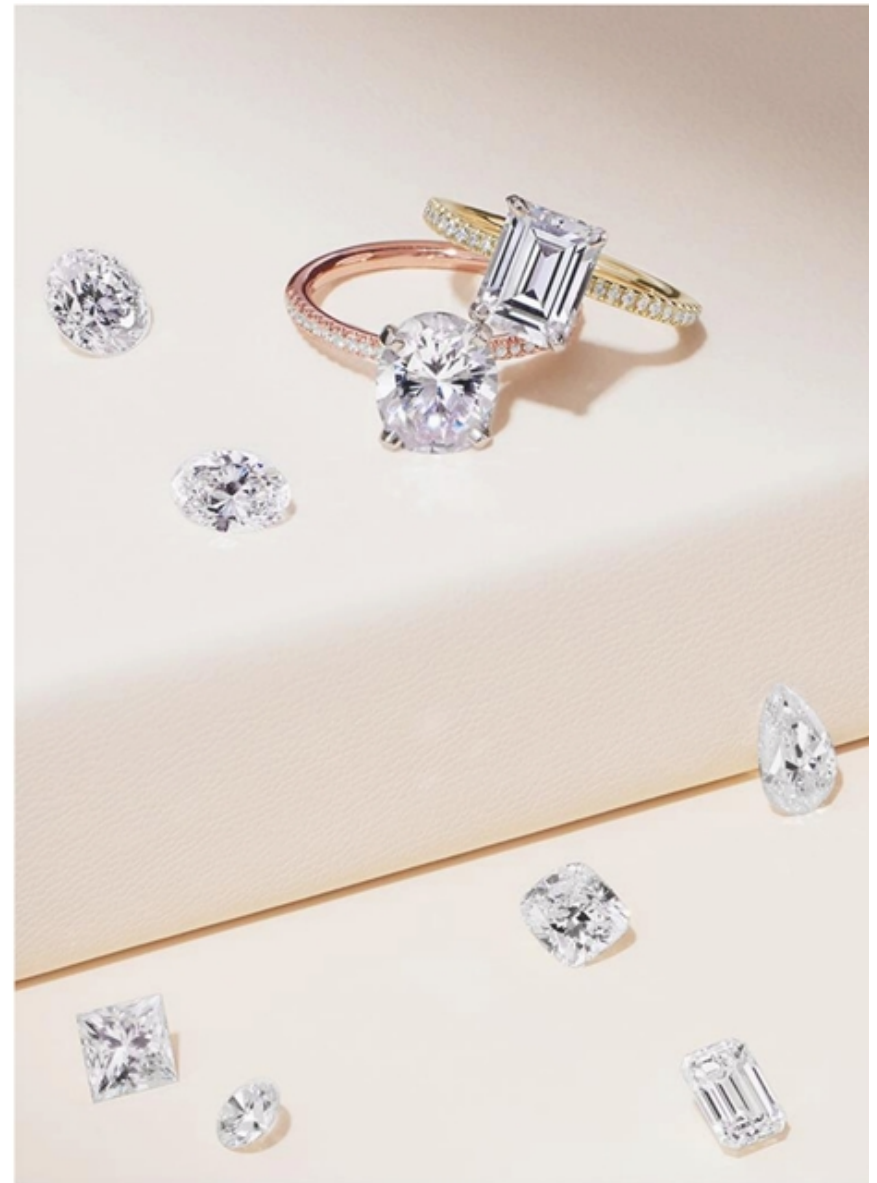
Proven growth strategy accelerated by incremental capital



Seasoned management team with committed sponsors providing additional capital



Compelling valuation relative to eCommerce peers



Transaction Summary

(\$Millions, except for share prices)

Sources and Uses

Sources of Funds

Issuance of Shares	\$341
Cash Held in Trust ⁽¹⁾	321
PIPE Investment Proceeds ⁽³⁾	80
Less Prefunded Portion of PIPE	(52)
Preferred ⁽⁴⁾	50

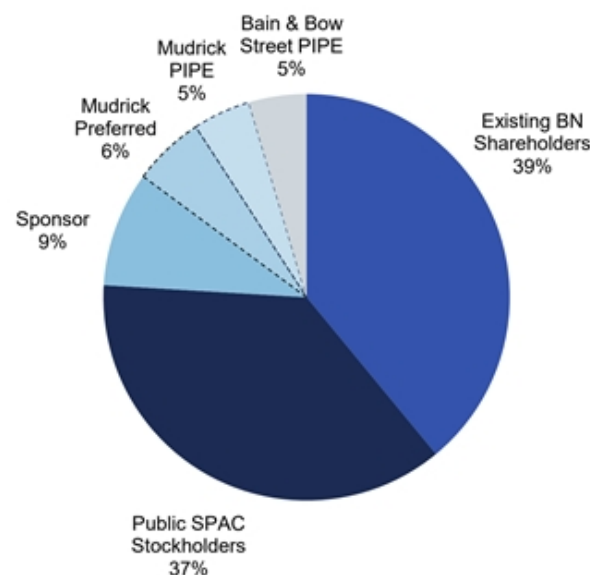
Total Transaction Sources **\$740**

Uses of Funds

Stock Consideration to Existing Investors	\$341
Cash to Balance Sheet	372
Estimated Fees & Expenses	27

Total Transaction Uses **\$740**

Post Transaction Ownership (Illustrative)⁽¹⁾



Post Transaction Valuation (Illustrative)

Illustrative share price	\$10.15
Pro forma fully diluted shares outstanding ⁽¹⁾⁽²⁾	86
Equity value	\$873
Net cash	(\$190)
Enterprise value	\$683
EV / 22E revenue (\$651)	1.0x
EV / 23E revenue (\$773)	0.9x

Transaction Highlights

\$40M⁽⁵⁾

Mudrick Common Stock
PIPE Commitment

\$50M

Mudrick
Preferred Equity Investment

\$40M⁽⁵⁾

Bain & Bow Street Pre-
Funded Common Stock PIPE
Commitment

100%

Management & sponsors
rolling over all equity

1) Assumes no redemptions by public SPAC Stockholders.

2) Excludes 11.3M of SPAC founder warrants, 15.8M of public SPAC warrants, and 1.5M of underwriter warrants.

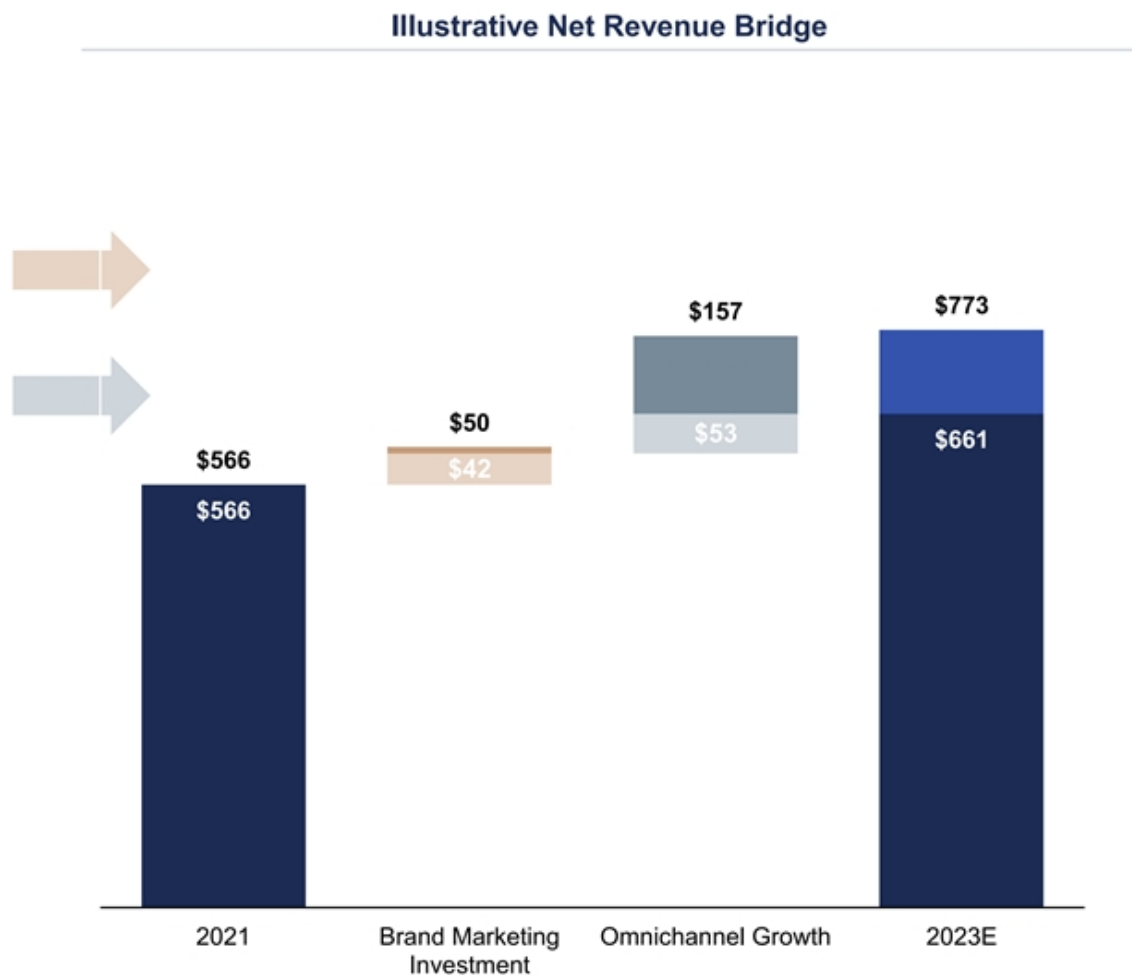
3) Includes existing Blue Nile Shareholder and Mudrick investment into PIPE.

Anticipated Use of Funds – Investments to Accelerate Growth

(\$Millions)

Anticipated Use of Proceeds ⁽¹⁾	
Total Proceeds to Balance Sheet	\$372
Brand Marketing Investment <i>Expanded brand awareness and traffic</i>	\$15-17
Omnichannel Growth <i>Showroom expansion and technology enhancements</i>	\$35-77
Remaining Proceeds Not Included in the Model	\$278-322

- Accelerated Brand Investments
- Accelerated Showroom Expansion
- Faster eCommerce Investments
- Opportunistic M&A
- Debt Paydown



Proceeds are being used to fuel growth

Robust Financial Opportunity

With a massive addressable market and a leading market position in eCommerce Fine Jewelry, Blue Nile is equipped to win across multiple growth vectors

Supportive Industry Dynamics and Tailwinds

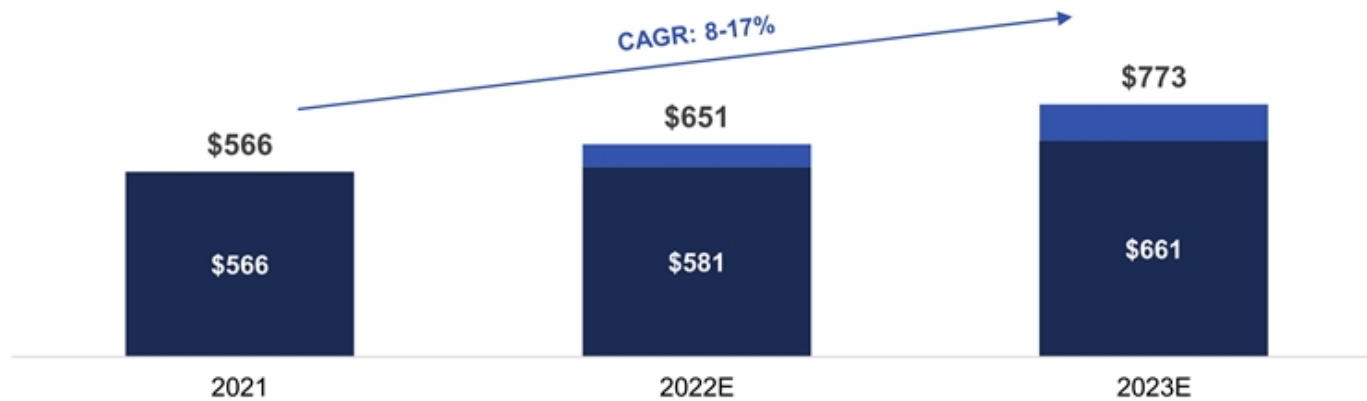
Growing Fine Jewelry Industry with Massive TAM (\$320B)

Acceleration of Category eCommerce Penetration

Blue Nile is a Leader in a Highly Fragmented Market

Blue Nile 2021A – 2023E Net Revenue Growth

(\$Millions)



Growth Drivers

U.S. Brand Marketing
Top of funnel and brand marketing spend

Showroom Expansion
Channel Diversification and Channel Synergy



Technology Enhancements
Fuel eCommerce customer experience and growth

OMNICHANNEL GROWTH

Agenda

- 1 **Investment Highlights**
- 2 **Growth Strategy**
- 3 **Financial Overview**
- 4 **Valuation**
- 5 **Appendix**

Blue Nile





Blue Nile

Investment Highlights

Blue Nile Investment Highlights

- 
- 1 Deep, Experienced Management Team**
 - 2 Growing Jewelry Market with Massive TAM**
 - 3 eCommerce Penetration Is Accelerating**
 - 4 Blue Nile Well-Positioned to Capitalize on Fragmented Market**
 - 5 Superior Customer Value Proposition**
 - 6 Structurally Advantaged Omnichannel Business Model**
 - 7 Multiple Proven Growth Vectors**

2019
Year Sean Kell Joined

150+
Years of Cumulative
eCommerce Experience Among
Leadership Team

\$320B
Global Fine Jewelry
Market Size (2021)

6%
CAGR Global Fine Jewelry
Market (2021-2025)

25%
Share of U.S. Fine
Jewelry Sales Made
Online (2021)

+1100bps
Increase in eCommerce Share of
Fine Jewelry (2019-2021)

0.8%
Blue Nile Share of Total U.S.
Fine Jewelry Category today

65%
Share of Small, Independent
Brick-and-Mortar Players

20-50%
Value Advantage Versus
Traditional Brick-and-Mortar
Peers

650K
Diamonds Listed – Leading
Marketplace

2.7M
Blue Nile Customers as of
December 2021

17
Showrooms

8-17% CAGR
Forecasted Revenue CAGR
(2021-2023)

32%
Revenue from Repeat Sales
(2021)

1 Deep, Experienced Team with Proven Track Record of Value Creation in eCommerce

Executive team with 150+ years of eCommerce and fine jewelry experience, all but Chief Merchandising Officer new since 2019



Sean Kell
CEO
September 2019



Recent Blue Nile revenue growth



- Growth focused executive with 25 years eCommerce, digital marketing, and B2C brand building
- As CEO of A Place for Mom, grew revenue with meaningful EBITDA improvement
 - Overhauled leadership team, brand, marketing, and acquired 3 companies
 - Realized strong MOIC for investor group
- Relaunched Hotels.com and overhauled tech stack; grew bookings significantly over two years
- Rebuilt Expedia global marketing team; grew eCommerce transactions and revenue
- Grew Starbucks eCommerce/offline revenue significantly over two years



Dom Bourgault
CFO
2020



Katie Zimmerman
Chief Merchandising Officer
2018



Dave Olsen
SVP Strategy, Analytics and Retail
2019



Anita Natarajan
SVP International
2020



Ron Forrester
Chief Technology Officer
2021



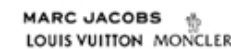
Michael Hopkins
SVP Sales and Service
2019



Charlie Severn
VP Marketing
2020



Jenn Licata
VP of Retail
2021



Camille Cleveland
General Counsel
2020

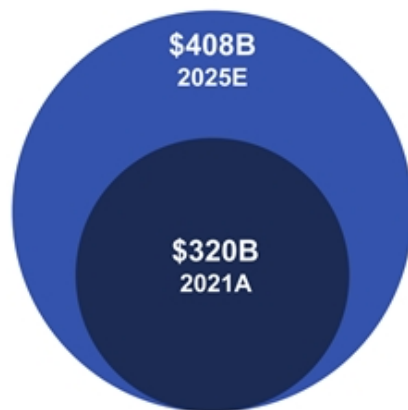


2 3 Massive TAM and Consumer Shift to Online Presents Large Opportunity for Blue Nile

A massive and fragmented market, ripe for eCommerce disruption

A massive and growing market...

Global Fine Jewelry Market

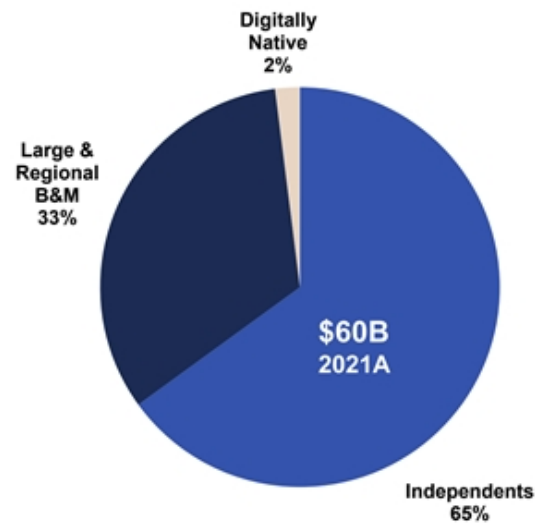


\$408B 2025E Revenue

6% CAGR (2021-2025)

...that is highly fragmented...

U.S. Fine Jewelry Market

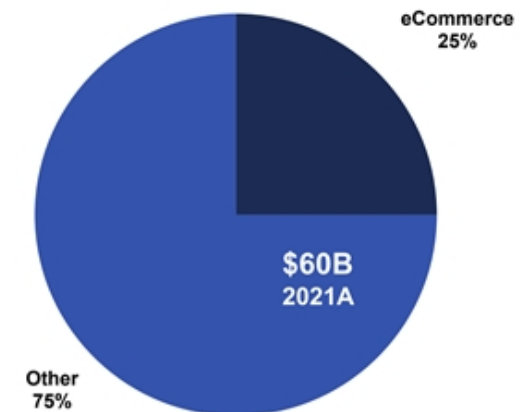


<2% share for digitally native brands

65% share of small, independent jewelers

...and ripe for eCommerce disruption

U.S. Fine Jewelry Channel Mix





















25% eCommerce share, well below other categories

1100 bps share increase for eCommerce since 2019

2 Fine Jewelry Market Consists of Engagement and Jewelry Purchase Occasions

Engagement is an entry point to repeat jewelry purchases, which over time are higher frequency and higher margin

	20s	30s	40s	50s	60s	70s
Engagement						
Wedding						
Anniversary						
Self						
Mother's Day						
Valentine's Day						
Family						

Bridal

Lifetime purchases	1 ⁽¹⁾
Margin	20-30%
Average purchase price	\$6,800
Lifetime value	\$6,800 ⁽¹⁾

Jewelry

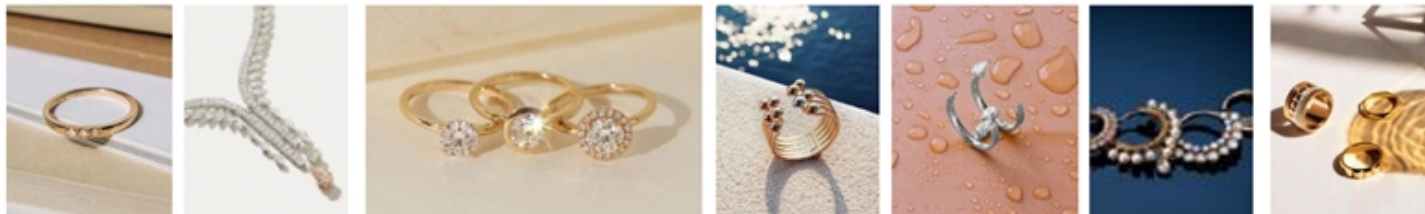
Lifetime purchases	30-50 ⁽¹⁾
Margin	40-50%
Average purchase price	\$900
Lifetime value	\$25-45K ⁽¹⁾

- 1) Represents an assumption made by management for illustrative purposes. Lifetime jewelry purchases include total household purchases and self-purchase
- 2) Average product margin based on 2020 product margins for engagement and jewelry.

4 Blue Nile Is a Clear eCommerce Leader

Blue Nile “has it all” – offering breadth and quality of products at a meaningful price advantage with a best-in-class shopping experience

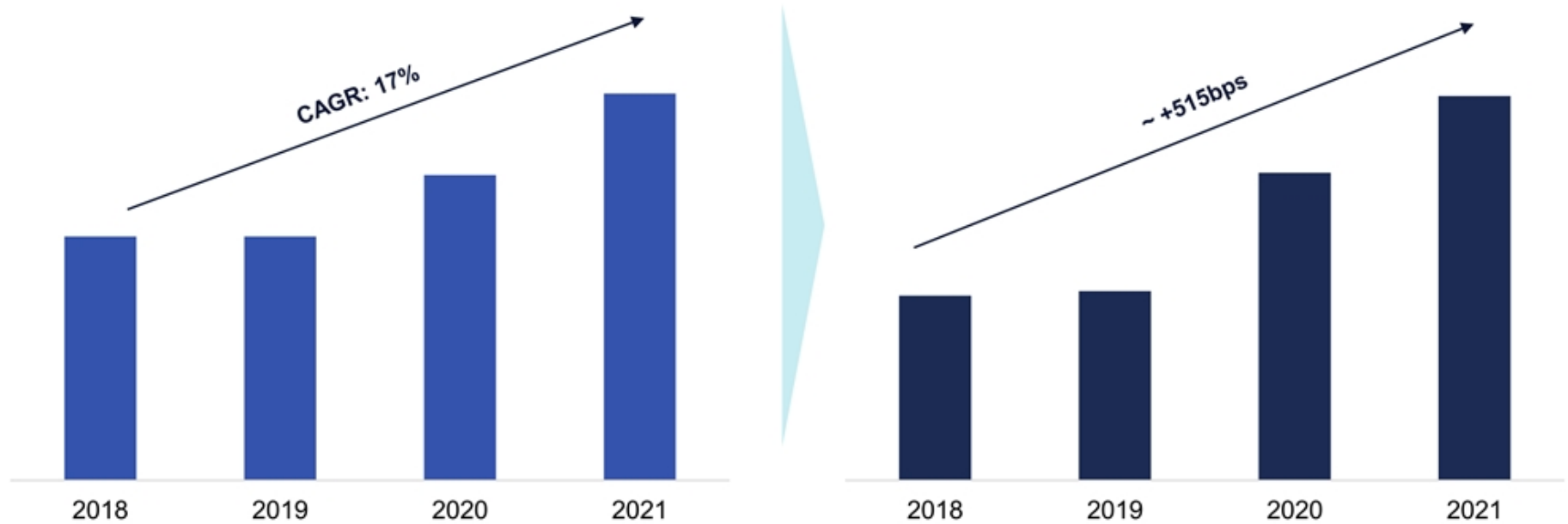
		Offering of >650K Diamonds	Build Your Own® Diamond Ring	> 3K Jewelry SKUs	Integrated Tech and Showroom Capability	20 – 50% Savings vs. Physical Stores	1-Day Shipping Times on Orders	Global Footprint
	Blue Nile	✓	✓	✓	✓	✓	✓	✓
Digitally Native Peers	BRILLIANT EARTH	✗	✓	✗	✓	✓	✗	✗
	JAMES ALLEN®	✗	✓	✗	Limited	✓	✗	✗
Larger Brick & Mortar Peers	TIFFANY & CO.	✗	✗	✓	✓	✗	For a Fee	✓
	SIGNET JEWELERS K.A.Y. DIAMONDS DIRECT JARED ZALES	✗	✓	✓	✗	✗	✓	✗
Regional & Local Jewelers	Mom and Pop Stores / Other ⁽¹⁾	✗	✗	Limited	✗	✗	✗	✗



4 Proven Track Record of Growing Jewelry and Expanding Gross Margins

Blue Nile Jewelry Revenue

Blue Nile Gross Margins



Huge opportunity to grow share, revenue and margins in jewelry

4 Exclusive and Proprietary Designs at Blue Nile

Long-term aspiration to achieve 50% of sales through exclusive and proprietary designs

ASTOR	Blue Nile Studio	Extraordinary Collection	ZAC Zac Posen	Bella Vaughan and more
					
<p>Our Most Brilliant Diamonds</p>	<p>Everyday Elegance at its Finest</p>	<p>One-of-a-kind</p>	<p>Modern American Glamour</p>	<p>As Special as She Is</p>	<p>Other Collections</p>
<p>Premium diamonds. Cut to achieve maximum brilliance, fire and sparkle. Certified by leading independent industry experts.</p>	<p>Exceptional collection crafted by industry-leading designers and inspired by their years of experience and personal reflection.</p>	<p>Unique collection featuring rare jewels, exceptional craftsmanship and exclusive one-of-a-kind designs</p>	<p>One of America's foremost celebrity designers. Zac Posen combines couture techniques and innovative design to create his signature dramatic silhouettes.</p>	<p>Marrying the highest standards of craftsmanship with elegantly inspired design, the Bella Vaughan collection showcases intricate details enhanced by the most state of the art processes.</p>	<p><i>10 10 Program:</i> Capsule collection of 10 rings from 10 up-and-coming designers. <i>Monica Rich Kosann:</i> Sentimental and personalizable pieces.</p>

Revenue from exclusive designs in 2021: \$53M+

4

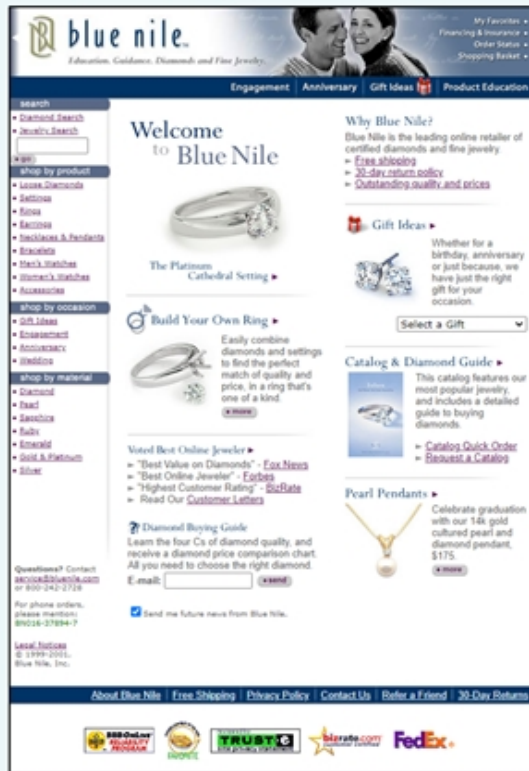
Historically, Blue Nile Brand Was Built on Price and Discounting; Today, Blue Nile Has Elevated the Brand and Experience

BLUE NILE

“Discounter: Price and Sale Focused”

FROM: TRANSACTIONAL

Old Website

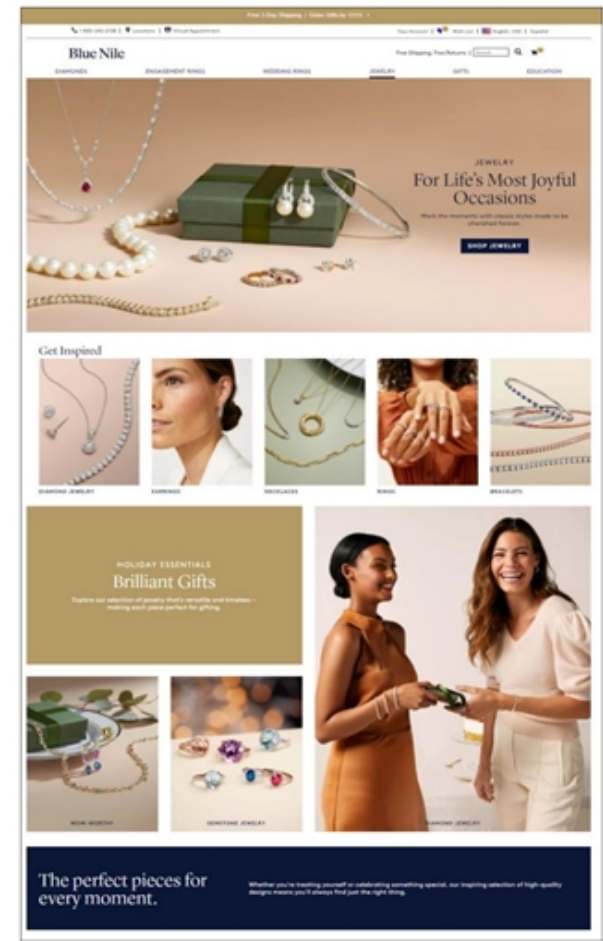


Blue Nile

“Premium, Lifestyle Orientation”

TO: RELATIONSHIP DRIVEN

New Website



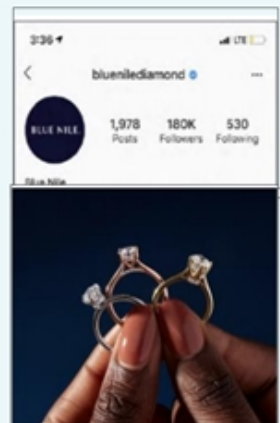
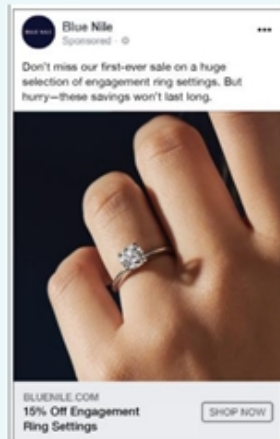
4 Including a Stronger and More Elevated Image on Social Media

BLUE NILE

"Discounter, Price and Sale Focused"

FROM: TRANSACTIONAL

Old Social and Display

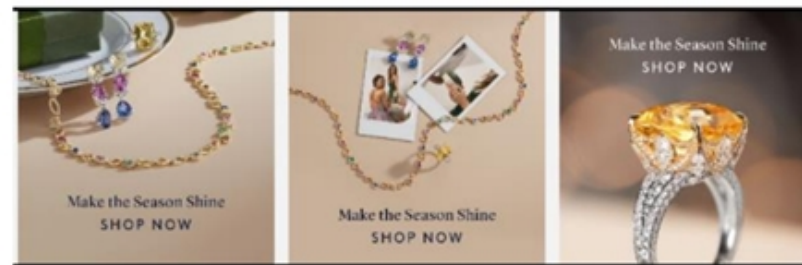
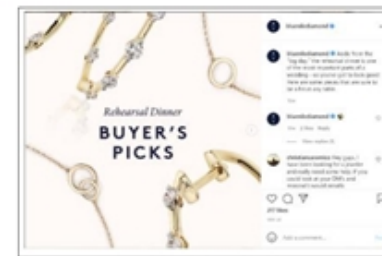


Blue Nile

"Premium, Lifestyle Orientation"

TO: RELATIONSHIP DRIVEN

New Social and Display

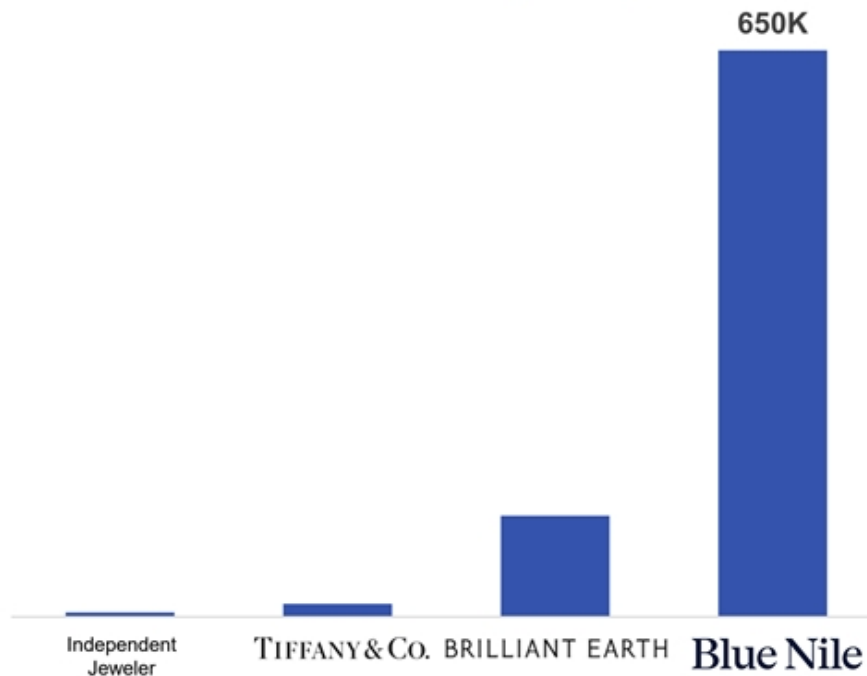


5 We Believe Blue Nile Offers Largest Diamond Selection and Best Value

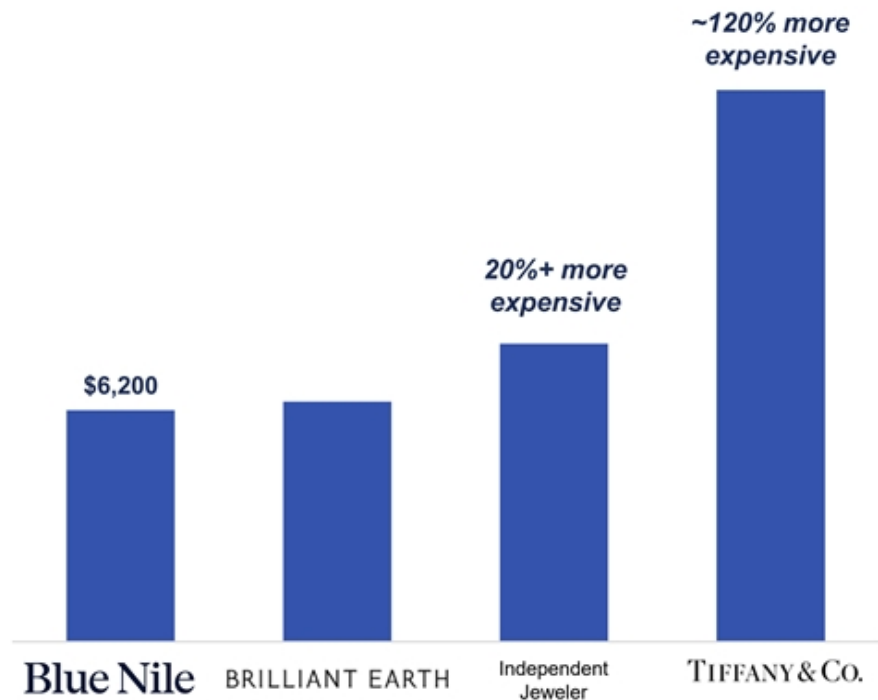
We believe we have the widest selection of high quality, conflict-free natural diamonds at a value traditional brick-and-mortar players are unable to achieve

Number of Diamonds Available

Blue Nile has ~5X selection of Brilliant Earth and 575x+ selection of independent jewelers



Average Price of 1 Carat Natural Diamond



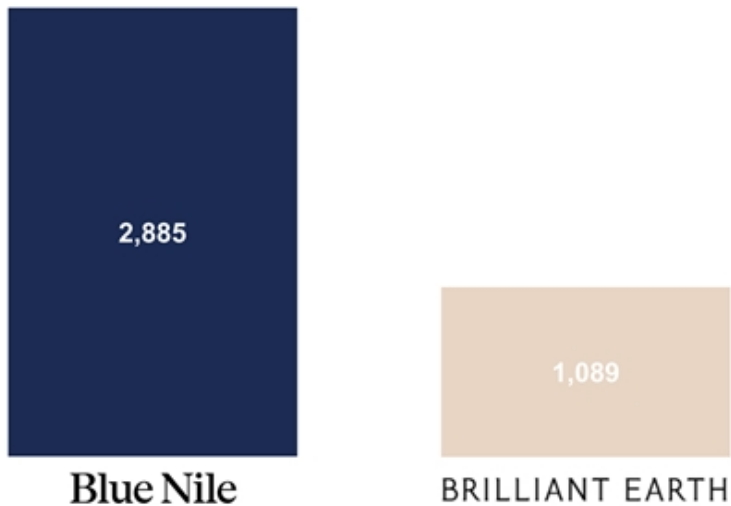
Best Selection + Best Value + Transparent Pricing = Best Customer Experience

5 Blue Nile Is the Best Place to Buy Jewelry

Significantly more jewelry assortment than Brilliant Earth and prices 25-50% below brick-and-mortar retailers

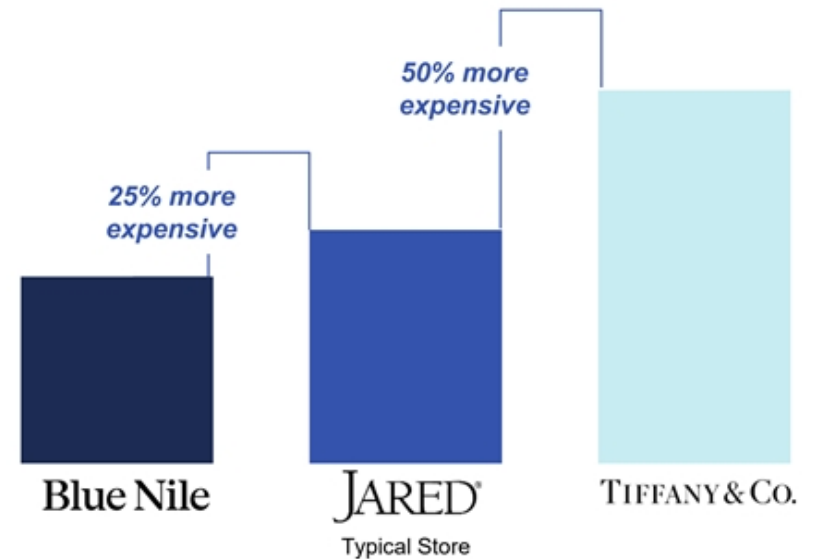
Unparalleled Selection vs. Traditional Competitors

Product Offering (# of Styles)



Prices 25-50% Below Traditional Brick-and-Mortar Stores

Retail price of selection of Jewelry SKUs



Blue Nile is the eCommerce leader in jewelry selection with prices 25-50% below brick-and-mortar peers

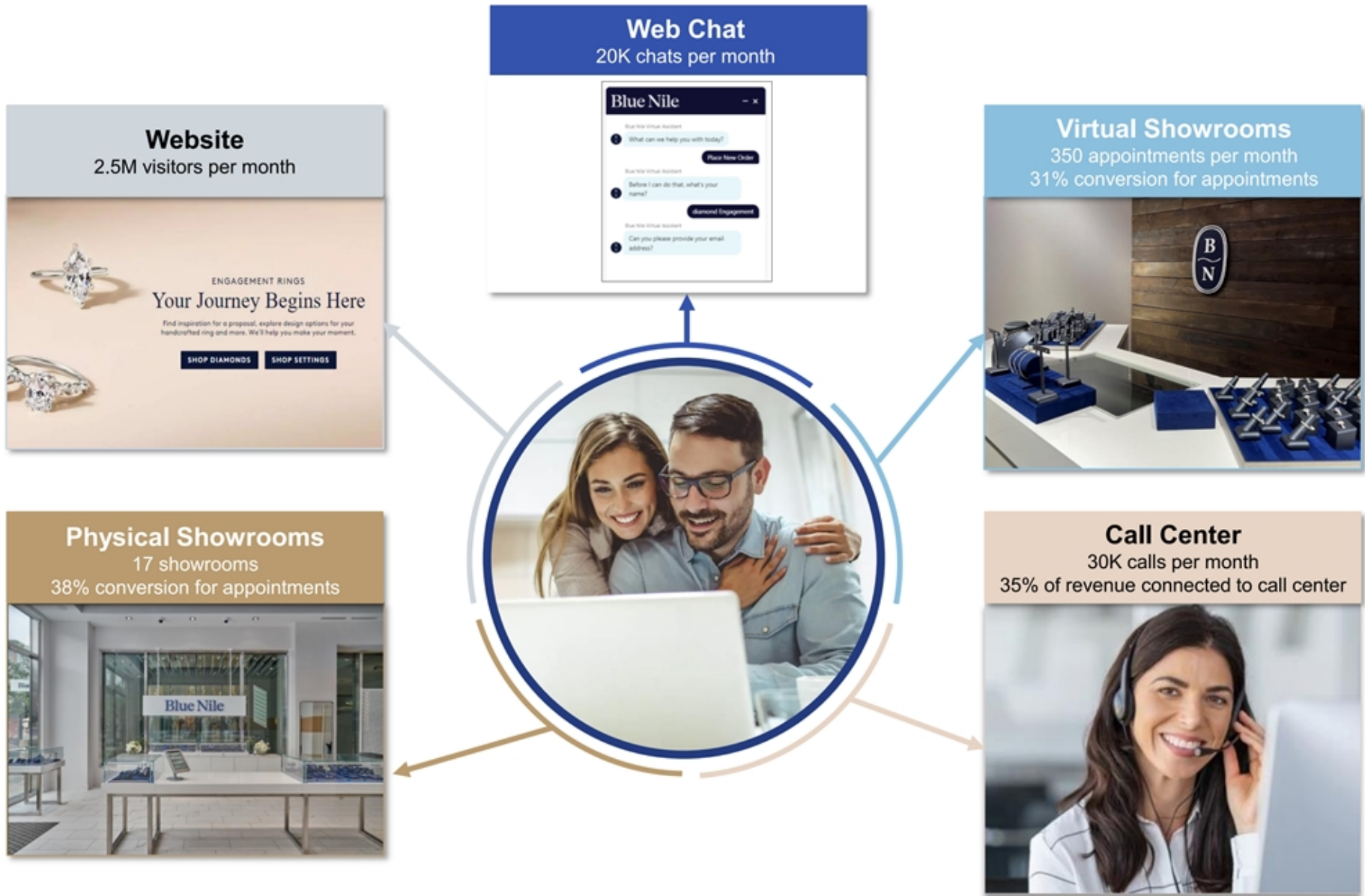
6 Structurally Advantaged Business Model with Marketing and Repeat Flywheels

Differentiated, profitable algorithm with significant growth runway



6 Anywhere, Anytime Omnichannel Model

Breadth and extension of channels allows customers to shop whenever and however they prefer



6 Showrooms Are a Significant Growth Accelerator

Inventory-light showrooms act as an extension of the online business, driving conversion, brand marketing and meaningful sales uplift



- Key touchpoint in the customer journey and important piece of our multi-channel system
- “Look, touch, feel” interaction on customer journey
- Inventory-light model with low operating costs and modest capital outlay
- Enhance brand awareness and introduce new customers to Blue Nile
- Lift overall omnichannel sales in trade area, accelerating online channel penetration

7x

Increased conversion
vs. website alone

50%+

Average showroom order
vs. website alone

18%+

2021 vs. 2019
Showroom Comp Growth⁽¹⁾

80%

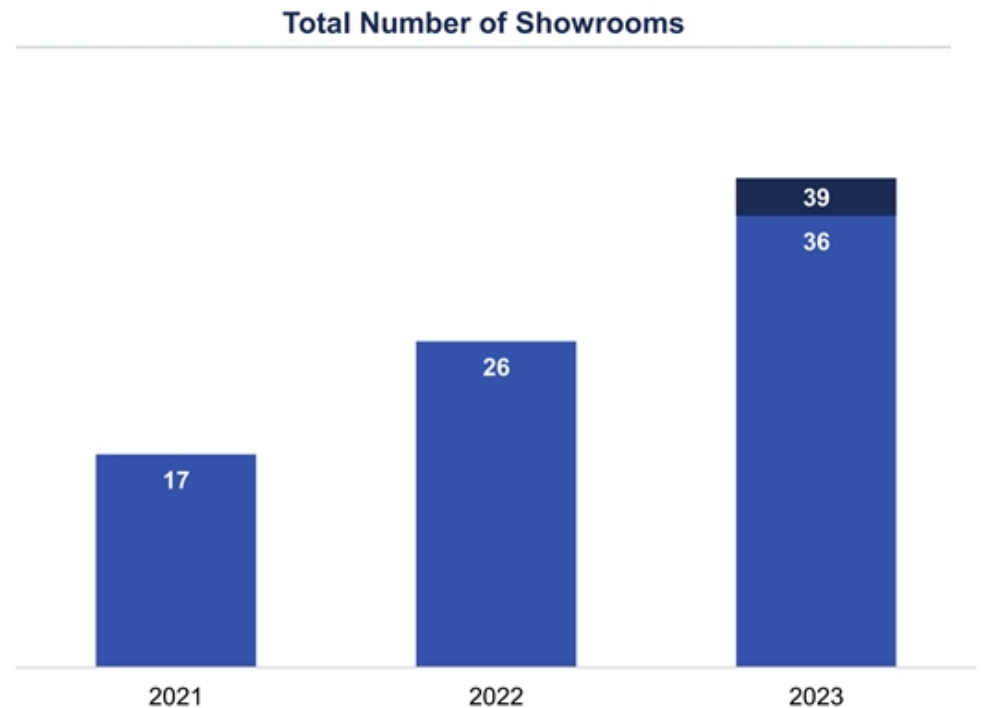
Increase in sales in trade
area with showroom open⁽²⁾

6 Showrooms: Highly Attractive Economics and Extensive Room for Growth

Showrooms are highly productive with 12-month pay back period, with room for 100+ showrooms in U.S.



	Showrooms open 12+ months
Start-up Investment (Capex)	\$470K
Annual Sales	\$7,100K
Square Feet ⁽¹⁾	735 ft
Annual Sales / Sq Ft	\$10,600 / ft
Annual EBITDA	\$895K
Payback Period	12 months



Blue Nile



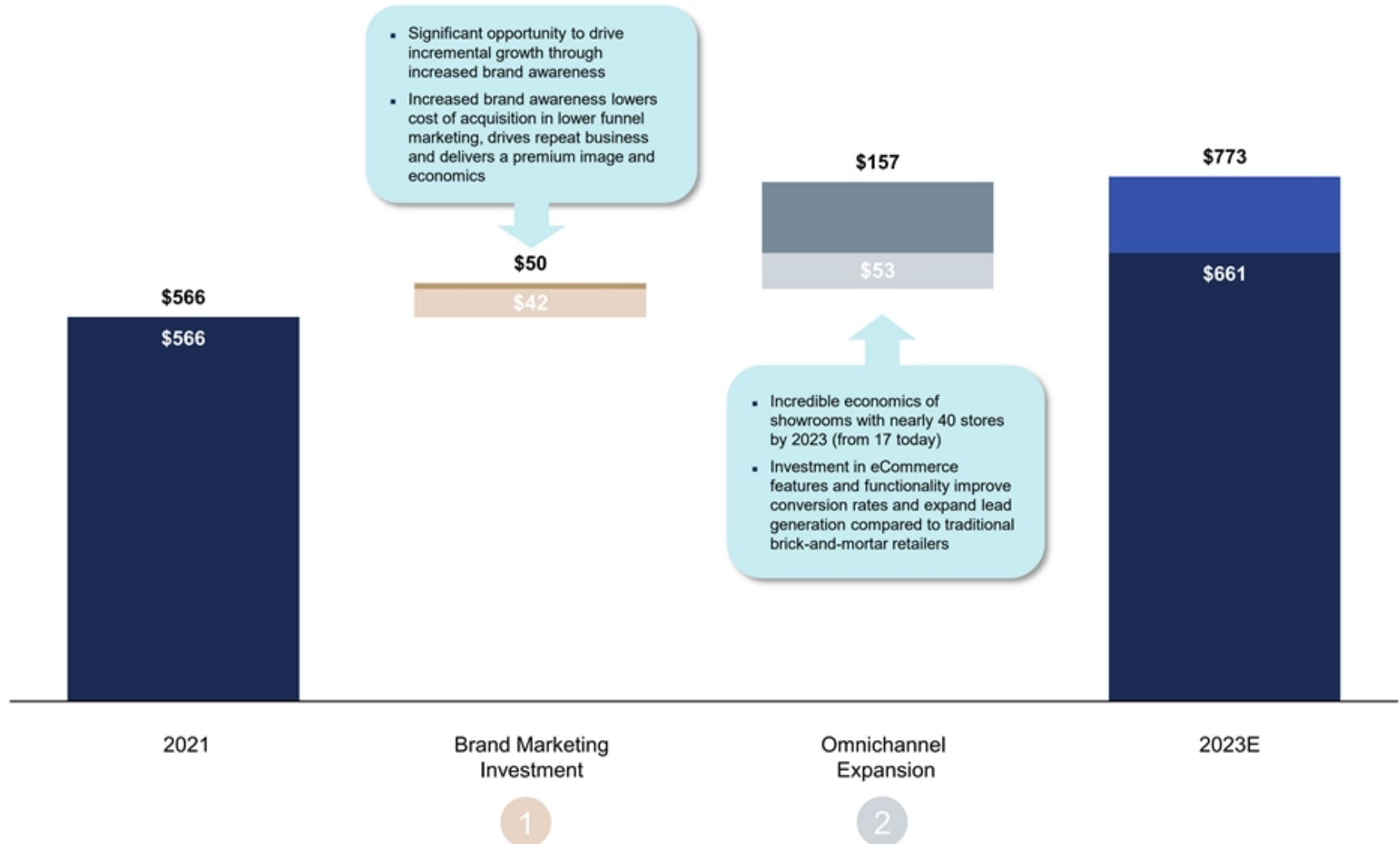
Growth Strategy

Robust Top Line Growth Opportunity

Management case projects Blue Nile to be a \$660-770M Net Revenue business by 2023

Projected Blue Nile Net Revenue

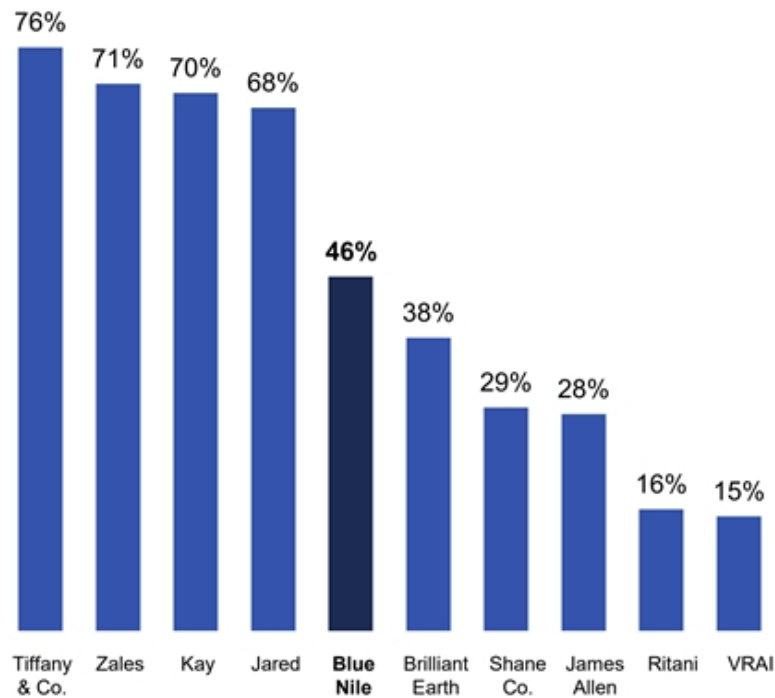
(\$Millions)



1 Brand Marketing: Opportunity to Build Brand Awareness

Opportunity for significant investment in top / mid of funnel and brand messaging – early tests have been positive with returns on spend of 100%+

Aided awareness ahead of eCommerce competitors but significant opportunity compared to brick-and-mortar retailers



Expected **\$15-17M** in top and mid-funnel brand spend by 2023 vs. ~\$6M in 2021, validated by promising testing results



1 Opportunities to Invest Across Broader Funnel of Marketing Channels







Fueling The Top of Funnel Marketing Engine Expansion

Top of Mind Awareness Benefits

- Free Direct Traffic
- Improved on-line ad efficiency
- Owned channel activation (email / social)
- Customer advocacy

Broad Reach
(Awareness)

Targeted
(Advocacy)

Medium	Examples	Benefits
TV Cable & Linear		<ul style="list-style-type: none"> • Americans watch >4 hours of TV per day (greater than smartphone screen time) • Efficiency in reaching broad audiences and build brand awareness • Cost per Impression runs 5 - 15% of that of traditional on-line vehicles
Audio		<ul style="list-style-type: none"> • Reach 83% of U.S. consumers on a weekly basis, who listen 1.5 hours per day • Format and programming allows for efficient targeting of like-minded shoppers
Local Market		<ul style="list-style-type: none"> • With a focused approach on high value markets, local marketing can deliver high penetration and scale efficiency
Sponsorships / Events / Program Integration		<ul style="list-style-type: none"> • Allows for focused targeting with high frequency among narrow audience • Builds on local market programming to drive experience, scale and efficiency
TV / Audio Connected		<ul style="list-style-type: none"> • Highly targetable and fully trackable programming
Influencer / Celebrity <ul style="list-style-type: none"> • Organic • YouTube 		<ul style="list-style-type: none"> • Scalable, grass roots brand advocacy and endorsement focused on key target segments • The first two weeks of the partnership between Tiffany, Beyonce and Jay-Z created \$10.5M in media impact through PR, social and digital posts

2 Best-in-class Showroom Aesthetics and Experience

San Jose, CA



Scottsdale, AZ



Austin, TX



Short Hills, NJ



2 ...With Significant White Space

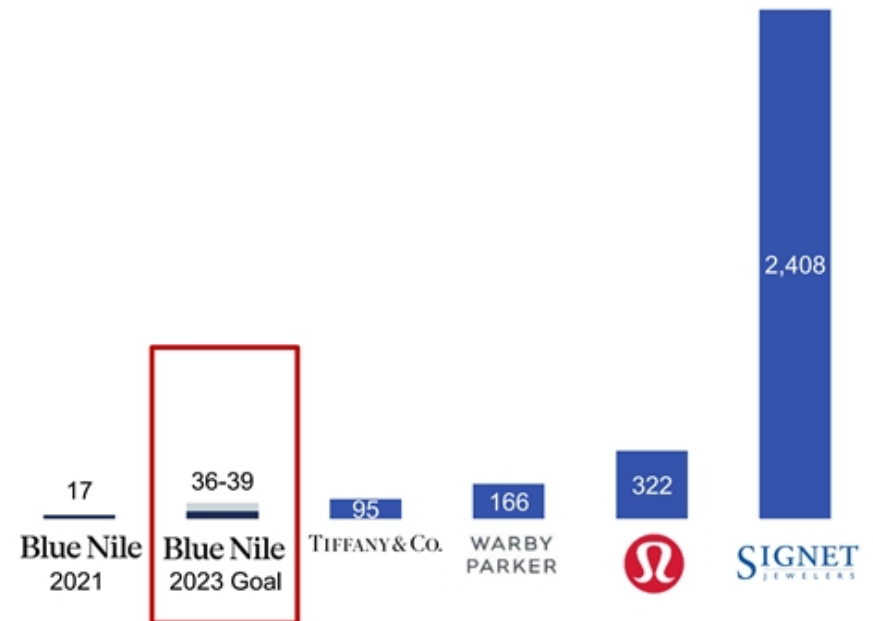
Showrooms drive omnichannel customer engagement and local market brand recognition while generating superior unit economics

Significant White Space for Opening Showrooms...



...Which Is in Line with Other Retailers

Number of U.S. Stores⁽¹⁾

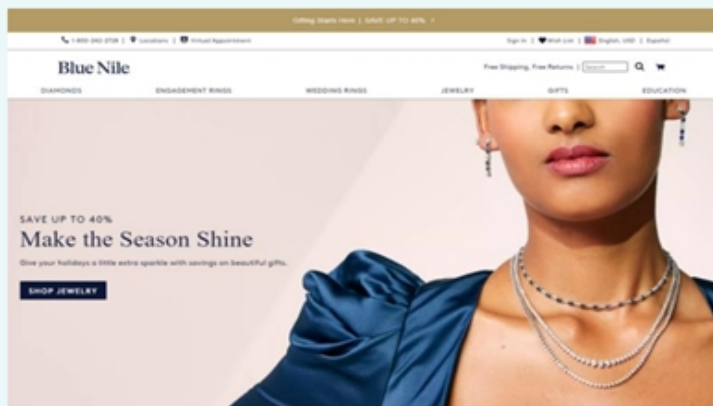


Note: Blue Nile 2023 store count based on management projections.

2 Further Separate Blue Nile from Brick-and-Mortar and eCommerce Competition

Further modernizing the Blue Nile website – a proven strategy the team has executed before

BlueNile.com: Best-in-Class Website Today



Web 3.0 Evolution: Richer Customer Experience

- Enhanced visualization and 3D imagery
- Virtual try-on and augmented reality
- Virtual sizing
- Expand financing options
- Enhanced checkout experience
- Seamless anywhere, anytime evolution
- Increased breadth and depth of assortment
- Traceability and blockchain



Drives conversion rate improvement

- More efficient marketing
- Improved repeat rates

Delights customers

- Word of mouth brand recognition and network effects
- Increase LTV



Blue Nile



Financial Overview

Financial Summary

Assumes \$50-\$100M of new investments – incremental capital would be used to invest in incremental growth opportunities not included in the projections below

(\$Millions)	<u>Actuals</u>			<u>Projected</u>		<u>Growth %</u>
	2019A	2020A	2021A	2022E	2023E	<u>21-23 CAGR</u>
Net Revenue	\$465	\$469	\$566	\$581 - \$651	\$661 - \$773	8% - 17%
<i>% growth</i>	-7.6%	0.8%	20.7%	2.6% - 14.9%	13.7% - 18.8%	
COGS	\$(350)	\$(338)	\$(397)	\$(403) - \$(447)	\$(451) - \$(524)	
Gross Profit	\$116	\$131	\$169	\$179 - \$204	\$210 - \$249	11% - 21%
<i>% margin</i>	24.9%	27.9%	29.9%	30.8% - 31.3%	31.7% - 32.2%	
Operating Expenses	\$(97)	\$(115)	\$(159)	\$(183) - (192)	\$(206) - \$(227)	
Adjusted EBITDA	\$19	\$16	\$10	\$(4) - \$11	\$4 - \$22	(38%) - 48%
<i>% margin</i>	4.0%	3.3%	1.8%	(0.6%) - 1.7%	0.6% - 2.9%	
Unlevered FCF	\$17	\$19	(\$24)	\$(18) - \$12	\$1 - \$21	
Capex	\$(8)	\$(10)	\$(21)	\$(17) - \$(17)	\$(19) - \$(20)	
Change in NWC	\$12	\$18	\$(7)	\$10 - \$25	\$20 - \$23	

- The projections are based on our best estimates taking into account the information we had on hand as of June 8, 2022
- The projection ranges reflects the uncertainty and potential volatility of our results as they could be impacted by the current fluid and challenging macro environment:
 - The low end of the range assumes continued macro environment pressure and potential related impact on our business performance through potential management actions to maintain appropriate cost structure and cashflow
 - The high end of the range assumes the macro environment starts normalizing mid-year, with related benefits to our business in the form of improving growth trends beginning in the second half of the year

Incremental Revenue from Additional Capital

Incremental revenue opportunities from additional investment capital beyond what is assumed in management case projections

Growth Vectors	Representative Opportunities	Additional Potential Future Revenue
Omnichannel Expansion	<ul style="list-style-type: none">• Faster deployment of new features• Accelerate additional showroom rollout	\$70M – \$140M
Brand Marketing Investment	<ul style="list-style-type: none">• Increase brand marketing spend	\$30M – \$60M
International Growth	<ul style="list-style-type: none">• Accelerate site and brand building• Open new market (e.g. India, Brazil)	\$150M – \$200M
Total		\$250M – \$400M



Target Operating Model

Blue Nile

Estimated Steady-State Targets

Revenue Growth

15%

% of Revenue from Fine Jewelry

80%

Gross Profit Margin

40%

Adjusted EBITDA Margin

15%+

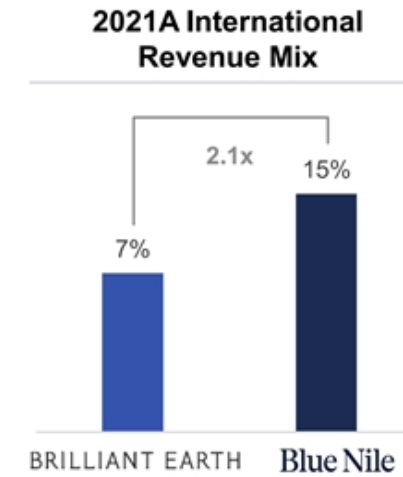
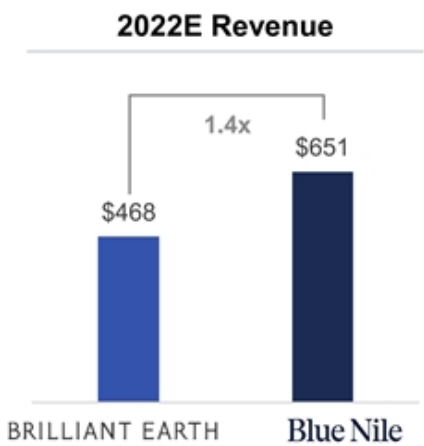
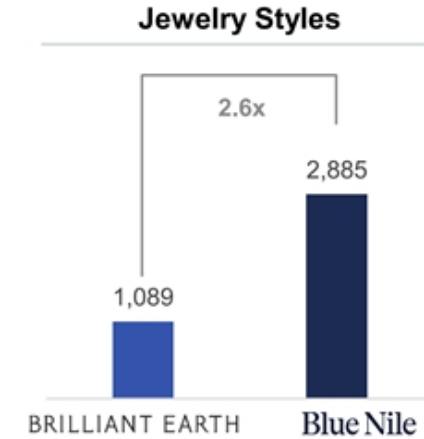
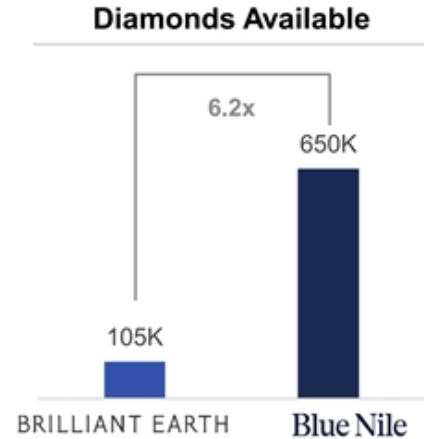
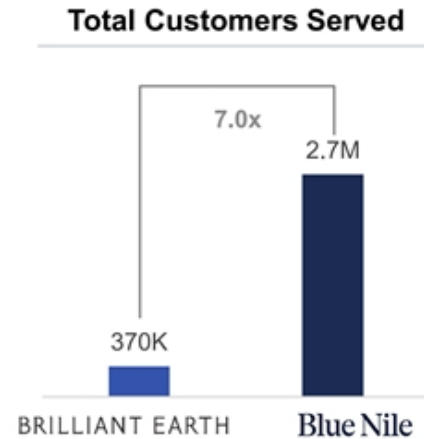


Blue Nile

Valuation

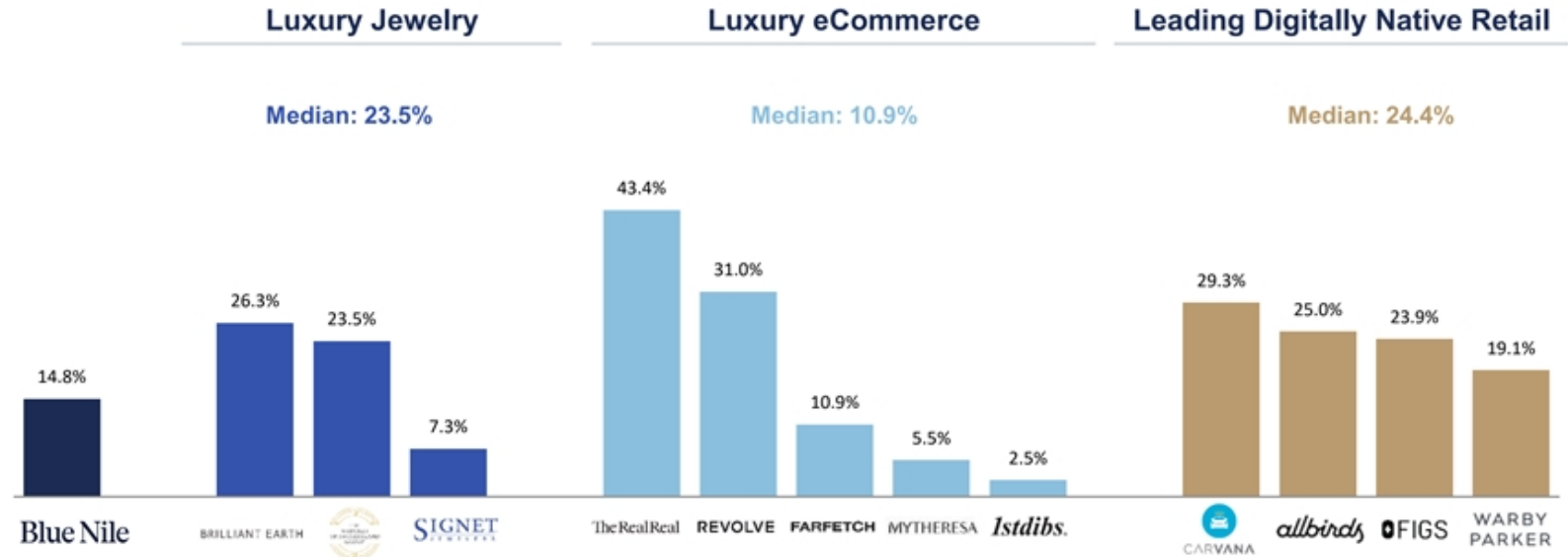
Blue Nile is a Scaled Industry Leader

(\$Millions)

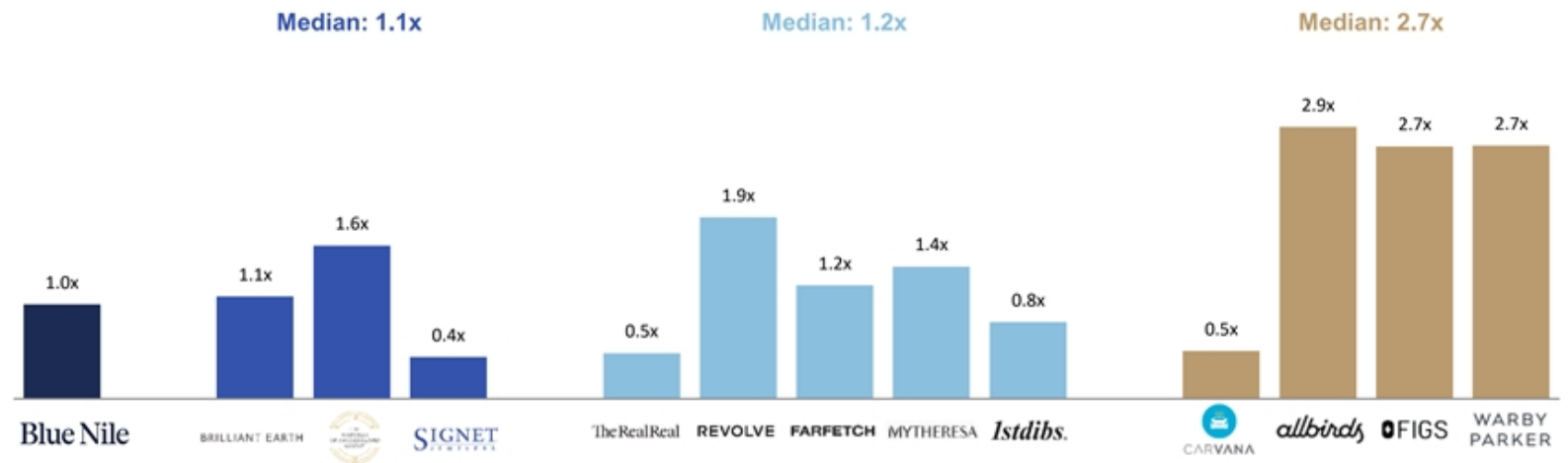


Compelling Valuation Relative to Peers

2022E Revenue Growth



2022E Revenue Multiple



Blue Nile Investment Highlights

- 
- 1 Deep, Experienced Management Team**
 - 2 Growing Jewelry Market with Massive TAM**
 - 3 eCommerce Penetration Is Accelerating**
 - 4 Blue Nile Well-Positioned to Capitalize on Fragmented Market**
 - 5 Superior Customer Value Proposition**
 - 6 Structurally Advantaged Omnichannel Business Model**
 - 7 Multiple Proven Growth Vectors**

2019
Year Sean Kell Joined

150+
Years of Cumulative
eCommerce Experience Among
Leadership Team

\$320B
Global Fine Jewelry
Market Size (2021)

6%
CAGR Global Fine Jewelry
Market (2021-2025)

25%
Share of U.S. Fine
Jewelry Sales Made
Online (2021)

+1100bps
Increase in eCommerce Share of
Fine Jewelry (2019-2021)

0.8%
Blue Nile Share of Total U.S.
Fine Jewelry Category today

65%
Share of Small, Independent
Brick-and-Mortar Players

20-50%
Value Advantage Versus
Traditional Brick-and-Mortar
Peers

650K
Diamonds Listed – Leading
Marketplace

2.7M
Blue Nile Customers as of
December 2021

17
Showrooms

8-17% CAGR
Forecasted Revenue CAGR
(2021-2023)
























32%
Revenue from Repeat Sales
(2021)



Blue Nile

Appendix

Blue Nile Assortment Focused on Classics – Our Collections are in the Luxury Category, Priced from \$500 to \$1,000,000

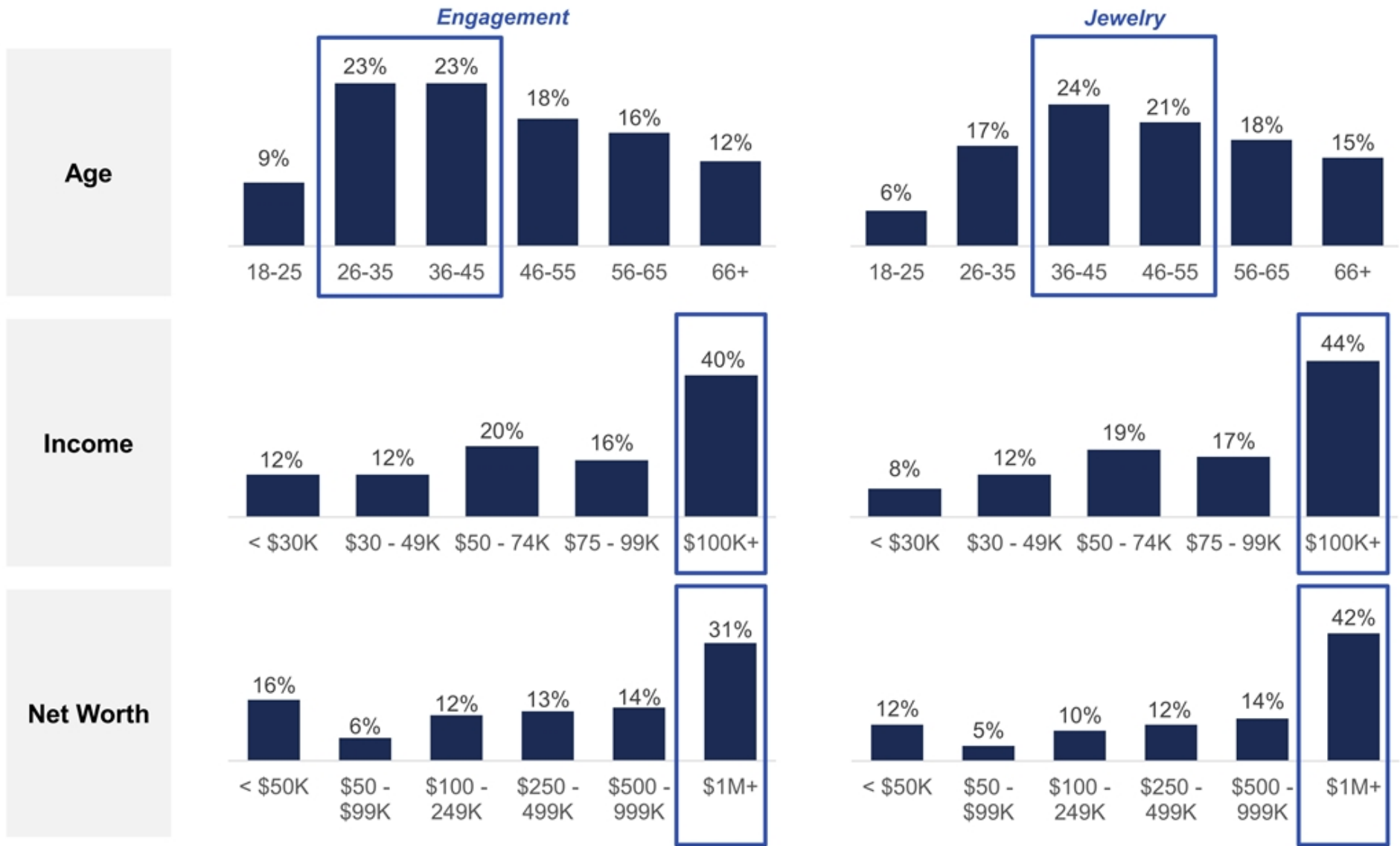
Example Categories	Traditional	Timeless Classics	Classics with a Twist	Modern Classics	Fashion Forward	Avant-Garde
Engagement Rings (aka "Bridal")						
Necklaces						
Bracelets						
Earrings						
Blue Nile Core Business						

Our jewelry collection will have a Blue Nile perspective:
Broad, Timeless, Classic but Modern, Refined, Unique, Transparent, Special

Customer Demographics

Blue Nile has a strong base of 2.7M+ customers who are relatively young, high earning, and likely to have significant disposable income

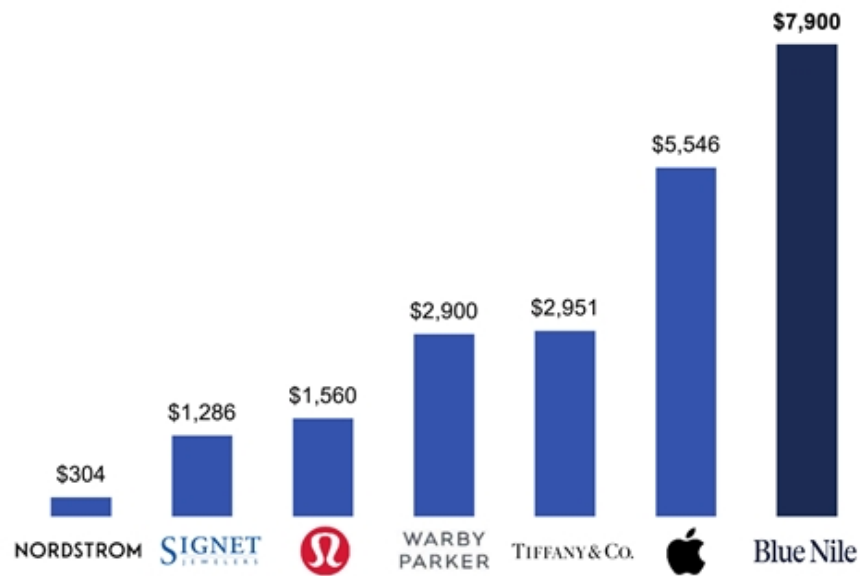
Typical Blue Nile Customer Demographics



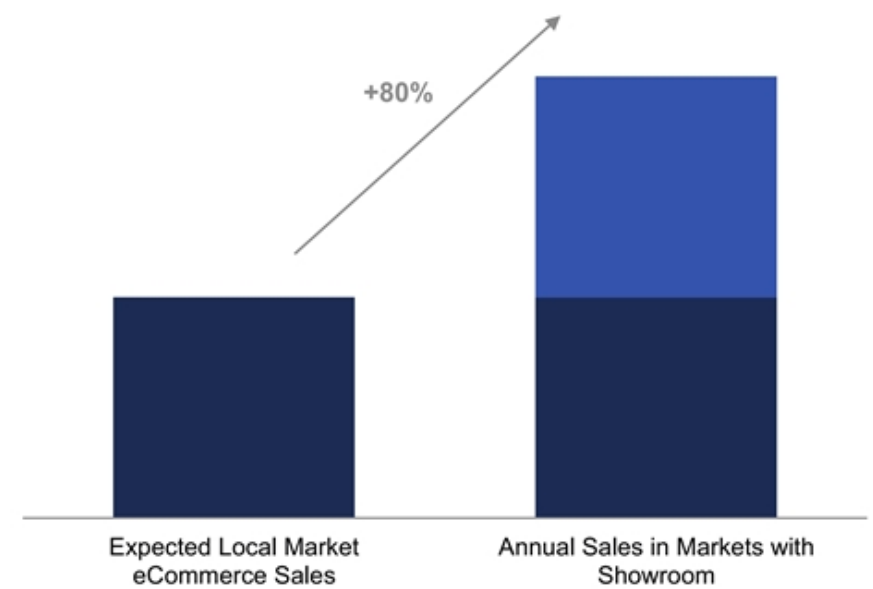
Showrooms are a Proven Growth Formua

Showroom Most Productive Spaces in Retail...

Sales / Sq Ft⁽¹⁾



...and Grow Revenue in Local Markets Where They're Open



18%
2021 vs. 2019
Showroom Comp Growth⁽²⁾

80%
Increase in Sales in Trade Area with Blue Nile
Showroom Open at least Twelve Months

Blue Nile Has a Long History of Leadership in ESG

Quality, sustainability and transparency are at our core:

- Earth-friendly business practices
- Quality and integrity in every action
- A diverse and inclusive workplace



Ethically Sourced and Sustainable

- **100% conflict free diamonds:** We only purchase diamonds through the most respected suppliers who enforce the standards established by the Kimberley Process. Our diamonds are guaranteed to be 100% conflict-free.
- **Kimberly Process Compliant:** All Blue Nile vendors required to have documentation that ensures all sourced diamonds were obtained through legitimate channels. This is enforced by US Customs office.
- **100% Recyclable Packaging:** Our packaging is made from responsibly-sourced materials that are 100% recyclable. Our chipboard and wrapped paper are entirely recyclable, and our packaging is constructed using eco-friendly and non-toxic glue and padded foam.

Supply Chain Transparency

- **GIA Graded:** We offer over 500,000 ethically sourced, high-quality diamonds – each with a certificate from the Gemological Institute of America (GIA).
- **Committed to Transparency:** As a leader in fine diamond and jewelry transparency, Blue Nile is investing in technology and partnerships to allow instant on-line verification of any diamond we sell.
- **Our Industry-Leading Review Process:** This means that our diamond and gemstone products are inspected by a GIA-certified gemologist or inspector. They use a microscope, digital calipers, a GIA-certified diamond master color comparison set, x-ray spectrometer and other equipment to judge the authenticity, quality, stone security and potential structural weaknesses of every stone we sell.

Responsible Mining

- **Earthworks No Dirty Gold Signatory:** We are a signatory of Earthworks' No Dirty Gold Golden Rules, an initiative working to ensure that gold and metals come from suppliers who meet a strict criteria with regards to human rights, social issues and the environment.
- **Metal Recycling:** We research the mining, refinement and manufacturing practices of our gold suppliers, and work with them to positively influence how gold is sourced. We are committed to increasing the use of recycled gold and secondary sources in our business.
- **Leading Industry Metal Standards:**
 - Platinum (950) – 95% fineness+
 - Palladium (950): 95% fineness+
 - 18 K Gold (750): 75% fineness+
 - 14K Gold (585): 58.5% fineness+
 - Sterling Silver (925) 92.5% fineness+

A Diverse and Inclusive Workplace

- **Brilliant Moments Start With Our Team:** Amazing, passionate people are at the heart of Blue Nile. Each and every day, we work together to create a great experience—for our customers and for everyone on our team.
- **Diversity and Inclusion:** As an international retailer, we understand that our customers come from different cultures, races and identities and want our company and brand to reflect the communities we serve. Internally, Blue Nile has implemented strategies to educate our employees on their role in creating and nurturing an inclusive environment. In turn, we are providing expanded opportunities and resources to ensure that all of our employees thrive at Blue Nile.

GAAP Reconciliation

	2019 Actual	2020 Actual	2021 Actual
Net Loss	(73,780)	(28,505)	(39,954)
Interest Expense	18,985	17,201	15,867
Benefit for Income Tax	(6,152)	(4,665)	(1,926)
Depreciation and Amortization	21,340	21,475	13,232
Goodwill Impairment (1)	47,600	-	-
Stock-based Compensation (2)	1,336	1,690	14,775
Management Fees (3)	4,282	3,742	3,782
Severance (4)	3,431	2,035	221
Strategic Consulting and Transaction Costs (5)	519	1,771	2,513
Showroom Pre-opening Costs (6)	(0)	869	1,180
Other Adjustments (7)	1,091	(96)	567
Adj EBITDA	18,652	15,516	10,257

(1) Represents impairment of the Company's goodwill asset.

(2) Represents non-cash stock-based compensation recognized in association with equity awards made to employees and non-employees.

(3) Represents management fees paid to our sponsors in accordance with our management services agreement, which will terminate upon closing of the Transaction.

(4) Represents severance costs associated with the Company's former executives.

(5) Represents items management believes are not indicative of ongoing operating performance. These expenses are primarily related to fees paid to external consultants for legal, accounting and professional fees incurred in connection with the Transaction and other strategic initiatives of limited duration, including supply chain optimization and marketing strategy.

(6) Represents direct incremental costs of opening showrooms that are charged to operations as incurred.

(7) Other adjustments consist of discrete non-operating items identified by management, including foreign currency transaction (gains) losses.

GAAP Reconciliation

	2019 Actual	2020 Actual	2021 Actual
Cash Flow from Operations	5,545	11,530	(19,686)
Capital Expenditures	(7,825)	(9,848)	(20,508)
Free Cash Flow	(2,280)	1,682	(40,193)
Interest Expense	(18,985)	(17,201)	(15,867)
Unlevered Free Cash Flow	16,706	18,883	(24,326)

Summary of Risk Factors

Risks Related to the Business Combination

- The Sponsor, certain members of the MUDS Board and certain MUDS officers have interests in the Business Combination that are different from or are in addition to other stockholders in recommending that stockholders vote in favor of approval of the Business Combination proposal and approval of the other proposals described in the proxy statement that will be filed in connection with the Business Combination. Such conflicts of interests include that the Sponsor and MUDS' directors and officers may lose their entire investment in MUDS if the Business Combination is not completed.
- The NASDAQ may not continue to list our securities, which could limit investors' ability to make transactions in our securities and subject us to additional trading restrictions.
- The MUDS Board did not obtain a third-party valuation or fairness opinion in determining whether or not to proceed with the Business Combination.
- Because the post-combination company will become a publicly-traded company by virtue of a merger as opposed to an underwritten initial public offering, the process does not use the services of one or more underwriters, which could result in less diligence being conducted.
- Past performance by the Sponsor or its affiliates, or the directors and officers of Mudrick, may not be indicative of future performance of an investment in Mudrick or the post-combination company.
- If third parties bring claims against MUDS, the proceeds held in the trust account could be reduced and the per-share redemption amount received by stockholders may be less than \$10.15 per share. In such event, MUDS directors may decide not to enforce the indemnification obligation of the Sponsor, resulting in a reduction in the amount of funds in the trust account available for distribution to public stockholders.
- If MUDS is unable to complete an initial business combination by September 10, 2022, MUDS will cease all operations except for the purpose of winding up, redeeming 100% of the outstanding public shares and, subject to the approval of its remaining stockholders and the MUDS Board, dissolving and liquidating. In such event, third parties may bring claims against MUDS and, as a result, the proceeds held in the trust account could be reduced and the per-share liquidation price received by stockholders could be less than \$10.15 per share.
- MUDS stockholders may be held liable for claims by third parties against MUDS to the extent of distributions received by them.
- Activities taken by existing MUDS stockholders to increase the likelihood of approval of the Business Combination proposal and the other proposals described in the proxy statement that will be filed in connection with the Business Combination could have a depressive effect on our stock.
- MUDS stockholders will experience dilution as a consequence of, among other transactions, the issuance of Class A common stock as consideration in the Business Combination and the PIPE Investment. Having a minority share position may reduce the influence that MUDS' current stockholders have on the management of MUDS.

Summary of Risk Factors (Cont.)

Risks Related to the Business Combination

- The Company and MUDS expect to incur significant transaction costs in connection with the Business Combination. Whether or not the Business Combination is completed, the incurrence of these costs will reduce the amount of cash available to be used for other corporate purposes by MUDS if the Business Combination is not completed.
- The Company's operating and financial results forecasts, which were presented to the MUDS Board, may not prove accurate.
- Upon executing a definitive agreement with respect to the Business Combination between the Company and MUDS, MUDS will be prohibited from entering into certain transactions that might otherwise be beneficial to it or its stockholders.

Risks Related to the Post-Combination Company Following the Business Combination

- MUDS may redeem the public warrants prior to their exercise or expiration at a time that is disadvantageous to public warrant holders, thereby making their public warrants worthless, and exercise of a significant number of the public warrants could adversely affect the market price of Class A common stock.
 - Our ability to successfully effect the Business Combination and to be successful thereafter will be dependent upon the efforts of certain key personnel, including the key personnel of Blue Nile. The loss of key personnel could negatively impact the operations and profitability of our post-combination business and its financial condition could suffer as a result.
 - The post-combination company's management team will have limited experience managing a public company.
 - The requirements of being a public company may strain the post-combination company's resources and distract its management, which could make it difficult to manage its business, particularly after we are no longer an "emerging growth company."
 - Unanticipated changes in effective tax rates or adverse outcomes resulting from examination of our income or other tax returns could adversely affect our financial condition and results of operations.
 - Subsequent to the completion of the Business Combination, we may be required to take write-downs or write-offs, restructuring and impairment or other charges that could have a significant negative effect on our financial condition, results of operations and our stock price, which could cause you to lose some or all of your investment.
-

Summary of Risk Factors (Cont.)

Risks Related to the Post-Combination Company Following the Business Combination

- Following the consummation of the Business Combination, our only significant asset will be our ownership interest in the Blue Nile business and such ownership may not be sufficiently profitable or valuable to enable us to pay any dividends on Class A common stock or satisfy our other financial obligations.
- If the Business Combination's benefits do not meet the expectations of investors, stockholders or financial analysts, the market price of our securities may decline.
- The post-combination company will be a "controlled company" within the meaning of the Nasdaq rules and, as a result, will qualify for, and intends to rely on, exemptions and relief from certain corporate governance requirements. You will not have the same protections afforded to stockholders of companies that are subject to such requirements.
- We are an "emerging growth company," and the reduced disclosure requirements applicable to emerging growth companies may make our securities less attractive to investors.
- Pursuant to the Dodd-Frank Act and SEC rules, the post-combination company will be required to file public disclosures regarding the country of origin of certain supplies, which could damage our reputation or impact our ability to obtain merchandise if customers or other stakeholders react negatively to our disclosures.
- As a private company, we have not been required to document and test our internal controls over financial reporting nor has management been required to certify the effectiveness of our internal controls and our auditors have not been required to opine on the effectiveness of our internal control over financial reporting. As such, we may identify material weaknesses in our internal control over financial reporting that could lead to errors in the post-combination company's financial reporting, which could adversely affect the post-combination company's business and the market price of our securities.
- The post-combination company will be a holding company and depend upon its subsidiaries for its cash flows.

Summary of Risk Factors (Cont.)

Risks Related to Our Business and Industry

- Fluctuations in the pricing and availability of commodities could adversely impact our results of operations and cash flows.
 - In order to increase net revenue and to sustain or increase profitability, we must attract customers in a cost-effective manner.
 - We may not succeed in sustaining and promoting our brand, which would prevent us from acquiring customers and increasing our sales.
 - Purchasers of diamonds and fine jewelry may not choose to shop online, which would prevent us from growing our online business.
 - Long-term changes in consumer attitudes toward jewelry could be unfavorable and harm jewelry sales.
 - The fine jewelry retail industry is highly competitive, and if we do not compete successfully, our business may be adversely impacted.
 - We may undertake wide-ranging strategic initiatives that may fail to achieve our objectives.
 - We plan to expand showrooms in the U.S. and internationally, which may expose us to significant risks.
 - We may be unsuccessful in further expanding our operations internationally.
 - We face foreign exchange risk.
 - Our eCommerce business faces distinct risks, including increased costs related to search engine marketing, and our failure to successfully manage those risks could have a negative impact on our results of operations.
 - Our business may be adversely affected if we are unable to provide a cost-effective shopping platform that is able to respond and adapt to rapid changes in technology and consumer preferences.
 - We may not accurately forecast sales and appropriately plan our expenses.
 - If we are unable to accurately manage our inventory, our reputation, results of operations and cash flows could suffer.
 - We rely on our relationship with third-party payment processors and consumer credit companies to process transactions and to offer financing for the purchase of our products. Any deterioration in consumers' financial position, changes to the regulatory requirements regarding payment processing or the granting of credit to customers or disruption in the availability of credit to customers could adversely impact our results of operations and cash flows.
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Summary of Risk Factors (Cont.)

Risks Related to Our Business and Industry

- Our business is affected by acute seasonality patterns, and as a result, our quarterly results may fluctuate and could be below expectations.
- The success of our business may depend on our ability to successfully expand our product offerings.
- Refunds, cancellations, and warranty claims could harm our business.
- We face the risk of theft of our products from inventory, including fulfillment centers and showrooms, or during shipment.
- Our failure to address risks associated with payment methods, credit card fraud and other consumer fraud, including our failure to offer a variety of payment methods, may cause our business and results of operations to suffer.
- We may need to implement additional finance and accounting systems, procedures and controls as we grow our business and organization to satisfy international and other new reporting requirements.
- Our level of indebtedness could have a material adverse effect on our ability to generate sufficient cash to fulfill our obligations under such indebtedness, to react to changes in our business, and to incur additional indebtedness to fund future needs.
- Environmental, social, and governance matters may impact our business and reputation

Risks Related to Global and Economic Conditions

- The COVID-19 pandemic has had, and may in the future have, a material impact on our business.
 - An overall decline in the health of the economy and other factors impacting consumer spending, such as recessionary conditions, governmental instability, and natural disasters, may affect consumer purchases, which could reduce demand for our products and harm our business, results of operations and financial condition.
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Summary of Risk Factors (Cont.)

Risks Related to Our Dependence on Third Parties

- Our supplier relationships are a key component of our business, and any adverse development in such relationships may cause our business and results of operations to suffer.
- We rely on our suppliers, third-party carriers and third-party jewelers as part of our fulfillment process, and these third parties may fail to adequately serve our customers.
- We rely primarily on third-party insurance policies to insure our operations-related risks. If our insurance coverage is insufficient for the needs of our business or our insurance providers are unable to meet their obligations, we may not be able to mitigate the risks facing our business, which could adversely affect our business, results of operations and financial condition.

Risks Related to Information Technology, Cybersecurity and Data Privacy

- Our failure or the failure of our third-party business partners to protect our sites, networks and systems against security breaches, or otherwise to protect our confidential information, could damage our reputation and brand and substantially harm our business and results of operations.
- System interruptions that impair customer access to our website would damage our reputation and brand and substantially harm our business and results of operations.
- Our use of open source software may pose particular risks to our proprietary software and systems.
- We are subject to rapidly changing and increasingly stringent laws and industry standards relating to privacy, data security and data protection. The restrictions and costs imposed by these laws, or our actual or perceived failure to comply with them, could subject us to liabilities that adversely affect our business, operations and financial performance.

Risks Related to Intellectual Property

- Failure to adequately protect or enforce our intellectual property rights could substantially harm our business and results of operations.
 - Assertions by third parties of infringement by us of their intellectual property rights could result in significant costs and substantially harm our business and results of operations.
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Summary of Risk Factors (Cont.)

Risks Related to Human Capital

- We rely on the services of our small, specialized workforce and key personnel, many of whom would be difficult to replace.
- Our success is dependent on the strength and effectiveness of our relationships with our various stakeholders whose behavior may be affected by our management of social, ethical and environmental risks.
- Collective bargaining activity could disrupt our operations, increase labor costs or interfere with the ability of management to focus on executing business strategies.

Risks Related to Our Legal and Regulatory Environment

- Our failure to appropriately source or to ensure that our products are appropriately sourced may adversely impact our business.
 - Failure to comply with laws, regulations and enforcement activities, or changes in statutory, regulatory, accounting and other legal requirements, could potentially impact our operating and financial results.
 - Government regulation of the Internet and eCommerce is evolving and unfavorable changes, or failure by us to comply with applicable regulations, could substantially harm our business and results of operations.
 - We are subject to anti-corruption, anti-bribery, anti-money laundering and similar laws and regulations, including, without limitation, vendor sourcing transparency laws and modern slavery regulations, and non-compliance with such laws and regulations can subject us to criminal or civil liability and harm our business, financial condition, reputation and results of operations.
 - From time to time, we may be subject to legal proceedings, class actions, regulatory disputes, and governmental inquiries that could cause us to incur significant expenses, divert our management's attention and materially harm our business, financial condition and operating results.
 - International laws and regulations and foreign taxes could impact our ability to continue to source and manufacture materials for our products on a global scale as well as operate internationally.
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Summary of Risk Factors (Cont.)

Risks Related to Taxation

- We may have exposure to greater than anticipated tax liabilities.
- Changes in existing taxation laws, rules or practices may adversely affect our financial results.
- Our financial results may be negatively affected if we are required to collect additional taxes on sales or disclose our customers' private information to tax authorities.

