As filed with the Securities and Exchange Commission on March 16, 2021.

Registration No. 333-253134

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 2
TO
FORM S-1
REGISTRATION STATEMENT

UNDER
THE SECURITIES ACT OF 1933

CRICUT, INC.

(Exact name of registrant as specified in its charter)

Delaware	**3559**	**87-0282025**
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

Cricut, Inc.
10855 South River Front Parkway
South Jordan, Utah 84095
(385) 351-0633

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Ashish Arora
Chief Executive Officer
10855 South River Front Parkway
South Jordan, Utah 84095
(385) 351-0633

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Katharine A. Martin **Rezwan D. Pavri** **Richard C. Blake** **Wilson Sonsini Goodrich & Rosati** **Professional Corporation** **650 Page Mill Road** **Palo Alto, California 94304** **(650) 493-9300**	**Martin F. Petersen, Chief Financial Officer** **Donald B. Olsen, Executive Vice President,** **General Counsel** **Cricut, Inc.** **10855 South River Front Parkway** **South Jordan, Utah 84095** **(385) 351-0633**	**Jeffrey A. Chapman** **Stewart L. McDowell** **Gibson, Dunn & Crutcher LLP** **2001 Ross Avenue, Suite 2100** **Dallas, Texas 75201** **(214) 698-3100**

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this registration statement.

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

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

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

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

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	☐	Accelerated filer	☐
Non-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 7(a)(2)(B) of the Securities Act. ☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Shares to be Registered(1)	Proposed Maximum Aggregate Offering Price(1)(2)	Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee(3)
Class A Common Stock, par value $0.001 per share	17,612,138	$22.00	$387,467,036	$42,273

(1) Includes an additional 2,297,235 shares of our Class A common stock that the underwriters have the option to purchase.

(2) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(a) of the Securities Act of 1933, as amended.

(3) The registrant previously paid $10,910 of this amount in connection with a prior filing of this registration statement.

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

The information in this preliminary prospectus is not complete and may be changed. Neither we nor the selling stockholders may sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell and neither we nor the selling stockholders are soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion. Dated March 16, 2021.

15,314,903 Shares

Cricut, Inc.

Class A Common Stock

This is an initial public offering of shares of Class A common stock of Cricut, Inc. We are offering to sell 13,250,000 shares of Class A common stock in this offering. The selling stockholders identified in this prospectus are selling an additional 2,064,903 shares of Class A common stock. We will not receive the proceeds from the sale of the shares being sold by the selling stockholders.

Prior to this offering, there has been no public market for the Class A common stock. It is currently estimated that the initial public offering price per share will be between $20.00 and $22.00. We expect that our Class A common stock will be approved for listing, subject to notice of issuance on the Nasdaq Global Select Market under the symbol “CRCT.”

We are an “emerging growth company” as defined under the federal securities laws and, as such, have elected to comply with certain reduced reporting requirements in this prospectus and may elect to do so in future filings.

Following this offering, we will have two classes of authorized common stock: the Class A common stock offered hereby, as well as Class B common stock. The Class A common stock will have one vote per share. The Class B common stock will have five votes per share. Following the completion of this offering, Petrus Trust Company, LTA and affiliates will beneficially own approximately 61.4% of the total voting power of our outstanding common stock. As a result, we will be a “controlled company” within the meaning of the corporate governance rules of the Nasdaq Global Select Market. See the section titled “Management—Controlled Company Exemption” for additional information.

See the section titled “Risk Factors” on page 18 to read about factors you should consider before buying shares of the Class A common stock.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

	Per share	Total
Initial public offering price	$	$
Underwriting discounts and commissions(1)	$	$
Proceeds, before expenses, to Cricut, Inc.	$	$
Proceeds, before expenses, to selling stockholders	$	$

(1) See the section titled “Underwriters” for a description of the compensation payable to the underwriters.

We have granted the underwriters an option for a period of 30 days to purchase up to an additional 1,987,495 shares of our Class A common stock, and the selling stockholders have granted the underwriters an option for a period of 30 days to purchase up to an additional 309,740 shares of our Class A common stock, in each case, at the initial public offering price, less the underwriting discounts and commissions.

The underwriters expect to deliver the shares against payment in New York, New York on , 2021.

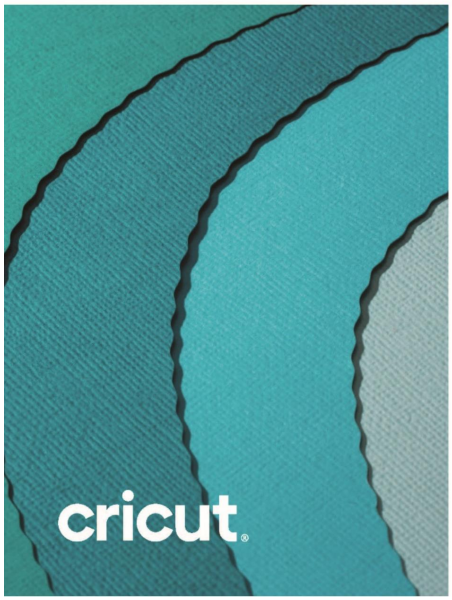
Goldman Sachs & Co. LLC **Morgan Stanley**

Citigroup **Barclays**

Baird

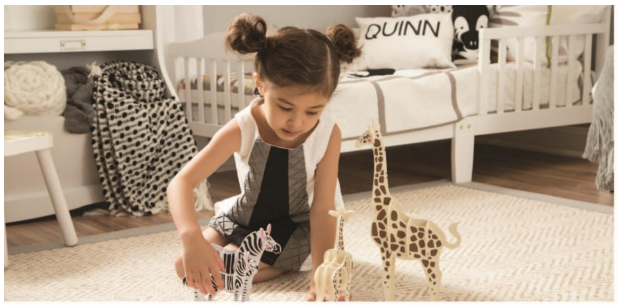
Prospectus dated , 2021.


Our Mission:
To help people lead creative lives.


cricut


cricut joy


Cricut
CROSS COUNTRY


QUINN

At Cricut, we place the power of professional handmade into the hands of all.

We give you beautiful, easy-to-use products to make something unique, remarkable and perfect. We surround you with community, inspiration and support to take your creativity further than you ever imagined. And together, we celebrate the exhilarating act of making every single day.

Because here's the remarkable truth: When we all make together, we make all things possible.

Let's make.

cricut.

The Cricut Community

Registered users	Paid subscribers	Users creating in trailing 90 days
4.3M[1]	1.3M[1]	65%[1]

cricut.

(1) As of December 31, 2020

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Prospectus

Through and including , 2021 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

Neither we, the selling stockholders, nor any of the underwriters have authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectuses we have prepared. Neither we, the selling stockholders nor any of the underwriters take responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus or in any applicable free writing prospectus is current only as of its date, regardless of its time of delivery or any sale of shares of our Class A common stock.

For investors outside of the United States: neither we, the selling stockholders, nor any of the underwriters have done anything that would permit this offering or possession or distribution of this prospectus or any free writing prospectus we may provide to you in connection with this offering in any jurisdiction where action for that purpose is required, other than in the United States. You are required to inform yourselves about, and observe any restrictions relating to, this offering of the shares of our Class A common stock and the distribution of this prospectus and any such free writing prospectus outside of the United States.

As used in this prospectus, unless expressly indicated or the context otherwise requires:

References to “common stock” refer (i) prior to our redomicile as a Delaware corporation to the Class A common stock, par value $0.01 per share of Cricut, Inc., a Utah corporation, (ii) after we redomiciled as a Delaware corporation in September 2020 but prior to the Effectiveness Date (as defined below), to the common stock, par value $0.001 per share of Cricut, Inc., a Delaware corporation and (iii) as of the Effectiveness Date, our Class A common stock, par value $0.001 per share, and Class B common stock, par value $0.001 per share.

References to “Cricut,” “we,” “us,” “our,” the “company” and similar references refer: (i) prior to the consummation of the Corporate Reorganization described in the section titled “Corporate Reorganization” to Cricut Holdings, LLC and its consolidated subsidiaries and (ii) after the Corporate Reorganization to Cricut, Inc., and its consolidated subsidiaries.

The term “Corporate Reorganization” means the series of transactions as described under the section titled “Corporate Reorganization.”

References to “Effectiveness Date” means the date of effectiveness of the registration statement of which this prospectus forms a part.

PROSPECTUS SUMMARY

This summary highlights selected information contained in more detail elsewhere in this prospectus. This summary does not contain all the information you should consider before investing in our Class A common stock. You should carefully read this prospectus in its entirety before investing in our Class A common stock, including the sections titled "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Special Note Regarding Forward-Looking Statements" and our consolidated financial statements and the accompanying notes, provided elsewhere in this prospectus. Our fiscal year ends on December 31, and our fiscal quarters end on March 31, June 30, September 30 and December 31.

CRICUT, INC.

At Cricut, our mission is to help people lead creative lives.

We have designed and built a creativity platform that enables our engaged and loyal community of 4.3 million users to turn ideas into professional-looking handmade goods. With our highly versatile connected machines, design apps and accessories and materials, our users create everything from personalized birthday cards, mugs and T-shirts to large-scale interior decorations and more. Our cloud-based software enables us to update the functionality and features of existing physical and digital products and to release new products that seamlessly integrate with our platform. This makes our platform broadly extensible and empowers our users to unlock ever-expanding creative potential.

Cricut often becomes a huge part of our users' creative lives, serving as the foundation for their journey of creativity. Our users' journeys typically begin with the purchase of a connected machine and expand across our family of products as users harness the power of our platform. Our users have demonstrated continued engagement with their connected machines over time, which results in purchases of subscriptions and accessories and materials long after they first purchase a connected machine. As of December 31, 2020, 65% of our users created on their connected machines in the last 90 days and 84% created on their connected machines in the last 365 days.

We enable our users to be inspired, create and share projects with the Cricut community and to follow others doing the same. Our community of users has scaled significantly over time, and our number of users grew by 50% from December 31, 2018 to December 31, 2019 and 71% from December 31, 2019 to December 31, 2020.

Our software integrates our connected machines and design apps, allowing our users to create and share seamlessly. Our software is cloud-based, meaning that users can access and work on their projects anywhere, at any time, across any desktop or mobile device. Our software aggregates billions of data points of our users' contributions, giving us valuable insights into our users' preferences and behaviors. We use our data science capabilities to continuously improve our software and products, driving further engagement. As a result, our business model is characterized by strong user engagement and diversified sales across product categories.

Our portfolio of connected machines cut, write, score and create decorative effects using a wide variety of materials including paper, vinyl, leather and more. We strive for our users' journeys to be both inspiring and intuitive, so we take great care to design connected machines that are beautiful and easy to use. Our connected machines are designed for a wide range of uses and are available at a variety of price points:

- Cricut Joy for personalization on-the-go, $179.99 MSRP
- Cricut Explore for cutting, writing and scoring, $249.99 MSRP
- Cricut Maker for cutting, writing, scoring and adding decorative effects to a wider range of materials, $399.99 MSRP

We offer free design apps, in-app purchases and subscription offerings that enable our users to create and complete projects. On our apps, users can find inspiration, purchase or upload content like fonts and images, design a project from scratch or find a vast array of ready-to-make projects on both mobile and desktop devices. All users can access a select number of free images, fonts and projects from our design apps or upload their own. In addition, we offer a wider selection of images, fonts and projects for purchase à la carte, including licensed content from partners with well-known brands and characters, like major motion picture studios. We also provide two subscription offerings, Cricut Access and Cricut Access Premium. Cricut Access provides users with a subscription to a curated and growing design library of over 125,000 images, 6,000 ready-to-make projects and hundreds of fonts, as well as other member benefits, such as discounts and priority Cricut Member Care, our customer support service. Cricut Access Premium includes all of the benefits of Cricut Access as well as additional discounts and preferred shipping. As of December 31, 2020, we had over 1.3 million Paid Subscribers to Cricut Access and Cricut Access Premium.

We also sell a broad range of accessories and materials that help bring designs to life, from advanced tools like heat presses to Cricut-branded rulers, scoring tools, pens, paper and iron-on vinyl. These products are designed to work seamlessly and easily with our connected machines, which is why we see many of our users purchase Cricut-branded accessories and materials. Creating projects often drives repeat purchases of accessories and materials for years after a user first buys a connected machine, demonstrating ongoing engagement with our platform.

Many of our users share a love of our brand, products and mission, which fosters a loyal community of users who are deeply engaged with Cricut. Every project is an opportunity to start a conversation, both with us and with each other. We often see our users inspire, teach and create together. There are over three million Cricut followers and many independently-run Cricut groups across social media. Users often self-organize, host independent events and meet up in person across the globe.

Our community creates a reinforcing network effect. As the number of our users grow, so does the number of projects made and shared physically or digitally. This generates even more shared projects and word-of-mouth that in turn helps to grow our community. This community network effect has allowed us to efficiently acquire new users and drive sales by word-of-mouth referrals, complimented by our targeted sales and marketing efforts.

We generate revenue from the sale of our connected machines, subscriptions and accessories and materials. We sell our products through brick-and-mortar retail partners, including Hobby Lobby, HSN, Jo-Ann, Michaels, Target and Walmart, as well as through online channels such as Amazon and cricut.com.

We are a fast-growing, scaled and profitable business. For 2018, 2019 and 2020, we generated:

- Total revenue of $340 million, $487 million and $959 million, respectively, representing 43% and 97% year-over-year growth, respectively
- Net income of $27 million, $39 million and $155 million, respectively, representing 43% and 294% year-over-year growth, respectively
- EBITDA of $46 million, $63 million and $214 million, respectively, representing 36% and 242% year-over-year growth, respectively

Our Industry

We both influence and benefit from powerful secular tailwinds:

- **Personalization is a Global Mega Trend.** Today, more and more people want to be surrounded by personalized items. According to a study by Deloitte, one in four consumers are willing to pay more to receive a personalized product or service. We empower individuals to personalize, and the number one reason why people buy our connected machines is personalization.

- **Digitization of Tools.** Consumers have access to more tools in the digital world than ever before. Cricut has built on this trend by offering both digital and physical tools and, more importantly, bridging these two worlds together.
- **Technology is Enabling a New Generation of Entrepreneurs**. The rapid growth of marketplaces and commerce enablement platforms creates economic opportunities for millions of creative entrepreneurs. Individual entrepreneurs value supplemental income, flexibility and the opportunity to do what they love for a living. Twenty-nine percent of our users make projects to sell.
- **Social Media is Enabling a New Wave of Creativity.** The ubiquity of social media is a key driver of global consumer engagement with new creative endeavors. Billions of people globally engage on social media every month and spend an average of more than two hours per day on social networks and messaging apps. Through social media, people can be inspired by new ideas or projects anywhere and anytime. We have a powerful social media presence, and help our users turn virtual inspiration into beautiful, physical things.

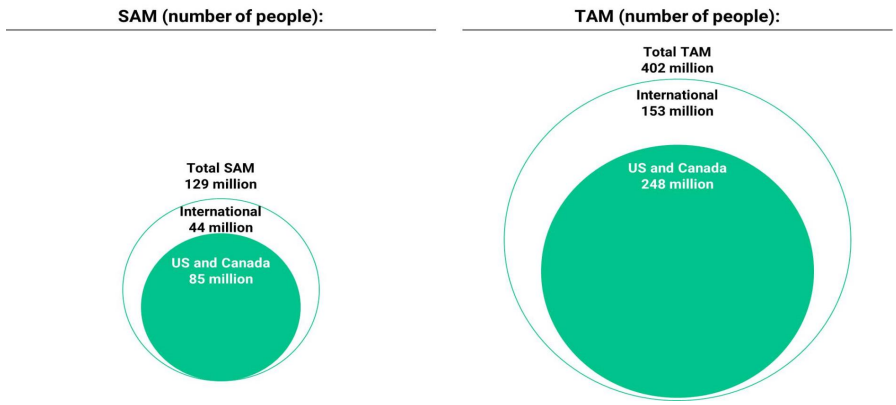
Our Opportunity

We believe that everyone is innately creative and thus anyone can be a part of the Cricut community of users. This presents us with a large, untapped market opportunity in addition to our current user base. We quantify our market opportunity in terms of a Serviceable Addressable Market, or SAM, and a Total Addressable Market, or TAM. We commissioned a study from YouGov America in September 2020 across 11 countries. The sample size of those surveyed in each country included over 1,000 individuals ages 18 and older. To calculate our SAM and TAM, we extrapolate these survey results across the general population ages 18 and older in each country.

Our SAM consists of the portion of individuals surveyed who said they have made at least one creative project in categories addressed by our current products in the last 12 months, whom we call “active creatives.” Our TAM includes the individuals in our SAM as well as the portion of individuals surveyed who said they like, buy, used to make or are interested in creating personalized, handmade or custom items, whom we call “potential creatives” but who have not made at least one creative project in categories addressed by our current products in the last 12 months. Our SAM includes active creatives who we address with our current product and price points. Our TAM includes potential creatives who we believe we can reach over the long term as we make products for new uses and products that are even more accessible, easier to use and available at a broad set of price points. We assess our SAM and TAM in the United States and Canada and internationally. Today, a small portion of our revenue is generated from countries outside the United States and Canada. We currently classify four of these countries, Australia, France, Germany and the United Kingdom, as our primary international target markets and include them in our international SAM and TAM.

Based in part on the YouGov America study we commissioned, we estimate that our SAM in the United States and Canada consists of over 85 million people. As of December 31, 2020, we had 4.3 million users, the vast majority of whom are in the United States and Canada, implying approximately 5% penetration of our SAM in those markets. We estimate that our SAM among our primary international target markets consists of over 44 million people. Accordingly, we estimate our total SAM is over 129 million individuals.

We estimate that there are over 163 million potential creatives in the United States and Canada and over 109 million potential creatives in our primary international target markets. We estimate that our United States and Canada TAM includes over 248 million individuals, which reflects our belief that all people, regardless of demographic, can be creative and part of the Cricut community. Our TAM among our primary international target markets includes over 153 million individuals, for a combined TAM of approximately 402 million individuals. We believe our products could achieve broader adoption in a number of countries beyond our primary international target markets that also have large populations engaging in creative activities and represent a similar product-market fit.



Because our products make creativity accessible, we believe our opportunity is much larger than the estimates of the size of the traditional craft market. The Association for Creative Industries estimated that the traditional craft market, which is comprised of items and supplies purchased for creative activities, in the United States was $36.2 billion in the twelve months ended September 2017. We put production power into the hands of our users by allowing them to create their own professional-looking homemade goods instead of purchasing manufactured goods from a third party, meaning that our products and the projects created by our users touch a broad array of markets that go beyond the traditional craft market. For example, the goods that users can produce or customize using our platform fall into multiple large market categories, some of which may overlap. The 2020 estimated markets for such categories were $4.1 billion for cards and calendar; $9.7 billion for stationery; $26.5 billion for seasonal décor; $55.1 billion for wedding-related services[1]; $11.3 billion for organization[2] and $21.5 billion for custom gifts[3].

The Cricut User Journey

Creative individuals come to Cricut and quickly become engaged users who can express themselves both individually and as part of a large and passionate community. As of September 30, 2020, 96% of our users are women. Many users also earn income through products they create on Cricut. According to a survey of our users that we conducted in October 2020:

- 88% of new users want to make a broad range of products
- 29% make projects to sell
- 78% say crafting helps them with their mental well-being
- 87% say crafting inspires feelings of accomplishment

1 The preceding statements are from IBIS World. See the section titled “Market, Industry and Other Data.”

2 The preceding statement is from The Freedonia Group, a division of MarketResearch.com. See the section titled “Market, Industry and Other Data.”

3 The preceding statement is from Technavio. See the section titled “Market, Industry and Other Data.”

A user's journey evolves after their first purchase. New users typically intend to create a broad range of products but may start with one or two intended uses and grow with Cricut over time. For example, a user may buy a connected machine and begin by making cards but later branch out to T-shirts, wall decals and more. As we launch new software and products, and as our community continues to grow and share on our platform and on social media, we have the opportunity to continually refresh this relationship and expand the versatility of our platform.

Our large and loyal community of users engage with Cricut and each other across our design apps and on social media. Users can share projects they created, and other users can be inspired and access and create that same project. These teaching and inspiration moments enhance our monetization opportunities as projects often lead users to purchase images, fonts, accessories and materials.

How We Go to Market

Many of our users hear about our products through word-of-mouth. With 91% of our users creating products for their friends and family, word-of-mouth marketing continues to be one of the most efficient and effective ways we attract new users. In 2020, 42% of new users first heard about Cricut through friends and family. We also use digital and social media marketing to attract users.

We sell our connected machines and accessories and materials through our brick-and-mortar and online retail partners, as well as through our website at cricut.com. In 2020, 52% of our revenue was generated through brick-and-mortar sales and 48% was generated through online channels.

Our Competitive Strengths

Our competitive strengths include:

- **Our Vertically Integrated Platform Encourages Continual Engagement.** Our platform accompanies a user from an idea to a finished project, with Cricut providing the connected machines, design apps and accessories and materials to make this a seamless journey.
- **We Build Beautiful, Inspiring and Easy-to-Use Products.** Our mission is rooted in our passion for design, and this passion comes to life in the beautiful products we build and experiences we create. Our goal is to provide users with an experience that is both inspiring and intuitive, and we take great care to make our products easy to use. Our elegant products are backed by deep user experience, software, technology and engineering expertise.
- **We Designed our Platform to be Able to Constantly Evolve so We Can Find New Ways to Delight Users.** We constantly innovate and offer new products and functionality to provide users with new capabilities for their existing connected machines. New products are integrated seamlessly into existing connected machines with updates to our software, infrastructure and content. We aim to give our users the freedom to create without limitations while improving their experience along the way.
- **We Have a Strong and Loyal Community of Users.** Creating with Cricut can be a highly social activity. We have a strong and loyal community of users who are deeply engaged with Cricut and in turn help grow our community. This engagement has allowed us to efficiently acquire new users and drive sales by word-of-mouth referrals, complimented by our targeted sales and marketing efforts.
- **We Have a Positive Impact on Our Users, in Good Times and in Bad.** Our products enable users to express their creativity, which makes them feel accomplished and confident, powerful emotions that help create a relationship and love between our brand and our users. Crafting allows people to save money by creating their own gifts or to earn income selling handmade goods. Given the positive emotions connected with crafting, our users create to celebrate and also as a respite during difficult times.

Our Growth Strategy

These are key elements of our growth strategy:

- **Reach More Users.** We have a significant opportunity to bring more users to our platform by enhancing our brand and product awareness in both the United States and Canada and in the other geographies where we currently sell our products. We intend to pursue this opportunity in part through digital and social media marketing, retail partners and word-of-mouth referrals.
- **Increase Monetization from Current Users.** We believe that by finding new ways to inspire our users with their existing connected machines, we can sell more content and accessories and materials. By enhancing our subscription offerings, we also believe we can grow our subscription base over time.
- **Continuously Improve Ease of Use and User Experience**. We plan to continue to broaden our demographic appeal, further penetrate our SAM and continue to expand and penetrate our TAM by making our products even easier to use and educating users on our products and their capabilities.
- **Launch New Products in New Categories.** We plan to keep current users engaged by launching new products and services that attach seamlessly to our existing platform. We also plan on expanding our offerings to serve a larger portion of our SAM, including connected machine offerings with new uses to capture additional customer segments.
- **Expand Internationally.** We believe there is a significant opportunity for Cricut to grow internationally. We began our international expansion by launching in Australia, Canada, France, Germany and the United Kingdom. We have also localized our design apps in several languages such as French, German, Portuguese and Spanish. We will continue to pursue disciplined international expansion by targeting countries with large populations of active creatives where we believe the Cricut value proposition will resonate.

Our Capital Structure

Upon the closing of this offering, we will have two classes of common stock. Our Class A common stock, which is the stock we are offering by means of this prospectus, has one vote per share and our Class B common stock has five votes per share. Upon the closing of this offering, our existing owners will hold all of the issued and outstanding shares of our Class B common stock. Accordingly, upon the closing of this offering, Petrus Trust Company, LTA, or Petrus, and its affiliates will hold approximately 61.4% of the voting power of our outstanding capital stock in the aggregate. As a result, Petrus will be able to determine or significantly influence any action requiring the approval of our stockholders, including the election of our board of directors, the adoption of amendments to our certificate of incorporation and bylaws and the approval of any merger, consolidation, sale of all or substantially all of our assets or other major corporate transaction.

Upon the first date after the Effectiveness Date that the number of shares of capital stock, including Class A common stock and Class B common stock, and any shares of capital stock underlying any securities, including restricted stock units, options or other convertible instruments, held by Petrus and its permitted entities is less than 50% of the number of shares of capital stock held by Petrus and its permitted entities as of the Effectiveness Date, which we refer to herein as the 50% Ownership Threshold, all of the outstanding shares of Class B common stock will be converted into shares of Class A common stock.

The dual class structure of our common stock is intended to ensure that, for the foreseeable future, we will remain a “controlled company” for purposes of the rules of the Nasdaq Global Select Market, or the Exchange, and that we will be able to continue to enjoy the benefits of being a “controlled company” until the 50% Ownership Threshold is no longer met. This includes having a compensation committee that is not fully independent from influence by our principal shareholder.

Summary of Risk Factors

Our business is subject to numerous risks and uncertainties, including those highlighted in the section titled “Risk Factors” immediately following this prospectus summary and elsewhere in this prospectus. These risks include, but are not limited to, the following:

- risks regarding our ability to attract and engage with our users, including anticipating their product preferences;
- competitive risks in each of our three segments: Connected Machines, Subscriptions and Accessories and Materials;
- supply chain, manufacturing, distribution and fulfillment risks, including our being primarily dependent on a single China-based manufacturer and on limited sources of supply for components, accessories and materials;
- international risks, including regulation and tariffs that have materially increased our costs and the potential for further trade barriers or disruptions;
- sales and marketing risks, including our dependence on sales to brick-and-mortar and online retail partners and our need to continue to grow online sales;
- risks relating to the complexity of our business, which includes connected machines, custom tools, hundreds of materials, design apps, e-commerce software, subscriptions, content, international production, direct sales, and retail distribution, particularly for a company of our relative size;
- risks related to product quality, safety and warranty claims and returns;
- risks related to protection of our intellectual property, as well as to cybersecurity and potential data breaches; and
- risks related to our dependence on our Chief Executive Officer.

If we are unable to adequately address these and other risks we face, our business, financial condition, results of operations and prospects may be adversely affected.

Summary of Corporate Reorganization

On March 11, 2021, Cricut, Inc. engaged in a 64.2645654-for-1 forward stock split. Prior to the consummation of this offering, we will engage in a series of related corporate reorganization transactions as follows:

- Cricut, Inc. will file an amended and restated certificate of incorporation; and
- Cricut Holdings, LLC, or Cricut Holdings, will dissolve and liquidate in accordance with the terms and conditions of its existing limited liability company agreement, pursuant to which the holders of existing units in Cricut Holdings (including holders of purchased units, incentive units, zero strike price incentive units, certain phantom units and options), or the Existing Unitholders, will receive 100% of the capital stock of Cricut, Inc., its sole asset, assuming it was liquidated at the time of this offering with a value implied by the initial public offering price of the shares of Class A common stock to be sold in this offering. We refer to this transaction in this prospectus as the “Cricut Holdings Liquidation.” Cricut Holdings will cease to exist following the Cricut Holdings Liquidation.

We refer to the foregoing transactions, collectively, as the “Corporate Reorganization.”

In connection with the Corporate Reorganization:

- all of the outstanding equity awards of Cricut Holdings (which are currently comprised of purchased units, incentive units, zero strike price incentive units and options to purchase zero strike price incentive units) will be converted into:
  - shares of Class B common stock, if vested,
  - shares of Class B common stock that are subject to future vesting, which we refer to as restricted stock, if unvested, or
  - options to purchase Class B common stock, if they are options to purchase zero strike incentive units, and
- all of the outstanding phantom units of Cricut Holdings will be converted into either shares of Class B common stock, if vested, or RSUs under the 2021 Equity Incentive Plan, or our 2021 Plan, if unvested, that would vest into shares of Class A common stock of Cricut, Inc. or paid in cash, to the extent permitted in each applicable jurisdiction.

Except with respect to outstanding options, the portion of each outstanding equity award and phantom unit that is vested as of immediately prior to the consummation of the Corporate Reorganization will be converted into shares of our Class B common stock, and the portion of each outstanding equity award or outstanding phantom unit award that is unvested as of immediately prior to the consummation of the Corporate Reorganization will be converted into shares of Cricut, Inc.'s restricted stock, RSUs or cash, as applicable. The shares of restricted stock, RSUs or cash, as applicable, will be subject to the same vesting conditions that apply to the unvested units or unit equivalents, as applicable, underlying the outstanding equity award or phantom unit, as applicable, from which such consideration is converted.

In addition, in connection with the Corporate Reorganization, we intend to grant under our 2021 Plan options to purchase shares of Class A common stock with an exercise price equal to the initial public offering price or cash-settled RSUs to holders of certain outstanding equity awards (other than options) or phantom units on the same vesting terms as the corresponding outstanding equity awards and phantom units.

Options that are outstanding immediately prior to the consummation of the Corporate Reorganization will be converted into options to purchase shares of Class B common stock at the Corporation Reorganization on the same vesting and exercise terms, but with adjustments to the share number and exercise price per share, in each case, to substantially preserve the intrinsic value of the option as of the consummation of the Corporate Reorganization.

As a result of the Corporate Reorganization described above and the subsequent consummation of this offering and assuming an initial offering price of $21.00 per share (the midpoint of the estimated offering price range set forth on the cover page of this prospectus):

- investors in this offering will collectively own 15,314,903 shares of Class A common stock (or 17,612,138 shares of Class A common stock if the underwriters' option to purchase 2,297,235 additional shares of our Class A common stock from us and the selling stockholders is exercised in full);

- Existing Unitholders will collectively own 206,051,201 shares of Class B common stock of which 14,161,860 shares are subject to future vesting;
- Existing Unitholders will collectively own 1,072,855 restricted stock units, or RSUs, that would vest into shares of Class A common stock;
- Existing Unitholders will collectively own options to purchase 542,000 shares of Class B common stock, with a weighted-average exercise price of $9.04 per share; and
- Existing Unitholders will collectively own options to purchase 3,316,260 shares of Class A common stock with an exercise price equal to the initial public offering price.

Assuming an initial public offering price of $21.00 per share (the midpoint of the estimated offering price range set forth on the cover page of this prospectus), we expect to recognize share-based compensation expense of $6.1 million to $9.5 million upon completion of the Corporate Reorganization in connection with the mark-to-market method of accounting for outstanding liability awards as of December 31, 2020 and certain options granted in connection with the Corporate Reorganization with vesting periods commencing prior to the offering date. This expense is in addition to the regular share-based compensation expense we will recognize for our equity classified awards. The remaining unrecognized compensation expense of approximately $19.6 million for these awards as well as incremental costs associated with awards granted in connection with our 2021 Plan will be recognized prospectively over the remaining requisite service period.

See the sections titled “Corporate Reorganization” and “Certain Relationships and Related Party Transactions” for additional information.

Channels for Disclosure of Information

Investors, the media and others should note that, following the completion of this offering, we intend to announce material information to the public through filings with the Securities and Exchange Commission, or the SEC, the investor relations page on our website, press releases, public conference calls, webcasts, our company news site at cricut.com/press and blog posts on our corporate website.

The information disclosed by the foregoing channels could be deemed to be material information. As such, we encourage investors, the media and others to follow the channels listed above and to review the information disclosed through such channels.

Any updates to the list of disclosure channels through which we will announce information will be posted on the investor relations page on our website.

Corporate Information

We were originally incorporated under the laws of the State of Utah in June 1969 as Provo Craft & Novelty, Inc. and changed our name to Cricut, Inc. in March 2018. In September 2020, we redomiciled as a Delaware corporation. Pursuant to the terms of the Corporate Reorganization that will be completed prior to the consummation of this offering, Cricut Holdings will dissolve and, in liquidation, will distribute all of the shares of capital stock of Cricut, Inc. to its members in accordance with the limited liability company agreement of Cricut Holdings.

For more information on the Corporate Reorganization and ownership of our common stock, see the sections titled “Corporate Reorganization” and “Principal and Selling Stockholders.”

Our principal executive offices are located at 10855 South River Front Parkway, South Jordan, Utah 84095, and our telephone number is (385) 351-0633. Our corporate website address is cricut.com. Information contained on or accessible through our website is not a part of this prospectus, and the inclusion of our website address in this prospectus is an inactive textual reference only.

“Cricut,” “Cricut Access,” “Cricut Access Premium,” “Cricut EasyPress,” “Cricut Explore,” “Cricut Maker,” “Design Space,” “Infusible Ink,” “Adaptive Tool System,” “Cut Smart,” “QuickSwap,” our logo and our other registered or common law trademarks, service marks or trade names appearing in this prospectus are the property of Cricut, Inc., Cricut Holdings and their subsidiaries. Other trademarks and trade names referred to in this prospectus are the property of their respective owners. Solely for convenience, the trademarks, trade names and service marks referenced in this prospectus are listed without the ™, ® and SM symbols, but we will assert our rights to our trademarks, trade names and service marks to the fullest extent under applicable law.

Implications of Being an Emerging Growth Company

We qualify as an “emerging growth company” as defined in the Jumpstart Our Business Startups Act of 2012, or JOBS Act. An emerging growth company may take advantage of specified reduced reporting requirements that are otherwise generally applicable to public companies. These reduced reporting requirements include:

- an exemption from compliance with the auditor attestation requirement on the effectiveness of our internal control over financial reporting;
- an exemption from compliance with any requirement that the Public Company Accounting Oversight Board may adopt regarding a supplement to the auditor’s report providing additional information about the audit and the financial statements;
- reduced disclosure about our executive compensation arrangements;
- an exemption from the requirements to obtain a non-binding advisory vote on executive compensation or golden parachute arrangements; and
- extended transition periods for complying with new or revised accounting standards.

We may take advantage of these provisions until we are no longer an emerging growth company. We would cease to be an emerging growth company upon the earliest to occur of: (i) the last day of the fiscal year in which we have more than $1.07 billion in annual revenue; (ii) the date we qualify as a large accelerated filer, with at least $700 million of equity securities held by non-affiliates; (iii) the issuance, in any three-year period, by us of more than $1.0 billion in non-convertible debt securities and (iv) the last day of the fiscal year ending after the fifth anniversary of this offering. We may choose to take advantage of some but not all of these reduced reporting burdens. We have taken advantage of certain reduced reporting burdens in this prospectus. Accordingly, the information contained herein may be different than the information you receive from other public companies in which you hold stock.

The JOBS Act permits an emerging growth company like us to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies. We have elected to use this extended transition period until we are no longer an emerging growth company or until we affirmatively and irrevocably opt out of the extended transition period. As a result, our financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates.

THE OFFERING

Class A common stock offered by us	13,250,000 shares
Class A common stock offered by the selling stockholders	2,064,903 shares
Class A common stock outstanding after this offering	15,314,903 shares
Class B common stock outstanding after this offering	206,051,201 shares
Class A and Class B common stock outstanding after this offering	221,366,104 shares
Underwriters' option to purchase additional shares of Class A common stock from us	1,987,495 shares
Underwriters' option to purchase additional shares of Class A common stock from the selling stockholders	309,740 shares
Use of proceeds	We estimate that the net proceeds to us from the sale of shares of our Class A common stock in this offering will be approximately $254.3 million (or approximately $293.1 million if the underwriters' option to purchase additional shares of our Class A common stock from us and the selling stockholders is exercised in full), based upon the assumed initial public offering price of $21.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We will not receive any of the proceeds from the sale of Class A common stock in this offering by the selling stockholders.

	The principal purposes of this offering are to increase our capitalization and financial flexibility, facilitate an orderly distribution of shares for the selling stockholders, create a public market for our Class A common stock and enable access to the public equity markets for us and our stockholders. We intend to use a portion of the net proceeds from this offering to pay $0.5 million for the cash settlement of outstanding vested phantom units of Cricut Holdings, based upon the assumed initial public offering price of $21.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus. We intend to use the remaining net proceeds we receive from this offering for general corporate purposes, including working capital, operating expenses and capital expenditures. Additionally, we may use a portion of the net proceeds we receive from this offering to acquire businesses, products, services or technologies. However, we do not have agreements or commitments for any material acquisitions at this time. See the section titled “Use of Proceeds” for additional information.
Voting rights	Shares of our Class A common stock are entitled to one vote per share. Shares of our Class B common stock are entitled to five votes per share. Holders of our Class A common stock and Class B common stock will generally vote together as a single class, unless otherwise required by law or our amended and restated certificate of incorporation. See the section titled “Description of Capital Stock” for additional information. Petrus and affiliates, who after this offering will control approximately 61.4% of the voting power of our outstanding capital stock in the aggregate, will have the ability to control the outcome of matters submitted to our stockholders for approval, including the election of our directors. See the section titled “Principal and Selling Stockholders” for additional information.

Selling stockholders; controlled company	Certain of our officers are selling an aggregate of 2,064,903 shares of Class A common stock in this offering (or 2,374,643 shares of Class A common stock if the underwriters' option to purchase additional shares of Class A common stock from us and the selling stockholders is exercised in full). After the consummation of this offering, we will be considered a "controlled company" for purposes of the rules of the Exchange, as Petrus and affiliates will, in the aggregate, control approximately 61.4% of the voting power of our outstanding capital stock in the aggregate. As a result, we will be a "controlled company" under the Exchange corporate governance standards. Under these standards, a company of which more than 50% of the voting power is held by an individual, group or another company is a "controlled company." See the section titled "Principal and Selling Stockholders" for additional information. As a "controlled company," we will not be subject to certain corporate governance requirements, including that: (i) a majority of our board of directors consists of "independent directors" as defined under the rules of the Exchange, (ii) our board of directors have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee purpose and responsibilities and (iii) our director nominations be made, or recommended to the full board of directors, by our independent directors or by a nominations committee that is composed entirely of independent directors and that we adopt a written charter or board resolution addressing the nominations process. As a result, we may not have a majority of independent directors on our board of directors or an entirely independent compensation committee or nominations committee, unless and until such time as we are required to do so. See the section titled "Management—Controlled Company Exemption" for additional information.
Dividend policy	We do not currently intend to pay dividends on our capital stock in the foreseeable future. Our ability to pay dividends on our capital stock is also limited by our credit agreement with JPMorgan Chase Bank, N.A., Citibank, N.A. and Origin Bank, or the New Credit Facility, and may be further restricted by the terms of any future debt or preferred securities incurred or issued by us or our subsidiaries. See the sections titled "Dividend Policy" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources" for additional information.
Proposed Exchange trading symbol	"CRCT"

Corporate Reorganization	The issuer in this offering, Cricut, Inc., is a Delaware corporation and is a wholly owned subsidiary of Cricut Holdings. Pursuant to the terms of the Corporate Reorganization that will be completed prior to the consummation of this offering, Cricut Holdings will dissolve and, in liquidation, will distribute all of the shares of capital stock of Cricut, Inc. to its members in accordance with the limited liability company agreement of Cricut Holdings. See the section titled "Corporate Reorganization" for additional information.

The number of shares of our common stock that will be outstanding after this offering is based on an aggregate of 208,116,104 shares of our Class B common stock outstanding as of December 31, 2020, of which, based on an assumed initial public offering price of $21.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, 14,161,860 shares are subject to future vesting.

The number of shares of our common stock outstanding as of December 31, 2020 excludes the following:

- 24,800,000 shares of Class A common stock reserved for future issuance under our equity compensation plans, consisting of:
  - 20,800,000 shares of Class A common stock reserved for future issuance under our 2021 Plan, as well as any annual increases in the number of shares of Class A common stock reserved for future issuance under our 2021 Plan, which plan will become effective on the Effectiveness Date, of which:
    - 3,316,260 shares of Class A common stock (based on an assumed initial public offering price of $21.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus) will be issuable upon the exercise of stock options which we intend to grant in connection with this offering;
    - 1,072,855 shares of Class A common stock reserved for future issuance under our 2021 Plan (based on an assumed initial public offering price of $21.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus) issuable upon the vesting and settlement of RSUs we intend to grant in connection with this offering; and
  - 4,000,000 additional shares of Class A common stock, subject to increase on an annual basis, reserved for future issuance under our 2021 Employee Stock Purchase Plan, or our 2021 ESPP, which plan will become effective on the Effectiveness Date.
- 542,000 shares of Class B common stock issuable upon the exercise of outstanding options held by Existing Unitholders.

Except as otherwise indicated or the context otherwise requires, all information in this prospectus reflects a 64.2645654-for-1 forward stock split, which occurred on March 11, 2021, and assumes:

- the completion of the Corporate Reorganization;
- the automatic conversion of 2,064,903 shares of our Class B common stock held by the selling stockholders into an equivalent number of shares of our Class A common stock upon their sale by the selling stockholders in this offering; and
- no exercise by the underwriters of their option to purchase up to an additional 2,297,235 shares of Class A common stock from us and the selling stockholders in this offering.

SUMMARY CONSOLIDATED FINANCIAL AND OTHER DATA

The following tables summarize our consolidated financial and other data. We have derived the summary consolidated statements of operations data for the years ended December 31, 2018, 2019 and 2020 and the summary consolidated balance sheet data as of December 31, 2020 from our audited consolidated financial statements and related notes included elsewhere in this prospectus. Our historical results are not necessarily indicative of our future results. The following summary consolidated financial and other data should be read in conjunction with the sections titled "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Selected Consolidated Financial and Other Data" and the consolidated financial statements and related notes included elsewhere in this prospectus. The last day of our fiscal year is December 31.

	Year Ended December 31,		
(in thousands, except for per share amounts)	2018	2019	2020
Consolidated Statements of Operations Data:			
Revenue:			
Connected machines	$ 147,081	$ 198,144	$ 416,714
Subscriptions	31,300	53,829	111,337
Accessories and materials	161,407	234,581	430,979
Total revenue	339,788	486,554	959,030
Cost of revenue:			
Connected machines(1)	127,546	176,894	351,898
Subscriptions(1)	5,027	8,827	13,125
Accessories and materials(1)	96,119	158,483	261,633
Total cost of revenue	228,692	344,204	626,656
Gross profit	111,096	142,350	332,374
Operating expenses:			
Research and development(1)	24,056	26,674	38,930
Sales and marketing(1)	30,698	40,110	63,329
General and administrative(1)	18,363	22,005	29,602
Total operating expenses	73,117	88,789	131,861
Income from operations	37,979	53,561	200,513
Other income (expense):			
Interest expense, net	(1,934)	(3,291)	(1,155)
Other income (expense), net	108	(2)	(165)
Total other income (expense), net	(1,826)	(3,293)	(1,320)
Income before provision for income taxes	36,153	50,268	199,193
Provision for income taxes	8,721	11,057	44,615
Net income	$ 27,432	$ 39,211	$ 154,578
Net income attributable to common stockholders(2)	49,337	39,211	154,578
Earnings per share attributable to common stockholders, basic and diluted(2)	$ 0.24	$ 0.19	$ 0.74
Weighted-average common shares outstanding used to compute earnings per share attributable to common stockholders, basic and diluted(2)	208,116,104	208,116,104	208,116,104

(1) Includes stock-based compensation expense as follows:

(in thousands)	Year Ended December 31, 2018	2019	2020
Cost of revenue			
Connected machines	$ 11	$ 2	$ 7
Subscriptions	51	11	31
Accessories and materials	—	—	—
Total cost of revenue	62	13	38
Research and development	5,467	881	3,332
Sales and marketing	2,843	623	4,794
General and administrative	2,006	328	1,320
Total stock-based compensation expense	$ 10,378	$ 1,845	$ 9,484

(2) See Note 1, Note 2 and Note 14 to our consolidated financial statements included elsewhere in this prospectus for an explanation of the methods used to calculate basic and diluted net income per share.

	As of December 31, 2020	
	Actual	As Adjusted(1)(2)
Consolidated Balance Sheet Data:		
(in thousands)		
Cash and cash equivalents	$ 122,215	$ 377,805
Working capital	192,307	448,520
Total assets	581,400	835,050
Term loan, net of current portion	—	—
Total liabilities	352,475	351,852
Total stockholders' equity	228,925	483,198

(1) The as adjusted column in the balance sheet data above reflects the sale and issuance of shares of our Class A common stock by us in this offering, at the assumed initial public offering price of $21.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

(2) The as adjusted information is illustrative only and will change based on the actual initial public offering price and other terms of this offering determined at pricing. Each $1.00 increase (decrease) in the assumed initial public offering price of $21.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase (decrease) each of our cash and cash equivalents, working capital, total assets, and total stockholders' equity by $12.3 million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. Each increase (decrease) of 1.0 million shares in the number of shares offered by us would increase (decrease) cash and cash equivalents, working capital, total assets, and total stockholders' equity by $19.5 million, assuming the assumed initial public offering price remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

Key Business and Non-GAAP Financial Measures

In addition to the measures presented in our consolidated financial statements, we use the following key business metrics and non-generally accepted accounting principles financial measures to help us evaluate our business, identify trends affecting our business, formulate business plans and make strategic decisions. For more information regarding our use of these non-GAAP financial measures and reconciliations to the most directly comparable financial measures calculated in accordance with generally accepted accounting principles in the United States, or GAAP, see the section titled "Selected Consolidated Financial and Other Data—Key Business Metrics and Non-GAAP Financial Measures."

	As of December 31, 2018	2019	2020
Users (in thousands)	1,685	2,525	4,323
Percentage of Users Creating in Trailing 90 Days	N/A	64%	65%
Paid Subscribers (in thousands)	417	604	1,303

	Year Ended December 31,		
	2018	2019	2020
Subscription ARPU	$ 23.19	$ 25.57	$ 32.52
Accessories and Materials ARPU	$ 119.61	$ 111.44	$ 125.88
EBITDA (in millions)	$ 46.1	$ 62.7	$ 214.4

RISK FACTORS

Investing in our Class A common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information in this prospectus, including in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations," our consolidated financial statements and related notes and all of the other information in this prospectus, before making a decision to invest in our Class A common stock. If any of the risks actually occur, our business, financial condition, results of operations and prospects could be materially and adversely affected. In that event, the market price of our Class A common stock could decline, and you could lose part or all of your investment.

Summary of Risk Factors

Investing in our Class A common stock involves a high degree of risk because our business is subject to numerous risks and uncertainties, as described below. The principal factors and uncertainties that make investing in our Class A common stock risky include, among others:

- risks regarding our ability to attract and engage with our users, including anticipating their product preferences;
- competitive risks in each of our three segments: Connected Machines, Subscriptions and Accessories and Materials;
- supply chain, manufacturing, distribution and fulfillment risks, including our being primarily dependent on a single China-based manufacturer and on limited sources of supply for components, accessories and materials;
- international risks, including regulation, tariffs that have materially increased our costs and the potential for further trade barriers;
- sales and marketing risks, including our dependence on sales to brick-and-mortar and online retail partners and our need to continue to grow online sales;
- risks relating to the complexity of our business, which includes connected machines, custom tools, hundreds of materials, design apps, e-commerce software, subscriptions, content, international production, direct sales, and retail distribution, particularly for a company of our relative size;
- risks related to product quality, safety and warranty claims and returns;
- risks related to protection of our intellectual property, as well as to cybersecurity and potential data breaches; and
- risks related to our dependence on our Chief Executive Officer.

Risks Related to Our Industry and Business

If we are not able to attract and engage with our users, our business and rate of growth could be adversely affected.

Since launching our first connected machine, we have built a loyal and growing community of users that has reached substantial scale. Our business and rate of growth is dependent upon our ability to attract and engage with our users. We cannot ensure that our efforts to attract and engage with users will be successful or that we will be able to maintain sales to our users. There are a number of factors that could impact our number of users and our ability to increase sales to users, including:

- a decline in the public's interest in do-it-yourself, or DIY, crafting activities;
- pricing, perceived value and ease of use of our connected machines and accessories and materials as well as our subscriptions;
- our ability to satisfy demand for and deliver quality products and value for subscriptions;
- sales of competitive products;
- our failure to broaden our demographic appeal;
- our ability to continue to improve the user experience in each aspect of our business and successfully educate our users about our products;
- our failure to capitalize on growth opportunities;
- our inability to meet the challenges resulting from fast-paced changes in technology;
- the failure of our connected machines to communicate or sync properly with Cricut-authorized design apps, including our Design Space apps, or other third-party applications such as Android, iOS and Windows;
- unsatisfactory experiences with our products, including with respect to the use, purchasing or delivery of our products or with Cricut Member Care, including public disclosure of those experiences through social media or other communications from our community;
- changes to our product offerings;
- our failure to increase our international presence, including the failure to translate and localize our digital content and subscriptions, or the failure to further expand internationally;
- decreased word-of-mouth referrals from our community or failed marketing efforts; and
- deteriorating general economic conditions or changes in consumer spending preferences or buying trends.

As a result of these factors, we cannot be sure that we will be successful in attracting and engaging with users, or increasing sales to our users, at levels that will be adequate to maintain or grow our business.

Our revenue growth rate and financial performance in recent periods may not be indicative of our future performance, and we expect our revenue growth rate to decline compared to prior years.

We have experienced rapid revenue growth in recent periods, with revenue of $487 million and $959 million for the years ended December 31, 2019 and 2020, respectively. You should not rely on our revenue for any previous quarterly or annual period as any indication of our revenue or revenue growth in future periods. As we grow our business, we expect our revenue growth rates to decline compared to prior years due to a number of reasons, including more challenging comparisons to prior periods as our revenue grows, slowing demand for our products and subscriptions, increasing competition, a decrease in the growth of our overall market and our failure to capitalize on growth opportunities. For example, during the COVID-19 pandemic, we have seen significant growth in sales online through the online channels of our brick-and-mortar or online retail partners as well as through our website in 2020, but there can be no assurance that online sales will remain at these levels in the future or that we will be able to continue to significantly grow our online channels.

If we are unable to anticipate user preferences and successfully develop and introduce new, innovative and updated products in a timely manner, our business may be adversely affected.

Our success in maintaining and increasing our user community depends on our ability to identify trends, as well as to anticipate and react to changing preferences, which cannot be predicted with certainty. If we are unable to introduce new or enhanced products, or additional designs and projects, in a timely manner, if such new offerings are not accepted by our user community or if our competitors introduce similar offerings faster than we do, our business may be adversely affected. We also need to successfully educate our users on new offerings or improvements to current offerings. Moreover, our new offerings may not receive market acceptance if preferences change rapidly to different types of personal DIY offerings or away from these types of offerings altogether. Our future success depends in part on our ability to anticipate and respond to these changes as well as to improve the user experience in each aspect of our business. For example, some users find our connected machines to be challenging to use or may require user education in order to operate them efficiently or have the best user experience. If we are not able to make our connected machines easier to use or improve user education and experience, it may have an adverse effect on our business. In addition, failure to anticipate and respond in a timely manner to changing user preferences could lead to, among other things, reduced word-of-mouth referrals, lower sales, lower subscription rates, pricing pressure, lower gross margins, discounting of our existing products and excess inventory levels.

Even if we are successful in anticipating user preferences, our ability to adequately react to and address them will partially depend upon our continued ability to develop and introduce innovative, high-quality products. Development and launch of new or enhanced products is time-consuming and requires significant financial investment, which could result in increased costs and a reduction in our profit margins. We have experienced, and may in the future experience, delays in the planned release dates of new products. Delays could result in adverse publicity (if potential new product announcements are leaked and then delayed), loss of sales and delay in market acceptance, any of which could cause us to lose or fail to engage with existing users or impair our ability to attract new users. In addition, the introduction of new products by competitors could adversely affect our ability to compete. Any delay or failure in the introduction of new products could harm our business, results of operations and financial condition.

Moreover, we must successfully manage the introduction of new or enhanced products and product offerings, which could adversely affect the sales of our existing products. For instance, users may choose to forgo purchasing existing connected machines in advance of new product launches, and we may experience higher returns from users of existing products after a new product launch occurs. As we introduce new or enhanced products, we may face additional challenges related to managing a more complex supply chain and manufacturing process, including the time and cost associated with onboarding and overseeing additional suppliers, contract manufacturers and third-party logistics partners. We may also face challenges managing the inventory of new or existing products, which could lead to excess inventory and discounting of such products. Users may negatively react to changes we introduce to products and

product offerings. In addition, new or enhanced products may have varying selling prices and costs compared to legacy products, which could negatively impact our gross margins and results of operations.

We derive a significant portion of our revenue from sales of our connected machines, and a decline in sales of our connected machines would adversely affect our future revenue and results of operations.

We derive a significant portion of our revenue from sales of our connected machines. Any factors adversely affecting sales of our connected machines, including introduction by competitors of comparable machines at lower price points, a maturing product lifecycle, shortages in our supply or inventory of connected machines, a decline in consumer spending or other factors discussed elsewhere in this Risk Factors section, could result in a decline in sales of our connected machines, which would adversely affect our future revenue and results of operations. Moreover, because we derive a significant portion of our revenue from the sale of subscriptions and accessories and materials as an extension of the sales and use of our connected machines, any material decline in the sales and use of our connected machines would also have a pronounced impact on the sales of subscriptions and accessories and materials, which would adversely affect our future revenue and results of operations.

Our results of operations could be adversely affected if we are unable to accurately forecast consumer demand for our products or adequately manage our inventory, the manufacturing capacity of our contract manufacturers or their component supply.

Our ability to accurately forecast demand could be affected by many factors, including changes in consumer demand for our products, changes in demand for the products of our competitors, unanticipated changes in general market or economic conditions or changes in consumer confidence in future economic conditions. This risk may be exacerbated by the fact that we do not have the manufacturing capacity or supply-chain flexibility to satisfy short-term demand increases. For example, during the COVID-19 pandemic and stay-at-home orders, we saw significant growth in sales in 2020, which has strained our inventory levels and caused shortages that likely resulted in lost sales. If we fail to accurately forecast consumer demand, we may experience insufficient or excess inventory levels or a shortage or surplus of products available for sale. If we underestimate demand or are otherwise unable to meet consumer demand, we could experience loss of revenue, reputational harm and damaged relationships, including through social media or other communications from our community, and adversely affect our business, financial condition and results of operations. If we forecast inventory levels in excess of consumer demand, this may result in inventory write-downs or write-offs and the sale of excess inventory at discounted prices, which would cause our gross margins to suffer and could impair the strength and premium nature of our brand image.

We depend on sales to brick-and-mortar and online retail partners, including a limited number of sophisticated key brick-and-mortar and online retail partners. The loss or substantial decline in volume of sales to any of our key brick-and-mortar and online retail partners could adversely affect our financial performance.

Our financial performance has been and will continue to be significantly determined by our success in attracting and retaining brick-and-mortar and online retail partners. For the year ended December 31, 2020, our top seven brick-and-mortar and online retail partners accounted for 59% of product revenue. We anticipate that this concentration will continue for the foreseeable future.

We are dependent on our brick-and-mortar and online retail partners to manage the sales of our products in their stores and on their websites. For example, we depend on brick-and-mortar retail partners to provide adequate and attractive space for our products and point of purchase displays in their stores and to employ, educate and motivate their sales personnel to sell our products. We also depend on our brick-and-mortar and online retail partners to adequately market our products on their websites and provide a positive online shopping and shipping experience for their customers. However, we generally do not have significant input or control over the display or promotion of our products by our brick-and-mortar and online retail partners, and they are generally not prohibited from promoting products of our competitors.

Our key brick-and-mortar and online retail partners have demanded and may in the future demand heightened security, product safety or packaging requirements and specified service levels. If we fail to meet these requirements, we may not only lose a brick-and-mortar and online retail partner, but we may have to pay significant punitive costs or retailer-imposed fines for such failures. We also impose policies and guidelines on our brick-and-mortar and online retail partners through our contractual agreements. If a retailer fails to follow the policies and guidelines in our sales agreements, we may choose to temporarily or permanently stop shipping product to that retailer, which could adversely affect our revenue and results of operations.

Because our key brick-and-mortar and online retail partners have dominant positions in their markets, a loss of any key retailer may not be easily replaced. The loss or substantial decline in volume of sales to our key brick-and-mortar and online retail partners would adversely affect our financial performance. Moreover, if we are not able to meet demand from our key brick-and-mortar and online retail partners, they may limit or eliminate our shelf space, fail to feature our products on their websites or cease to offer our products and instead offer or promote products from our competitors who are able to meet their demands.

If the financial condition of one or more of our key brick-and-mortar and online retail partners weakens, a key retailer stops selling our products or uncertainty regarding demand for some or all of our products causes one or more of these brick-and-mortar and online retail partners to reduce its ordering and marketing of our products, it could decrease revenue from sales to brick-and-mortar and online retail partners and adversely affect our total revenue. Financial difficulties for one or more of our key brick-and-mortar and online retail partners could also expose us to financial risk if such retailer were unable to pay for the products purchased from us. We may not be able to collect our receivables from our brick-and-mortar and online retail partners, or we may incur significant expense in attempting to collect receivables, which would materially and adversely affect our profitability and cash flows from operations. For example, the COVID-19 pandemic has had a material adverse effect on many retail chains generally, many of whom were required to close their stores for periods of time, and some of which have gone out of business. While the challenges that many retail chains experienced during the COVID-19 pandemic have not had a material adverse effect on our business, such challenges could negatively affect our business and results of operations in the future.

Our long-term growth is dependent upon our ability to increase online sales through the websites of our brick-and-mortar and online retail partners as well as through our own website. If we do not effectively grow our online channels while reducing our reliance on our other sales channels, our business, financial condition, results of operations and profitability could be harmed.

Our ability to continue our revenue growth and increase our profitability depends in part upon our ability to successfully implement certain strategic go-to-market initiatives, including expanding our online sales presence while continuing to work with key brick-and-mortar and online retail partners. Our online sales include online sales through the websites of our brick-and-mortar and online retail partners as well as through our own website cricut.com. In each of the years ended December 31, 2019 and 2020, 48% of our revenue was generated from these online channels. There can be no assurance that online sales will remain at these levels in the future or that we will be able to continue to significantly grow our online channels.

To successfully grow our sales through cricut.com, we must continue to drive traffic to our website, convert a larger percentage of potential brick-and-mortar and online retail partner sales to our website and create and maintain a streamlined and intuitive online shopping experience. Increasing sales through cricut.com may be costly and may place increased demands on our operational, managerial, administrative and other resources. We are dependent on our brick-and-mortar and online retail partners to manage their own e-commerce operations effectively and to promote our products through those channels. We or our brick-and-mortar and online retail partners may be unable to effectively address the challenges involved with increasing online sales, which could negatively affect our results of operations and financial condition.

Sales through online channels, either through cricut.com or our online retail partners' websites, could reduce sales by our current brick-and-mortar retail partners, which could adversely affect our relationship with our brick-and-mortar retail partners, particularly those that do not have a strong online presence. Based on our strategic initiative to increase sales through online channels, our brick-and-mortar retail partners may decide not to adequately display our products in store, choose to reduce the in-store space for our products, locate our products in less than premium positioning in their store, choose not to carry some or all of our products or promote competitors' products over ours in store, and as a result, our sales could decrease and our business could be harmed.

If we are not successful in effectively and sustainably growing our online sales channels, through cricut.com and our brick-and-mortar and online retail partners' websites, our business, financial condition, results of operations and profitability could be harmed.

If we are unable to maintain or increase our subscriptions, or if existing users do not renew their subscriptions, our future revenue and results of operations could be harmed.

As of December 31, 2020, approximately 30% of our users were Paid Subscribers. If we are unable to maintain or increase subscriptions, which have higher margins than our other products, our future revenue and results of operations could be harmed. Our Paid Subscribers have no contractual obligation to renew their subscriptions to Cricut Access or Cricut Access Premium after the expiration of their initial subscription term, and our subscriptions may be offered on a monthly and annual basis. The images and designs on our platform are available for purchase à la carte, which may limit the incentive for users to purchase subscriptions. Our ability to increase new subscriptions may decline or fluctuate as a result of a number of factors, including seasonality, the quality of images and projects we offer, the number of new features and capabilities only offered through our subscriptions, the prices of products offered by our competitors and the budgets and consumer spending habits of our users. If our users do not renew their subscriptions or if additional users do not purchase subscriptions, our future revenue and results of operations could be harmed. To the extent that users of our free design apps do not purchase images, projects or products à la carte or convert to a subscription, our future revenue and results of operations could be harmed. Our efforts to increase our subscriptions may not have the desired effect. For example, we recently introduced changes to our free Design Space app limiting the number of personal images or patterns a user could upload each month without a subscription. It is too early to know the impact of this change on our business and results of operations. Instead of increasing subscriptions, however, such limitations could cause our users to limit their use of our connected machines, cause reputational harm and damaged relationships, and result in reduced sales of connected machines and accessories and materials, any of which could negatively affect our future revenue and results of operations. Finally, any future changes to our subscription model could make our subscriptions less attractive to users or reduce our margins on subscriptions, which could negatively affect our future revenue and results of operations.

We operate in a highly competitive market and we may be unable to compete successfully against existing and future competitors.

The markets in which we participate, including the traditional craft market and the other creative or DIY markets we touch, are highly competitive with limited barriers to entry. We operate and manage our business in three reportable segments: Connected Machines, Subscription and Accessories and Materials. We face competition in every aspect of our business, but particularly in Accessories and Materials. Many accessories and materials produced by our competitors, including the private label products of some of our retail partners, are compatible with our connected machines and are often available for purchase through our retail partners. Our competitors may offer competing accessories and materials at lower price points or with different features than our products. Moreover, we expect the competition in the accessories and materials DIY market to intensify in the future as new and existing competitors introduce new or enhanced products that may compete with our product lines. Because we derive a significant portion of our revenue from the sales of accessories and materials, any material decline in such sales would have a pronounced impact on our future revenue and results of operations.

We also experience competition in connected machines from sellers of both connected and manual cutting and other machines. For example, Brother, Graphtec and Silhouette America sell cutting machines, and a number of companies sell heat press machines. Our Subscriptions business, which provides users with fonts and images for making designs, competes with free content available on the Internet.

With respect to all of our segments, introduction by competitors of comparable products at lower price points, a maturing product lifecycle, a decline in consumer spending or other factors could result in a decline in our revenue derived from our products, which may adversely affect our business, financial condition and results of operations.

As our product categories mature, new competitive forces and competitors may emerge. As we expand our product offerings, we may begin to compete in new product offerings with new competitors. Our competitors may develop, or have already developed, products, features, content, services or technologies that are similar to ours or that achieve greater market acceptance, undertake more successful product development efforts, create more compelling employment opportunities or marketing campaigns or may adopt more aggressive pricing policies. Our competitors may develop or acquire, or have already developed or acquired, intellectual property rights that significantly limit or prevent our ability to compete effectively in the public marketplace. In addition, our competitors may have significantly greater resources than we do, allowing them to identify and capitalize more efficiently upon opportunities in new markets and consumer preferences and trends, quickly transition and adapt their products, devote greater resources to marketing and advertising or better position themselves to withstand substantial price competition. If we are not able to compete effectively against our competitors, they may acquire and engage our users or generate revenue at the expense of our efforts, which could adversely affect our business, financial condition and results of operations.

Sales of copycat products or unauthorized "gray market" products by brick-and-mortar and online retail partners or distributors could adversely affect our authorized distribution channels and harm our reputation, business and results of operations.

Copycat companies or products may attempt to imitate our connected machines and accessories and materials, our brand or the functionality of our products. When consumers purchase copycat products in lieu of our products, it negatively affects our business and results of operations. In the past, when we have become aware of such products, we have employed technological or legal measures in an attempt to halt their distribution, and we plan to continue to employ such measures in the future. However, we may be unable to detect all copycat products in a timely manner, and, even if we could, technological and legal measures may be insufficient to halt their distribution. In some cases, particularly in the case of brick-and-mortar and online retail partners and distributors operating outside of the United States, our available remedies may not be adequate to protect us against the effect of such copycat products. Regardless of whether we can successfully enforce our rights against the producers of these products, any measures that we may take could require us to expend significant financial or other resources, which could harm our business, results of operations or financial condition. For example, we are currently aware of certain unauthorized copycat products, such as mats and other accessories, that are actively marketed for use with our connected machines and are available through certain major online retail partners. We have taken legal action against certain of the producers of these copycat products and anticipate expending significant financial or other resources in the future to combat these products. In addition, to the extent that sales of copycat products create confusion or experiences with our products among consumers, our brand and business could be harmed. For example, in some cases, users purchase copycat products believing them to be Cricut products and then inaccurately attribute defects with those products to Cricut, which would adversely affect our reputation. In other cases, our users purchase copycat accessories to use with their connected machine, but since the copycat accessories are not calibrated correctly to work with our connected machines, they may have a negative experience and attribute it to the connected machine.

Further, some of our products may find their way to unauthorized outlets or distribution channels. This “gray market” for our products can undermine authorized brick-and-mortar and online retail partners and distributors who promote and support our products and can damage our reputation and business, and we may have to spend significant time and resources in the future to challenge such copycat products and unauthorized “gray market” products.

Competitive pricing pressures, including with respect to our products, subscriptions and shipping, may harm our business and results of operations.

If we are unable to sustain pricing levels for our products and subscriptions, whether due to competitive pressure or otherwise, our gross margins could be significantly reduced. Our portfolio of connected machines range from $179.99 to $399.99 MSRP, and subscription offerings range from $9.99 per month to $95.88 per year for Cricut Access or $119.88 per year for Cricut Access Premium, which includes all of the benefits of Cricut Access as well as additional discounts and preferred shipping. Within our accessories and materials, our SKUs range in price from $0.99 to $239.99.

Demand for our products can be sensitive to price, especially in times of slow or uncertain economic growth and consumer economic conservatism. Many factors can significantly impact our pricing strategies, including production and personnel costs, as well as other factors outside of our control, such as consumer sentiment, increases in the price of raw materials, and our competitors’ pricing and marketing strategies. Changes in our pricing strategies have had, and may continue to have, a significant impact on our revenue and net income. From time to time, we have made changes to our pricing structure to remain competitive, because if we fail to meet our brick-and-mortar and online retail partners’ and users’ price expectations, we could lose sales. Furthermore, brick-and-mortar and online retail partners may choose to offer promotions or sales on our products, including our connected machines, and we may have to match those prices on our own website to continue to attract users to our website to make purchases, which could affect our business and results of operations.

Many of our accessories and materials, including vinyl, iron-on vinyl, paper, metal, laminate, leather, fabric, stationery, stickers and other merchandise, are also offered by our competitors at lower prices or with free or accelerated shipping timelines that we either are unable to or choose not to match. Accordingly, if a user runs out of materials during a project, they may opt to purchase a replacement from a competitor or other online retail partner, such as Amazon, to receive one or two-day shipping, which we may not be able to offer. In addition, many of our competitors discount our accessories and materials or competitors’ accessories and materials at significant levels, and, as a result, we may be compelled to change our discounting strategy, which could impact our business and results of operations. If in the future, due to competitor discounting, shipping or other marketing strategies, we significantly reduce our prices on our products without a corresponding increase in sales volume, it would negatively impact our revenue and could adversely affect our gross margins and overall profitability.

Further, our decisions around the development of new products and subscriptions are grounded in assumptions about eventual pricing levels. If there is price compression in the market after these decisions are made, our business and results of operations could be adversely affected.

If we are not able to accurately estimate variable consideration from sales incentives each quarter, it could affect revenue in future periods.

We participate in promotional and rebate programs with our key brick-and-mortar and online retail partners to enhance the sale of our products. These promotional programs consist of incentives or entitlements to our customers, such as advertising allowances, volume and growth incentives, business development, product damage allowances and point-of-sale support. Sales incentives are considered to be variable consideration, which we estimate each quarter using the expected value method or most likely amount, based upon the nature of the incentive. Sales are reduced by the cost of these promotional and rebate programs and we record a related customer rebate liability in our consolidated balance sheets at the date of the transaction. To the extent that our estimates of variable consideration from sales incentives each quarter are not accurate, it could affect our revenue in future periods.

We have grown rapidly in recent years and have limited operating experience at our current scale of operations. If we are unable to manage our growth and the complexity of our business effectively, our brand, company culture and financial performance may suffer.

We have grown rapidly in recent years and have limited operating experience at our current size. For example, our revenue has grown from $340 million to $487 million to $959 million for the years ended December 31, 2018, 2019 and 2020, respectively. In addition, between January 1, 2019 and December 31, 2020, our employee headcount increased from over 350 to over 640, and we expect headcount growth to continue for the foreseeable future. Further, as we grow, our business becomes increasingly complex, particularly for a company of our relative size. To effectively manage and capitalize on our growth, we must continue to forecast demand and manage our supply chain, expand our sales and marketing, focus on innovative product development, upgrade and secure our management information systems and other processes and obtain more space for our expanding staff. Our continued growth and complexity could strain our existing resources, and we could experience ongoing operating difficulties in managing our business across numerous jurisdictions, including difficulties in hiring, training and managing a diffuse and growing employee base. Failure to scale with growth could harm our future success, including our ability to effectively focus on and pursue our corporate objectives. Moreover, the complicated nature of our business, in which we design our own products, develop our own design apps, rely on third-party manufacturers and sell our products through brick-and-mortar and online retail partners, as well as through our website, exposes us to risk and disruption at many points that are critical to successfully operating our business and may make it more difficult for us to scale our business. If we do not adapt to meet these evolving challenges, including hiring and maintaining the right number of employees for each aspect of our business, or if our management team does not effectively scale with our growth, we may experience erosion to our brand, the quality of our products may suffer and our company culture may be harmed.

Our growth strategy contemplates an increase in our advertising and other sales and marketing spending, which represented 9%, 8% and 7% of revenue in 2018, 2019 and 2020, respectively. Successful implementation of our growth strategy will require significant expenditures before any substantial associated revenue is generated, and we cannot guarantee that these increased investments will result in corresponding and offsetting revenue growth.

Because we have a limited history of operating our business at its current scale, it is difficult to evaluate our current business and future prospects, including our ability to plan for and model future growth and anticipate the risks that may affect our business. This limited operating experience, combined with the complexity of our business and rapidly evolving nature of the market in which we sell our products, raises substantial uncertainty concerning how these markets and other economic factors beyond our control may develop and reduces our ability to accurately forecast quarterly or annual revenue. Failure to manage our future growth effectively could adversely affect our business, financial condition and results of operations.

Our business is affected by seasonality.

Our business has historically been influenced by seasonal trends. We generate a disproportionate amount of sales activity related to our products during the fourth quarter, due in large part to seasonal holiday demand. For example, in 2018, 2019 and 2020 our fourth quarter represented 39%, 36% and 39% of total revenue for the year, respectively. Our promotional discounting activity is also higher in the fourth quarter as well, which negatively impacts gross margin during this period. Accordingly, adverse events that occur during these months could have a disproportionate effect on our results of operations for the entire fiscal year. In contrast, sales of accessories and materials typically slow in the second quarter of the year in connection with school summer holidays. Seasonality in our business can also be affected by introductions of new or enhanced products, including the costs associated with such introductions. Furthermore, our rapid growth in recent years may obscure the extent to which seasonality trends have affected our business and may continue to affect our business. Accordingly, yearly or quarterly comparisons of our results of operations may not be useful and our results in any particular period will not necessarily be indicative of the results to be expected for any future period. Moreover, we have experienced a significant increase in sales since the outbreak of the COVID-19 pandemic, and the development of a vaccine and/or normalized full-time return to work trends may negatively impact demand for our products and subscriptions, and our sales activity may diminish as a result.

Our quarterly results of operations and other operating metrics may fluctuate from quarter to quarter, which makes these metrics difficult to predict.

Our quarterly results of operations and other operating metrics have fluctuated and may continue to fluctuate in the future. Additionally, our limited operating history at our current scale of operations makes it difficult to forecast our future results. As a result, you should not rely on our past quarterly results of operations as indicators of future performance. Our financial condition, results of operations and operating metrics in any given quarter can be influenced by numerous factors, many of which we are unable to predict or are outside of our control, including those discussed in this Risk Factors section and:

- the continued market acceptance, and the growth, of the personal craft market;
- our ability to attract and engage our users, leading to increased sales to them;
- our development and improvement of the quality of our user experience, including enhancement of existing products, creation of new products, technology and features and licensing of new content;
- the continued development and upgrading of our proprietary software;
- the timing and success of new products, features and content introductions by us or our competitors or any other change in the competitive landscape of the markets in which we operate;
- pricing pressure as a result of competition or otherwise;
- delays or disruptions in our supply chain;
- errors in our forecasting of the demand for our products, which could lead to lower revenue, increased costs or both;
- increases in marketing, sales and other operating expenses;
- seasonal fluctuations in subscriptions, engagement by users and purchases of accessories and materials;
- the mix of our products sales from period to period;
- our ability to maintain gross margins and operating margins;
- system failures or breaches of security or privacy;
- adverse litigation judgments, settlements or other litigation-related costs;
- changes in the legislative or regulatory environment, including with respect to privacy, data protection and security, consumer product safety and advertising or enforcement by government regulators, including fines, orders or consent decrees;
- fluctuations in currency exchange rates and changes in the proportion of our revenue and expenses denominated in foreign currencies;
- changes in our effective tax rate;
- changes in accounting standards, policies, guidance, interpretations or principles; and
- changes in business or macroeconomic conditions, including the impact of the current COVID-19 outbreak, lower consumer confidence, recessionary conditions, increased unemployment rates or stagnant or declining wages.

Any one of the factors above or the cumulative effect of some of the factors above may result in significant fluctuations in our results of operations.

The variability and unpredictability of our quarterly results of operations or other operating metrics could result in our failure to meet our or investors' expectations or those of analysts that cover us with respect to revenue or other results of operations for a particular period. If we fail to meet such expectations, the market price of our Class A common stock could fall substantially, and we could face costly lawsuits, including securities class action suits.

Our future growth depends in part on further penetrating our SAM and TAM and we may not be successful in doing so.

We believe that our growth depends on our ability to reach our market opportunity in terms of our SAM, which includes active creatives who we address with our current products and price points, and our TAM, which includes potential creatives who we believe we can reach over the long term as we make products for new uses and products that are more accessible, even easier to use and available at a broad set of price points. See the section titled "Business – Our Opportunity." We assess our SAM and TAM in the United States and Canada, as well as internationally. We believe that in order to further penetrate our SAM and TAM, we must continually improve ease of use and user experience, launch new products in new categories and expand internationally. For example, some users find our connected machines to be challenging to use or may require user education in order to operate them efficiently or have the best user experience. If we are not able to make our connected machines easier to use or improve user education and experience, we may not be able to expand our SAM and TAM. Our SAM and TAM are representative of a broad demographic. However, historically we have served a largely female demographic representing 96% of our users as of September 30, 2020. We continue to explore additional offerings that address new categories that will appeal to a wider demographic. Any new offerings may not appeal to current consumer preferences and may not be accepted by our user community or potential new users. While we believe our growth depends on our ability to expand our sales into our SAM and our TAM, we cannot be certain that we will be successful in doing so.

Our focus on delivering a high-quality product, which may not maximize short-term financial results, may yield results that conflict with the market's expectations and could result in our stock price being negatively affected.

We focus on delivering a high-quality product, which may not necessarily maximize short-term financial results. We operate on the conviction that focusing on the needs of our users and our employees will produce positive results for our owners over the long term. We frequently make business decisions that may reduce our short-term financial results if we believe that the decisions are consistent with our goals to improve our users' experience, which we believe will improve our financial results over the long term. These decisions may not be consistent with the short-term expectations of our stockholders or produce the long-term benefits that we expect, which could hinder the growth of the number and engagement of our users and harm our business, financial condition and results of operations.

Any failure to successfully implement new technology or upgrade our information technology systems, or any major disruption or failure of our information technology systems or websites, could adversely affect our business and operations.

Certain of our information technology systems are designed and maintained by us and are critical for the efficient functioning of our business, including the manufacture and distribution of our products, online sales of our products and the ability of our users to access their content and designs. Our rapid growth has, in certain instances, strained these systems. As we grow, we continue to implement modifications and upgrades to our systems, including sunsetting the use of internal servers and the implementing a company-wide product lifecycle management system. These changes subject us to inherent costs and risks associated with replacing and upgrading these systems, including, but not limited to, impairment of our ability to fulfill brick-and-mortar and online retail partners orders and other disruptions in our business operations. Further, our system implementations may not result in productivity improvements at a level that outweighs the costs of implementation, or at all.

Our platform is complex and multifaceted, and operational and performance issues could arise both from the platform itself and from outside factors, such as cybersecurity attacks or other third-party attacks. Errors, failures, vulnerabilities or bugs have been found in the past, and may in the future be found. Our platform also relies on third-party technology and systems to perform properly, and our platform is often used in connection with computing environments utilizing different operating systems, system management software, equipment and networking configurations, which may cause errors in, or failures of, our platform or such other computing environments. Operational and performance issues with our platform could include the failure of our user interface, outages, errors during upgrades or patches, unanticipated volume overwhelming our systems, server failure or catastrophic events affecting one or more server farms. While we have built redundancies in our systems, full redundancies do not exist, and some failures could shut our platform down completely. As our user community grows and their usage of our services increases, we will be required to make additional investments in network capacity to maintain adequate data transmission speeds, the availability of which may be limited, and the cost of which may be on terms unacceptable to us. If adequate capacity is not available to us as our users' usage increases, our network may be unable to achieve or maintain sufficiently high reliability or performance. In the event that our users are unable to access our platform or suffer operational issues with our platform, it could negatively affect their experience with our products and platform and harm our reputation.

In addition, any unexpected technological interruptions to our systems, internal servers or websites could disrupt our operations, including our ability to process orders, timely ship and track product orders, project inventory requirements, manage our supply chain, sell our products online, provide Cricut Member Care and otherwise adequately serve our community. Specifically, a portion of our online sales comes directly from cricut.com, and any system interruptions or delays could prevent potential customers from purchasing our products directly from us. If users or potential customers fail to purchase our products directly from us, or if we are otherwise unable to maintain an efficient and uninterrupted operation of online order-taking and fulfillment operations, our revenue will be negatively impacted. In the event we experience significant disruptions or are unable to repair our systems in an efficient and timely manner, it could adversely affect our business, financial condition and results of operations.

Our sales to brick-and-mortar and online retail partners can be subject to lower gross margins, heightened product or packaging requirements or long ramp up times.

Our top seven brick-and-mortar and online retail partners, measured by the product revenue we derive from them, accounted for 59% of product revenue for the year ended December 31, 2020. Gross margins from sales to retailers may decline as a result of a number of factors outside our control, including tariffs as a result of trade wars and our reliance on a primary contract manufacturer which holds influence over the supply chain. This may magnify the impact of variations in revenue and operating costs on our results of operations, which in turn could adversely affect our overall margins and profitability. We had in 2018, 2019 and 2020, and may continue to have in the future, low gross margins in the early stages of our relationships with certain brick-and-mortar and online retail partners, particularly international brick-and-mortar and online retail partners that often require significant ramp-up periods, which has and may in the future adversely affect our total revenue. To compete effectively, we have been, and may in the future decide to offer significant discounts to large brick-and-mortar and online retail partners at lower margins or reduce or withdraw from existing relationships with smaller brick-and-mortar and online retail partners, which could negatively impact our revenue and could adversely affect our gross margins and overall profitability.

We rely on a limited number of distributors to generate a portion of our sales, particularly in our international target markets. The loss of, or a substantial decline in, volume of sales from any of our key distributors could adversely affect our financial performance.

We rely on a limited number of distributors for certain domestic sales, including to help establish relationships with certain retailers, and primarily sell through distributors internationally. If we lose any of our key distributors, particularly in our international target markets, if we are unable to meet our key distributors' demand requirements or if our key distributors sell competing products, our business and results of operations could be adversely affected. Moreover, because certain of our key distributors may have dominant positions in their markets, such key distributors may not be easy to replace and the loss of

a key distributor could also impact our relationships with certain retailers. Any loss of market share or financial difficulties faced by our key distributors, including bankruptcy and financial restructuring, could adversely affect our financial performance.

We also continue to pursue direct to retailer sales, which may impact our relationships with existing distributors. In the future, we may choose to temporarily or permanently stop shipping product to distributors who do not follow the policies and guidelines in our sales agreements, which could adversely affect our revenue and results of operations.

Additionally, our international distributors generally buy from us in U.S. dollars and generally sell to retailers in local currency, so significant currency fluctuations could affect their profitability, and in turn, affect their ability to buy products from us in the future. For example, the COVID-19 pandemic has created significant short-term volatility in global stock markets and has caused currency exchange rate fluctuations that make it more expensive for international distributors to purchase our products. Any reduction in sales by our international retailers could harm our international expansion and adversely affect our future growth.

Our future success depends on the continuing efforts of our key employees and our ability to attract and retain highly skilled personnel and senior management.

Our future success depends, in part, on our ability to continue to identify, attract, develop, integrate and retain qualified and highly skilled personnel, including senior management, engineers, designers, product managers, logistics and supply chain personnel, retail managers and Cricut Member Care personnel. In particular, we are highly dependent on the services of Ashish Arora, our Chief Executive Officer and the founder of our current product family and business model, who is critical to the development of, future vision for and strategic direction of our business. We also heavily rely on the continued service and performance of our senior management team, which provides leadership, contributes to the core areas of our business and helps us to efficiently execute our strategic direction. If our senior management team, including any new hires that we make, fails to work together effectively and to execute our plans and strategies on a timely basis, then our business and future growth prospects could be harmed.

Additionally, the loss of any key personnel could make it more difficult to manage our operations and research and development activities, reduce our employee retention and revenue and impair our ability to compete. In connection with this offering, we will enter into employment letters with our key personnel. These letters have no specific duration and constitute at-will employment. We do not maintain key person life insurance policies on any of our employees.

Competition for highly skilled personnel in our industry is often intense. We may not be successful in attracting, integrating or retaining qualified personnel to fulfill our current or future needs. We have from time to time experienced, and we expect to continue to experience, difficulty in hiring and retaining highly skilled employees with appropriate qualifications. In addition, job candidates and existing employees often consider the value of the equity awards they receive in connection with their employment. If the perceived value of our Class A common stock declines, it may adversely affect our ability to hire or retain highly skilled employees. In addition, we may periodically change our equity compensation practices, which may include reducing the number of employees eligible for equity awards or reducing the size of equity awards granted per employee. If we are unable to attract, integrate or retain the qualified and highly skilled personnel required to fulfill our current or future needs, our business and future growth prospects could be harmed.

Our success depends on our ability to maintain the value and reputation of the Cricut brand.

We believe that our brand is important to our large and loyal community of users, many of whom become deeply engaged with our brand. Maintaining, protecting and enhancing our brand depends largely on the success of our marketing efforts, our ability to provide consistent, high-quality products, services, features, content and support and our ability to successfully secure, maintain and defend our rights to use the Cricut, Cricut Access, Cricut EasyPress, Cricut Explorer, Cricut Maker and Design Space marks and other trademarks important to our brand or that we develop in the future. Our brand value also depends on our ability to maintain a positive user perception of our corporate integrity and culture. We believe that the

importance of our brand will increase as competition further intensifies and brand promotion activities may require substantial expenditures. Our brand could be harmed if we fail to achieve these objectives or if our public image were to be tarnished by negative publicity, including through social media or other communications from our community. Unfavorable publicity about us, including our products, technology, Cricut Member Care, content, personnel and suppliers could diminish confidence in, and the use of, our products. Such negative publicity also could adversely affect the size, engagement and loyalty of our user base or the effectiveness of word-of-mouth marketing, and result in decreased revenue, or require us to expend additional funds for marketing efforts, which could adversely affect our business, financial condition and results of operations.

We rely on Amazon Web Services for a substantial portion of our computing, storage, data processing, networking and other services. Any disruption of or interference with our use of Amazon Web Services or other third-party services could adversely affect our business, financial condition and results of operations.

We rely on Amazon Web Services for a substantial portion of our computing, storage, data processing, networking and other services. Any significant disruption of, or interference with, our use of Amazon Web Services could adversely affect our business, financial condition and results of operations. Amazon Web Services has broad discretion to change and interpret the terms of service and other policies with respect to us, and those actions may be unfavorable to our business operations. Amazon Web Services may also take actions beyond our control that could seriously harm our business, including discontinuing or limiting our access to one or more services, increasing pricing terms, terminating or seeking to terminate our contractual relationship altogether or altering how we are able to process data in a way that is unfavorable or costly to us. Although we expect that we could obtain similar services from other third parties, if our arrangements with Amazon Web Services were terminated, we could experience interruptions on our platform and in our ability to make our content available to users, as well as delays and additional expenses in arranging for alternative cloud infrastructure services. Any transition of the cloud services currently provided by Amazon Web Services to another cloud provider would be difficult to implement and will cause us to incur significant time and expense.

Additionally, we are vulnerable to service interruptions experienced by Amazon Web Services and other providers, and we expect to experience interruptions, delays or outages in service availability in the future due to a variety of factors, including infrastructure changes, human, hardware or software errors, hosting disruptions and capacity constraints. Outages and capacity constraints could arise from a number of causes such as technical failures, natural disasters, fraud or security attacks. The level of service provided by these providers, or regular or prolonged interruptions in that service, could also affect the use of, and our users' satisfaction with, our products and services and could harm our business and reputation. In addition, hosting costs will increase as user engagement grows, which could harm our business if we are unable to grow our revenue faster than the cost of using these services or the services of other providers. Any of these factors could further reduce our revenue or subject us to liability, any of which could adversely affect our business, financial condition and results of operations.

If we fail to offer high-quality customer support, our business and reputation will suffer.

Once users purchase our products, they depend on Cricut Member Care to resolve technical and operational issues relating to our products. Our ability to provide effective customer support is largely dependent on our ability to attract, train and retain qualified personnel with experience in supporting customers using complex products and software such as ours. We spend significant time and resources in training our Cricut Member Care team to effectively use our software and to resolve any issues that may arise with Design Space, Cricut Access and Cricut Access Premium. A variety of factors including an increase in sales or fluctuation in demand for support due to seasonality or other factors, have and will continue to put additional pressure on our customer support team. In particular, the COVID-19 pandemic-related closure of our offices has forced our Cricut Member Care staff to work from home, which has and may continue to result in work-productivity issues or a decrease in efficiencies, particularly during times of high call volume as we have seen when delivery lead times get longer. We may be unable to respond quickly enough to accommodate short-term increases in demand for technical support. In addition, as we

continue to grow our operations and expand internationally, our Cricut Member Care team will face additional challenges, including those associated with delivering support, training and documentation in languages other than English and across various time zones globally. If we are unable to provide efficient customer support globally at scale, our ability to grow our operations may be harmed, and we may need to hire additional support personnel, which could negatively impact our results of operations, particularly if it is not accompanied by a corresponding increase in revenue. In addition, we provide self-service support resources to our users, some of which rely on engagement and collaboration by and with other users. If we are unable to continue to develop self-service support resources that are easy to use and allow our users to resolve their technical issues, or if our users choose not to collaborate or engage with other users on technical support issues, our self-service support resources may not be effective, and our users' experience with our platform may be negatively impacted. Any failure to, or market perception that we do not, maintain high-quality support, including through social media or other communications from our community, could harm our reputation, our ability to attract new users, the engagement of our existing users with our platform and our business, results of operations and financial condition.

Our business depends on the integration of our software across a wide range of desktop and mobile devices and operating systems that are outside of our control.

Users engage with our software across a wide range of desktop and mobile devices and from a number of operating systems that are outside of our control. We are dependent on the interoperability of our software, as well as Cricut Access, Cricut Access Premium, Cricut Joy App, Design Space and other design apps, with popular desktop and mobile operating systems, such as Android and iOS. Any changes in such systems that degrade the functionality of our software or design apps or give preferential treatment to competitors could adversely affect our software's usage on desktop and mobile devices. To deliver high-quality images and projects, it is important that our software is designed effectively and works well with a range of third-party desktop and mobile systems, networks and standards. We may not be successful in developing relationships with key participants with original equipment manufacturing or mobile industry or in developing software that operate effectively with these technologies, systems, networks or standards. For example, mobile network operators or operating system providers could block or place onerous restrictions on the ability to download and use our software.

Outside of the United States, it is possible that governments of one or more countries may seek to censor images or projects available on our software or website or even attempt to block access to our website or design apps. If we are restricted from operating in one or more countries, our ability to attract and engage users in those regions may be adversely affected, and we may not be able to grow our business as we anticipate.

Failures in Internet infrastructure or interference with broadband access, including regulatory actions, could cause current or potential users to believe that our platform system or design apps are unreliable, possibly leading our users to switch to our competitors or to avoid using our products and subscriptions.

Many of our products and our subscriptions depend on our users' high-speed broadband access to the Internet. Increasing numbers of users and increasing bandwidth requirements may degrade the performance of our users' Internet access and therefore their access to or experience with our services and design apps. In particular, during the COVID-19 pandemic, many people are working or attending school from home, significantly increasing the number of users and volume of data on residential Internet systems. If Internet access service providers have outages or deteriorations in their quality of service, our users will not have access to our platform or may experience a decrease in the quality of our services. Frequent or persistent interruptions, even if resulting from users' personal Internet access rather than our systems, could cause current or potential users to believe that our systems or services are unreliable, leading them to switch to our competitors or avoid using our products and subscriptions, and could permanently harm our reputation and brands.

In addition, users who access our subscriptions and design apps through mobile devices, such as smartphones and tablets, should utilize a high-speed connection, such as Wi-Fi, 4G, 5G or LTE, to ensure

the best experience with our services and design apps. Currently, this access is provided by companies that have significant and increasing market power in the broadband and Internet access marketplace, including incumbent phone companies, cable companies and wireless companies. These providers could take measures that degrade, disrupt or increase the cost of user access to high-speed Internet connections, any of which would make our design apps and subscriptions less attractive to users, and reduce our revenue. Failures of Internet infrastructure or interference with broadband access may also impact our international expansion in countries that lack widespread high-speed Internet.

Further, in January 2018, the Federal Communications Commission, or the FCC, released an order reclassifying broadband Internet access as an information service, subject to certain provisions of Title I of the Communications Act of 1934. Among other things, the order eliminates rules adopted in 2015 that prohibited broadband providers from blocking, impairing or degrading access to legal content, applications, services or non-harmful devices or engaging in the practice of paid prioritization, e.g., the favoring of some lawful Internet traffic over other traffic in exchange for higher payments. The order was contested in federal court; it was largely affirmed by a three-judge panel but the panel did order the FCC to reconsider certain elements of the repeal. The request for rehearing was denied and the parties declined to appeal the decision to the U.S. Supreme Court. In October 2020, the FCC adopted an order concluding that the issues remanded by the court did not provide a basis to alter its conclusions in the 2018 order. The 2020 order could be subject to further petitions for reconsideration or court appeals. A number of states have enacted or are considering legislation or executive actions that would regulate the conduct of broadband providers. Democratic control of the Executive Branch, Congress and the FCC following the 2020 elections may increase the likelihood of legislative or FCC action to reverse the 2018 order or adopt new national network neutrality rules. We cannot predict whether the FCC order or state initiatives will be modified, overturned or vacated by legal action of the court, federal or state legislation or the FCC. Under the new FCC rules, broadband Internet access providers may be able to charge web-based services such as ours for priority access to customers, which could result in increased costs to us and a loss of existing users, impair our ability to attract new users and materially and adversely affect our business and opportunities for growth.

We may be subject to warranty claims and brick-and-mortar and online retail partner return policies that could result in significant direct or indirect costs, or we could experience greater product returns than expected, either of which could adversely affect our business, financial condition and results of operations.

We generally provide a one-year limited warranty on our connected machines and customer satisfaction guarantees on certain other products, and we permit returns of certain products for a full refund within 15 days of receipt of order. Additionally, our brick-and-mortar and online retail partners and distributors provide users with their own respective warranty and/or return policies relative to our connected machines, accessories and materials and other Cricut products they sell, which in turn flow down to us as a contractual obligation and/or allowance that we must honor. The occurrence of any material defects in our connected machines or certain other products, or the flow-down obligations for brick-and-mortar and online retail partner and distributor returns, could result in an increase in product returns or make us liable for damages and warranty claims and/or returns in excess of our current reserves, which could result in an adverse effect on our business prospects, liquidity, financial condition and cash flows if warranty claims were to materially exceed anticipated levels. In addition, we could incur significant costs to correct any defects, warranty claims or other problems, including costs related to product recalls. We have experienced negative publicity related to the perceived quality and safety of our products, including social media or other communications from our community, and we may experience such negative publicity in the future. Such negative publicity could increase the number of warranty claims made, affect our brand image, decrease user confidence and demand and adversely affect our financial condition and results of operations. Also, while our warranty is limited to repairs and returns, warranty claims may result in litigation, the occurrence of which could adversely affect our business, financial condition and results of operations.

In addition to warranties supplied by us, our brick-and-mortar and online retail partners may offer the option for users to purchase third-party extended warranty and services contracts in some markets, which creates an ongoing performance obligation beyond the warranty period. Extended warranties are regulated in the United States on a state level and are treated differently by each state. Outside the United States,

regulations for extended warranties vary from country to country. Changes in interpretation of the insurance regulations or other laws and regulations concerning extended warranties on a federal, state, local or international level may cause us to incur costs or have additional regulatory requirements to meet in the future. Our failure to comply with past, present and future similar laws could result in reduced sales of our products, reputational damage, penalties and other sanctions, which could adversely affect our business, financial condition and results of operations.

Product recalls and/or product liability, as well as changes in product safety and other consumer protection laws, may adversely affect our operations, merchandise offerings, reputation, results of operations, cash flow and financial condition.

We are subject to regulations by a variety of federal, state and international regulatory authorities, including the Consumer Product Safety Act, amended by the Consumer Product Safety Improvement Act of 2008, California Proposition 65 (officially known as the Safe Drinking Water and Toxic Enforcement Act of 1986), the European Union's, or EU's, European Regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals and Restriction of Hazardous Substances Directive. While our contracts with our suppliers and manufacturers require them to comply with product safety requirements and quality control standards, one or more of our suppliers or contract manufacturers may fail to adhere to such requirements or standards, and we may not identify the deficiency before merchandise ships to brick-and-mortar and online retail partners or users. These issues may be exacerbated in the case of products like ours that are manufactured outside the United States, as the product safety regimes in some countries may be less robust than in the United States. Any issues of product safety, including but not limited to those manufactured in foreign countries, could cause us to recall some of those products. Furthermore, to the extent we are unable to replace any recalled products, we may have to reduce our product offerings, resulting in a decrease in sales, especially if a recall occurs near or during a period of seasonally higher demand. If our suppliers or manufacturers are unable or unwilling to recall products failing to meet our quality standards, we may be required to recall those products at a substantial cost to us. Moreover, changes in product safety or other consumer protection laws could lead to increased costs to us for certain merchandise, or additional labor costs associated with readying merchandise for sale. Long lead times on merchandise ordering cycles increase the difficulty for us to plan and prepare for potential changes to applicable laws. The Consumer Product Safety Improvement Act of 2008 imposes significant requirements on manufacturing, importing, testing and labeling requirements for our products. In the event that we are unable to timely comply with regulatory changes or regulators do not believe we are complying with current regulations applicable to us, significant fines or penalties could result and could adversely affect our reputation, results of operations, cash flow and financial condition.

Furthermore, any product defects could make our products and services unsafe, create a risk of property damage and personal injury, harm our reputation and subject us to the hazards and uncertainties of product liability claims and related litigation. For example, we are aware of several situations in which our products were investigated as the potential cause of a fire. While we believe that in each of those cases, the investigations determined a different cause of the fire, any perception that our products are unsafe could harm our reputation and sales and use of our products. We maintain general liability insurance; however, design and manufacturing defects, and claims related thereto, may subject us to judgments or settlements that result in damages materially in excess of the limits of our insurance coverage. In addition, we may be exposed to write-offs of inventory or intangible assets or other expenses such as litigation costs and regulatory fines. If we cannot successfully defend any large claim, maintain our general liability insurance on acceptable terms or maintain adequate coverage against potential claims, our business, results of operations and financial condition could be adversely impacted.

Changes in how we market our products could adversely affect our marketing expenses and revenue.

We use a broad mix of marketing and other brand-building measures to attract potential customers. Traditionally, our users have been our most effective marketing tools, helping to generate robust word-of-mouth referrals, which have been significant drivers of our growth. However, we also employ traditional online advertising as marketing tools or market through third-party social media. As online and social media

continue to rapidly evolve and grow more competitive, we must increase our efforts to maintain an advertising presence on these platforms and establish a presence on new or emerging popular social media and advertising and marketing platforms.

If our community of users does not continue to promote our products through word-of-mouth referrals at the same or increasing rates or we otherwise experience a decline in our ability to acquire new users organically, we will need to expend additional resources on advertising and increase our marketing expenses. Moreover, we expect our efforts to attract new users outside of the United States and Canada will require us to spend additional resources, particularly in marketing. If we cannot use marketing tools in a cost-effective manner or if we fail to promote our products efficiently and effectively, our ability to acquire new users and our financial condition may suffer. In addition, an increase in the use of online and social media for product promotion and marketing may increase the burden on us to monitor compliance of such materials and increase the risk that such materials could contain problematic product or marketing claims in violation of applicable regulations.

***User metrics and other estimates are subject to inherent challenges in measurement, and real or perceived inaccuracies in those metrics could harm our business, revenue and financial results*.**

We regularly review metrics, including the number of our users, the number of times users have created on their connected machines in the last 90 days, the number of Paid Subscribers and other measures to evaluate engagement and growth trends, to measure our performance and to make strategic decisions. These metrics are calculated using internal company data and have not been validated by an independent third party. While these numbers are based on what we currently believe to be reasonable estimates for the applicable period of measurement, there are inherent challenges in measuring how our products are used across our user population. If we fail to maintain effective analytics capabilities, our metrics calculations may be inaccurate, and we may not be able to identify those inaccuracies.

An economic downturn or economic uncertainty may adversely affect consumer discretionary spending and demand for our products.

Our products and subscriptions may be considered discretionary items for consumers. Factors affecting the level of consumer spending for such discretionary items include general economic conditions, consumer confidence in future economic conditions, fears of recession, the availability and cost of consumer credit, levels of unemployment and tax rates. While we have seen an increase in demand for our products and subscriptions during the COVID-19 pandemic, there is no guarantee that such trends will continue at the same rate in the future or at all. To date, our business has operated almost exclusively in a relatively strong economic environment and, therefore, we cannot be sure the extent to which we may be affected by recessionary conditions. Unfavorable economic conditions may lead consumers to delay or reduce purchases of our products and subscriptions, and consumer demand for our products and subscriptions may not grow as we expect. Our sensitivity to economic cycles and any related fluctuation in consumer demand for our products and subscriptions could adversely affect our business, financial condition and results of operations.

Covenants in the New Credit Agreement governing our secured revolving New Credit Facility may restrict our ability to grow our business, and if we do not effectively manage our business to comply with these covenants, our financial condition could be adversely affected.

In September 2020, we entered into a credit agreement, or the New Credit Agreement, with JPMorgan Chase Bank, N.A., Citibank, N.A. and Origin Bank, providing for a three-year secured revolving New Credit Facility with aggregate lender commitments of $150 million. We have the option to increase the lender commitments by up to $200 million (for maximum aggregate lender commitments of up to $350 million), subject to the satisfaction of certain conditions under the New Credit Agreement, including obtaining the consent of the administrative agent and each lender being added or increasing its commitment. The New Credit Facility is a standard asset-based lending facility, meaning that notwithstanding the aggregate lender commitments, we can only borrow up to an amount equal to our borrowing base at any given time. As of December 31, 2020, we were able to borrow up to $150 million. Our borrowing base is determined

according to certain percentages of eligible accounts receivable and eligible inventory (which may be valued at average cost, market value or net orderly liquidation value), subject to reserves determined by the administrative agent. At any time that our borrowing base is less than the aggregate lender commitments, we can only borrow revolving loans up to the amount of our borrowing base and not in the full amount of the aggregate lender commitments.

The New Credit Agreement and related loan documents contain various restrictive covenants, including, among other things, a minimum fixed charge coverage ratio, restrictions on our ability to dispose of assets, make acquisitions or investments, incur debt or liens, make distributions to our stockholders or enter into certain types of related party transactions. These restrictions may restrict our current and future operations, particularly our ability to respond to certain changes in our business or industry or take future actions. Pursuant to the New Credit Agreement and related loan documents, we granted a security interest in substantially all of our assets. See the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Credit Agreement" for additional information.

Our ability to comply with these restrictive covenants and limitations on our ability to grow our business can be impacted by events beyond our control and we may be unable to do so. The New Credit Agreement provides that our breach or failure to satisfy certain covenants constitutes an event of default. Upon the occurrence of an event of default, our lenders could elect to declare all amounts outstanding under the New Credit Agreement to be immediately due and payable or proceed against the assets we provided as collateral. If the debt under the New Credit Agreement was to be accelerated, we may not have sufficient cash on hand or be able to sell sufficient collateral to repay it, which would have an immediate adverse effect on our business and results of operations.

We may require additional capital to support business growth and objectives, and this capital may not be available to us on reasonable terms, if at all, and could result in stockholder dilution.

We expect that our existing cash and cash equivalents, together with our net proceeds from this offering, will be sufficient to meet our anticipated cash needs for the foreseeable future. However, we intend to continue to make investments to support our business growth and may require additional capital to fund our business and to respond to competitive challenges, including the need to promote our products, develop new products, enhance our existing products and operating infrastructure and potentially to acquire complementary businesses and technologies. Accordingly, we may need to engage in equity or debt financings to secure additional funds. There can be no assurance that such additional funding will be available on terms attractive to us, or at all. Our inability to obtain additional funding when needed could adversely affect our business, financial condition and results of operations. If additional funds are raised through the issuance of equity or convertible debt securities, holders of our Class A common stock could suffer significant dilution, and any new shares we issue could have rights, preferences and privileges superior to those of our Class A common stock. Any debt financing secured by us in the future could involve restrictive covenants relating to our capital-raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions.

If we cannot maintain our culture as we grow, we could lose the innovation and teamwork that we believe contribute to our success and our business may be harmed.

We believe that a critical component of our success has been our corporate culture. As we continue to grow, including by expanding our presence internationally, and develop the infrastructure associated with being a public company, we will need to maintain our culture among a larger number of employees, dispersed across various geographic regions. The widespread stay-at-home orders resulting from the COVID-19 pandemic have required us to make substantial changes to the way that the vast majority of our employee population does their work, and we have faced new and unforeseen challenges arising from the management of remote, geographically-dispersed teams. Any failure to preserve our culture could adversely affect our future success, including our ability to retain and recruit personnel and to effectively focus on and pursue our corporate objectives.

Our management team has limited experience managing a public company.

Most members of our management team have limited experience managing a publicly traded company, interacting with public company investors and complying with the increasingly complex laws pertaining to public companies. Specifically, Ashish Arora, our Chief Executive Officer, has not previously been the chief executive officer of a publicly traded company. Our management team may not successfully or efficiently manage our transition to being a public company subject to significant regulatory oversight and reporting obligations under the federal securities laws and the continuous scrutiny of securities analysts and investors. These new obligations and constituents will require significant attention from our senior management and could divert their attention away from the day-to-day management of our business, which could adversely affect our business, financial condition and results of operations.

We may experience fluctuations in our tax obligations and effective tax rate.

We are subject to a variety of taxes and tax collection obligations in the United States and in numerous other foreign jurisdictions. We record tax expense, including indirect taxes, based on current tax payments and our estimates of future tax payments, which may include reserves for estimates of probable or likely settlements of tax audits. Fluctuations in our tax obligations and effective tax rate could adversely affect our business.

In the ordinary course of our business, there are numerous transactions and calculations for which the ultimate tax determination is uncertain. For example, our effective tax rates could be adversely affected by earnings being lower than anticipated in countries where we have lower statutory rates and higher than anticipated in countries where we have higher statutory rates, by changes in foreign currency exchange rates or by changes in the relevant tax, accounting and other laws, regulations, principles and interpretations. As we operate in numerous taxing jurisdictions, the application of tax laws can be subject to diverging and sometimes conflicting interpretations by tax authorities of these jurisdictions. It is not uncommon for taxing authorities in different countries to have conflicting views with respect to, among other things, the manner in which the arm's-length standard is applied for transfer pricing purposes, or with respect to the valuation of intellectual property. Although we believe that our tax positions and related provisions reflected in the financial statements are fully supportable, we recognize that these tax positions and related provisions have been challenged and may be challenged in the future by various tax authorities. These tax positions and related provisions are reviewed on an ongoing basis and are adjusted as additional facts and information become available, including progress on tax audits, changes in interpretation of tax laws, developments in case law and closing of statute of limitations. To the extent that the ultimate results differ from our original or adjusted estimates, our effective tax rate can be adversely affected.

Projected levels of taxable income and tax planning could change the effective tax rate and tax balances recorded by us. In addition, tax authorities periodically review income tax returns filed by us and can raise issues regarding our filing positions, timing and amount of income and deductions and the allocation of income among the jurisdictions in which we operate. A significant period of time may elapse between the filing of an income tax return and the ultimate resolution of an issue raised by a tax authority with respect to that return. Any adjustments as a result of any examination may result in additional taxes or penalties being assessed on or imposed against us. If the ultimate result of any audit differs from original or adjusted estimates, it could have a material impact our effective tax rate and tax liabilities.

At any one time, multiple tax years could be subject to audit by various taxing jurisdictions. As a result, we could be subject to higher than anticipated tax liabilities as well as ongoing variability in our quarterly tax rates as audits close and exposures are re-evaluated.

We continue to analyze our exposure for taxes and related liabilities and have accrued $0.9 million, $4.0 million and $3.3 million for the years ended December 31, 2018, 2019 and 2020, respectively, for uncertain tax positions.

We may incur significant losses from fraud.

We have incurred and may in the future incur losses from various types of fraud, including stolen credit card numbers, claims that a user did not authorize a purchase, merchant fraud and users who have closed bank accounts or have insufficient funds in open bank accounts to satisfy payments. In addition to the direct costs of such losses, if the fraud is related to credit card transactions and becomes excessive, it could result in us paying higher fees or losing the right to accept credit cards for payment. In addition, under current credit card practices, we are typically liable for fraudulent credit card transactions. Our failure to adequately prevent fraudulent transactions could damage our reputation, result in litigation or regulatory action and lead to expenses that could substantially impact our results of operations.

Risks Related to Manufacturing, Supply Chain and Fulfillment

We primarily depend upon a single contract manufacturer, and our operations would be disrupted if we encountered problems with the contract manufacturer.

We depend on third-party contract manufacturers to produce all of our products, and primarily rely upon one contract manufacturer, Xiamen Intretech, Inc. and its affiliates, or Intretech, to build our connected machines. The agreements with our top vendors in 2018, 2019 and 2020, including Intretech, each have an initial term of five years from 2018 and automatically renew for subsequent periods of one year unless either party provides notice of non-renewal at least 60 days prior to the expiration of the initial term. Such agreements may be terminated by the vendors only for cause, such as (i) a breach of our payment obligation for accepted products that is not cured within ten days after notice from the vendor or (ii) certain events relating to our insolvency or filing a petition for bankruptcy. Such agreements may be terminated by us for cause, such as (i) failure to deliver products pursuant to the terms of the agreement, (ii) breaches of product warranty, indemnity or insurance; intellectual property; property and representations and covenants contained in the agreements; (iii) breaches of any other representations and warranties that are not cured within five days after notice or (iv) certain events relating to our top vendors' insolvency or their filing a petition for bankruptcy. We may also terminate the agreements for convenience for any reason by giving 60 days' prior written notice to the vendor.

As is the case generally with contract manufacturers, Intretech may be vulnerable to capacity constraints and reduced component availability, and our control over delivery schedules, manufacturing yields and costs, particularly when components are in short supply or when we introduce new products or features, is limited. In addition, we must rely on Intretech to manufacture our connected machines and other accessories and materials to our quality and performance standards and specifications. Delays, component shortages and other manufacturing and supply problems could impair the distribution of our connected machines and ultimately our brand, or could negatively affect our gross margins. Furthermore, any adverse change in Intretech's or our other contract manufacturers' financial or business conditions could disrupt our ability to supply our products to our brick-and-mortar and online retail partners, distributors and online sales channels. In addition, Intretech primarily manufactures our connected machines at one facility located in the People's Republic of China, or China, which may be subject to political, economic, social and legal uncertainties that may harm our relationships with these parties. Our other contract manufacturers are also located in China and Malaysia, which may increase supply risk, including the risk of supply interruptions.

Our contract with Intretech does not obligate them to supply our connected machines in any specific quantity or at any specific price and allows us to enter purchase orders with Intretech. Entering into agreements requiring additional purchase orders is a typical part of our business and is common practice with other vendors that we may use from time to time. If Intretech fails for any reason to continue manufacturing our connected machines in required volumes, in a timely manner, at high quality levels or at all, we may have to increase connected machine production at currently qualified contract manufacturers or engage acceptable alternative contract manufacturers, either of which would be time consuming, particularly given the complexity of our connected machines. Identifying, selecting and onboarding acceptable alternative contract manufacturers could also be costly. Alternative contract manufacturers may not be available to us when needed or may not be in a position to satisfy our production requirements at commercially reasonable prices or to our quality and performance standards. Any significant interruption in manufacturing at Intretech would reduce our supply of connected machines, which could cause us to delay

our orders or breach our purchase orders with our brick-and-mortar and online retail partners, distributors and online sales channels, which in turn would reduce our revenue and user growth.

If our third-party contract manufacturers are unable to meet our needs, as a result of operational issues or other factors, our business would be harmed. The location of our third-party manufacturers in China and Malaysia may exacerbate some of these risks.

We believe that we must continue to upgrade and expand our current third-party contract manufacturer production capability to meet our projected revenue targets and quality control requirements. Operational difficulties, such as a significant interruption in the operations of or equipment breakdowns in production facilities operated by third parties, could delay production or shipment of our products. In addition, events such as inclement weather, natural disasters, government shut-downs as a result of pandemics or civil unrest, labor strikes or shortages, transportation security vulnerabilities or cyberattacks could impair third-party production capabilities. The inability of our third-party contract manufacturers to meet our production requirements, particularly in our peak season, could lead to customer dissatisfaction, impact sales and damage our reputation and brand, which would result in reduced revenue. Moreover, if the costs of meeting production requirements, including capital expenditures, were to exceed our expectations, our results of operations would be harmed.

Our third-party manufacturers, including Intretech, are largely based in China, though we have moved, and may continue to move, an increasing portion of our manufacturing to Malaysia. As a result, our manufacturing, and therefore our business, financial condition and results of operations may be adversely affected by social, political, regulatory and economic developments in China and Malaysia. In particular, the COVID-19 pandemic has caused, and will likely continue to cause, interruptions in the development, manufacturing (including the sourcing of key components) and shipment of our connected machines, which could adversely impact our revenue, gross margins and results of operations. Such interruptions may be due to, among other things, temporary closures of our facilities or those of our contract manufacturers or other vendors in our supply chain, restrictions on travel or the import and export of goods and services from certain ports that we use and local quarantines.

Any adverse change in the operations of our manufacturers, including as a result of political, social, economic or transportation conditions in China or Malaysia, could affect deliveries of our products to our brick-and-mortar and online retail partners or users, possibly resulting in business interruptions, substantially delayed or lost sales, loss of inventory or increased expenses that cannot be passed on to brick-and-mortar and online retail partners or users, any of which could ultimately adversely affect our business and financial results.

We rely on a limited number of third-party suppliers, some of which are sole-source suppliers, and many of which are located internationally, to provide components to our manufacturers, as well as to source our accessories and materials, which may lead to supply shortages, long lead times for components and supply changes, any of which could disrupt our supply chain and may negatively affect our business.

All of the components that go into the manufacturing of our products, as well as our accessories and materials, are sourced from a limited number of third-party suppliers, many of which are located internationally. Some of the key components our manufacturers use in the production of our products come from a limited or single source of supply. We are subject to the risk of shortages and long lead times in the supply of these components or accessories and materials, and the risk that our suppliers discontinue or modify components used in our products. In addition, the lead times associated with procuring certain components or accessories and materials are lengthy and preclude rapid changes in quantities and delivery schedules and could increase for a number of reasons outside our control, including natural disaster, a pandemic, social or political unrest or other interruptions. In particular, the COVID-19 pandemic has caused, and will likely continue to cause, interruptions in the development, manufacturing, sourcing and shipment of our products, which could adversely affect our revenue, gross margins and results of operations. During the COVID-19 pandemic, we have also purchased components on behalf of our contract manufacturers to ensure they have sufficient supply, and may continue to do so in the future. To the extent that we do not

accurately forecast the components we purchase, we may be left paying for components that our contract manufacturers do not need. Furthermore, most of our contract manufacturers' primary facilities are located in China and Malaysia, which exposes us to certain additional risks in addition to the above that could adversely affect our business, financial condition and results of operations. For example, we have experienced issues with the import of goods and services from certain ports. If we or our contract manufacturers lose access to components or accessories and materials from a particular supplier or experience a significant disruption in the supply of products and components from a current supplier, we may be unable to locate alternative suppliers of comparable quality on terms that are acceptable to us, or at all, which may undermine our ability to deliver our products to brick-and-mortar and online retail partners or users in a timely manner and our business could be materially and adversely affected. In addition, if we experience an increase in demand for our products, our suppliers may not have the capacity or may elect not to meet our needs as they allocate components or accessories and materials to their other customers. Identifying suitable alternate sources of supply for these components or accessories and materials is an extensive process that requires us to become satisfied with their quality control, technical capabilities, responsiveness and service, financial stability, regulatory compliance and labor and other ethical practices. Accordingly, a loss of any of our component or accessories and materials suppliers could adversely affect our business, financial condition and results of operations.

Our reliance on single source, or a small number of suppliers involves a number of additional risks, including risks related to supplier capacity constraints, price increases, timely delivery, component quality, failure of a key supplier to remain in business and adjust to market conditions, delays in, or the ability to execute on, a supplier roadmap or components and technologies and natural disasters. Acquiring additional suppliers could be time consuming and expensive, particularly given the complexity of our connected machines and their components.

In particular, our connected machines incorporate certain alloys, Bluetooth components and microchips that are critical in the performance of our connected machines. These components have unique performance profiles, and, as a result, it is not commercially practical to support multiple sources for these components for our products. We do not currently have alternative suppliers for several key components. In the event that any of our key or sole suppliers are unable to supply the components that our manufacturers need to meet anticipated consumer demand, our business would be materially and adversely affected.

Managing our inventory supply chain, including manufacturing and component lead time, is complex and exposes us to risk.

To ensure adequate inventory supply, we must forecast inventory needs and expenses and place orders with our contract manufacturers sufficiently in advance, based on our estimates of future demand for particular products. Failure to accurately forecast our needs may result in manufacturing delays or increased costs. Because we bear supply risk under our contract manufacturing arrangements, any such delays or increased costs could negatively impact our business. Failure to forecast appropriate lead times, significant price fluctuations or shortages in materials or components, including the costs to transport such materials or components, the uncertainty of currency fluctuations against the U.S. dollar, increases in labor rates, trade duties or tariffs and/or the introduction of new and expensive raw materials could adversely affect our contract manufacturers' ability to manufacture our products in sufficient quality and within sufficient time to meet our consumer demand, which would adversely affect our business, financial condition and operational results.

If we overestimate our production requirements, we or our contract manufacturers may purchase excess components and build excess inventory. If we, or our contract manufacturers at our request, purchase excess components that are unique to our products or build excess products, we could be required to pay for these excess components or products. In limited circumstances, we have agreed to reimburse our manufacturers for purchased components that were not used as a result of our decision to discontinue products or the use of particular components. If we incur costs to cover excess supply commitments, this would harm our business. If we underestimate our product requirements, our contract manufacturers may have inadequate component inventory, which could interrupt the manufacturing of our

products and result in delays or cancellation of orders from brick-and-mortar and online retail partners, distributors and online sales channels. We may be required to incur higher costs to secure the necessary production capacity and components to meet unanticipated demand, which could result in lower margins.

The failure of our third-party logistics partners to adequately and effectively staff could adversely affect our brick-and-mortar and online retail partner and user experience and results of operations.

We currently receive and distribute merchandise through four third-party logistics partners, two of which are located in the United States and one of which is located in each of China and Europe. The majority of our products are received and distributed through one of our third-party logistics partners in California. These third-party logistics partners assist with online logistics, inventory management, warehousing and fulfillment for both business-to-business (to brick-and-mortar and online retail partners and distributors) and business-to-consumer (drop-ship via retail partners and direct-to-consumer). If our third-party logistics partners are unable to adequately staff their third-party logistics facilities to meet demand, or if the cost of such staffing is higher than historical or projected costs due to mandated wage increases, regulatory changes, international expansion or other factors, these effects could be exacerbated and our results of operations could be further harmed. In addition, operating third-party logistics partner facilities comes with potential risks, such as workplace safety issues and employment claims for the failure or alleged failure to comply with labor laws or laws respecting union organizing activities. Any such issues may result in delays in shipping times, reduced packing quality or costly litigation, and our reputation and results of operations may be harmed.

By using third-party operators for our inventory management, warehousing and fulfillment, we also face additional risks associated with not having complete control over operations at those facilities. Any deterioration in the financial condition or operations of the third parties, or the loss of the relationship with any third party, would have significant impact on our operations.

We also rely on our third-party logistics partners, including last mile warehouse and delivery partners, to complete a substantial percentage of our deliveries to brick-and-mortar and online retail partners, distributors and online sales channels. If our third-party logistics partners do not perform their obligations or meet our expectations, or those of our brick-and-mortar and online retail partners, distributors or our online sales channels, our reputation and business could suffer.

A disruption in the service, a significant increase in the cost of our primary delivery and shipping services for our products or a significant disruption at shipping ports could adversely affect our business.

We use a variety of shipping services for delivery of our products to users and brick-and-mortar and online retail partners, including air carriers and ocean shipping services. All of our contract manufacturers are based in Asia, so our products are shipped to our third-party logistics partner facilities primarily via ocean shipping services. We have experienced and could continue to experience increased congestion and new import and export restrictions implemented at ports on which we rely for our business. In many cases, we have had to secure alternative transportation, such as air freight, or use alternative routes, at increased costs, to run our supply chain.

In the event of any significant interruption in service by shipping providers or at airports or shipping ports, we may be unable to engage alternative suppliers or to receive or ship goods through alternate sites in order to deliver our products in a timely and cost-efficient manner. As a result, we could experience delays, increased shipping costs and lost sales as a result of missed delivery deadlines and product demand cycles. For example, at times during the COVID-19 pandemic, shipping of our products has been delayed, which has inconvenienced our users and brick-and-mortar and online retail partners. Furthermore, if the cost of delivery or shipping services were to increase significantly and the additional costs could not be covered by product pricing, our results of operations could be adversely affected.

In particular, we are dependent upon major shipping companies, including FedEx, for the shipment of our products to and from our third-party logistics partner facilities. Changes in shipping terms, or the inability

of these third-party shippers to perform effectively, could affect our responsiveness to our users and brick-and-mortar and online retail partners. Increases in our shipping costs may adversely affect our financial results if we are unable to pass on these higher costs to our users or brick-and-mortar and online retail partners.

We have limited control over our contract manufacturers, component suppliers and third-party logistics partners, which may subject us to significant risks, including the potential inability to produce or obtain quality products on a timely basis or in sufficient quantity, which could adversely affect our business, financial condition and results of operations.

We have limited control over our contract manufacturers, component suppliers and third-party logistics partners, which subjects us to additional risks, including, but not limited to:

- inability to satisfy demand for our products;
- reduced control over delivery timing and product reliability;
- reduced ability to monitor the manufacturing process and components used in our products;
- limited ability to develop comprehensive manufacturing specifications that take into account any materials shortages or substitutions;
- variance in the manufacturing capability of our third-party manufacturers;
- price increases;
- difficulties in establishing additional supplier, manufacturer or third-party logistics partner relationships if we experience difficulties with our existing suppliers, manufacturers or third-party logistics partners;
- shortages of materials or components;
- infringement or misappropriation of our intellectual property or cyberattacks;
- exposure to natural catastrophes, political unrest, terrorism, labor strikes or disputes, pandemics and economic instability resulting in the disruption of trade from foreign countries in which our products are manufactured or the components thereof are sourced;
- changes in local economic conditions in the jurisdictions where our manufacturers, suppliers and third-party logistics partners are located;
- the imposition of new laws and regulations, including those relating to labor conditions, quality and safety standards, imports, duties, tariffs, taxes and other charges on imports, as well as trade restrictions and restrictions on currency exchange or the transfer of funds; and
- insufficient warranties and indemnities on components supplied to our manufacturers or performance by our partners.

The occurrence of any of these risks, especially during seasons of peak demand, could cause us to experience a significant disruption in our ability to produce and deliver our products, affect the quality of our products and harm our business, results of operations and financial condition.

Our products may be affected from time to time by design and manufacturing defects, and we may face claims related to such defects, either of which could adversely affect our business and result in harm to our reputation.

Our connected machines and design apps may be affected by design and manufacturing defects. In addition, sophisticated firmware and applications, such as those offered by us, may have issues that unexpectedly interfere with the intended operation of hardware or software products. Defects may also exist in software, components and products that we source from third parties. Any such defects could make our products unsafe, create a risk of environmental or property damage, personal injury or data privacy, security

and data protection harms, and subject us to the hazards and uncertainties of product liability and other claims and related litigation. As a result, our services may not perform as anticipated and may not meet expectations. There can be no assurance that we will be able to detect and fix all issues and defects in the hardware, software and services we offer.

Failure to timely identify, patch, fix or recall products and services with such defects could result in widespread technical and performance issues affecting our products and could lead to claims against us. We maintain general liability insurance; however, design and manufacturing defects, and claims related thereto, may subject us to judgments or settlements that result in damages materially in excess of the limits of our insurance coverage. In addition, we may be exposed to recalls, product replacements or modifications, write-offs of inventory or intangible assets and significant warranty and other expenses, such as litigation costs and regulatory fines. If we cannot successfully defend any large claim, maintain our general liability insurance on acceptable terms or maintain adequate coverage against potential claims, our financial results could be adversely affected.

In the event that we receive shipments of products that have defects or otherwise fail to comply with our technical specifications or that fail to conform to our quality control standards, and we are not able to obtain replacement products in a timely manner, we risk revenue losses from the inability to sell those products, increased administrative and shipping costs and lower profitability. Further, quality problems could adversely affect the experience for users of our products, and result in harm to our reputation, including through social media or other communications from our community, loss of competitive advantage, poor market acceptance, reduced demand for our products, delay in new product and service introductions and lost revenue.

Regulations related to conflict minerals may cause us to incur additional expenses and could limit the supply and increase the costs of certain metals used in the manufacturing of our products.

We are subject to requirements under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, which will require us to conduct due diligence on and disclose whether or not our products contain conflict minerals. The implementation of these requirements could adversely affect the sourcing, availability and pricing of the materials used in the manufacture of components used in our products. In addition, we will incur additional costs to comply of minerals that may be used or necessary to the production of our products and, if applicable, potential changes to products, processes or sources of supply as a consequence of such due diligence activities. It is also possible that we may face reputational harm if we determine that certain of our products contain minerals not determined to be conflict free or if we are unable to alter our products, processes or sources of supply to avoid such materials.

Significant increases in inflation, commodity prices or transportation costs may adversely affect the costs of our component suppliers and contract manufacturers, and we may be unable to pass on these higher costs to our brick-and-mortar and online retail partners or users.

Significant future increases in commodity prices, such as for alloys, or inflation could adversely affect the costs of our component suppliers and contract manufacturers and result in higher costs to us if we are unable to pass on the increased costs to our brick-and-mortar and online retail partners or users. Furthermore, transportation costs have fluctuated as a result of a variety of factors, such as capacity shortages, and we may not be able to pass such costs on to our brick-and-mortar and online retail partners or users, higher fuel prices and labor shortages. Our results of operations may be adversely affected if we are unable to secure, or are able to secure only at significantly higher costs, components for our products or adequate transportation resources in a cost-effective manner.

Key third-party manufacturers are located in China and may be affected by recent and possible future political, social and economic conditions in China.

We rely on third-party manufacturers in China and Chinese-owned manufacturers in Malaysia through which the substantial majority of our finished products are prepared and shipped to brick-and-mortar and online retail partners, users or third-party logistics partners. Our business therefore could be affected by

social, political, regulatory or economic developments in China. In 2018, the Office of the U.S. Trade Representative, or the USTR, enacted a tariff of 10% on imports into the U.S. from China, including communications equipment products and components manufactured and imported from China. Since then, additional tariffs have been imposed by the USTR on imports into the United States from China, and China has also imposed tariffs on imports into China from the United States. In addition, due to concerns with the security of products and services from certain telecommunications and video providers based in China, the United States government has enacted bans on the use of certain Chinese-origin components or systems either in items sold to the U.S. government or in the internal networks of government contractors and subcontractors (even if those networks are not used for government-related projects). It is possible that the U.S. government may take future measures to impose stricter export controls on items destined for China or additional duties on shipments made from China. In addition, the U.S. government may add additional parties to the Entity List, which could harm our business, increase the cost of conducting our operations in China or result in retaliatory actions against U.S. interests. Continued deterioration in trade relations or adverse developments in political, social or economic conditions in China or future unforeseen problems, including health pandemics or regulatory changes, could affect deliveries of our products to our retail partners or users, possibly resulting in business interruptions, substantially delayed or lost sales, loss of inventory or increased expenses that cannot be passed on to brick-and-mortar and online retail partners or users, any of which could ultimately have a material adverse effect on our business and financial results. In such an eventuality, we could be forced to relocate our manufacturing, either temporarily or permanently, to another potentially costlier location or find alternative potentially costlier methods of shipping our finished products to brick-and-mortar and online retail partners and users. While we are taking measures to attempt to maintain the continuity of our product delivery operations notwithstanding the impact on the use of our international facilities, the continued or deteriorating conditions in China or other future unforeseen problems in China, we cannot ensure that these measures will be successful in eliminating disruptions in our business.

Developments in the social, political, regulatory and economic environment in Malaysia may have a material adverse impact on us.

We have been expanding our relationships with contract manufacturers in Malaysia, increasingly shifting our contract manufacturing presence to Malaysia and expect to continue to do so in the future. As a result, our business, financial condition and results of operations may be adversely affected by social, political, regulatory and economic developments in Malaysia. Such political and economic uncertainties include, but are not limited to, the risks of war, terrorism, nationalism, nullification of contract, changes in interest rates, imposition of capital controls and methods of taxation. In addition, our contract manufacturers in Malaysia are subject to risks of theft, fire, earthquake, flooding and other similar casualty risks.

Negative developments in Malaysia's socio-political environment may adversely affect our business, financial condition, results of operations and prospects. Although the overall Malaysian economic environment appears to be positive, there can be no assurance that this will continue to prevail in the future. Economic growth is determined by countless factors, and it is extremely difficult to predict with any level of certainty.

Changes in U.S. tax, tariff or other trade policy regarding products produced in other countries could adversely affect our business.

A predominant portion of the products we sell is originally manufactured in countries other than the United States. International trade disputes that result in tariffs and other protectionist measures could adversely affect our business, including disruption in and cost increases for sourcing our merchandise and increased uncertainties in planning our sourcing strategies and forecasting our margins. Importing and exporting has involved more risk since the beginning of 2018, as there has been increasing rhetoric, in some cases coupled with legislative or executive action, from several United States and foreign leaders regarding tariffs against foreign imports of certain materials. For example, the U.S. government recently imposed significant new tariffs on China related to the importation of certain product categories following the U.S. Trade Representative's Section 301 investigation. It is possible that the U.S. government may take further measures in the future to impose stricter export controls on items destined for China or additional

duties on shipments made from China. During fiscal 2019, the Bureau of Industry and Security, or BIS, of the U.S. Department of Commerce placed certain Chinese entities on the Entity List, limiting the ability of U.S. companies to do business with those entities. The U.S. government may add additional parties to the Entity List, which could harm our business, increase the cost of conducting our operations in China or result in retaliatory actions against U.S. interests. In addition, the U.S. government has exercised additional trade-related powers in a manner that could have a material adverse impact on our business, financial condition or results of operations. For example, on May 15, 2019, then-President Trump issued an executive order that invoked national emergency economic powers to implement a framework to regulate the acquisition or transfer of information communications technology in transactions that imposed undue national security risks. The executive order was subject to implementation by the Secretary of Commerce and purports to apply to contracts entered into prior to the effective date of the order. On January 19, 2021, the U.S. Department of Commerce published interim final rules in the Federal Register, subject to public notice and comment, which purport to permit the Department of Commerce to investigate transactions involving the use of information communications technology products or services provided by persons owned or controlled by certain nations, including China, and potentially to modify or prohibit those transactions. In addition, the White House, the Department of Commerce and other executive branch agencies have implemented additional restrictions and may implement still further restrictions that would affect conducting business with certain Chinese companies. We cannot predict whether these recent rules and restrictions will be implemented and acted upon by the Biden administration, modified, overturned or vacated by legal action. A substantial portion of our products are manufactured in China. As a result of recently imposed tariffs, our cost of goods imported from China increased substantially, and could increase further depending on the outcome of the current trade negotiations, which have been protracted and recently resulted in increases in U.S. tariff rates on specified products from China. Although we continue to work with our vendors to mitigate our exposure to current or potential tariffs, there can be no assurance that we will be able to offset any increased costs. Other changes in U.S. tariffs, quotas, trade relationships or tax provisions could also reduce the supply of goods available to us or increase our cost of goods. We may fail to effectively adapt to and manage the adjustments in strategy that would be necessary in response to those changes. In addition to the general uncertainty and overall risk from potential changes in U.S. laws and policies, as we make business decisions in the face of such uncertainty, we may incorrectly anticipate the outcomes, miss out on business opportunities or fail to effectively adapt our business strategies and manage the adjustments that are necessary in response to those changes. These risks could adversely affect our revenue, reduce our profitability and negatively impact our business.

Risks Related to Privacy, Data Protection and Cybersecurity

Our actual or perceived failure to comply with privacy, data protection and information security laws, regulations and obligations could harm our business.

We are subject to numerous federal, state, local and international laws and regulations regarding privacy, data protection, information security and the storing, sharing, use, processing, transfer, disclosure and protection of personal information and other content and data, which we refer to collectively as privacy laws, the scope of which is changing, subject to differing interpretations and may be inconsistent among countries, or conflict with other laws, regulations or other obligations. We are also subject to the terms of our privacy policies and obligations to our users and other third parties related to privacy, data protection and information security. We strive to comply with applicable privacy laws; however, the regulatory framework for privacy and data protection worldwide is, and is likely to remain for the foreseeable future, varied, and it is possible that these or other actual obligations may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another.

We also expect that there will continue to be new privacy laws proposed and enacted in various jurisdictions. For example, in May 2018, the General Data Protection Regulation, or GDPR, went into effect in the EU. The GDPR imposed stringent data protection requirements and provides greater penalties for noncompliance than previous data protection laws, including potential penalties of up to €20 million or 4% of annual global revenue.

Although legal mechanisms have been designed to allow for the transfer of personal data from the United Kingdom, the European Economic Area, or EEA, and Switzerland to the United States, uncertainty about compliance with such data protection laws remains and such mechanisms may not be available or applicable with respect to the personal data processing activities necessary to research, develop and market our products and services. For example, legal challenges in Europe to the mechanisms allowing companies to transfer personal data from the EEA to the United States could result in further limitations on the ability to transfer personal data across borders, particularly if governments are unable or unwilling to reach agreement on or maintain existing mechanisms designed to support cross-border data transfers. Specifically, on July 16, 2020, the Court of Justice of the EU, or CJEU, invalidated Decision 2016/1250, which had deemed the protection provided by the EU-U.S. Privacy Shield Framework, which includes the EU-U.S. and Swiss-U.S. Privacy Shield Frameworks, adequate under EU data protection law. To the extent that any of our vendors, contractors or consultants have been relying on the EU-U.S. Privacy Shield Framework, they will not be able to do so in the future, which could increase our costs and may limit our ability to process personal data from the EU. The same decision also imposed additional conditions with respect to use of one of the primary alternatives to the Privacy Shield Frameworks, namely, the European Commission's Standard Contractual Clauses, to lawfully transfer personal data from Europe to the United States and most other countries. The full impact of the CJEU decision is uncertain at this time. The CJEU decision and related developments could result in increased costs of compliance and limitations on our vendors, contractors, consultants and us. More generally, as a result of the CJEU decision or related developments, we may find it necessary or desirable to modify our data handling practices, and our practices relating to cross-border transfers of data or other data handling practices, or those of our vendors, contractors and consultants and vendors, may be challenged and our business, financial condition and operating results may be adversely impacted. We continue to monitor and review the impact of any developments relating to cross-border data transfers from the EU that could affect our operations.

Further, following a referendum in June 2016 in which voters in the United Kingdom approved an exit from the EU, or Brexit, the United Kingdom left the EU effective on January 31, 2020, subject to a transition period that ended December 31, 2020. Brexit has created uncertainty with regard to the regulation of data protection in the United Kingdom. In particular, while the United Kingdom has implemented legislation that substantially implements the GDPR, which legislation provides for penalties for noncompliance of up to the greater of £17.5 million or four percent of worldwide revenues, aspects of the United Kingdom's data protection regime and its relationship with the EU, and how those may evolve over time, remain unclear. The United Kingdom is considered a "third country" under the GDPR as of January 1, 2021. The United Kingdom and the EU entered into a Trade and Cooperation Agreement on December 24, 2020, that permits personal data transfers between the United Kingdom and the EU for a six-month grace period, subject to certain conditions. We cannot fully predict how United Kingdom data protection laws or regulations may develop in the medium to longer term or how the EU will treat the United Kingdom with respect to data protection issues, including those relating to data transfers to and from the United Kingdom. We continue to monitor and review the impact of any resulting changes to EU or United Kingdom law, or related developments, that could affect our operations. We may incur liabilities, expenses, costs and other operational losses relating to the GDPR and privacy laws of applicable EU Member States and the United Kingdom, including in connection with any measures we take to comply with them.

In Brazil, the (Lei Geral de Proteção de Dados Pessoais) – Law No. 13,709/2018, or LGPD, similar in many respects to the EU's GDPR, was enacted August 14, 2018 and entered into effect September 18, 2020. Penalties for violation of the LGPD, if and when enforced, may be up to 2% of revenue in Brazil, capped at R$50 million per violation (roughly US$9.6 million as of December 31, 2020). The LGPD applies to businesses (both inside and outside Brazil) that process the personal data of individuals located in Brazil and provides consumer rights similar to the GDPR. A Brazilian Data Protection Authority, Brazilian National Data Protection Authority (Autoridade Nacional de Proteção de Dados, or ANPD), has been established to provide forthcoming rules and guidance on how to interpret and implement the LGPD's requirements, including regarding notice of processing, data transfer requirements and other compliance obligations, such as security measures, recordkeeping, training and governance. Pending such developments from the ANPD and any emerging caselaw, our LGPD approach may be subject to further change, our compliance measures when implemented may not be fully adequate, we may expend significant time and cost in developing a privacy governance program and data transfer mechanisms in an effort to comply with the

LGPD and any implementing regulations or guidance, and we may potentially face litigation prior to the implementation of regulations and guidance regarding the LGPD or before we have had a reasonable opportunity to fully implement measures designed to comply with such regulations and applicable guidance.

Vietnam's cybersecurity law went into effect on January 1, 2019 and includes stringent requirements regarding data localization and data transfers. A draft Decree on Personal Data Protection, with sub-legislation introduced December 27, 2019, elaborates requirements relating to data protection; however, further notice and comment is anticipated before its requirements enter into effect. As proposed, the draft decree would require us to further invest in potentially duplicative infrastructure and personnel in Vietnam, establish and maintain a local data protection program, and incur other costs and expenses related to these new requirements.

California also recently enacted legislation affording consumers expanded privacy protections, the California Consumer Privacy Act of 2018, or CCPA, that went into effect as of January 1, 2020 and was subject to enforcement starting July 1, 2020. Additionally, the California Attorney General issued regulations that may add additional requirements on businesses. The potential effects of this legislation and the related CCPA regulations are far-reaching and may require us to modify our data processing practices and policies and to incur substantial costs and expenses in an effort to comply. For example, the CCPA gives California residents, (including employees, though only in limited circumstances until January 1, 2023), expanded rights to transparency access and require deletion of their personal information, opt out of certain personal information sharing and receive detailed information about how their personal information is collected and used. The CCPA also provides for civil penalties for violations, as well as a private right of action for data breaches that may increase data breach litigation. Additionally, a new privacy law, the California Privacy Rights Act, or CPRA, was approved by California voters in November 2020. The CPRA creates obligations relating to consumer data beginning on January 1, 2022, with implementing regulations expected on or before July 1, 2022, and enforcement beginning July 1, 2023. The CPRA significantly modifies the CCPA, potentially resulting in further uncertainty and requiring us to incur additional costs and expenses in efforts to comply. The enactment of such laws is prompting similar legislative developments in other states in the United States, which could create the potential for a patchwork of overlapping but different state laws, and is inspiring federal legislation.

Further, some countries also are considering or have passed legislation requiring local storage and processing of data, or similar requirements, which could increase the cost and complexity of operating our products and services and other aspects of our business.

With laws and regulations such as the GDPR in the EU and the CCPA and CPRA in the United States imposing new and relatively burdensome obligations, and with substantial uncertainty over the interpretation and application of these and other laws and regulations, there is a risk that the requirements of these or other laws and regulations, or of contractual or other obligations relating to privacy, data protection or information security, are interpreted or applied in a manner that is, or is alleged to be, inconsistent with our management and processing practices, our policies or procedures, or the features of our products and services. We may face challenges in addressing their requirements and making any necessary changes to our policies and practices, and we may find it necessary or appropriate to assume additional burdens with respect to data handling, to restrict our data processing or otherwise to modify our data handling practices and to incur significant costs and expenses in these efforts. Any failure or perceived failure by us to comply with our privacy policies, our privacy, data protection or information security-related obligations to brick-and-mortar and online retail partners or users or other third parties or any of our other legal obligations relating to privacy, data protection or information security may result in governmental investigations or enforcement actions, litigation, claims or public statements against us by consumer advocacy groups or others, and could result in significant liability or cause our users to lose trust in us, which could adversely affect our reputation and business. Furthermore, the costs of compliance with, and other burdens imposed by, the laws, regulations and policies that are applicable to the businesses of our brick-and-mortar and online retail partners may limit the adoption and use of, and reduce the overall demand for, our products and services.

Additionally, if third parties we work with, such as vendors or developers, violate applicable laws or regulations or our contracts and policies, such violations may also put our users' content and personal

information at risk and could in turn adversely affect our business. Any significant change to applicable privacy laws or relevant industry practices could increase our costs and require us to modify our platform, design apps and features, possibly in a material manner, which we may be unable to complete and may limit our ability to store and process user data or develop new design apps and features.

Cybersecurity risks could adversely affect our business and disrupt our operations.

Information technology helps us operate more efficiently, interface with users and brick-and-mortar and online retail partners, offer features for our products and services, maintain financial accuracy and efficiency and accurately produce our financial statements. If we do not allocate and effectively manage the resources necessary to build, sustain and secure necessary technology infrastructure, we could be subject to transaction errors, processing inefficiencies, the loss of brick-and-mortar and online retail partners or users, business disruptions or the loss of or unauthorized access to personal information or loss or damage to intellectual property through a security breach or cyberattack. Such security breaches or cyberattacks could expose us to a risk of lost, exposed or corrupted information, unauthorized disclosure of information, litigation and possible liability to employees, users and brick-and-mortar and online retail partners and regulatory authorities. In addition, a significant portion of our data and information is hosted in a cloud-computing environment, where design apps and data are hosted, accessed and processed through a third-party provider over a broadband Internet connection. In a cloud-computing environment, we could be subject to outages, security breaches and cyberattacks by the third-party service provider. In the COVID-19 pandemic, more of our and our service providers' personnel are working remotely, which increases the risks of security breaches and cyberattacks.

If our data management systems do not effectively collect, store, process and report relevant data for the operation of our business, whether due to equipment malfunction or constraints, software defects or deficiencies, computer viruses, security breaches, cyberattacks, catastrophic events or human error, our ability to effectively plan, forecast and execute our business plan and comply with applicable laws and regulations will be impaired, perhaps materially. Any such impairment could materially and adversely affect our financial condition, results of operations, cash flows and the timeliness with which we internally and externally report our results of operations. As a result, our information systems require an ongoing commitment of significant resources to maintain, protect and enhance existing systems and develop new systems to keep pace with continuing changes in information processing technology, evolving legal and regulatory standards, the increasing need to protect customer, partner and employee information and the information technology needs associated with our changing products and services. We will implement reasonable security procedures and practices to help ensure that our data management systems effectively collect, store, process and report relevant data for the operation of our business, though there are no assurances that these procedures and practices will be successful or that additional systems issues will not arise in the future.

In addition, security breaches from errors, malfeasance or misconduct by employees, contractors or others with access to our systems may pose a risk that sensitive data, including individually identifiable data, may be exposed to unauthorized persons or to the public and may compromise our security systems. We have been, and may in the future be, subject to compromises and other security breaches impacting such data. There can be no assurance that any efforts we make to prevent against such breaches will prevent breakdowns in our systems or security breaches that could adversely affect our business. Third parties may also attempt to fraudulently induce employees or users into disclosing usernames, passwords or other sensitive information, which may in turn be used to access information technology systems used in our business. For example, our employees have received and likely will continue to receive "phishing" e-mails attempting to induce them to divulge sensitive information. In addition, unauthorized persons may attempt to hack into our products or systems to obtain personal data relating to users or employees, our confidential or proprietary information or confidential information we maintain from third parties, which, if successful, could pose a risk of loss of data, risk to customer safety and risk of product recall. While we provide security and privacy training to attempt to protect against these risks, the techniques used to obtain unauthorized access to systems and data change frequently and may be difficult to detect, so we may not be able to anticipate and prevent these intrusions or other breaches, to identify them promptly or to mitigate them when they occur.

Moreover, we manufacture and sell hardware and software products that allow our users to store confidential information, including their original designs, locally or in our cloud infrastructure. We do not have measures to configure, update or secure our users' desktop or mobile devices or any information stored in our users' own systems or at their locations, which is the responsibility of our users. While we have implemented security measures to protect our hardware and software products from unauthorized access and cyberattacks, these measures may not be effective in securing these products, particularly since techniques used to obtain unauthorized access or otherwise sabotage systems, change frequently and may not be recognized until launched against a target. A breach of network security and systems or other events that cause the loss or public disclosure of, or access by third parties to, sensitive information stored by us or our brick-and-mortar and online retail partners, or the perception that any of these have occurred, could have serious negative consequences for our business, including loss of information, indemnity obligations, possible fines, penalties and damages, reduced demand for our products and services, an unwillingness of our users to use our products or services, harm to our reputation and brand, and time consuming and expensive litigation, any of which could adversely affect our financial results.

We maintain cybersecurity insurance, subject to applicable deductibles and policy limits; however, our cybersecurity insurance may not cover losses from all types of incidents or may provide insufficient compensation that does not cover our total losses.

If the use of "cookie" tracking technologies is further restricted, regulated or blocked, or if changes in technology cause cookies to become less reliable or acceptable as a means of tracking consumer behavior, the amount or accuracy of Internet user information we collect would decrease, which could harm our business and results of operations.

Cookies are small data files sent by websites and stored locally on an Internet user's computer or mobile device. We, and third parties who work on our behalf, collect data via cookies to track the behavior of visitors to our sites, provide a more personalized and interactive experience and analyze and increase the effectiveness of our marketing. However, Internet users can easily disable, delete and block cookies directly through browser settings or through other software, browser extensions or hardware.

Privacy laws and regulations restrict how we deploy our cookies, and this could potentially increase the number of Internet users that choose to proactively disable cookies on their systems. In the EU, the Directive on Privacy and Electronic Communications requires users to give their consent before cookie data can be stored on their local computer or mobile device. Additionally, the most commonly used Internet browsers—Chrome, Firefox, Internet Explorer and Safari—allow Internet users to modify their browser settings to prevent cookies from being accepted by their browsers, and a number of other software tools allow users to block or otherwise limit the functionality of cookies. Users can decide to opt out of nearly all cookie data creation, which could negatively impact operations. We may have to develop alternative systems to determine our users' behavior, customize their online experience or efficiently market to them if users block cookies or regulations introduce additional barriers to collecting cookie data.

Risk Related to Foreign Operations

We plan to further expand into international target markets, which will expose us to significant risks.

Our primary international target markets include Australia, France, Germany, New Zealand and the United Kingdom, and we plan to expand our operations further, which requires significant resources and management attention and subjects us to regulatory, economic and political risks in addition to those we already face in the United States. There are significant risks and costs inherent in doing business in international target markets, including:

- difficulty establishing and managing international operations and the increased travel, infrastructure, including establishment of local delivery service and Cricut Member Care operations, and legal compliance costs associated with locations in different countries or regions;

- difficulty accessing and maintaining operations with international brick-and-mortar and online retail partners and distribution channels that may be small, fragmented or complex;
- the need to vary pricing and margins to effectively compete in international target markets;
- the need to adapt, translate and localize products for specific countries, comply with country-specific product safety and liability laws, as well as obtaining rights to third-party intellectual property used in each country;
- increased competition from local providers of competing or imitation products;
- the ability to protect and enforce intellectual property rights abroad;
- the need to offer content and customer support in various languages;
- difficulties in understanding and complying with local laws, regulations and customs in other jurisdictions;
- compliance with anti-bribery laws, such as the U.S. Foreign Corrupt Practices Act, or FCPA, and the United Kingdom Bribery Act 2010, or U.K. Bribery Act, by us, our employees and our business partners;
- complexity and other risks associated with current and future legal requirements in other countries, including legal requirements related to consumer protection, consumer product safety and data privacy frameworks, such as the EU's GDPR, including data transfer or localization restrictions, or LGPD;
- varying levels of Internet technology adoption and infrastructure, and increased or varying network and hosting service provider costs;
- tariffs and other non-tariff barriers, such as quotas and local content rules, as well as tax consequences;
- fluctuations in currency exchange rates and the requirements of currency control regulations, which might restrict or prohibit conversion of other currencies into U.S. dollars; and
- political or social unrest or economic instability in a specific country or region in which we operate, including, for example, recent social and political unrest in China, which could have an adverse impact on our operations in that location.

These risks can make it more expensive to operate our business outside the United States, meaning that our international business may be less profitable than our U.S. business.

We have limited experience with international regulatory environments and market practices and may not be able to penetrate or successfully operate in the markets we choose to enter. In addition, we may incur significant expenses as a result of our international expansion, and we may not be successful or may not execute our strategy successfully. We currently face limited brand recognition in certain parts of the world that could lead to non-acceptance or delayed acceptance of our products by consumers in new markets. Our failure to successfully manage these risks could harm our international operations and adversely affect our business, financial condition and results of operations.

In addition, Brexit, and the ongoing negotiations of the future trading relationship between the United Kingdom and the EU during the transition period, have yet to provide clarity on what the outcome will be for the United Kingdom or Europe. Changes related to Brexit could subject us to heightened risks in that region, including disruptions to trade and free movement of goods, services and people to and from the United Kingdom, disruptions to the workforce of our business partners, increased foreign exchange volatility with respect to the British pound and additional legal, political and economic uncertainty. If these actions impacting our international distribution and sales channels result in increased costs for us or our international partners, such changes could result in higher costs to us, adversely affecting our operations, particularly as we expand our international presence.

We are subject to governmental export and import controls and economic sanctions laws that could subject us to liability and impair our ability to compete in international target markets.

The United States and various foreign governments have imposed controls, license requirements and restrictions on the import and/or export of certain technologies, products, software and services. Compliance with applicable regulatory requirements regarding the export of our products and services may create delays in the introduction of our products and services in some international target markets, prevent our international users from accessing our products and services, and, in some cases, prevent the export of our products and services to some countries altogether.

Furthermore, U.S. export control and economic sanctions laws prohibit the provision of products and services to countries, governments and persons that are the subject of U.S. sanctions. Even though we take precautions to prevent our products from being provided to persons and jurisdictions in violation of U.S. sanctions laws, our products and services, including our firmware updates, could find their way to such prohibited parties, which could have negative consequences, including government investigations, penalties and reputational harm. Our failure to obtain any required import or export approval for our products could harm our international and domestic sales and adversely affect our revenue.

Additionally, our supply chain is very complex and compliance with U.S. import laws and regulations requires that we make determinations based on the best information that we have available at the time. U.S. Customs and Border Protection may not always agree with those determinations and, at has times, has requested that we modify the information we have provided to them including that related to country of origin determinations.

We could be subject to future enforcement action with respect to compliance with governmental export and import controls and economic sanctions laws that result in penalties, costs and restrictions on export privileges that could adversely affect our business, financial condition and results of operations.

Failure to comply with anti-corruption and anti-money laundering laws, including the FCPA and similar laws associated with our activities outside of the United States, could subject us to penalties and other adverse consequences.

We operate a global business and may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities. We are subject to the FCPA, the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, the USA PATRIOT Act, the U.K. Bribery Act and possibly other anti-bribery and anti-money laundering laws in countries in which we conduct activities. These laws prohibit companies and their directors, officers, employees and third-party business partners and intermediaries, representatives, contractors and agents from corruptly promising, authorizing, offering or providing, directly or indirectly, improper payments or anything of value to foreign government officials, political parties and private-sector recipients for the purpose of obtaining or retaining business, directing business to any person or securing any improper advantage.

Our global operations expand our compliance obligations. For example, we import and export items to and from several countries. In many foreign countries, including countries in which we may conduct business, including interacting with governmental officials, it may be a local custom that businesses engage in practices that are prohibited by the FCPA or other applicable laws and regulations. In addition, we or our third-party business partners or intermediaries, employees, representatives, contractors, suppliers and agents may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities, including as governmental customers. We can be held liable for the corrupt or other illegal activities of our employees or third-party business partners or intermediaries, representatives, contractors and agents, even if we do not explicitly authorize such activities.

In addition, U.S. public companies are required to maintain records that accurately and fairly represent their transactions and maintain internal controls and compliance procedures designed to prevent violations of anti-corruption laws. While we have policies, procedures and training to foster compliance with these laws, we cannot assure you that our employees or third-party business partners or intermediaries, contractors, representatives and agents will not take actions in violation of our policies or applicable law for which we may ultimately be held responsible.

Any violation of the FCPA, other applicable anti-corruption laws or anti-money laundering laws could result in whistleblower complaints, adverse media coverage, investigations, loss of export privileges, fines, damages, severe criminal or civil penalties against us, our officers or our employees, disgorgement of profits, suspension or debarment from U.S. government contracts, any of which could adversely affect our reputation, business, results of operations, stock price, financial condition and prospects. In addition, detecting, investigating and resolving actual or alleged violations of anti-corruption laws and responding to any enforcement action may result in a significant diversion of management's attention and resources and significant defense costs and other professional fees.

Changes in legislation in U.S. and foreign taxation of international business activities or the adoption of other tax reform policies, as well as the application of such laws, could adversely impact our financial position and results of operations.

Recent or future changes to U.S., Canada, United Kingdom and other foreign tax laws could impact the tax treatment of our foreign earnings. We generally conduct our international operations through wholly owned subsidiaries and report our taxable income in various jurisdictions worldwide based upon our business operations in those jurisdictions. The intercompany relationships between our legal entities are subject to complex transfer pricing regulations administered by taxing authorities in various jurisdictions. Although we believe we are compliant with applicable transfer pricing and other tax laws in the United States, Canada, the United Kingdom and other relevant countries, due to changes in such laws and rules, we may have to modify our international structure in the future, which will incur costs, may increase our worldwide effective tax rate and may adversely affect our financial position and results of operations. In addition, significant judgment is required in evaluating our tax positions and determining our provision for income taxes.

If U.S., Canadian, United Kingdom or other foreign tax laws further change, if our current or future structures and arrangements are challenged by a taxing authority, or if we are unable to appropriately adapt the manner in which we operate our business, we may have to undertake further costly modifications to our international structure and our tax liabilities and results of operations may be adversely affected.

We may face exposure to foreign currency exchange rate fluctuations.

While we have historically transacted the majority of our business in U.S. dollars, we also transact in some foreign currencies, such as the Australian Dollar, Canadian Dollar, Chinese Yuan, Euro, British Pound Sterling and Malaysian Ringgit, and we may transact in more foreign currencies in the future. Accordingly, changes in the value of foreign currencies relative to the U.S. dollar can affect our revenue and results of operations. As a result of such foreign currency exchange rate fluctuations, it could be more difficult to detect underlying trends in our business and results of operations. In addition, to the extent that fluctuations in currency exchange rates cause our results of operations to differ from our expectations or the expectations of our investors, the trading price of our Class A common stock could be lowered. We do not currently maintain a program to hedge transactional exposures in foreign currencies. However, in the future, we may use derivative instruments, such as foreign currency forward and option contracts, to hedge certain exposures to fluctuations in foreign currency exchange rates. The use of such hedging activities may not offset any or more than a portion of the adverse financial effects of unfavorable movements in foreign exchange rates over the limited time the hedges are in place and may introduce additional risks if we are unable to structure effective hedges with such instruments.

Risks Related to our Intellectual Property

Our intellectual property rights are valuable, and any inability to protect them could reduce the value of our products, services and brand.

Our success depends in large part on our proprietary technology and our patents, trade secrets, trademarks and other intellectual property rights. We rely on, and expect to continue to rely on, a combination of trademark, trade dress, domain name, copyright, trade secret and patent laws, as well as confidentiality and license agreements with our employees, contractors, consultants and third parties with whom we have relationships, to establish and protect our brand and other intellectual property rights.

However, our efforts to protect our intellectual property rights may not be sufficient or effective, and any of our intellectual property rights may be challenged, which could result in them being narrowed in scope or declared invalid or unenforceable. There can be no assurance that our intellectual property rights will be sufficient to protect against others offering products, services or technologies that are substantially similar to ours and that compete with our business.

Effective protection of patents, trademarks and domain names is expensive and difficult to maintain, both in terms of application and registration costs as well as the costs of defending and enforcing those rights. As we have grown, we have sought to obtain and protect our intellectual property rights in an increasing number of countries, a process that can be expensive and may not always be successful. For example, the U.S. Patent and Trademark Office and various foreign governmental patent agencies require compliance with a number of procedural requirements to complete the patent application process and to maintain issued patents, and noncompliance or non-payment could result in abandonment or lapse of a patent or patent application, resulting in partial or complete loss of patent rights in a relevant jurisdiction. Further, intellectual property protection may not be available to us in every country in which our products are available. For example, the existence of prior art – or information that is already in the public domain – may limit our ability to obtain additional patents in the U.S. and foreign jurisdictions. Some foreign countries also have compulsory licensing laws under which a patent owner must grant licenses to third parties. In addition, many countries limit the enforceability of patents against certain third parties, including government agencies or government contractors. In these countries, patents may provide limited or no benefit.

We have an active program of monitoring, investigating and enforcing our proprietary rights against companies and individuals who market or manufacture counterfeits and “knockoff” products, particularly ancillary and/or specialized products used with our connected machines. We assert our rights against infringers of our copyrights, patents, trademarks and trade dress. However, these efforts may not be successful in reducing sales of imitation products by these infringers. Additionally, other manufacturers may be able to produce successful personal desktop manufacturing devices which imitate our designs without infringing any of our copyrights, patents, trademarks or trade dress. Particularly with respect to the accessories and materials we sell to users for use with their machines, counterfeits, knockoffs or imitations are known to exist in the industry. The failure to prevent or limit such infringers or imitators could adversely affect our reputation and sales.

In order to protect our brand and intellectual property rights, we may be required to spend significant resources to monitor and protect these rights. Litigation brought to protect and enforce our intellectual property rights could be costly, time-consuming and distracting to management and could result in the impairment or loss of portions of our intellectual property. Furthermore, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of our intellectual property rights. Accordingly, we may not be able to prevent third parties from infringing upon or misappropriating our intellectual property. Our failure to secure, protect and enforce our intellectual property rights could seriously damage our brand and our business.

We have faced threats, and in the future may be threatened, by third parties for alleged infringement of their proprietary rights.

There is considerable patent and other intellectual property development activity in the technology industry, and litigation, based on allegations of infringement or other violations of intellectual property, is frequent in the technology industry. Furthermore, it is common for individuals and groups to purchase patents and other intellectual property assets for the purpose of making claims of infringement to extract settlements from companies like ours. Our use of third-party content, including images, software and other intellectual property may be subject to claims of infringement or misappropriation. We cannot guarantee that our internally-developed or acquired technologies and content do not or will not infringe the intellectual property rights of others. From time to time, our competitors or other third parties may claim that we are infringing upon or misappropriating their intellectual property rights, and we may be found to be infringing upon such rights. Any claims or litigation could cause us to incur significant expenses and, if successfully asserted against us, could require that we pay substantial damages or ongoing royalty payments, prevent

us from offering our products or services or using certain technologies, force us to implement expensive work-arounds or impose other unfavorable terms. We expect that the occurrence of infringement claims is likely to grow as the market for our products and services grows and as we introduce new and updated products and services. Accordingly, our exposure to damages resulting from infringement claims could increase and this could further exhaust our financial and management resources. Further, during the course of any litigation, we may make announcements regarding the results of hearings and motions, and other interim developments. If securities analysts and investors regard these announcements as negative, the market price of our Class A common stock may decline. Even if intellectual property claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and require significant expenditures. Any of the foregoing could prevent us from competing effectively and could adversely affect our business, financial condition and results of operations.

We depend upon third-party licenses and the purchase of third-party works for the use of digital content. An adverse change to, loss of or claim that we do not hold necessary licenses or rights may adversely affect our business, results of operations and financial condition.

Digital content is an important element of the overall content that we make available to our users. To secure the rights to use certain fonts, images, ready-to-make projects, patterns and other digital contents that are used on or with our products and services, we enter into agreements to obtain licenses from rights holders such as copyright owners or their agents. We pay royalties to such parties or their agents around the world. In other instances, we enter into agreements with various third parties to purchase their pre-existing works or engage on a “works for hire” basis to procure desired content.

The process of obtaining licenses, purchasing pre-existing works and new engagement involves identifying and negotiating with many rights holders, some of whom are unknown or difficult to identify, and implicates a myriad of complex and evolving legal issues across many jurisdictions, including open questions of law as to when and whether particular licenses are needed. Rights holders also may attempt to take advantage of their market power to seek onerous financial terms from us. Our relationship with certain rights holders may deteriorate. Additionally, there is a risk that aspiring rights holders, their agents or legislative or regulatory bodies will create or attempt to create new rights that could require us to enter into new license agreements with, and pay royalties to, newly defined groups of rights holders, some of which may be difficult or impossible to identify.

Although we expend significant resources to seek to comply with the statutory, regulatory and judicial frameworks, we cannot guarantee that we currently hold, or will always hold, every necessary right to use all of the digital content that is used with our products and services, and we cannot assure you that we are not infringing or violating any third-party intellectual property rights, or that we will not do so in the future.

These challenges, and others concerning the use of licensed content with our products, may subject us to significant liability for copyright infringement, breach of contract or other claims. For additional information, see the section titled “Business—Legal Proceedings.”

Legislation regarding copyright protection or content review could impose complex and costly constraints on our business model.

Although our agreements with users submitting designs or other content to our websites and mobile apps specifically require users to represent that they have the right and authority to provide and license the designs and other content they submit for the purposes used by us, that the content does not and will not violate any law, statute, ordinance or regulation, and that the content (and our use of it) does not and will not infringe on any rights of any third party, we do not currently have the ability to determine the accuracy of these representations on a case-by-case basis. There is a risk that a user may supply an image or other content that is the property of another party used without permission, that infringes the copyright or trademark of another party or another party’s right of privacy or right of publicity or that would be considered to be defamatory, pornographic, hateful, racist, scandalous, obscene or otherwise offensive, objectionable or illegal under the laws or court decisions of the jurisdiction where that user lives. There is, therefore, a

risk that users may intentionally or inadvertently order and receive products from us that are in violation of the rights of another party or a law or regulation of a particular jurisdiction.

The EU has also enacted a new law that will require us to use best efforts in accordance with the high industry standards of professional diligence to exclude infringing content from our platform that may be uploaded by our users. To comply with this new law, we will likely have to devote significant time and resources to develop technologies to prevent infringing content from being uploaded to our platform and, to the extent infringing content makes it onto our platform, to expeditiously remove such content and implement measures to prevent re-uploads of such content. Although the new law does not mandate monitoring, there may be no practical way for us to comply with the law's stringent new requirements without adopting some form of robust content identification systems. We may also be required to enter into license agreements with various rights holders to obtain licenses that authorize the storage and use of content uploaded by our users. We may not be able to develop technological solutions to comply with applicable law on economically reasonable terms and there is no guarantee that we will be able to enter into agreements with all relevant rights holders on terms that we deem reasonable. Compliance may therefore cause us to encounter increased costs which could substantially harm our business and results of operations.

Some of our products contain open source software, which may pose particular risks to our proprietary software, technologies, products and services in a manner that could harm our business.

We use open source software in our products and anticipate using open source software in the future. Some open source software licenses require those who distribute open source software as part of their own software product to publicly disclose all or part of the source code to such software product or to make available any derivative works of the open source code on unfavorable terms or at no cost. The terms of many open source licenses to which we are subject have not been interpreted by U.S. or foreign courts, and there is a risk that open source software licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to provide or distribute our products or services. Additionally, we could face claims from third parties claiming ownership of, or demanding release of, the open source software or derivative works that we developed using such software, which could include proprietary source code, or otherwise seeking to enforce the terms of the applicable open source license. These claims could result in litigation and could require us to make our software source code freely available, purchase a costly license or cease offering the implicated products or services unless and until we can re-engineer them to avoid infringement. This re-engineering process could require us to expend significant additional research and development resources, and we cannot guarantee that we will be successful.

Additionally, the use of certain open source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or controls on the origin of software. There is typically no support available for open source software, and we cannot ensure that the authors of such open source software will implement or push updates to address security risks or will not abandon further development and maintenance. Many of the risks associated with the use of open source software, such as the lack of warranties or assurances of title or performance, cannot be eliminated, and could, if not properly addressed, negatively affect our business. We have processes to help alleviate these risks, including a review process for screening requests from our developers for the use of open source software, but we cannot be sure that all open source software is identified or submitted for approval prior to use in our products. Any of these risks could be difficult to eliminate or manage, and, if not addressed, could adversely affect our business, financial condition and results of operations.

Risks Related to the Ownership of Our Class A Common Stock and This Offering

The dual class structure of our common stock will have the effect of concentrating voting power with our pre-offering stockholders, which will limit your ability to influence the outcome of matters submitted to our stockholders for approval, including the election of our board of directors, the adoption of amendments to our certificate of incorporation and bylaws, and the approval of any merger, consolidation, sale of all or substantially all of our assets or other major corporate transaction.

Our Class A common stock, which is the stock we are offering by means of this prospectus, has one vote per share and our Class B common stock has five votes per share, except as otherwise required by law. Upon the closing of this offering, Petrus and affiliates will hold 128,375,504 shares of issued and outstanding Class B common stock. Accordingly, upon the closing of this offering, Petrus and affiliates will hold approximately 61.4% of the voting power of our outstanding capital stock in the aggregate. As a result, Petrus will be able to determine or significantly influence any action requiring the approval of our stockholders, including the election of our board of directors, the adoption of amendments to our certificate of incorporation and bylaws and the approval of any merger, consolidation, sale of all or substantially all of our assets or other major corporate transaction. Petrus may have interests that differ from yours and may vote in a way with which you disagree and which may be adverse to your interests. This concentrated control may have the effect of delaying, preventing or deterring a change in control of our company, could deprive our stockholders of an opportunity to receive a premium for their capital stock as part of a sale of our company and might ultimately affect the market price of our Class A common stock. Further, the separation between voting power and economic interests could cause conflicts of interest between Petrus and our other stockholders, which may result in Petrus undertaking, or causing us to undertake, actions that would be desirable for Petrus but would not be desirable for our other stockholders.

Future transfers by the holders of Class B common stock will generally result in those shares automatically converting into shares of Class A common stock, subject to limited exceptions, such as certain transfers effected for estate planning or other transfers by Petrus. In addition, each share of Class B common stock will convert automatically into one share of Class A common stock upon (i) the date following the Effectiveness Date on which the number of shares of our capital stock, including Class A common stock and Class B common stock, and any shares of capital stock underlying any securities, including restricted stock units, options or other convertible instruments, held by "Petrus Affiliates," as defined in our amended and restated certificate of incorporation that will be in effect on the Effectiveness Date, and their permitted entities is less than 50% of the number of shares of Class B common stock held by Petrus Affiliates and their permitted entities as of 11:59 p.m. Eastern Time on the Effectiveness Date, which we refer to herein as the 50% Ownership Threshold, (ii) the first date after the Effectiveness Date when the outstanding shares of Class B common stock represent less than a majority of the total voting power of the then outstanding shares of our capital stock entitled to vote generally in the election of directors or (iii) the time following the Effectiveness Date specified by affirmative vote or written election of the holders of at least two-thirds of the outstanding shares of Class B common stock. We refer to the date on which such final conversion of all outstanding shares of Class B common stock pursuant to the terms of our amended and restated certificate of incorporation occurs as the Final Conversion Date. For information about our dual class structure, see the section titled "Description of Capital Stock."

We cannot predict the effect our dual class structure may have on the market price of our Class A common stock.

We cannot predict whether our dual class structure will result in a lower or more volatile market price of our Class A common stock or in adverse publicity or other negative consequences. For example, certain index providers have announced restrictions on including companies with multiple-class share structures in certain of their indices. In July 2017, FTSE Russell and S&P Dow Jones announced that they would cease to allow most newly public companies utilizing dual or multi-class capital structures to be included in their indices. Affected indices include the Russell 2000 and the S&P 500, S&P MidCap 400 and S&P SmallCap 600, which together make up the S&P Composite 1500. Beginning in 2017, MSCI, a leading stock index provider, opened public consultations on their treatment of no-vote and multi-class structures and temporarily barred new multi-class listings from certain of its indices; however, in October 2018, MSCI

announced its decision to include equity securities “with unequal voting structures” in its indices and to launch a new index that specifically includes voting rights in its eligibility criteria. Under the announced policies, our dual class capital structure would make us ineligible for inclusion in certain indices, and as a result, mutual funds, exchange-traded funds and other investment vehicles that attempt to passively track those indices will not be investing in our stock. These policies are still fairly new and it is currently unclear what effect, if any, they will have on the valuations of publicly traded companies excluded from the indices, but it is possible that they may depress their valuations compared to the valuations of other similar companies that are included. Because of our dual class structure, we will likely be excluded from certain of these indices and we cannot assure you that other stock indices will not take similar actions. Given the sustained flow of investment funds into passive strategies that seek to track certain indices, exclusion from stock indices would likely preclude investment by many of these funds and could make our Class A common stock less attractive to other investors. As a result, the market price of our Class A common stock could be adversely affected.

There has been no prior public market for our Class A common stock, the stock price of our Class A common stock may be volatile or may decline regardless of our operating performance, and you may not be able to resell your shares at or above the initial public offering price.

There has been no public market for our Class A common stock prior to this offering. The initial public offering price for our Class A common stock will be determined through negotiations between us and the underwriters and may vary from the market price of our Class A common stock following this offering. The market prices of the securities of newly public companies such as us have historically been highly volatile. The market price of our Class A common stock may fluctuate significantly in response to numerous factors, many of which are beyond our control, including:

- overall performance of the equity markets and the performance of technology companies in particular;
- variations in our results of operations, cash flows and other financial metrics and non-financial metrics and how those results compare to analyst expectations;
- changes in the financial projections we may provide to the public, or our failure to meet these projections;
- failure of securities analysts to initiate or maintain coverage of us, changes in financial estimates by any securities analysts who follow our company or our failure to meet these estimates or the expectations of investors;
- recruitment or departure of key personnel;
- the economy as a whole and market conditions in our industry;
- negative publicity related to problems in our manufacturing or the real or perceived quality of our products, as well as the failure to timely launch new products or services that gain market acceptance;
- rumors and market speculation involving us or other companies in our industry;
- announcements by us or our competitors of new products, accessories, features and content, significant technical innovations, acquisitions, strategic partnerships, joint ventures or capital commitments;
- actual or perceived privacy or data security incidents;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- lawsuits threatened or filed against us, litigation involving our industry, or both;
- developments or disputes concerning our or other parties’ products, services or intellectual property rights;

- the inclusion or exclusion of our Class A common stock from any trading indices, such as the S&P 500 Index;
- other events or factors, including those resulting from war, incidents of terrorism, manmade or natural disasters, pandemics or responses to these events;
- the expiration of contractual lock-up or market standoff agreements; and
- sales of shares of our Class A common stock by us or our stockholders.

In addition, the stock markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. Stock prices of many companies have fluctuated in a manner unrelated or disproportionate to the operating performance of those companies. In the past, stockholders have instituted securities class action litigation following periods of market volatility. If we were to become involved in securities litigation, it could subject us to substantial costs, divert resources and the attention of management from our business and adversely affect our business.

Upon the completion of this offering, our directors, executive officers and holders of 5% or more of our common stock will hold approximately 79.9% of the total voting power of our common stock and will be able to exert significant control over us, which will limit your ability to influence the outcome of important transactions, including a change of control.

Upon completion of this offering, our directors, executive officers and holders of 5% or more of our outstanding common stock, and their respective affiliates, will hold, in the aggregate, approximately 79.9% of the total voting power of shares of our outstanding common stock, based on the number of shares outstanding as of December 31, 2020. Further, Petrus and affiliates, collectively, are currently our largest stockholder. Upon completion of this offering, Petrus and affiliates will hold approximately 61.4% of the total voting power of our common stock based on the number of shares outstanding as of December 31, 2020. See the section titled “Principal and Selling Stockholders” for additional information. As a result, our directors, executive officers and holders of 5% or more of our outstanding common stock, and their respective affiliates, if acting together, will be able to determine or significantly influence all matters requiring stockholder approval, including the elections of directors, amendments of our organizational documents and approval of any merger, sale of assets or other major corporate transaction. These stockholders may have interests that differ from yours and may vote in a way with which you disagree and which may be adverse to your interests. This concentration of ownership may delay, prevent or discourage acquisition proposals or other offers for our Class A common stock that you may feel are in your best interest as a stockholder and ultimately could deprive you of an opportunity to receive a premium for your Class A common stock as part of a sale of our company, which in turn might adversely affect the market price of our Class A common stock.

We are a “controlled company” within the meaning of the Exchange rules and, as a result, are entitled to rely on exemptions from certain corporate governance requirements that are designed to provide protection to stockholders of companies that are not “controlled companies.”

Because Petrus and affiliates own more than 50% of the total voting power of our common shares, we are a “controlled company” within the meaning of the Exchange’s corporate governance standards. As a controlled company, we are exempt under the Exchange’s standards from the obligation to comply with certain corporate governance requirements, including the requirements:

- that a majority of our board of directors consists of independent directors;
- that we have a nominating committee that is composed entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities; and
- that we have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities.

As a result of relying on the controlled company exemptions, the procedures for approving significant corporate decisions could be determined by directors who have a direct or indirect interest in such decisions, and our stockholders do not have the same protections afforded to stockholders of other companies that are required to comply with all of the independence rules of the Exchange.

If securities or industry analysts do not publish research, or publish inaccurate or unfavorable research, about our business, the price of our Class A common stock and trading volume could decline.

The trading market for our Class A common stock will depend in part on the research and reports that securities or industry analysts publish about us or our business, our market and our competitors. We do not have any control over these analysts. If few securities analysts commence coverage of us or fail to publish reports on us regularly, or if industry analysts cease coverage of us, demand for our Class A common stock could decrease, which might cause our Class A common stock price and trading volume to decline. If one or more of the analysts who cover us downgrade our Class A common stock or publish inaccurate or unfavorable research about our business, our Class A common stock price would likely decline.

If you purchase our Class A common stock in our initial public offering, you will experience immediate and substantial dilution.

The assumed initial public offering price of $21.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, is substantially higher than the as adjusted net tangible book value per share of our outstanding common stock of $2.16 per share as of December 31, 2020. Investors purchasing shares of our Class A common stock in this offering will pay a price per share that substantially exceeds the book value of our tangible assets after subtracting our liabilities. Therefore, if you purchase Class A common stock in this offering, you will incur immediate dilution of $18.84 per share in the net tangible book value per share from the price you paid. This dilution is due in large part to the fact that our earlier investors paid substantially less than the initial public offering price when they purchased shares prior to this offering. You will experience additional dilution when those holding options exercise their right to purchase common stock under our equity incentive plans or when we otherwise issue additional shares of our Class A common stock. See the section titled “Dilution” for additional information.

Future sales of our Class A common stock, or the perception in the public markets that these sales may occur, may depress our stock price.

The market price of our Class A common stock could decline significantly as a result of sales of a large number of shares of our Class A common stock in the market following this initial public offering. These sales, or the perception that these sales might occur, could depress the market price of our Class A common stock. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate. See the section titled “Shares Eligible for Future Sale”.

In connection with this offering, we, our directors, certain of our executive officers and the selling stockholders have each agreed to certain lock-up restrictions. We and they, subject to certain exceptions, will not be permitted to dispose of or hedge any shares of our Class A common stock for 180 days (or earlier pursuant to the early release scenario described below) after the date of this prospectus, except as discussed in “Shares Eligible for Future Sale”, without the prior consent of Goldman Sachs & Co. LLC. Goldman Sachs & Co. LLC may, in its sole discretion, release all or any portion of the shares of our Class A common stock from the restrictions in any of the lock-up agreements described above. See the section titled “Underwriters”.

Notwithstanding the foregoing, the terms of the lock-up agreements will expire for 25% of each stockholder’s shares of common stock (including all outstanding shares and equity awards, rounded down to the nearest whole share), if certain conditions are met, or the Early Lock-Up Expiration. If such conditions are met, the shares held by the signatory of each lock-up agreement that are subject to such Early Lock-

Up Expiration will become available for sale immediately prior to the opening of trading on the Exchange on the second trading day following the end of the Measurement Period (as defined below), or the Early Lock-Up Expiration Date, subject to the conditions below if at any time beginning 90 days after the date of this prospectus, or the Early Expiration Threshold Date:

(i) the company has filed at least one quarterly report on Form 10-Q or annual report on Form 10-K; and

(ii) the last reported closing price of the common stock on the Exchange is at least 33% greater than the price per share set forth on the cover of this prospectus for 10 out of any 15 consecutive trading days ending on or after the Early Expiration Threshold Date (which 15 day trading period may begin prior to the Early Expiration Threshold Date), including the last day of such 15 day trading period, or the Measurement Period.

If at the time of such Early Lock-Up Expiration Date we are in a blackout period, the actual date of such Early Lock-Up Expiration shall be delayed, until immediately prior to the opening of trading on the second trading day, or the Extension Expiration Date, following the first date (such first date, the Extension Expiration Measurement Date) that (i) we are no longer in a blackout period under our insider trading policy and (ii) the closing price on the Extension Expiration Measurement Date is at least greater than the price on the cover of this prospectus.

Also, in the future, we may issue shares of our Class A common stock in connection with investments or acquisitions. The amount of shares of our Class A common stock issued in connection with an investment or acquisition could constitute a material portion of then-outstanding shares of our common stock.

We will have broad discretion in the use of the net proceeds we receive in this offering and may not use them effectively.

We will have broad discretion in the application of the net proceeds we receive in this offering, including for any of the purposes described in the section titled “Use of Proceeds,” and you will not have the opportunity as part of your investment decision to assess whether the net proceeds are being used appropriately. Because of the number and variability of factors that will determine our use of the net proceeds from this offering, their ultimate use may vary substantially from their currently intended use. If we do not use the net proceeds that we receive in this offering effectively, our business, financial condition, results of operations and prospects could be harmed, and the market price for our Class A common stock could decline.

We do not currently intend to pay dividends for the foreseeable future.

In September 2020, we paid a cash dividend to Cricut Holdings, our sole stockholder at the time. We currently do not intend to pay any cash dividends in the foreseeable future. Additionally, our ability to pay dividends on our common stock is limited by the restrictions under the terms of our New Credit Agreement. We anticipate that for the foreseeable future we will retain all of our future earnings for use in the development of our business and for general corporate purposes. Any determination to pay dividends in the future will be at the discretion of our board of directors. Accordingly, investors must rely on sales of their Class A common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investments.

Provisions in our charter documents that will be in effect on the Effectiveness Date and under Delaware law could make an acquisition of us difficult, limit attempts by our stockholders to replace or remove our current management and limit the market price of our Class A common stock.

Provisions in our amended and restated certificate of incorporation and amended and restated bylaws that will be in effect on the Effectiveness Date may have the effect of delaying or preventing transactions involving an actual or potential change in our control or change in our management, including transactions

in which stockholders might otherwise receive a premium for their shares, or transactions that our stockholders might otherwise deem to be in their best interests. Therefore, these provisions could adversely affect the price of our Class A common stock.

Our charter documents will also contain other provisions that could have an anti-takeover effect, such as:

- subject to the rights of the holders of preferred stock, permitting the board of directors to establish the number of directors and fill any vacancies and newly created directorships;
- prohibiting cumulative voting for directors;
- requiring super-majority voting to amend some provisions in our certificate of incorporation and bylaws;
- authorizing the issuance of undesignated preferred stock that our board of directors could use to implement a stockholder rights plan;
- eliminating the ability of stockholders to call special meetings of stockholders;
- prohibiting stockholder action by written consent prior to the Final Conversion Date unless the action is first recommended or approved by the board, and prohibiting stockholder action by written consent from and after the Final Conversion Date, which requires stockholder actions to be taken at a meeting of our stockholders;
- certain litigation against us can only be brought in Delaware; and
- our dual class common stock structure as described above.

For information regarding these and other provisions, see the section titled “Description of Capital Stock—Anti-Takeover Provisions.”

Our charter documents that will be in effect on the Effectiveness Date provides that the Court of Chancery of the State of Delaware and the federal district courts of the United States will be the exclusive forums for substantially all disputes between us and our stockholders, which could limit our stockholders’ ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our amended and restated certificate of incorporation that will be in effect on the Effectiveness Date and our amended and restated bylaws that will be in effect on the Effectiveness Date provide that the Court of Chancery of the State of Delaware, to the fullest extent permitted by law, will be the exclusive forum for any derivative action or proceeding brought on our behalf, any action asserting a breach of fiduciary duty, any action asserting a claim against us arising pursuant to the Delaware General Corporation Law, or DGCL, our amended and restated certificate of incorporation or our amended and restated bylaws, or any action asserting a claim against us that is governed by the internal affairs doctrine. This choice of forum provision may limit a stockholder’s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers or other employees, which may discourage lawsuits against us and our directors, officers and other employees. This exclusive forum provision will not apply to claims that are vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery of the State of Delaware, or for which the Court of Chancery of the State of Delaware does not have subject matter jurisdiction.

Section 22 of the Securities Act creates concurrent jurisdiction for U.S. federal and state courts over causes of action arising under the Securities Act. Accordingly, both U.S. state and federal courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our amended and restated bylaws provide that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. This exclusive forum provision will not apply to suits brought to enforce any liability or duty created by the Exchange Act. Any person or entity purchasing

or otherwise acquiring any interest in any of our securities shall be deemed to have notice of and consented to the foregoing provision of our amended and restated bylaws.

Although we believe this exclusive forum provision benefits us by providing increased consistency in the application of U.S. federal securities laws in the types of lawsuits to which they apply, the exclusive forum provision may limit a shareholder's ability to bring a claim in a judicial forum of its choosing for disputes with us or any of our directors, shareholders, officers or other employees, which may discourage lawsuits with respect to such claims against us and our current and former directors, shareholders, officers or other employees. Our stockholders will not be deemed to have waived our compliance with the U.S. federal securities laws and the rules and regulations thereunder as a result of our exclusive forum provision. Further, in the event a court finds the exclusive forum provision contained in our amended and restated bylaws to be unenforceable or inapplicable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our results of operations.

General Risk Factors

The outbreak of the COVID-19 pandemic could adversely affect our business, results of operations and financial condition.

The COVID-19 pandemic has caused significant volatility in financial markets. Public health problems resulting from the COVID-19 pandemic and precautionary measures instituted by governments and businesses to mitigate its spread, including government lock-downs, travel restrictions and quarantines, have contributed to, and could for the foreseeable future contribute to, a general slowdown in the global economy, adversely impact our brick-and-mortar and online retail partners, potential customers, third-party suppliers, contract manufacturers, third-party logistics providers and other business partners, and disrupt our operations. Changes in our operations in response to the COVID-19 pandemic have resulted, and could continue to result in, inefficiencies or delays, including in manufacturing, sales, delivery and product development efforts, and additional costs related to business continuity initiatives, that cannot be fully mitigated through succession and business continuity planning, employees working remotely or teleconferencing technologies.

During the COVID-19 pandemic we have experienced an increase in demand for our products and subscriptions. For example, from 2018 to 2019 our revenue from connected machines grew 35%, our revenue from subscriptions grew 72% and our revenue from accessories and materials grew 45%. In comparison, from 2019 to 2020 our revenue from connected machines grew 110%, our revenue from subscriptions grew 107% and our revenue from accessories and materials grew 84%. We believe that some portion of our 2020 revenue growth was a result of the COVID-19 pandemic, but we are not able to quantify the proportion of the increase in demand that is attributable to the COVID-19 pandemic as opposed to other factors contributing to our growth in recent periods.

There is no guarantee that such trends will continue at all or at the same rate in the future. To the contrary, the COVID-19 pandemic has had and may lead to a negative impact on our business and results of operations due to the occurrence of some or all of the following events or circumstances, among others:

- our inability to manage our business effectively due to key employees becoming ill or infection clusters in worker populations, working from home inefficiently and being unable to travel to our facilities;
- our third-party suppliers', contract manufacturers', third-party logistics providers' and other business partners' inability to operate worksites, including manufacturing facilities, shipping and fulfillment centers and third-party logistics facilities; for example, we have experienced longer lead times requirements with suppliers and slowdowns with our contract manufacturers during the COVID-19 pandemic;
- prolonged delivery timelines;
- increased return rates or decreased sales of our connected machines, subscriptions and accessories and materials, as applicable, due to a decrease in consumer discretionary spending;

- inventory shortages caused by a combination of increased demand for our products and longer lead-times in the manufacturing of our connected machines and certain other products, due to work restrictions related to the COVID-19 pandemic, import and export conditions, such as port congestion and local government orders;
- interruptions in manufacturing (including the sourcing of key components) and shipment of our products; for example, in certain instances, our suppliers, manufacturers and third-party logistic partners have closed and may in the future temporarily close certain of their facilities for short periods of time;
- government mandated shutdowns or movement control orders in the countries in which our contract manufacturers and suppliers are located, specifically China and Malaysia, which may disrupt the operations of our contract manufacturers and third-party suppliers, which could impact our ability to purchase components at efficient prices and in sufficient amounts; and
- incurrence of significant increases to employee health care and benefits costs.

The extent of the impact of the COVID-19 pandemic on our business and financial results will depend largely on future developments, including the duration of the spread of the outbreak, the impact on capital and financial markets and the related impact on the financial circumstances of our customers, all of which are highly uncertain and cannot be predicted. This situation is changing rapidly, and additional impacts may arise that we are not aware of currently.

We are an "emerging growth company" and intend to take advantage of the reduced disclosure requirements applicable to emerging growth companies which may make our Class A common stock less attractive to investors.

We are an "emerging growth company" as defined in the JOBS Act. We will remain an emerging growth company until the earliest of (i) the last day of the fiscal year in which we have total annual gross revenue of $1.07 billion or more, (ii) the last day of the fiscal year following the fifth anniversary of the date of the completion of this offering, (iii) the date on which we have issued more than $1.0 billion in nonconvertible debt during the previous three years and (iv) the date on which we are deemed to be a "large accelerated filer" under the rules of the SEC. For so long as we remain an emerging growth company, we are permitted to, and intend to, rely on exemptions from certain disclosure requirements that are applicable to other public companies that are not "emerging growth companies," including:

- not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act;
- reduced disclosure obligations regarding executive compensation; and
- exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

We currently intend to take advantage of the available exemptions described above. We have taken advantage of reduced reporting burdens in this prospectus. In particular, we have not included all of the executive compensation information that would be required if we were not an emerging growth company. We cannot predict if investors will find our Class A common stock less attractive if we rely on these exemptions. Furthermore, under the JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We plan to avail ourselves of this accommodation allowing for delayed adoption of new or revised accounting standards. If some investors find our Class A common stock less attractive as a result of these decisions, there may be a less active trading market for our Class A common stock and the price of our Class A common stock may be more volatile.

Our business is subject to a large number of U.S. and non-U.S. laws, many of which are evolving, including laws specific to e-commerce.

We are subject to a variety of laws and regulations in the United States and around the world, including those relating to traditional businesses, such as employment laws and taxation, as well as laws and regulations focused on e-commerce and online marketplaces, such as online payments, privacy, anti-spam, data security and protection, online platform liability, intellectual property and consumer protection, the ability to collect and/or share necessary information that allows us to conduct business on the Internet, marketing communications and advertising, content protection, electronic contracts or gift cards. In some cases, non-U.S. privacy, data protection, information security, consumer protection, e-commerce and other laws and regulations are more detailed than those in the United States and, in some countries, are actively enforced.

These laws and regulations are continuously evolving, and compliance is costly and could require changes to our business practices and significant management time and effort, or may result in enforcement actions or litigation. For example, California's Automatic Renewal Law requires companies to adhere to enhanced disclosure requirements when entering into automatically renewing contracts with consumers. As a result, a wave of consumer class action lawsuits was brought against companies that offer online products and services on a subscription or recurring basis. Other laws, like the CCPA and the EU's GDPR, require us to implement reasonable privacy and security measures, including applying security requirements by contract to certain service providers and processors acting on our behalf, as well as requiring certain privacy and security disclosures to consumers and employees. In some jurisdictions, these laws and regulations may be subject to attempts to apply such domestic rules world-wide against us or our subsidiaries. Additionally, it is not always clear how existing laws apply to online marketplaces as many of these laws do not address the unique issues raised by online marketplaces or e-commerce. For example, as described elsewhere in this Risk Factors section, laws relating to privacy, data protection and information security are evolving differently in different jurisdictions. Federal, state and non-U.S. governmental authorities, as well as courts interpreting relevant laws, continue to evaluate and assess applicable privacy, data protection and information security requirements.

Existing and future laws and regulations enacted by federal, state or non-U.S. governments or the inconsistent enforcement of such laws and regulations could impede the growth of e-commerce or online marketplaces, which could have a negative impact on our business and operations. Examples include data localization requirements, limitations on marketplace scope or ownership, intellectual property intermediary liability rules, regulation of online speech, limits on network neutrality and rules related to security, privacy, data protection or national security, which may impede us or our users. We could also face regulatory challenges or be subject to discriminatory or anti-competitive practices that could impede both our growth prospects, increase our costs and harm our business.

We strive to comply with all applicable laws, but they may conflict with each other, and by complying with the laws or regulations of one jurisdiction, we may find that we are in conflict with the laws or regulations of another jurisdiction. Despite our best efforts, we may not have fully complied with all applicable laws and may not in the future. Any failure, or perceived failure, by us to comply with any of these laws or regulations could result in damage to our reputation, lost business and proceedings or actions against us by governmental entities or others, which could result in significant expenses, fines or penalties. Laws or regulations, or enforcement thereof, could also force us to change the way we operate, which could require us to incur significant expenses or to discontinue certain services, which could negatively affect our business.

Additionally, if third parties with whom we work violate applicable laws or our policies, those violations could result in other liabilities for us and could harm our business. Furthermore, the circumstances in which we may be held liable for the acts, omissions or responsibilities of these parties is uncertain, complex and evolving. If an increasing number of such laws are passed, the resulting compliance costs and potential liability risk could negatively impact our business.

From time to time, we may be subject to legal proceedings, regulatory disputes and governmental inquiries that could cause us to incur significant expenses, divert our management's attention and materially harm our business, results of operations and financial condition.

From time to time, we may be subject to claims, lawsuits, regulatory disputes, government inquiries and other proceedings, including matters related to intellectual property, commercial, employment and tax that could adversely affect our business, results of operations and financial condition. As we have grown, we have seen a rise in the number and significance of these disputes and inquiries. Litigation and regulatory proceedings, and particularly any intellectual property infringement matters that we may face, could be protracted and expensive, and the results are difficult to predict. Certain of these matters may include speculative claims for substantial or indeterminate amounts of damages and include claims for injunctive relief. Adverse outcomes with respect to any of these legal proceedings may result in significant settlement costs or judgments, penalties and fines, or require us to modify our products or services, make content unavailable or require us to stop offering certain features, all of which could negatively affect our subscription and revenue growth. See the section titled "Business—Legal Proceedings" for additional information.

The results of claims, lawsuits, regulatory disputes, government inquiries and other proceedings cannot be predicted with certainty, and determining reserves for pending litigation and other legal and regulatory matters requires significant judgment. There can be no assurance that our expectations will prove correct, and even if these matters are resolved in our favor or without significant cash settlements, these matters, and the time and resources necessary to litigate or resolve them, could harm our business, financial condition and results of operations.

We may engage in merger and acquisition activities, which could require significant management attention, disrupt our business, dilute stockholder value and adversely affect our results of operations.

As part of our business strategy, we may in the future engage in investment, merger or acquisition activities involving other companies, products or technologies. We may not be able to find suitable acquisition candidates, and we may not be able to complete acquisitions on favorable terms, if at all. If we do complete acquisitions, we may not ultimately strengthen our competitive position or achieve our goals, and any acquisitions we complete could be viewed negatively by our users or investors. Moreover, an acquisition, investment or business relationship may result in unforeseen operating difficulties and expenditures, including disrupting our ongoing operations, diverting management from their primary responsibilities, subjecting us to additional liabilities, increasing our expenses and adversely affecting our business, financial condition and results of operations. Moreover, we may be exposed to unknown liabilities, and the anticipated benefits of any acquisition, investment or business relationship may not be realized, if, for example, we fail to successfully integrate such acquisitions, or the technologies associated with such acquisitions, into our company.

To pay for any such acquisitions, we would have to use our cash and cash equivalents, incur debt or issue equity securities, or a combination thereof, each of which may affect our financial condition or the value of our Class A common stock and could result in dilution to our existing stockholders. If we incur more debt, it would result in increased fixed obligations and could also subject us to additional covenants or other restrictions that would impede our ability to manage our operations. Additionally, we may receive indications of interest from other parties interested in acquiring some or all of our business. The time required to evaluate such indications of interest could require significant attention from management, disrupt the ordinary functioning of our business and adversely affect our business, financial condition and results of operations.

Our business is subject to the risk of earthquakes, fire, power outages, floods, public health crises, including the COVID-19 pandemic, and other catastrophic events, and to interruption by manmade problems such as terrorism.

Our business is vulnerable to damage or interruption from earthquakes, fires, pandemics, floods, power losses, telecommunications failures, terrorist attacks, acts of war, human errors, break-ins, public health crises, including the COVID-19 pandemic and similar events. For example, our operations are subject to a range of external factors related to the COVID-19 pandemic that are not within our control. A wide range of governmental restrictions have been imposed on our employees', customers' and suppliers' physical movement to limit the spread of COVID-19. There can be no assurance that precautionary measures, whether adopted by us or imposed by others, will be effective, and such measures could negatively affect our sales, marketing and Cricut Member Care efforts, delay and lengthen our sales cycles, decrease our employees' or customers' or partners' productivity or create operational or other challenges, any of which could harm our business, results of operations and financial condition. The third-party systems and operations and manufacturers we rely on are subject to similar risks. Our insurance policies may not cover losses from these events or may provide insufficient compensation that does not cover our total losses. For example, a significant natural disaster, such as a pandemic, earthquake, fire or flood, could adversely affect our business, financial condition and results of operations, and our insurance coverage may be insufficient to compensate us for losses that may occur. Acts of terrorism, which may be targeted at metropolitan areas that have higher population density than rural areas, could also cause disruptions in our or our suppliers' and manufacturers' businesses or the economy as a whole. We may not have sufficient protection or recovery plans in some circumstances, such as natural disasters affecting locations that store significant inventory of our products, that house our servers, or from which we generate content. As we rely heavily on our computer and communications systems, and the Internet to conduct our business and provide high-quality Cricut Member Care, these disruptions could negatively impact our ability to run our business and either directly or indirectly disrupt suppliers' and manufacturers' businesses, which could adversely affect our business, financial condition and results of operations.

We are subject to payment processing risk.

Our brick-and-mortar and online retail partners and users pay for our products using a variety of different payment methods, including credit and debit cards, gift cards, electronic fund transfers and electronic payment system and third-party financing providers. We rely on internal systems as well as those of third parties to process payment. Acceptance and processing of these payment methods are subject to certain rules and regulations and require payment of interchange and other fees. To the extent there are disruptions in our payment processing systems, increases in payment processing fees, material changes in the payment ecosystem, such as large re-issuances of payment cards, delays in receiving payments from payment processors or changes to rules or regulations concerning payment processing, our revenue, operating expenses and results of operation could be adversely impacted. We leverage our third-party payment processors to bill users on cricut.com and Paid Subscriber on our behalf. If these third parties become unwilling or unable to continue processing payments on our behalf, we would have to find alternative methods of collecting payments, which could adversely impact user and Paid Subscriber acquisition and retention. In addition, from time to time, we encounter fraudulent use of payment methods, which could impact our results of operation and if not adequately controlled and managed could create negative consumer perceptions of our service.

In 2020, we introduced an integration with a third-party financing provider, Affirm, which allows users to finance the purchase of our connected machines through third-party consumer financing. There is no assurance that Affirm, or any other company that may in the future offer financing to our users, will continue to provide users with access to credit or that credit limits under such arrangements will be sufficient. Such restrictions or limitations on the availability of consumer credit could have an adverse impact on our business, results of operations and financial condition.

The estimates of market size included in this prospectus may prove to be inaccurate, and even if the market in which we compete is of the size we estimate, we cannot assure you that our business will penetrate some or all of our SAM or TAM.

Market size estimates are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. The estimates of market size in this prospectus relating to our SAM and TAM, including estimates based on our commissioned surveys or our own internal survey data, may prove to be inaccurate. Even if the market is of the size we estimate in this prospectus, we may not further penetrate our SAM or TAM, or at all. Accordingly, the estimates of market size included in this prospectus should not be taken as indicative of our future growth.

The requirements of being a public company, including maintaining adequate internal control over our financial and management systems, may strain our resources, divert management's attention and affect our ability to attract and retain executive management and qualified board members.

As a public company we will incur significant legal, accounting and other expenses that we did not incur as a private company. Following the completion of this offering we will be subject to reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, the rules subsequently implemented by the SEC, the rules and regulations and the listing standards of the Exchange and other applicable securities rules and regulations. Compliance with these rules and regulations will likely strain our financial and management systems, internal controls and employees.

The Exchange Act requires, among other things, that we file annual, quarterly and current reports with respect to our business and results of operations and the Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures, and internal control, over financial reporting. In order to maintain and, if required, improve our disclosure controls and procedures, and internal control over, financial reporting to meet this standard, significant resources and management oversight may be required. If, in the future, we have material weaknesses or deficiencies in our internal control over financial reporting, we may not detect errors on a timely basis and our consolidated financial statements may be materially misstated. Effective internal control is necessary for us to produce reliable financial reports and is important to prevent fraud.

In addition, we will be required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act when we cease to be an emerging growth company. We expect to incur significant expenses and devote substantial management effort toward ensuring compliance with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act. As a result of the complexity involved in complying with the rules and regulations applicable to public companies, our management's attention may be diverted from other business concerns, which could harm our business, results of operations and financial condition. Although we have already hired additional employees to assist us in complying with these requirements, our finance team is small and we may need to hire more employees in the future, or engage outside consultants, which will increase our operating expenses.

Being a public company and complying with applicable rules and regulations will make it much more expensive for us to obtain director and officer liability insurance, and we will incur substantially higher costs to obtain and maintain the same or similar coverage. These factors could also make it more difficult for us to attract and retain qualified members of our board of directors and qualified executive officers.

If our estimates or judgments relating to our critical accounting policies prove to be incorrect, our results of operations could be adversely affected.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, as provided in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and

Estimates." The results of these estimates form the basis for making judgments about the carrying values of assets, liabilities and stockholders' equity/deficit and the amount of revenue and expenses that are not readily apparent from other sources. Significant assumptions and estimates used in preparing our consolidated financial statements include those related to deferred revenue and entitlements. Our results of operations may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our results of operations to fall below the expectations of securities analysts and investors, resulting in a decline in the price of our Class A common stock.

We may be subject to sales and other taxes, and we may be subject to liabilities on past sales for taxes, surcharges and fees.

The application of indirect taxes, such as sales and use tax, subscription sales tax, value-added tax, provincial taxes, goods and services tax, business tax and gross receipt tax, to businesses like ours is a complex and evolving issue. Significant judgment is required to evaluate applicable tax obligations. In many cases, the ultimate tax determination is uncertain because it is not clear how existing statutes apply to our business. One or more states, the federal government or other countries may seek to impose additional reporting, record-keeping or indirect tax collection obligations on businesses like ours that offer subscription services. For example, on June 21, 2018, the U.S. Supreme Court held in *South Dakota v. Wayfair, Inc.* that states could impose sales tax collection obligations on out-of-state sellers even if those sellers lack any physical presence within the states imposing the sales taxes. Under *Wayfair*, a person requires only a "substantial nexus" with the taxing state before the state may subject the person to sales tax collection obligations therein. An increasing number of states (both before and after the publication of *Wayfair*) have considered or adopted laws that attempt to impose sales tax collection obligations on out-of-state sellers. The U.S. Supreme Court's *Wayfair* decision has removed a significant impediment to the enactment and enforcement of these laws, and it is possible that states may seek to tax out-of-state sellers on sales that occurred in prior tax years, which could create additional administrative burdens for us, put us at a competitive disadvantage if such states do not impose similar obligations on our competitors and decrease our future sales, which could adversely impact our business and results of operations. Although we believe that we currently collect and remit sales taxes in all states that have adopted laws imposing sales tax collection obligations on out-of-state sellers since *Wayfair* was decided, a successful assertion by one or more states requiring us to collect sales taxes where we presently do not do so, or to collect more taxes in a jurisdiction where we currently do collect some sales taxes, could result in substantial tax liabilities, including taxes on past sales, as well as interest and penalties. The adoption of new laws by, or a successful assertion by taxing authorities of such laws, could also require us to incur substantial costs to capture data and collect and remit taxes. If such obligations were imposed, the additional costs associated with tax collection, remittance and audit requirements could adversely affect our business, financial condition and results of operations.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus includes forward-looking statements within the meaning of the federal securities laws under the sections titled “Prospectus Summary,” “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business” and in other sections of this prospectus. These forward-looking statements, which are subject to a number of risks, uncertainties and assumptions about us, generally relate to future events or our future financial or operating performance. In some cases, you can identify these statements by forward-looking words such as “believe,” “may,” “will,” “estimate,” “continue,” “anticipate,” “design,” “intend,” “expect,” “could,” “plan,” “potential,” “predict,” “seek,” “should,” “would,” “target,” “project” or “contemplate” or the negative version of these words and other comparable terminology that concern our expectations, strategy, plans, intentions or projections. Forward-looking statements contained in this prospectus include, but are not limited to, statements about:

- our ability to attract and engage users and attract and expand our relationships with brick-and-mortar and online retail partners and distributors;
- our future results of operations, including trends in revenue, costs, operating expenses and key metrics;
- our ability to compete successfully in competitive markets;
- our expectations and management of future growth;
- our ability to manage our supply chain, manufacturing, distribution and fulfillment, including the ability to forecast demand;
- our ability to enter new markets and manage our expansion efforts, including internationally;
- our ability to attract and retain management, key employees and qualified personnel;
- our ability to effectively and efficiently protect our brand;
- our ability to maintain, protect and enhance our intellectual property and not infringe upon others’ intellectual property;
- our continued use of open source software;
- our estimated SAM and TAM;
- our ability to prevent serious errors, defects or vulnerabilities in our products and software;
- the adequacy of our capital resources to fund operations and growth;
- our anticipated uses of net proceeds from this offering;
- our ability to remain in compliance with laws and regulations that currently apply or become applicable to our business both domestically and internationally;
- Petrus’ significant influence over us and our status as a “controlled company” under the rules of the Exchange;
- expectations regarding the impact of the COVID-19 pandemic, the related responses by governments and private industry on our business and financial condition, as well as the financial condition of our brick-and-mortar and online retail partners, online and e-commerce channels and users; and
- the other factors identified under the section titled “Risk Factors” appearing elsewhere in this prospectus.

We caution you that the foregoing list may not contain all of the forward-looking statements made in this prospectus.

You should not rely upon forward-looking statements as predictions of future events. These statements are only predictions based primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, results of operations and prospects. There are important factors that could cause our actual results, events or circumstances to differ materially from the results, events or circumstances expressed or implied by the forward-looking statements, including those factors discussed in the section titled “Risk Factors” and elsewhere in this prospectus. You should specifically consider the numerous risks outlined in the section titled “Risk Factors.” Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this prospectus.

Neither we nor any other person assumes responsibility for the accuracy and completeness of any of these forward-looking statements. Moreover, the forward-looking statements made in this prospectus relate only to events as of the date on which the statements are made. We undertake no obligation to update any of these forward-looking statements after the date of this prospectus to reflect events or circumstances after the date of this prospectus or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments we may make.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this prospectus, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

MARKET, INDUSTRY AND OTHER DATA

Unless otherwise indicated, estimates and information contained in this prospectus concerning our industry and the market in which we operate, including our general expectations and market position, market opportunity and market size, are based on information from various sources, including the independent industry publications set forth below, and are subject to a number of assumptions and limitations. You are cautioned not to give undue weight to these estimates. Although we are responsible for all of the disclosure contained in this prospectus and we believe the information from the industry publications and other third-party sources included in this prospectus is reliable, we have not independently verified the accuracy or completeness of the data contained in such sources. The content of the below sources, except to the extent specifically set forth in this prospectus, does not constitute a portion of this prospectus and is not incorporated herein.

The sources of certain statistical data, estimates and forecasts contained in this prospectus are the following independent industry publications or reports:

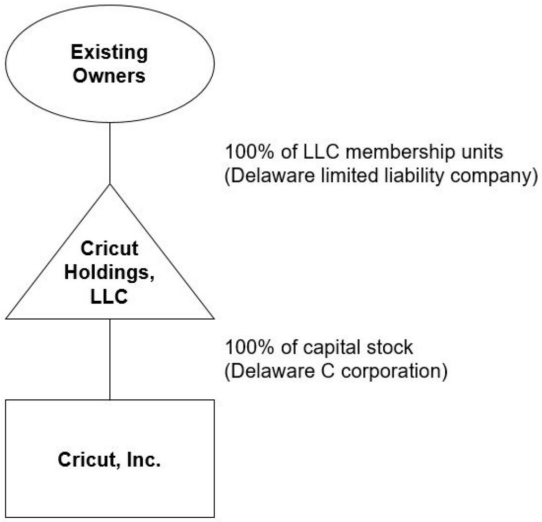
- Association for Creative Industries, *2016 Creative Products Size of the Industry Study UPDATE, Q4 2016 – Q3 2017*, 2017;
- Deloitte, *Made to order: The rise of mass personalisation*, The Deloitte Consumer Review, July 2015;
- GlobalWebIndex, *Social, GlobalWebIndex's flagship report on the latest trends in social media*, 2020;
- IBISWorld, *Greeting Cards & Other Publishing in the US*, September 2020;
- IBISWorld, *The Retail Market for Seasonal Decorations*, February 2020;
- IBISWorld, *The Retail Market for Stationary Products*, February 2020;
- IBISWorld, *Wedding Services in the US*, September 2020;
- The Freedonia Group, a division of MarketResearch.com, *Home Organization Products*, February 2019;
- Technavio, *Non-Photo Personalized Gift Market by Product, Distribution Channel, and Geography – Forecast and Analysis 2020-2024*, 2020; and
- YouGov America, *2020 Cricut TAM Study Background Information*, September 2020.

The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the section titled "Risk Factors" and elsewhere in this prospectus. These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by us.

Certain information regarding users contained in this prospectus is based on annual internal surveys and studies we conduct and has not been verified by a third party.

CORPORATE REORGANIZATION

The diagram below depicts our organizational structure immediately prior to the consummation of this offering:



Currently, the capital structure of Cricut Holdings consists of: (i) common units, (ii) incentive units, which are profits interests, (iii) zero strike price incentive units, (iv) purchased units and (v) phantom units. Prior to this offering, Cricut, Inc. has been a wholly owned subsidiary of Cricut Holdings.

Corporate Reorganization

On March 11, 2021, Cricut, Inc. engaged in a 64.2645654-for-1 forward stock split. Prior to the consummation of this offering, we will take a series of related corporate reorganization transactions as follows:

- Cricut, Inc. will file an amended and restated certificate of incorporation; and
- Cricut Holdings will liquidate in accordance with the terms and conditions of its existing limited liability company agreement. We refer to this transaction in this prospectus as the “Cricut Holdings Liquidation.” Existing Unitholders will receive, as a result of the Cricut Holdings Liquidation, 100% of the capital stock of Cricut, Inc. The capital stock of Cricut, Inc. will be allocated to such unit holders pursuant to the distribution provisions of the existing limited liability company agreement of Cricut Holdings based upon the liquidation value of Cricut Holdings, assuming it was liquidated at the time of this offering with a value implied by the initial public offering price of the shares of Class A common stock to be sold in this offering. Cricut Holdings will cease to exist following the Cricut Holdings Liquidation.

We refer to the foregoing transactions, collectively, as the “Corporate Reorganization.”

Treatment of Outstanding Equity Awards

In connection with the Corporate Reorganization:

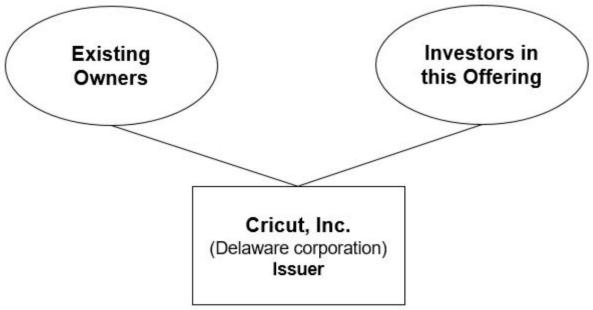
- all of the outstanding equity awards of Cricut Holdings (which are currently comprised of purchased units, incentive units, zero strike price incentive units and options to purchase zero strike price incentive units) will be converted into:
    - shares of Class B common stock, if vested,
    - shares of Class B common stock that are subject to future vesting, which we refer to as restricted stock, if unvested, or
    - options to purchase Class B common stock, if they are options to purchase zero strike incentive units, and
- all of the outstanding phantom units that have been granted will be converted into either shares of Class B common stock, if vested, or RSUs under our 2021 Plan, if unvested, that would vest into shares of Class A common stock of Cricut, Inc. or paid in cash, to the extent permitted in each applicable jurisdiction.

Except with respect to outstanding options, the portion of each outstanding equity award that is vested as of immediately prior to the consummation of the Corporate Reorganization will be converted into shares of our Class B common stock, and the portion of each outstanding equity award or outstanding phantom unit award that is unvested as of immediately prior to the consummation of the Corporate Reorganization will be converted into shares of Cricut, Inc.'s restricted stock, RSUs or cash, as applicable. The shares of restricted stock, RSUs or cash, as applicable, will be subject to the same vesting conditions that apply to the unvested units or unit equivalents, as applicable, underlying the outstanding equity award or phantom unit, as applicable, from which such consideration is converted.

In addition, in connection with the Corporate Reorganization, we intend to grant under our 2021 Plan options to purchase shares of Class A common stock with an exercise price equal to the initial public offering price or cash-settled RSUs to holders of certain outstanding equity awards (other than options) or phantom units on the same vesting terms as the corresponding outstanding equity awards and phantom units.

Options that are outstanding immediately prior to the consummation of the Corporate Reorganization will be converted into options to purchase shares of our Class B common stock at the Corporate Reorganization on the same vesting and exercise terms, but with adjustments to the share number and exercise price per share, in each case, to substantially preserve the intrinsic value of the option as of the consummation of the Corporate Reorganization.

The diagram below depicts our organizational structure immediately following the consummation of this offering. As used in the following diagram, "Existing Owners" refers to Petrus and other holders of our Class B common stock immediately prior to this offering:



As a result of the Corporate Reorganization described above and the subsequent consummation of this offering and assuming an initial offering price of $21.00 per share (the midpoint of the estimated offering price range set forth on the cover page of this prospectus):

- investors in this offering will collectively own 15,314,903 shares of Class A common stock of Cricut, Inc. (or 17,612,138 shares of Class A common stock if the underwriters' option to purchase 2,297,235 additional shares of our Class A common stock from us and the selling stockholders is exercised in full);
- Existing Unitholders in Cricut Holdings will collectively own 206,051,201 shares of Class B common stock of Cricut, Inc. of which 14,161,860 shares are subject to future vesting;
- Existing Unitholders will collectively own 1,072,855 RSUs, that would vest into shares of Class A common stock;
- Existing Unitholders will collectively own options to purchase 542,000 shares of Class B common stock, with a weighted-average exercise price of $9.04 per share; and
- Existing Unitholders will collectively own options to purchase 3,316,260 shares of Class A common stock with an exercise price equal to the initial public offering price.

USE OF PROCEEDS

We estimate that the net proceeds from the sale of 13,250,000 shares of our Class A common stock in this offering will be approximately $254.3 million, based on an assumed initial offering price of $21.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. If the underwriters' option to purchase additional shares of our Class A common stock from us and the selling stockholders is exercised in full, we estimate our net proceeds will be approximately $293.1 million after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We will not receive any of the proceeds from the sale of Class A common stock in this offering by the selling stockholders.

Each $1.00 increase or decrease in the assumed initial public offering price of $21.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase or decrease, respectively, the net proceeds that we receive from this offering by approximately $12.3 million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase or decrease of 1.0 million in the number of shares of our Class A common stock offered by us would increase or decrease the net proceeds that we receive from this offering by approximately $19.5 million, assuming the assumed initial public offering price remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The principal purposes of this offering are to increase our capitalization and financial flexibility, facilitate an orderly distribution of shares for the selling stockholders, increase our visibility in the marketplace, create a public market for our Class A common stock and enable access to the public equity markets for our stockholders.

We intend to use the net proceeds we receive from this offering for general corporate purposes, including working capital, operating expenses and capital expenditures and payment of outstanding phantom unit awards in certain jurisdictions. We also intend to use $0.5 million for the cash settlement of outstanding vested phantom units of Cricut Holdings, based on an assumed initial offering price of $21.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus.

Additionally, we may use a portion of the net proceeds we receive from this offering to acquire businesses, products, services or technologies. However, we do not have agreements or commitments for any material acquisitions at this time. We cannot specify with certainty the particular uses of the net proceeds that we will receive from this offering. Accordingly, we will have broad discretion in using these proceeds. Pending the use of proceeds from this offering as described above, we may invest the net proceeds that we receive in this offering in short-term, investment grade, interest-bearing instruments.

DIVIDEND POLICY

In September 2020, we paid a cash dividend to holders of our common stock totaling $51.2 million. We do not currently intend to pay any cash dividends on our common stock in the foreseeable future.

We currently intend to retain all available funds and any future earnings to support operations and to finance the growth and development of our business. Any future determination to pay dividends on our common stock will be made at the discretion of our board of directors subject to applicable laws, and will depend upon, among other factors, our results of operations, financial condition, contractual restrictions and capital requirements. Our ability to pay cash dividends on our capital stock may also be limited by the terms of our New Credit Agreement and the terms of any future debt or preferred securities or future indebtedness.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of December 31, 2020:

- on an actual basis; and
- on an as adjusted basis to reflect (i) the sale and issuance of 13,250,000 shares of Class A common stock pursuant to this offering, based on an assumed initial public offering price of $21.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us and (ii) the automatic conversion of 2,064,903 shares of our Class B common stock held by the selling stockholders into an equivalent number of shares of our Class A common stock upon their sale by the selling stockholders in this offering.

The as adjusted information set forth in the table below is illustrative only and will be adjusted based on the actual initial public offering price and other terms of this offering determined at pricing. You should read the information in this table together with our consolidated financial statements and related notes included elsewhere in this prospectus and the sections titled “Corporate Reorganization,” “Selected Consolidated Financial and Other Data” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

	As of December 31, 2020	
	Actual	As Adjusted[1]
	(unaudited)	
	(in thousands, except share and per share data)	
Cash and cash equivalents	$ 122,215	$ 377,805
Stockholders’ equity:		
Common stock, par value $0.001 per share; 257,058,262 shares authorized, 208,116,104 shares issued and outstanding, actual, no shares authorized, issued or outstanding, as adjusted	$ 208	$ —
Class A common stock, par value $0.001 per share; no shares authorized, issued or outstanding, actual, 1,000,000,000 shares authorized, 15,314,903 shares issued and outstanding, as adjusted	—	15
Class B common stock, par value $0.001 per share; no shares authorized, issued or outstanding, actual, 250,000,000 shares authorized, 206,051,201 shares issued and outstanding, as adjusted	—	206
Preferred stock, par value $0.001 per share; no shares authorized, issued or outstanding, actual, 100,000,000 shares authorized, no shares issued and outstanding, as adjusted	—	—
Additional paid-in capital	412,741	667,001
Accumulated other comprehensive income	9	9
Accumulated deficit	(184,033)	(184,033)
Total stockholders’ equity	228,925	483,198
Total capitalization	$ 228,925	483,198

(1) Each $1.00 increase (decrease) in the assumed initial public offering price of $21.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase (decrease) each of cash and cash equivalents, additional paid-in capital, total stockholders’ equity and total capitalization by $12.3 million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. Each increase (decrease) of 1.0 million shares in the number of shares offered

by us would increase (decrease) cash and cash equivalents, additional paid-in capital, total stockholders' equity and total capitalization by $19.5 million, assuming the assumed initial public offering price remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. The as adjusted information discussed above is illustrative only and will be adjusted based on the actual initial public offering price and other terms of this offering determined at pricing.

If the underwriters' option to purchase additional shares of our Class A common stock from us and the selling stockholders were exercised in full, as adjusted cash, and cash equivalents, additional paid-in capital, total stockholders' equity and total capitalization would be $416.6 million, $705.8 million, $522.0 million and $522.0 million, respectively, and we would have 17,612,138 shares of our Class A common stock and 205,741,461 shares of our Class B common stock issued and outstanding.

The number of shares of our common stock that will be outstanding after this offering is based on an aggregate of 208,116,104 shares of our Class B common stock outstanding as of December 31, 2020, of which, based on an assumed initial public offering price of $21.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, 14,161,860 shares are subject to future vesting.

The number of shares of our common stock outstanding as of December 31, 2020 excludes the following:

- 24,800,000 shares of Class A common stock reserved for future issuance under our equity compensation plans, consisting of:
  - 20,800,000 shares of Class A common stock reserved for future issuance under our 2021 Plan, as well as any annual increases in the number of shares of Class A common stock reserved for future issuance under our 2021 Plan, which plan will become effective on the Effectiveness Date of which;
    - 3,316,260 shares of Class A common stock (based on an assumed initial public offering price of $21.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus) will be issuable upon the exercise of options that we intend to grant in connection with the Corporate Reorganization and this offering;
    - 1,072,855 shares of Class A common stock (based on an assumed initial public offering price of $21.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus) will be issuable upon the vesting and settlement of RSUs that we intend to grant in connection with the Corporate Reorganization and this offering; and
  - 4,000,000 additional shares of Class A common stock, subject to increase on an annual basis, reserved for future issuance under our 2021 ESPP, which plan will become effective on the Effectiveness Date; and
- 542,000 shares of Class B common stock issuable upon the exercise of outstanding options held by Existing Unitholders.

DILUTION

If you invest in our Class A common stock in this offering, your ownership interest will be immediately diluted to the extent of the difference between the amount per share paid by purchasers of shares of Class A common stock in this offering and the as adjusted net tangible book value per share of our Class A common stock and Class B common stock immediately after the completion of this offering. Dilution in net tangible book value per share to new investors represents the difference between the amount per share paid by purchasers of shares of our Class A common stock in this offering and the as adjusted net tangible book value per share of our Class A common stock and Class B common stock immediately after completion of this offering.

After giving effect to the Corporate Reorganization, our net tangible book value as of December 31, 2020 was approximately $221.6 million, or $1.06 per share, based on 208,116,104 shares of our common stock deemed to be outstanding as of December 31, 2020.

After giving effect to our sale in this offering of 13,250,000 shares of our Class A common stock, at an assumed initial public offering price of $21.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, our as adjusted net tangible book value as of December 31, 2020, would have been approximately $477.8 million, or $2.16 per share. This represents an immediate increase in net tangible book value of $1.10 per share to our existing stockholders and an immediate dilution of $18.84 per share to investors purchasing Class A common stock in this offering at the assumed initial public offering price.

The following table illustrates this dilution to new investors on a per share basis:

Assumed initial public offering price per share		$ 21.00
Net tangible book value per share as of December 31, 2020	1.06	
Increase in net tangible book value per share attributable to investors purchasing shares of our Class A common stock in this offering	1.10	
As adjusted net tangible book value per share immediately after the completion of this offering		$ 2.16
Dilution in net tangible book value per share to investors purchasing shares in this offering		$ 18.84

If the underwriters' option to purchase additional shares of our Class A common stock from us and the selling stockholders were exercised in full, the as adjusted net tangible book value would be $2.31 per share, the increase in the net tangible book value per share for existing stockholders would be $1.25 per share and the dilution to new investors participating in this offering would be $18.69 per share.

Each $1.00 increase (decrease) in the assumed initial public offering price of $21.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase (decrease) the as adjusted net tangible book value by $0.06 per share and the dilution per share to new investors by $0.94 per share, assuming the number of shares offered by us and the selling stockholders, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us and the selling stockholders.

We may also increase or decrease the number of shares we are offering. Each increase (decrease) of 1.0 million shares in the number of shares offered by us would increase (decrease) our as adjusted net tangible book value by approximately $19.5 million, or $0.08 per share, and the dilution per share to investors in this offering by $(0.08) per share, assuming the assumed initial public offering price remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The information discussed above is illustrative only and will change based on the actual initial public offering price, number of shares and other terms of this offering determined at pricing.

The table below summarizes, as of December 31, 2020, after giving effect to the sale by us of shares of our Class A common stock in this offering, the number of shares of our common stock, the total consideration and the average price per share (i) paid to us by our existing stockholders and (ii) to be paid by new investors participating in this offering at an assumed initial public offering price of $21.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, before deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

	Shares Purchased		Total Consideration		Average Price
	Number	Percent	Amount	Percent	Per Share
Existing stockholders	208,116,104	94.0%	$ 216,477,000	43.8%	$ 1.04
Investors purchasing shares of our common stock in this offering	13,250,000	6.0%	278,250,000	56.2%	$ 21.00
Total	221,366,104	100.0%	$ 494,727,000	100.0%	

Sales by the selling stockholders in this offering will cause the number of shares held by existing stockholders to be reduced to 206,051,201 shares or 93.1% of the total number of shares of our common stock outstanding following the completion of this offering, and will increase the number of shares held by new investors to 15,314,903 shares, or 6.9% of the total number of shares of our common stock outstanding following the completion of this offering.

Each $1.00 increase (decrease) in the assumed initial public offering price of $21.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase (decrease) the total consideration paid by new investors and total consideration paid by all stockholders by $12.3 million, assuming that the number of shares offered by us and the selling stockholders, as set forth on the cover page of this prospectus, remains the same, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us and the selling stockholders. We may also increase or decrease the number of shares we are offering, and the selling stockholders may increase or decrease the number of shares they are offering. Each increase (decrease) of 1.0 million in the number of shares offered by us or the selling stockholders would increase (decrease) total consideration paid by new investors by $19.5 million, assuming the assumed initial price to the public remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us and the selling stockholders.

Except as otherwise indicated, the above discussion and tables assume no exercise of the underwriters' option to purchase additional shares of our Class A common stock from us and the selling stockholders. If the underwriters exercise in full their option to purchase additional shares of our Class A common stock from us and the selling stockholders, our existing stockholders would own 92.1% and our new investors would own 7.9% of the total number of shares of our common stock outstanding upon completion of this offering.

The number of shares of our common stock that will be outstanding after this offering is based on an aggregate of 208,116,104 shares of our Class B common stock outstanding as of December 31, 2020, of which, based on an assumed initial public offering price of $21.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, 14,161,860 shares are subject to future vesting.

The number of shares of our common stock outstanding as of December 31, 2020 excludes the following:

- 24,800,000 shares of Class A common stock reserved for future issuance under our equity compensation plans, consisting of:
  - 20,800,000 shares of Class A common stock reserved for future issuance under our 2021 Plan, as well as any annual increases in the number of shares of Class A common stock reserved for future issuance under our 2021 Plan, which plan will become effective on the Effectiveness Date of which;
    - 3,316,260 shares of Class A common stock (based on an assumed initial public offering price of $21.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus) will be issuable upon the exercise of options that we intend to grant in connection with the Corporate Reorganization and this offering;
    - 1,072,855 shares of Class A common stock (based on an assumed initial public offering price of $21.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus) will be issuable upon the vesting and settlement of RSUs that we intend to grant in connection with the Corporate Reorganization and this offering; and
  - 4,000,000 additional shares of Class A common stock, subject to increase on an annual basis, reserved for future issuance under our 2021 ESPP, which plan will become effective on the Effectiveness Date; and
- 542,000 shares of Class B common stock issuable upon the exercise of outstanding options held by Existing Unitholders.

SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA

The following tables present selected historical financial and other data for the periods indicated. The selected consolidated statements of operations data for the years ended December 31, 2018, 2019 and 2020 and the selected consolidated balance sheet data as of December 31, 2019 and 2020 are derived from our audited consolidated financial statements and related notes included elsewhere in this prospectus. Our historical results are not necessarily indicative of our future results. The following selected consolidated financial and other data below should be read in conjunction with the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and related notes included elsewhere in this prospectus. The last day of our fiscal year is December 31.

	Year Ended December 31,		
(in thousands, except for per share amounts)	2018	2019	2020
Consolidated Statements of Operations Data:			
Revenue:			
Connected machines	$ 147,081	$ 198,144	$ 416,714
Subscriptions	31,300	53,829	111,337
Accessories and materials	161,407	234,581	430,979
Total revenue	339,788	486,554	959,030
Cost of revenue:			
Connected machines(1)	127,546	176,894	351,898
Subscriptions(1)	5,027	8,827	13,125
Accessories and materials(1)	96,119	158,483	261,633
Total cost of revenue	228,692	344,204	626,656
Gross profit	111,096	142,350	332,374
Operating expenses:			
Research and development(1)	24,056	26,674	38,930
Sales and marketing(1)	30,698	40,110	63,329
General and administrative(1)	18,363	22,005	29,602
Total operating expenses	73,117	88,789	131,861
Income from operations	37,979	53,561	200,513
Other income (expense):			
Interest expense, net	(1,934)	(3,291)	(1,155)
Other income (expense), net	108	(2)	(165)
Total other income (expense), net	(1,826)	(3,293)	(1,320)
Income before provision for income taxes	36,153	50,268	199,193
Provision for income taxes	8,721	11,057	44,615
Net income	$ 27,432	$ 39,211	$ 154,578
Net income attributable to common stockholders(2)	49,337	39,211	154,578
Earnings per share attributable to common stockholders, basic and diluted(2)	$ 0.24	$ 0.19	$ 0.74
Weighted-average common shares outstanding used to compute earnings per share attributable to common stockholders, basic and diluted(2)	208,116,104	208,116,104	208,116,104

(1) Includes stock-based compensation expense as follows:

	Year Ended December 31,		
	2018	2019	2020
(in thousands)			
Cost of revenue			
Connected machines	$ 11	$ 2	$ 7
Subscriptions	51	11	31
Accessories and materials	—	—	—
Total cost of revenue	62	13	38
Research and development	5,467	881	3,332
Sales and marketing	2,843	623	4,794
General and administrative	2,006	328	1,320
Total stock-based compensation expense	$ 10,378	$ 1,845	$ 9,484

(2) See Note 1, Note 2 and Note 14 to our consolidated financial statements included elsewhere in this prospectus for an explanation of the methods used to calculate basic and diluted net income per share.

	Year Ended December 31,	
	2019	2020
(in thousands)		
Consolidated Balance Sheet Data:		
Cash and cash equivalents	$ 6,653	$ 122,215
Working capital	111,604	192,307
Total assets	317,645	581,400
Term loan, net of current portion	17,843	—
Total liabilities	196,503	352,475
Total stockholders' equity	121,142	228,925

Key Business Metrics and Non-GAAP Financial Measures

In addition to the measures presented in our consolidated financial statements, we use the following key business metrics and non-GAAP financial measures to help us evaluate our business, identify trends affecting our business, formulate business plans and make strategic decisions. For more information regarding our use of these key business metrics see the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Business Metrics and Non-GAAP Financial Measures."

	As of December 31,		
	2018	2019	2020
Users (in thousands)	1,685	2,525	4,323
Percentage of Users Creating in Trailing 90 Days	N/A	64%	65%
Paid Subscribers (in thousands)	417	604	1,303

	Year Ended December 31,		
	2018	2019	2020
Subscription ARPU	$ 23.19	$ 25.57	$ 32.52
Accessories and Materials ARPU	$ 119.61	$ 111.44	$ 125.88
EBITDA (in millions)	$ 46.1	$ 62.7	$ 214.4

EBITDA and EBITDA Margin

We calculate EBITDA as net income adjusted to exclude: interest expense, net; income taxes and depreciation and amortization expense. EBITDA Margin is calculated by dividing EBITDA by total revenue.

We use EBITDA and EBITDA Margin as measures of operating performance in our business. We believe these non-GAAP financial measures are useful to investors for period-to-period comparisons of our business and in understanding and evaluating our results of operations for the following reasons:

- EBITDA and EBITDA Margin are widely used by investors and securities analysts to measure a company's operating performance without regard to items such as depreciation and amortization expense, interest expense, net and income taxes that can vary substantially from company to company depending upon their financing and the method by which assets were acquired;
- our management uses EBITDA and EBITDA Margin in conjunction with financial measures prepared in accordance with GAAP for planning purposes, including the preparation of our annual operating budget, as a measure of our core results of operations and the effectiveness of our business strategy and in evaluating our financial performance; and
- EBITDA and EBITDA Margin provide consistency and comparability with our past financial performance, facilitate period-to-period comparisons of our core results of operations and also facilitate comparisons with other peer companies, many of which use similar non-GAAP financial measures to supplement their GAAP results.

Our use of EBITDA and EBITDA Margin has limitations as an analytical tool, and you should not consider these measures in isolation or as substitutes for analysis of our financial results as reported under GAAP. Some of these limitations are, or may in the future be, as follows:

- although depreciation and amortization expense are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and EBITDA and EBITDA Margin do not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements;
- EBITDA and EBITDA Margin do not reflect the portion of software development costs that we capitalize under GAAP, which has recently been, and will continue to be for the foreseeable future, a significant recurring expense for our business and an important part of our investment in new products;
- EBITDA and EBITDA Margin do not reflect: (i) changes in, or cash requirements for, our working capital needs, (ii) interest expense, or the cash requirements necessary to service interest or principal payments on our debt, which reduces cash available to us or (iii) tax payments that may represent a reduction in cash available to us.

Because of these limitations, we believe EBITDA and EBITDA Margin should be considered along with other operating and financial performance measures presented in accordance with GAAP.

The following table presents a reconciliation of EBITDA to net income, the most directly comparable financial measure prepared in accordance with GAAP, for each of the periods indicated:

	December 31,		
	2018	2019	2020
(in thousands)			
Net income	$ 27,432	$ 39,211	$ 154,578
Interest expense, net	1,934	3,291	1,155
Depreciation and amortization	8,016	9,108	14,003
Provision for income taxes	8,721	11,057	44,615
EBITDA	$ 46,103	$ 62,667	$ 214,351

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

The following discussion and analysis of our financial condition and results of operations should be read together with our consolidated financial statements and related notes and other financial information appearing elsewhere in this prospectus. This discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results could differ materially from these forward-looking statements as a result of many factors, including those discussed in the sections titled "Risk Factors" and "Special Note Regarding Forward-Looking Statements."

Overview of Our Business and History

At Cricut, our mission is to help people lead creative lives. We have designed and built a creativity platform that enables our engaged and loyal community of 4.3 million users to turn ideas into professional-looking handmade goods. With our highly versatile connected machines, design apps and accessories and materials, our users create everything from personalized birthday cards, mugs and T-shirts to large-scale interior decorations.

Our users' journeys typically begin with the purchase of a connected machine. We currently sell a portfolio of connected machines that cut, write, score and create other decorative effects using a wide variety of materials including paper, vinyl, leather and more. Our connected machines are designed for a wide range of uses and are available at a variety of price points:

- Cricut Joy for personalization on-the-go, $179.99 MSRP
- Cricut Explore for cutting, writing and scoring, $249.99 MSRP
- Cricut Maker for cutting, writing, scoring and adding decorative effects to a wider range of materials, $399.99 MSRP

Our software integrates our connected machines and design apps, allowing our users to create and share seamlessly. Our software is cloud-based, meaning that users can access and work on their projects anywhere, at any time, across desktops or mobile devices. We enable our users to be inspired, to create and share projects with the Cricut community and to follow others doing the same. On our apps, users can find inspiration, purchase or upload content like fonts and images, design a project from scratch or find a vast array of ready-to-make projects.

Users can leverage the full power of our platform by using our connected machines together with our free design apps, in-app purchases and subscription offerings to design and complete projects. All users can access a select number of free images, fonts and projects from our design apps or upload their own. In addition, we offer a wider selection of images, fonts and projects for purchase à la carte, including licensed content from partners with well-known brands and characters, like major motion picture studios. We also have two subscription offerings: Cricut Access and Cricut Access Premium. Cricut Access provides a subscription to images, fonts and projects as well as other member benefits, such as discounts and priority Cricut Member Care. Cricut Access is billed monthly for $9.99 per month or annually for $95.88 per year. Cricut Access Premium includes all of the benefits of Cricut Access as well as additional discounts and preferred shipping and is billed annually for $119.88 per year. As of December 31, 2020, we had over 1.3 million Paid Subscribers to Cricut Access and Cricut Access Premium.

We sell a broad range of accessories and materials that bring our users' designs to life, from advanced tools like heat presses to Cricut-branded rulers, scoring tools, pens, paper and iron-on vinyl, all designed to work seamlessly with our connected machines. Designing and completing projects drives repeat purchases of Cricut-branded accessories and materials.

We design and develop our software and hardware products, and we work with third-party contract manufacturers to source components and finished goods and with third-party logistics companies to warehouse and distribute our products.

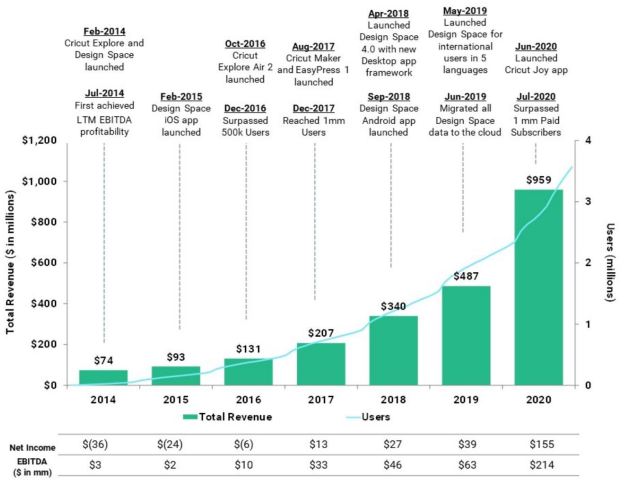
We sell our connected machines and accessories and materials through our brick-and-mortar and online retail partners, as well as through our website at cricut.com. Our partners include Amazon, Hobby Lobby, HSN, Jo-Ann, Michaels, Target, Walmart and many others. We also sell our products, including subscriptions to Cricut Access and Cricut Access Premium, on cricut.com. In 2020, 52% of our revenue was generated through brick-and-mortar sales and 48% was generated through online channels.

We have experienced rapid and profitable growth in our business. In 2018, 2019 and 2020, we generated:

- Total revenue of $340 million, $487 million and $959 million, respectively, representing 43% and 97% year-over-year growth, respectively
- Net income of $27 million, $39 million and $155 million, respectively, representing 43% and 294% year-over-year growth, respectively
- EBITDA of $46 million, $63 million and $214 million, respectively, representing 36% and 242% year-over-year growth, respectively

The graphic below shows key milestones in our recent history as well as the annual number of users and annual total revenue since 2014.

Our Recent History and Milestones



Our Business Model

Our business model thrives because our products unlock creativity, which then in turn drives the engagement of our users. Our 4.3 million users' journeys typically begin with the purchase of a connected machine and expand across our family of products as users harness the power of our platform. Our business model is characterized by strong engagement and diversified sales across product categories. This engagement has led to rapid growth and strong profitability.

Attracting and Engaging New Users through Connected Machine Sales

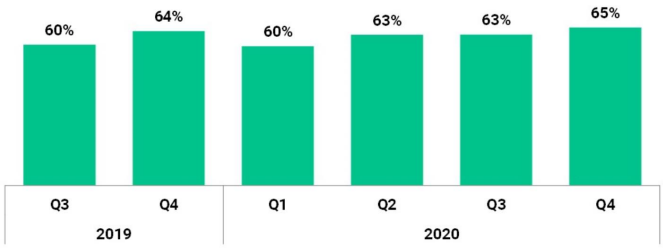
Since launching our first connected machine, we have built a loyal and growing community of users that has reached substantial scale. As of December 31, 2019 and 2020, we had 2.5 million and 4.3 million users, respectively, representing 71% year-over-year growth. See the section titled "—Key Business Metrics and Non-GAAP Financial Measures" for the definition of users. We believe we are in the early stages of our growth and that we have a significant untapped opportunity in the United States and Canada, as well as globally. Our 4.3 million users represent approximately 5% of our estimated SAM in the United States and Canada and just over 3% of our total SAM including our primary international target markets of Australia, France, Germany and the United Kingdom.

We have been able to efficiently acquire new users and drive sales of our products because of the powerful network effects of our community. To date, word-of-mouth referrals, as well as effective use of low-cost marketing channels like social media, have driven our success. In 2020, 42% of new users indicated that they first heard about Cricut from friends and family. Another 21% of our users first heard about Cricut from other low cost or free marketing channels including YouTube, DIY blogs and press coverage. Sales and marketing expenses represented 9%, 8% and 7% of revenue in 2018, 2019 and 2020, respectively.

Once we acquire a user, we see strong engagement with them over time. We drive engagement through a highly interactive and fulfilling product experience and the strength of our community. We continuously innovate and improve our connected machines, design apps and accessories and materials, giving our users more to create. Once they have purchased connected machines, users inspire one another to create and use more of our digital content, subscriptions and accessories and materials. In turn, we learn from our users' creativity, and launch new products to help expand their creative horizons. We measure engagement by the Percentage of Users Creating in Trailing 90 Days. See the section titled "—Key Business Metrics and Non-GAAP Financial Measures" for the definition of Percentage of Users Creating in Trailing 90 Days. As of December 31, 2020, 65% of our 4.3 million users created on their connected machines in the last 90 days. User engagement has been relatively consistent over time, demonstrating how our platform becomes a regular part of the creative lives of our users.

The chart below shows the Percentage of Users Creating in Trailing 90 Days for the periods indicated.

Percentage of Users Creating on Their Connected Machines
in the Trailing 90 Days as of Each Quarter End



Many of our users choose to pay for our subscription offerings which include a subscription to images, fonts and projects as well as other member benefits, such as discounts, priority Cricut Member Care and, in the case of Cricut Access Premium, preferred shipping. By subscribing to our offerings, users have access to a curated and growing design library of over 125,000 images, 6,000 ready-to-make projects and hundreds of fonts. We believe that the number of Paid Subscribers is an indicator of the depth of our users' engagement. See the section titled "—Key Business Metrics and Non-GAAP Financial Measures" for the

definition of Paid Subscribers. As of December 31, 2020, we had over 1.3 million Paid Subscribers, representing 116% year-over-year growth. As of December 31, 2020, approximately 30% of our users were also Paid Subscribers. We aim to increase the number of our users that are Paid Subscribers over time.

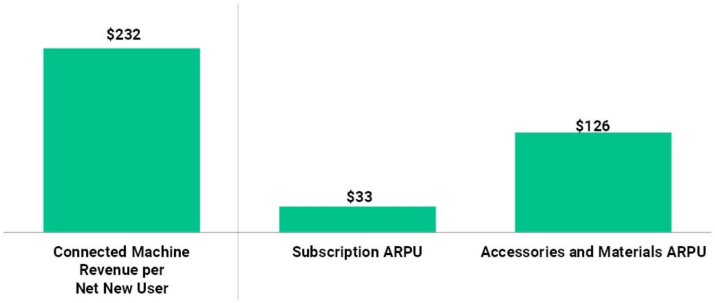
Growing With Users Over Time

The vast majority of the connected machines we sell are first-time Cricut purchases. We launch software enhancements and new tools for our connected machines, as well as new accessories and materials SKUs, to enhance the capabilities of our connected machines over time. We grow with our users as they continue to create on their connected machines, subscribe to Cricut Access and Cricut Access Premium and purchase à la carte items and our accessories and materials repeatedly.

The chart below is a summary of our average Connected Machine revenue per net new user in 2020 from purchases of connected machines, together with our Subscription ARPU and Accessories and Materials ARPU in 2020. We define Connected Machine revenue per net new user as connected machine revenue in a period divided by the number of net new users in that period. We define net new users as the difference between the number of users as of the end of the current and prior periods. In addition, excluding Connected Machine revenue, in 2020 we generated, on average, approximately $158 combined from subscriptions and accessories and materials per user. Our users purchase subscriptions and accessories and materials, our higher gross margin categories, long after they first purchase a connected machine. In 2020, the gross margin of our subscriptions and accessories and materials categories was 88% and 39%, respectively, compared to 16% for our connected machines category.

We review Connected Machine revenue per net new user as an indicator of revenue generated by first-time purchases of connected machines. We review this in connection with Subscription ARPU and Accessories and Material ARPU as an indicator of the monetization of the journey of our users. Connected Machine revenue fluctuates as we introduce new connected machines at various price points and as the mix of connected machines purchased changes.

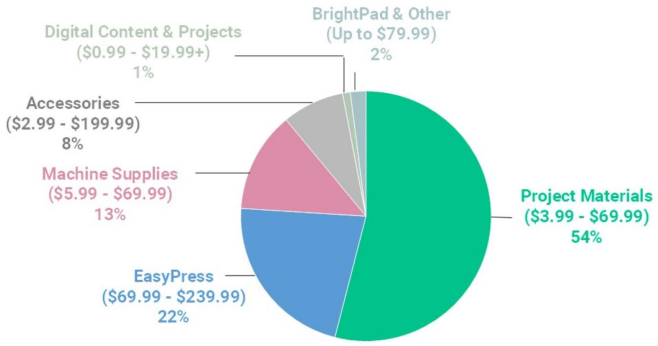
Monetization of the User Journey, Year Ended December 31, 2020



We define Accessories and Materials ARPU as Accessories and Materials revenue divided by average users in a period. Accessories and Materials ARPU fluctuates over time as we introduce new accessories and materials at various price points and as the volume and mix of accessories and materials purchased changes. We aim to continue to engage our users and maintain consistency and growth in this metric over time.

The chart below shows our current mix of accessories and materials SKUs and price points. We currently sell over 3,000 SKUs within accessories and materials ranging from an MSRP of $0.99 to $239.99.

2020 Accessories and Materials Sales by Item Category



Factors Affecting Our Performance

Our financial condition and results of operations have been, and will continue to be, affected by a number of factors, including the following:

Attracting New Users and Driving Connected Machine Sales

Our growth depends in part on our ability to drive continued growth in users and connected machine sales. We believe we are in the early stages of growth in our addressable market. We have been successful in attracting new users by delivering positive product experiences and due to the powerful network effects associated with our large and loyal user community. We plan to continue to grow our number of users through word-of-mouth referrals, by investing in sales and marketing initiatives and by broadening our partnerships with new and existing brick-and-mortar and online retail partners and distributors. We expect that our efforts to attract new users outside of the United States and Canada will require us to spend additional resources, particularly in marketing. If we cannot attract new users, our results of operations would be adversely affected. While we have seen an increase in demand of our products and subscriptions during the COVID-19 pandemic, there is no guarantee that such trends will continue at the same rate in the future or at all.

Engaging and Expanding With our Existing Users

Our success is driven by engagement of our users, as well as our ability to sell additional products to our users after their first connected machine purchase. Our users are engaged when they create with connected machines, design apps and accessories and materials. It is therefore important that users find our products intuitive and easy to use. As users create on their connected machines, they are more likely to purchase subscriptions and accessories and materials. Historically we find that our users continue to be engaged over time. As of December 31, 2020, 65% of our users created on their connected machines in the last 90 days and 84% created on their connected machines in the last 365 days. This durable relationship is motivated by new software and products that we launch to expand the capabilities of existing connected machines as well as through the inspiration derived from our large and passionate community. If our users engage with their connected machines less over time, the overall growth in our business may slow.

Scaling our Product Offerings

We have historically enjoyed strong demand for our products, driving methodical growth. Our growth depends in part on our ability to design and introduce new products and enhance existing products that meet the preferences of our users. We must also carefully manage any changes to our product offerings so that we do not harm our brand or our relationships with our users. To continue to grow, we must employ the right personnel to execute our product roadmap and effectively work with third-party suppliers and manufacturers. If we fail to expand our products or maintain high quality standards in our products, our brand, business and results of operations will be adversely affected.

Managing our Supply Chain

We rely on third-party suppliers, contract manufacturers and third-party logistics partners to produce and distribute our products. Our ability to grow depends largely on the ability of these third-party companies to scale with us, provide high quality services and deliver components and finished products on time and at reasonable costs. While we are working to diversify our supply chain, some of our third-party suppliers and manufacturers are sole-source suppliers, including one manufacturer for the majority of our connected machines. Our concentration of suppliers could lead to supply shortages, long lead times for components and supply changes. Much of our supply chain originates in China and Malaysia. We expect to pursue additional geographic diversification in our supply chain to mitigate tariffs and other supply chain challenges. We must continue to build relationships with strong third-party suppliers, contract manufacturers and third-party logistics companies and continue to diversify our supply chain to improve operational results. We manage our inventory levels to account for the complexity of our supply chain, resulting in significant working capital risks and elevated obsolescence risks.

Driving Innovation

We focus on understanding our users and their needs. We engage with our users through our customer service channels, as well as through regularly conducted surveys, ethnographies and focus groups. Social media serves as an additional conversational channel where we learn from our users. We then seek to methodically translate these insights into elegant solutions that serve the needs of our users, including through new products and enhancements to existing products. In particular, we are continually driving innovation in our software, connected machines, design apps, accessories and materials. While all of these offerings are designed to work seamlessly with each other, they each require significantly different strengths and talents, and so we have built our research and development teams with the unique needs of each offering in mind. Improving our software, expanding the capabilities of our connected machines and subscriptions and releasing new accessories and materials will require continued investment and expenses. Research and development expenses were $39 million in 2020. Capitalized software development represented $10.5 million, or 49%, of our capital expenditures in 2020. As a result, our reported capital expenditures and research and development expenses should be viewed in tandem to understand our investments in innovation.

Balancing Operating Discipline and Investment for Growth

We seek to balance investments for long-term growth with operating discipline and the profitability of our business. We have been EBITDA profitable in every year of operations since 2014. In 2019, we had an EBITDA Margin of 13% and grew EBITDA 36% compared to 2018. In the year ended December 31, 2020, we had an EBITDA Margin of 22% and grew EBITDA 242% compared to the year ended December 31, 2019. We expect EBITDA Margin to fluctuate as a percentage of revenue in the near term and long term. We have a strong focus on the unit economics of each of our products and consistency in how we operate the business. Our investments to date have been critical to our success and have allowed us to reach 4.3 million users as of December 31, 2020 and launch more than 3,000 SKUs since the launch of our first connected machine. We will continue to prioritize our investments in technology innovation including software and hardware development, content and accessories and materials. In addition, we are investing in sales and marketing and operations as appropriate to support our growth. Our expenses may also increase as we hire additional personnel and continue to attract technical talent. While we expect to continue or increase our spending in these investments in the future, we cannot be certain they will result in the growth of our number of users or increase engagement with existing users.

Growing Internationally

Expanding internationally, including by entering new geographic markets and increasing our sales in markets that we have already entered, requires us to invest in sales and marketing, distribution partnerships, infrastructure and personnel. Our international growth will depend on our ability to create brand awareness, attract new users, develop retail and distribution partnerships and sell connected machines, subscriptions and accessories and materials. Our international expansion has resulted in, and will continue to result in, increased costs and is subject to a variety of risks, including content localization, multilingual customer support, potentially complex delivery logistics and compliance with foreign laws and regulations.

Seasonality

Historically, we have experienced the highest revenue levels in the fourth quarter of the year, coinciding with the holiday shopping season in the United States. For example, in 2019 and 2020, our fourth quarter represented 36% and 39% of total revenue for the year, respectively. Our promotional discounting activity is higher in the fourth quarter as well, which negatively impacts gross margin during this period. For example, gross margin in the fourth quarter of 2020 was 34%, compared to gross margin of 35% for all of 2020. Additionally, sales of accessories and materials typically rise and fall with seasonal holiday crafting periods. As we continue to grow internationally, we expect we may experience seasonality in additional markets, which may differ from the seasonality experienced in the United States.

Key Business Metrics and Non-GAAP Financial Measures

In addition to the measures presented in our consolidated financial statements, we use the following key metrics to evaluate our business, measure our performance, identify trends and make strategic decisions.

	As of December 31,		
	2018	2019	2020
Users (in thousands)	1,685	2,525	4,323
Percentage of Users Creating in Trailing 90 Days	N/A	64%	65%
Paid Subscribers (in thousands)	417	604	1,303

	Year Ended December 31,		
	2018	2019	2020
Subscription ARPU	$ 23.19	$ 25.57	$ 32.52
Accessories and Materials ARPU	$ 119.61	$ 111.44	$ 125.88
EBITDA (in millions)	$ 46.1	$ 62.7	$ 214.4

Users

We define a User as a registered user of at least one registered connected machine as of the end of a period. One user may own multiple registered connected machines but is only counted once if that user registers those connected machines by using the same email address. If possession of a connected machine is transferred to a new owner and registered by that new owner, the new owner is added to the total user count and the prior owner is removed from the total user count if the prior owner does not own any other registered connected machines. User count is a key indicator of the health of our business, because changes in the number of users reflects changes in connected machine sales and represents opportunities for us to drive additional sales of subscriptions and accessories and materials. There are certain limitations associated with this metric. For example, this metric does not capture whether a User is active in using a connected machine and does not indicate whether a User is purchasing subscriptions or accessories and materials. We compensate for these limitations by also reviewing other metrics that capture portions of this information, including the metrics below.

Percentage of Users Creating in Trailing 90 Days

We define the Percentage of Users Creating in Trailing 90 Days as the percentage of users who have used a connected machine for any activity, such as cutting, writing or any other activity enabled by our connected machines, in the past 90 days. This metric is a key indicator of our engagement with users, which helps drive sales of subscriptions and accessories and materials. We began tracking this metric in July 2019 and therefore do not have information for the full year 2019 or for any prior periods. There are certain limitations associated with this metric. For example, this metric does not capture whether a User is purchasing subscriptions or accessories and materials. We compensate for these limitations by also reviewing other metrics that capture portions of this information, including the metrics below.

Paid Subscribers

We define Paid Subscribers as the number of users with a subscription to Cricut Access or Cricut Access Premium, excluding cancelled, unpaid or free trial subscriptions, as of the end of a period. Paid Subscribers is a key metric to track growth in our subscriptions revenue and potential leverage in our gross margin.

Subscription ARPU

We define Subscription ARPU as Subscriptions revenue divided by average users in a period. Subscription ARPU allows us to forecast Subscriptions revenue over time and is an indicator of our ability to expand with users and of user engagement with our subscription offerings.

Accessories and Materials ARPU

We define Accessories and Materials ARPU as Accessories and Materials revenue divided by average users in a period. Accessories and Materials ARPU allows us to forecast Accessories and Materials revenue over time and is an indicator of our ability to expand with users, particularly the volume of projects created by our users.

EBITDA

We define EBITDA as net income adjusted to exclude: interest expense, net; income taxes and depreciation and amortization. See the section titled “Selected Consolidated Financial and Other Data—Key Business Metrics and Non-GAAP Financial Measures” for information regarding our use of EBITDA and EBITDA Margin.

Components of our Results of Operations

We operate and manage our business in three reportable segments: Connected Machines, Subscriptions and Accessories and Materials. We identify our reportable segments based on the information used by management to monitor performance and make operating decisions. See Note 15 to our consolidated financial statements included elsewhere in this prospectus for additional information regarding our reportable segments.

Revenue

Connected Machines

We generate Connected Machines revenue from sales of our portfolio of connected machines, currently consisting of Cricut Maker, Cricut Explore and Cricut Joy, net of sales discounts, incentives and returns. Connected Machines revenue is recognized at the point in time when control is transferred, which is either upon shipment or delivery to the customer in accordance with the terms of each customer contract.

Subscriptions

We generate Subscriptions revenue primarily from sales of subscriptions to Cricut Access and Cricut Access Premium and a minimal amount of revenue allocated to the unspecified future upgrades and enhancements related to the essential software and access to our cloud-based services. For a monthly or annual subscription fee, Cricut Access includes a subscription to images, fonts and projects as well as other member benefits, including discounts and priority Cricut Member Care. For an annual subscription fee, Cricut Access Premium includes all of the benefits of Cricut Access as well as additional discounts and preferred shipping. Subscriptions revenue excludes à la carte digital content purchases. Subscriptions revenue is recognized on a ratable basis over the subscription term.

Accessories and Materials

We generate Accessories and Materials revenue from sales of ancillary products, such as Cricut EasyPress, hand tools, machine replacement tools and blades, project materials such as vinyl and iron-on and sales of à la carte digital content purchases, including fonts, images and projects. Accessories and Materials revenue is recognized for sales of such items, net of sales discounts, incentives and returns. Accessories and Materials revenue is recognized at the point in time when control is transferred, which is either upon shipment or delivery to the customer in accordance with the terms of each customer contract.

Cost of Revenue

Connected Machines

Cost of revenue related to Connected Machines consists of product costs, including costs of components, costs of contract manufacturers for production, inspecting and packaging, shipping, receiving, handling, warehousing and fulfillment, duties and other applicable importing costs, warranty replacement, excess and obsolete inventory write-downs, tooling and equipment depreciation and royalties. We expect our cost of revenue related to Connected Machines as a percentage of revenue to fluctuate in the near term as we address global supply chain challenges created by the COVID-19 pandemic and continue to invest in the growth of our business and decrease over the long term as we drive greater scale and efficiency in our business.

Subscriptions

Cost of revenue related to Subscriptions consists primarily of hosting fees, digital content costs, amortization of capitalized software development costs and software maintenance costs. We expect our cost of revenue related to Subscriptions as a percentage of revenue to fluctuate in the near term as we expand our content offerings, including localized content for international target markets, and decrease over time as we drive greater scale and efficiency in our business.

Accessories and Materials

Costs of revenue related to Accessories and Materials consists of product costs, including costs of components, costs of contract manufacturers for production, inspecting and packaging, shipping, receiving, handling, warehousing and fulfillment, duties and other applicable importing costs, warranty replacement, excess and obsolete inventory write-downs, tooling and equipment depreciation and royalties. We expect our cost of revenue related to Accessories and Materials as a percentage of revenue to fluctuate in the near term as we address global supply chain challenges created by the COVID-19 pandemic and continue to invest in the growth of our business and decrease over the long term as we drive greater scale and efficiency in our business.

Operating Expenses

Research and Development

Research and development expenses consist primarily of costs associated with the development of our connected machines, software and accessories and materials, including personnel-related expenses for engineering, product development and quality assurance, as well as prototype costs, service fees incurred by contracting with vendors and allocated overhead. We expect our research and development expenses to grow in the near term as we begin developing and investing in more new products to support growth further into the future. Longer term, we expect research and development expense to increase as a percentage of revenue to levels somewhat higher than recent historical levels.

Sales and Marketing

Sales and marketing expenses consist primarily of the advertising and marketing of our products and personnel-related expenses, including salaries and bonuses, benefits and stock-based compensation expense, as well as sales incentives, professional services and allocated overhead costs. We expect our sales and marketing expenses as a percentage of revenue to increase in the near and long term as we expand internationally and launch new products.

General and Administrative

General and administrative expenses consist of personnel-related expenses for our finance, legal, human resources and administrative personnel, including salaries and bonuses, benefits and stock-based compensation expense, as well as the costs of professional services, any allocated overhead, information technology and other administrative expenses. We expect our general and administrative expenses as a percentage of revenue to increase in the near term as we expand our operations and incur expenses to become a public company, and to decline over the long term as we drive greater scale and efficiency in our business.

Interest Expense, Net

Interest expense, net consists primarily of interest expenses associated with our debt financing arrangements and amortization of debt issuance costs.

Provision for Income Taxes

Provision for income taxes consists of income taxes in the United States and certain state and foreign jurisdictions in which we conduct business. We have not recorded a valuation allowance against our deferred tax assets as we have concluded that it is more likely than not that the deferred tax assets will be realized.

Results of Operations

The following tables set forth the components of our consolidated statements of operations for each of the periods presented and as a percentage of our revenue for those periods. The period-to-period comparison of results of operations is not necessarily indicative of results of future periods.

The following table is presented in thousands:

	Year Ended December 31,		
(in thousands)	2018	2019	2020
Consolidated Statements of Operations Data:			
Revenue:			
Connected machines	$ 147,081	$ 198,144	$ 416,714
Subscriptions	31,300	53,829	111,337
Accessories and materials	161,407	234,581	430,979
Total revenue	339,788	486,554	959,030
Cost of revenue:			
Connected machines(1)	127,546	176,894	351,898
Subscriptions(1)	5,027	8,827	13,125
Accessories and materials(1)	96,119	158,483	261,633
Total cost of revenue	228,692	344,204	626,656
Gross profit	111,096	142,350	332,374
Operating expenses:			
Research and development(1)	24,056	26,674	38,930
Sales and marketing(1)	30,698	40,110	63,329
General and administrative(1)	18,363	22,005	29,602
Total operating expenses	73,117	88,789	131,861
Income from operations	37,979	53,561	200,513
Other income (expense):			
Interest expense, net	(1,934)	(3,291)	(1,155)
Other income (expense), net	108	(2)	(165)
Total other income (expense), net	(1,826)	(3,293)	(1,320)
Income before provision for income taxes	36,153	50,268	199,193
Provision for income taxes	8,721	11,057	44,615
Net income	$ 27,432	$ 39,211	$ 154,578

(1) Includes stock-based compensation expense as follows:

	Year Ended December 31,		
(in thousands)	2018	2019	2020
Cost of revenue			
Connected machines	$ 11	$ 2	$ 7
Subscriptions	51	11	31
Accessories and materials	—	—	—
Total cost of revenue	62	13	38
Research and development	5,467	881	3,332
Sales and marketing	2,843	623	4,794
General and administrative	2,006	328	1,320
Total stock-based compensation expense	$ 10,378	$ 1,845	$ 9,484

Comparison of the Years Ended December 31, 2019 and 2020

Revenue

(dollars in thousands)	Year Ended December 31, 2019	2020	Change $	Change %
Revenue:				
Connected machines	$ 198,144	$ 416,714	$ 218,570	110%
Subscriptions	53,829	111,337	57,508	107%
Accessories and materials	234,581	430,979	196,398	84%
Total revenue	$ 486,554	$ 959,030	$ 472,476	97%

Connected Machines revenue increased by $218.6 million, or 110%, from $198.1 million for the year ended December 31, 2019 to $416.7 million for the year ended December 31, 2020. The increase was primarily driven by significant growth in the number of Connected Machines sold during the period, especially unit sales of Cricut Maker, which grew by 116% from December 31, 2019 to December 31, 2020 due to increased consumer demand.

Subscriptions revenue increased by $57.5 million, or 107%, from $53.8 million for the year ended December 31, 2019 to $111.3 million for the year ended December 31, 2020. The increase was primarily driven by a 116% increase in the number of Paid Subscribers from 0.6 million to over 1.3 million from December 31, 2019 to December 31, 2020.

Accessories and Materials revenue increased by $196.4 million, or 84%, from $234.6 million for the year ended December 31, 2019 to $431.0 million for the year ended December 31, 2020. The increase was primarily driven by growth in sales of accessories, particularly EasyPress units, which increased 98% from December 31, 2019 to December 31, 2020, and materials units, which increased 82% from December 31, 2019 to December 31, 2020.

Cost of Revenue, Gross Profit and Gross Margin

	Year Ended December 31,		Change	
	2019	2020	$	%
(dollars in thousands)				
Cost of Revenue:				
Connected machines	$ 176,894	$ 351,898	$ 175,004	99%
Subscriptions	8,827	13,125	4,298	49%
Accessories and materials	158,483	261,633	103,150	65%
Total cost revenue	$ 344,204	$ 626,615	$ 282,452	82%
Gross Profit:				
Connected machines	$ 21,250	$ 64,816	$ 43,566	205%
Subscriptions	45,002	98,212	53,210	118%
Accessories and materials	76,098	169,346	93,248	123%
Total gross profit	$ 142,350	$ 332,374	$ 190,024	133%
Gross Margin				
Connected machines	11%	16%		
Subscriptions	84%	88%		
Accessories and materials	32%	39%		

Connected Machines cost of revenue increased by $175.0 million, or 99%, from $176.9 million for the year ended December 31, 2019 to $351.9 million for the year ended December 31, 2020. The increase was primarily driven by growth in connected machines sold during the period, especially unit sales of our highest cost Connected Machine, Cricut Maker, which grew by 116% from December 31, 2019 to December 31, 2020.

Gross margin for Connected Machines increased from 11% for the year ended December 31, 2019 to 16% for the year ended December 31, 2020. Gross margin increased due to the net impact of fewer sales discounts, lower handling costs as a percent of revenue, and tariff mitigation by moving some machine manufacturing from China to Malaysia.

Subscriptions cost of revenue increased $4.3 million, or 49%, from $8.8 million for the year ended December 31, 2019 to $13.1 million for the year ended December 31, 2020. The increase was primarily driven by a $2.3 million increase in amortization of capitalized software development costs, a $1.8 million increase in hosting fees to support our growing base of subscribers and a $0.7 million increase in software development expenses. The increases were partially offset by a decrease in digital content costs of $0.6 million.

Gross margin for Subscriptions increased from 84% for the year ended December 31, 2019 to 88% for the year ended December 31, 2020. Gross margin increased due to a decrease in digital content costs and lower hosting and amortization of capitalized software development costs as a percentage of subscriptions revenue.

Accessories and Materials cost of revenue increased by $103.2 million, or 65%, from $158.5 million for the year ended December 31, 2019 to $261.6 million for the year ended December 31, 2020. The increase was primarily driven by growth in Accessories and Materials units sold from December 31, 2019 to December 31, 2020.

Gross margin for Accessories and Materials increased from 32% for the year ended December 31, 2019 to 39% for the year ended December 31, 2020. Gross margin primarily increased due to lower costs for EasyPress which experienced a 98% increase in unit sales, favorable product mix changes, lower handling costs as a percent of revenue and less promotional activity, particularly during the third quarter of 2020 due to inventory constraints.

Operating Expenses

Research and Development

(dollars in thousands)	Year Ended December 31, 2019	2020	Change $	Change %
Research and development	$ 26,674	$ 38,930	$ 12,256	46%
As a percentage of total revenue	5%	4%		

Research and development expenses increased by $12.3 million, or 46%, from $26.7 million for the year ended December 31, 2019 to $38.9 million for the year ended December 31, 2020. The increase was primarily due to a $6.5 million increase in personnel-related expenses due to headcount increasing during the period, a $4.4 million increase in product development expenses and depreciation and amortization and a $2.5 million increase in stock-based compensation expense. The increases were offset by a decrease of $0.7 million in travel expenses.

Sales and Marketing

(dollars in thousands)	Year Ended December 31, 2019	2020	Change $	Change %
Sales and marketing	$ 40,110	$ 63,329	$ 23,219	58%
As a percentage of total revenue	8%	7%		

Sales and marketing expenses increased by $23.2 million, or 58%, from $40.1 million for the year ended December 31, 2019 to $63.3 million for the year ended December 31, 2020. The increase was primarily due to an increase in advertising and other marketing costs of $8.1 million, an increase in personnel-related expenses of $6.0 million due to headcount increasing during the period, an increase in payment processing fees of $4.1 million due to increases in sales, an increase in stock-based compensation expense of $4.2 million and an increase in facilities and depreciation and amortization of $1.4 million. The increases were offset by a decrease of $0.9 million in travel expenses.

General and Administrative

(dollars in thousands)	Year Ended December 31, 2019	2020	Change $	Change %
General and administrative	$ 22,005	$ 29,602	$ 7,597	35%
As a percentage of total revenue	5%	3%		

General and administrative expenses increased by $7.6 million, or 35%, from $22.0 million for the year ended December 31, 2019 to $29.6 million for the year ended December 31, 2020. The increase was primarily due to an increase in personnel-related expenses of $4.8 million due to headcount increasing during the period, an increase in professional services of $3.0 million and an increase in stock-based compensation of $1.0 million. These increases were partially offset by decreases of $1.2 million in other administrative and travel related expenses.

Interest Expense, Net and Other Income (Expense), Net

	Year Ended December 31,		Change	
	2019	2020	$	%
(dollars in thousands)				
Interest expense, net	$ (3,291)	$ (1,155)	$ 2,136	(65)%
Other income (expense), net	(2)	(165)	(163)	8,150%

Interest expense, net decreased by $2.1 million, or 65%, from $3.3 million for the year ended December 31, 2019 to $1.2 million for the year ended December 31, 2020. The decrease was primarily due to a decrease in interest expense due to favorable interest rate fluctuations on our variable rate borrowings and decrease in the outstanding borrowed amount in 2020.

Provision for Income Taxes

	Year Ended December 31,		Change	
	2019	2020	$	%
(dollars in thousands)				
Provision for income taxes	$ 11,057	$ 44,615	$ 33,558	304%

Provision for income taxes increased by $33.6 million, or 304%, from $11.1 million for the year ended December 31, 2019 to $44.6 million for the year ended December 31, 2020. This represents an effective tax rate of 22% for the years ended December 31, 2019 and 2020.

Comparison of the Years Ended December 31, 2018 and 2019

Revenue

	Year Ended December 31,		Change	
	2018	2019	$	%
(dollars in thousands)				
Revenue:				
Connected machines	$ 147,081	$ 198,144	$ 51,063	35%
Subscriptions	31,300	53,829	22,529	72%
Accessories and materials	161,407	234,581	73,174	45%
Total revenue	$ 339,788	$ 486,554	$ 146,766	43%

Connected Machines revenue increased by $51.1 million, or 35%, from $147.1 million in 2018 to $198.1 million in 2019. The increase was primarily driven by significant growth in the number of Connected Machines sold during the period, especially unit sales of Cricut Maker, which grew by 67% from 2018 to 2019 due to increased consumer demand.

Subscriptions revenue increased by $22.5 million, or 72%, from $31.3 million in 2018 to $53.8 million in 2019. The increase was primarily driven by a 45% increase in the number of Paid Subscribers from over 0.4 million to over 0.6 million from 2018 to 2019.

Accessories and Materials revenue increased by $73.2 million, or 45%, from $161.4 million in 2018 to $234.6 million in 2019. The increase was primarily driven by growth in sales of accessories, particularly EasyPress units, which increased 74% from 2018 to 2019, and materials units, which increased 49% from 2018 to 2019.

Cost of Revenue, Gross Profit and Gross Margin

(dollars in thousands)	Year Ended December 31, 2018	2019	Change $	Change %
Cost of Revenue:				
Connected machines	$ 127,546	$ 176,894	$ 49,348	39%
Subscriptions	5,027	8,827	3,800	76%
Accessories and materials	96,119	158,483	62,364	65%
Total cost of revenue	$ 228,692	$ 344,204	$ 115,512	51%
Gross Profit:				
Connected machines	$ 19,535	$ 21,250	$ 1,715	9%
Subscriptions	26,273	45,002	18,729	71%
Accessories and materials	65,288	76,098	10,810	17%
Total gross profit	$ 111,096	$ 142,350	$ 31,254	28%
Gross Margin:				
Connected machines	13%	11%		
Subscriptions	84%	84%		
Accessories and materials	40%	32%		

Connected Machines cost of revenue increased by $49.3 million, or 39%, from $127.5 million in 2018 to $176.9 million in 2019. The increase was primarily driven by growth in connected machines sold during the period, especially unit sales of our highest cost connected machine, Cricut Maker, which grew by 67% from 2018 to 2019.

Gross margin for Connected Machines decreased from 13% in 2018 to 11% in 2019. Gross margin decreased due to the increase in tariff costs that began in the second quarter of 2019 when U.S. foreign policy changes increased tariffs from 10% in 2018 to 25% in 2019 on connected machines produced by our China-based manufacturer. We have moved, and may continue to move, an increasing portion of our connected machine manufacturing to Malaysia and as a result may experience reduced tariff costs. The negative impact from tariffs was partially offset by supplier cost reductions on connected machines and fewer sales discounts as a percentage of revenue.

Subscriptions cost of revenue increased by $3.8 million, or 76%, from $5.0 million in 2018 to $8.8 million in 2019. The increase was primarily driven by a $1.8 million increase in amortization of capitalized software development costs, $1.4 million in increased digital content costs and a $0.6 million increase in hosting fees to support our growing base of subscribers.

Gross margin for Subscriptions was consistent at 84% in 2018 and 2019.

Accessories and Materials cost of revenue increased by $62.4 million, or 65%, from $96.1 million in 2018 to $158.5 million in 2019. The increase was primarily driven by growth in Accessories and Materials sold from 2018 to 2019.

Gross margin for Accessories and Materials decreased to 32% in 2019 from 40% in 2018. Gross margin primarily decreased due to the negative impact from tariffs along with inventory adjustments in 2019 to write off certain accessories and materials inventories deemed obsolete. We did not experience inventory adjustments for write offs of accessories and materials inventories in 2018.

Operating Expenses

Research and Development

(dollars in thousands)	Year Ended December 31, 2018	2019	Change $	Change %
Research and development	$ 24,056	$ 26,674	$ 2,618	11%
As a percentage of total revenue	7%	5%		

Research and development expenses increased by $2.6 million, or 11%, from $24.1 million in 2018 to $26.7 million in 2019. The increase was primarily due to a $4.8 million increase in personnel-related expenses due to headcount increasing during the period, and a $2.1 million increase in product development expenses related to prototypes and consulting. The increases were partially offset by a $4.5 million decrease in stock-based compensation expense.

Sales and Marketing

(dollars in thousands)	Year Ended December 31, 2018	2019	Change $	Change %
Sales and marketing	$ 30,698	$ 40,110	$ 9,412	31%
As a percentage of total revenue	9%	8%		

Sales and marketing expenses increased by $9.4 million, or 31%, from $30.7 million in 2018 to $40.1 million in 2019. The increase was primarily due to an increase in personnel-related expenses of $4.2 million due to headcount increasing during the period, increases in advertising and other marketing costs of $4.9 million, increases in credit card processing fees for our direct-to-consumer business of $1.3 million and $0.8 million related to the impairment of a legacy trade name. The increases were offset by a $2.2 million decrease in stock-based compensation expense.

General and Administrative

(dollars in thousands)	Year Ended December 31, 2018	2019	Change $	Change %
General and administrative	$ 18,363	$ 22,005	$ 3,642	20%
As a percentage of total revenue	5%	5%		

General and administrative expenses increased by $3.6 million, or 20%, from $18.4 million in 2018 to $22.0 million in 2019. The increase was primarily due to an increase in personnel-related expenses of $2.7 million due to headcount increasing during the period, $1.0 million increase in general operating expenses, and a $0.8 million increase in software subscription fees. The increases were offset by a $1.7 million decrease in stock-based compensation expenses.

Interest Income (Expenses), Net and Other Income (Expense), Net

(dollars in thousands)	Year Ended December 31, 2018	2019	Change $	Change %
Interest expense, net	$ (1,934)	$ (3,291)	$ (1,357)	70%
Other income (expense), net	108	(2)	(110)	(102)%

Interest income (expense), net increased by $1.4 million, or 70%, from $1.9 million in 2018 to $3.3 million in 2019. The increase was primarily due to an increase in interest expense incurred under our credit facilities.

Provision for Income Taxes

	Year Ended December 31,		Change	
	2018	2019	$	%
(dollars in thousands)				
Provision for income taxes	$ 8,721	$ 11,057	$ 2,336	27%

Provision for income taxes increased by $2.3 million, or 27%, from $8.7 million in 2018 to $11.1 million in 2019. This represents an effective tax rate of 24.1% in 2018 and 22% in 2019. The decrease in the effective tax rate is primarily due to a reduction in stock-based compensation and return to provision adjustments, partially offset by changes in unrecognized tax benefits.

Quarterly Results of Operations and Key Metrics

Quarterly Results of Operations

The following table sets forth our unaudited quarterly consolidated statements of operations data for each of the eight quarters in the period ended December 31, 2020. The information for each of these unaudited quarterly statements of operations data have been prepared on a basis consistent with our audited annual consolidated financial statements appearing elsewhere in this prospectus and, in our opinion, includes all normal recurring adjustments necessary for the fair statement of the financial information contained in those statements. The following unaudited consolidated quarterly financial data should be read in conjunction with our annual consolidated financial statements and the related notes included elsewhere in this prospectus. These quarterly results are not necessarily indicative of our operating results for a full year or any future period.

	Three Months Ended							
(in thousands)	Mar. 31, 2019	Jun. 30, 2019	Sep. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	Jun. 30, 2020	Sep. 30, 2020	Dec. 31, 2020
	(unaudited)							
Revenue:								
Connected machines	$ 44,512	$ 30,179	$ 43,492	$ 79,961	$ 56,888	$ 113,388	$ 75,523	$ 170,915
Subscriptions	11,787	12,578	13,853	15,611	19,180	24,028	31,206	36,923
Accessories and materials	49,570	51,841	55,111	78,059	67,655	97,920	102,276	163,128
Total revenue	105,869	94,598	112,456	173,631	143,723	235,336	209,005	370,966
Cost of revenue:								
Connected machines(1)	35,912	23,975	40,771	76,236	51,577	95,543	58,525	146,253
Subscriptions(1)	1,647	2,167	2,265	2,748	2,841	3,122	2,998	4,164
Accessories and materials	29,567	36,432	37,955	54,529	44,537	63,364	57,932	95,800
Total cost of revenue	67,126	62,574	80,991	133,513	98,955	162,029	119,455	246,217
Gross profit	38,743	32,024	31,465	40,118	44,768	73,307	89,550	124,749
Operating expenses:								
Research and development(1)	5,834	6,001	7,202	7,637	9,171	8,636	9,977	11,146
Sales and marketing(1)	8,714	9,299	9,914	12,183	12,447	13,437	13,660	23,785
General and administrative(1)	3,962	4,527	4,739	8,777	5,700	5,473	8,195	10,234
Total operating expenses	18,510	19,827	21,855	28,597	27,318	27,546	31,832	45,165
Income from operations	20,233	12,197	9,610	11,521	17,450	45,761	57,718	79,584
Other income (expense):								
Interest expense, net	(663)	(643)	(756)	(1,229)	(574)	(367)	(140)	(74)
Other income (expense), net	—	(1)	—	(1)	—	(1)	(162)	(2)
Total other income (expense), net	(663)	(644)	(756)	(1,230)	(574)	(368)	(302)	(76)
Income before provision for income taxes	19,570	11,553	8,854	10,291	16,876	45,393	57,416	79,508
Provision for income taxes	4,461	2,713	1,381	2,502	3,836	10,514	12,205	18,060
Net income	$ 15,109	$ 8,840	$ 7,473	$ 7,789	$ 13,040	$ 34,879	$ 45,211	61,448

(1) Includes stock-based compensation expense as follows:

	Three Months Ended							
	Mar. 31, 2019	Jun. 30, 2019	Sep. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	Jun. 30, 2020	Sep. 30, 2020	Dec. 31, 2020
(in thousands)	(unaudited)							
Cost of revenue								
Connected machines	$ —	$ 1	$ 1	$ —	$ 2	$ 1	$ 2	$ 2
Subscriptions	2	3	3	3	9	6	7	9
Accessories and materials	—	—	—	—	—	—	—	—
Total cost of revenue	2	4	4	3	11	7	9	11
Research and development	196	238	241	206	760	508	716	1,348
Sales and marketing	78	112	117	316	457	655	1,166	2,516
General and administrative	53	75	77	123	218	157	297	648
Total stock-based compensation expense	$ 329	$ 429	$ 439	$ 648	$ 1,446	$ 1,327	$ 2,188	$ 4,512

Quarterly Trends

Revenue

Our revenue from our Connected Machines and Accessories and Materials varies seasonally. Historically, we have experienced higher levels of Connected Machines revenue and Accessories and Materials revenue in the fourth quarter of each fiscal year as compared to other quarters due in large part to seasonal holiday demand. In the second and third quarter of 2020, we experienced a significant increase in our revenue from Connected Machines and Accessories and Materials, which we believe was driven in part by the COVID-19 pandemic. The decrease in revenue from the second to the third quarter of 2020 was due in part to inventory constraints during the third quarter, which then improved to some degree during the fourth quarter.

Subscriptions revenue increased in each of the quarters presented primarily due to increased sales of our connected machines and user growth, as well as a subscription attach rate that has generally been increasing over time.

Cost of Revenue

Connected Machines and Accessories and Materials cost of revenue have fluctuated in line with Connected Machines and Accessories and Materials revenue for all periods presented, due primarily to costs associated with sales of Connected Machines and Accessories and Materials.

Our Subscriptions cost of revenue generally increased each quarter as a result of increases in content and cloud-based services costs.

Accessories and Materials cost of revenue has largely fluctuated in line with Accessories and Materials revenue but was also affected by product mix within the category as well as promotional activity.

Operating Expenses

Research and development expense generally increased over the periods presented, primarily due to personnel-related expenses as we have continued to increase our headcount to support product and platform innovation.

Sales and marketing expense increased each quarter presented due to an increase in expenses associated with advertising costs and other marketing programs. In addition, sales and marketing expenses increased as a result of higher personnel-related expenses and increased headcount.

General and administrative expense generally increased over the periods presented, primarily due to increases in personnel-related expenses, facilities costs and professional service fees as we grow our business and scale operations.

Key Business Metrics and Non-GAAP Financial Measures

Set forth below are key metrics used to evaluate our business, measure our performance, identify trends and make strategic decisions.

	As of							
	Mar. 31, 2019	Jun. 30, 2019	Sep. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	Jun. 30, 2020	Sep. 30, 2020	Dec. 31, 2020
Users (in thousands)	1,907	2,058	2,221	2,525	2,803	3,274	3,681	4,323
Percentage of Users Creating in Trailing 90 Days	N/A	N/A	60%	64%	60%	63%	63%	65%
Paid Subscribers (in thousands)	457	496	536	604	740	996	1,164	1,303

	Three Months Ended							
	Mar. 31, 2019	Jun. 30, 2019	Sep. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	Jun. 30, 2020	Sep. 30, 2020	Dec. 31, 2020
Subscription ARPU	$ 6.56	$ 6.34	$ 6.47	$ 6.58	$ 7.20	$ 7.91	$ 8.97	$ 9.23
Accessories and Materials ARPU	$ 27.60	$ 26.15	$ 25.76	$ 32.90	$ 25.40	$ 32.23	$ 29.41	$ 40.76
EBITDA (in millions)	$ 22.1	$ 14.2	$ 12.0	$ 14.3	$ 20.7	$ 49.2	$ 61.0	$ 83.5

We have been able to efficiently acquire new users and drive sales of our products because of the powerful network effects of our community. To date, word-of-mouth referrals, as well as effective use of low-cost marketing channels like social media, have driven our success.

EBITDA and EBITDA Margin

Set forth below is a reconciliation of EBITDA to net income for the periods presented:

	Three Months Ended							
	Mar. 31, 2019	Jun. 30, 2019	Sep. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	Jun. 30, 2020	Sep. 30, 2020	Dec. 31, 2020
(in thousands)	(unaudited)							
Net income	$ 15,109	$ 8,840	$ 7,473	$ 7,789	$ 13,040	$ 34,879	$ 45,211	$ 61,448
Adjusted to exclude the following:								
Depreciation and amortization expense	1,856	2,047	2,418	2,787	3,236	3,430	3,431	3,906
Interest expense, net	663	643	756	1,229	574	367	140	74
Corporate income tax expense	4,461	2,713	1,381	2,502	3,836	10,514	12,205	18,060
EBITDA	$ 22,089	$ 14,243	$ 12,028	$ 14,307	$ 20,686	$ 49,190	$ 60,987	$ 83,488
EBITDA margin	20.9%	15.1%	10.7%	8.2%	14.4%	20.9%	29.2%	22.5%

Starting in the quarter ended June 30, 2019, we began to incur significant costs related to machine tariffs as foreign policy changes increased tariffs on the import category related to connected machines. Since then, we have taken steps mitigate the impact of tariffs including moving manufacturing of key products to other geographies.

EBITDA margin was also more adversely impacted in certain quarters presented primarily due to the impact of these tariffs, which we then reduced by transitioning machine manufacturing to lower-tariff regions.

Liquidity and Capital Resources

Our operations over all periods have been financed primarily through cash flow from operating activities and borrowings under our credit facilities. As of December 31, 2020, we had cash and cash equivalents of $122.2 million.

We believe our existing cash and cash equivalents, cash flow from operations and amounts available for borrowing under our New Credit Agreement will be sufficient to meet our working capital and capital expenditure needs for at least the next 12 months. Our future capital requirements may vary materially from those currently planned and will depend on many factors, including our rate of revenue growth, the timing and extent of spending on research and development efforts and other growth initiatives, the expansion of sales and marketing activities, the timing of new product introductions, market acceptance of our products and overall economic conditions. To the extent that current and anticipated future sources of liquidity are insufficient to fund our future business activities and requirements, we may be required to seek additional equity or debt financing. The sale of additional equity would result in additional dilution to our stockholders. The incurrence of debt financing would result in debt service obligations, and the instruments governing such debt could provide for operating and financing covenants that would restrict our operations. There can be no assurances that we will be able to raise additional capital. The inability to raise capital would adversely affect our ability to achieve our business objectives.

Credit Facilities

New Credit Facility

In September 2020, we entered into the New Credit Agreement with JPMorgan Chase Bank, N.A., Citibank, N.A. and Origin Bank. The New Credit Agreement replaces our prior amended Credit Agreement with Origin Bank, as described below. The New Credit Agreement provides for a three-year asset-based senior secured revolving credit facility of up to $150.0 million, maturing on September 4, 2023. In addition, during the term of the New Credit Agreement, we may increase the aggregate amount of the New Credit Facility by up to an additional $200.0 million, subject to customary conditions (for maximum aggregate lender commitments of up to $350.0 million), subject to the satisfaction of certain conditions under the New Credit Agreement, including obtaining the consent of the administrative agent and each lender being added or increasing its commitment. The New Credit Facility may be used to issue letters of credit, and for other business purposes, including working capital needs.

The New Credit Facility is a standard asset-based lending facility, meaning that notwithstanding the aggregate lender commitments, we can only borrow up to an amount equal to our borrowing base at any given time. For example, as of December 31, 2020, we were able to borrow up to $150.0 million. Our borrowing base is determined according to certain percentages of eligible accounts receivable and eligible inventory (which may be valued at average cost, market value or net orderly liquidation value), subject to reserves determined by the administrative agent. At any time that our borrowing base is less than the aggregate lender commitments, we can only borrow revolving loans up to the amount of our borrowing base and not in the full amount of the aggregate lender commitments.

Generally, borrowings under the New Credit Agreement will bear interest at the Adjusted LIBO rate or the ABR, plus, in each case, an applicable margin. The applicable margin will range from (a) with respect to borrowings bearing interest at the ABR, 1.50% to 2.00%, and (b) with respect to borrowings bearing interest at the ABR (i) if the “REVLIBOR30 Screen Rate” (as defined in the New Credit Agreement) is available for such period, 1.50% to 2.00%, or (ii) otherwise, 0.0% to 0.50%, in each case for the previous clauses (a) and (b), based on our “Fixed Charge Coverage Ratio” as defined in the New Credit Agreement.

The New Credit Agreement contains financial covenants during the initial year of the agreement, requiring us to maintain a fixed charge coverage ratio of at least 1.0 to 1.0, measured monthly on a trailing 12-month basis. We are also subject to this covenant in future periods if the available commitments is less than the greater of $15.0 million and 10% of the total commitment made by all lenders. Management has determined that we were in compliance with all financial and non-financial debt covenants as of December 31, 2020.

Prior Term Loan and Revolving Credit Loan with Origin Bank

In October 2017, we entered into a syndicated Revolving Credit Loan and Term Loan with Origin Bank to provide a $30.0 million Revolving Credit Loan, or the Revolving Credit Loan, which was later amended to increase the availability to $80.0 million, and a $20.0 million Term Loan, which was later amended to increase the availability to $25.0 million, or collectively. We borrowed $20.0 million under the Term Loan in order to repay and cancel loans to a related party, as well as to our previous lender, Sterling National Bank. The New Credit Agreement described above replaced the Revolving Credit Loan and Term Loan with Origin Bank.

The Revolving Credit Loan and Term Loan initially bore interest at an annual rate equal to the lesser of LIBOR plus 3.0%, or the maximum rate of interest permitted from day-to-day by any applicable state or federal law, with required monthly principal amortization payments of $0.3 million, commencing on December 1, 2017, maturing on October 26, 2022. Prior to repayment, the Term Loan bore interest at an annual rate of LIBOR plus 2.25%, had required monthly principal amortization payments of $0.4 million and a maturity date of July 12, 2024, and the Revolving Credit Loan bore interest at a rate of LIBOR plus 2.0% to 2.4% based on the leverage ratio.

The Revolving Credit Loan and Term Loan included several financial and non-financial debt covenants. As of December 31, 2020, we were in compliance with all financial and non-financial debt covenants. See Note 7 to our consolidated financial statements included elsewhere in this prospectus for additional information.

Cash Flows

	Year Ended December 31,		
	2018	2019	2020
(in thousands)			
Net cash flows (used in) provided by operating activities	$ (8,304)	$ 3,861	$ 248,227
Net cash flows used in investing activities	(8,114)	(14,095)	(21,842)
Net cash flows provided by (used in) financing activities	17,442	10,896	(110,915)

Operating Activities

Net cash provided by operating activities of $248.2 million for the year ended December 31, 2020 was primarily due to net income of $154.6 million, non-cash adjustments of $24.2 million and an increase in the net change of operating assets and liabilities of $69.4 million. Non-cash adjustments primarily consisted of depreciation and amortization of $14.1 million, unit-based compensation of $9.5 million, inventory write-offs of $2.8 million and loss on extinguishment of debt of $0.2 million offset by a net increase in deferred tax assets of $2.5 million. The increase in the net change of operating assets and liabilities was primarily due to a $157.0 million increase in accounts payable due to increased inventory purchases, a $39.7 million increase in accrued expenses and other current liabilities and other non-current liabilities, and a $11.7 million increase in deferred revenue. These changes were offset by a $97.6 million increase in accounts receivable, a $38.0 million increase in inventories, and a $3.0 million increase in prepaid expenses and other current assets.

Net cash provided by operating activities of $3.9 million for 2019 was primarily due to net income of $39.2 million and non-cash adjustments of $16.4 million, offset by a decrease in the net change of operating assets and liabilities of $51.7 million. Non-cash adjustments primarily consisted of depreciation and amortization of $9.2 million, inventory write-offs of $5.2 million, stock-based compensation of $1.8 million, impairment of trade name of $0.7 million and provision for doubtful accounts $0.7 million, partially offset by deferred income tax of $1.3 million. The decrease in the net change of operating assets and liabilities was primarily due to a $73.2 million increase in inventory levels to support increased demand for our products and a $4.9 million increase in accounts receivable. These changes were offset by a $4.6 million decrease in prepaid expenses and other current assets, a $4.1 million increase in deferred revenue, a $10.3 million increase in accounts payable and a $7.5 million increase in accrued expenses and other current liabilities and other non-current liabilities due to increased expenditures to support general business growth.

Net cash used in operating activities of $8.3 million for 2018 was primarily due to net income of $27.4 million and non-cash adjustments of $24.0 million, offset by a decrease in the net change of operating assets and liabilities of $59.7 million. Non-cash adjustments primarily consisted of stock-based compensation of $10.4 million, depreciation and amortization of $8.1 million, inventory write-offs of $1.4 million, deferred income tax of $2.7 million and impairment of trade name of $1.5 million. The decrease in the net change of operating assets and liabilities was primarily due to a $85.1 million increase in inventory levels to support increased demand for our products, a $15.0 million increase in accounts receivable, and a $3.4 million increase in prepaid expenses and other current assets, partially offset by a $30.1 million increase in accounts payable, a $9.8 million increase in accrued expenses and other current liabilities and other non-current assets and a $3.8 million increase in deferred revenue due to an increase in sales volume.

Investing Activities

Cash used in investing activities for the year ended December 31, 2020 was $21.8 million, all of which related to property and equipment acquisition or investment, software development and investment and product research and development.

Cash used in investing activities for 2019 was $14.1 million, all of which related to property and equipment acquisition or investment, software development and investment and product research and development.

Cash used in investing activities for 2018 was $8.1 million, all of which related to property and equipment acquisition or investment, software development and investment and product research and development.

Financing Activities

Net cash used in financing activities of $110.9 million for the year ended December 31, 2020 was primarily related to cash dividends of $51.2 million, net payment on the line of credit of $32.6 million, payments on the Term Loan with Origin Bank of $22.9 million, repurchases of compensatory units of $3.0 million, payments of debt issuance costs of $0.9 million and payments of deferred offering costs of $1.3 million, partially offset by proceeds from capital contributions of $1.1 million.

Net cash provided by financing activities of $10.9 million for 2019 was primarily related to net proceeds from the line of credit of $15.0 million and proceeds from capital contributions of $1.3 million, partially offset by payments on the term loan of $4.4 million, repurchases of compensatory units of $0.7 million and payments on capital leases of $0.1 million.

Net cash provided by financing activities of $17.4 million for 2018 was primarily related to net proceeds from the line of credit of $19.2 million and proceeds from capital contributions of $2.7 million, partially offset by payments on the term loan of $4.0 million, repurchases of compensatory units of $0.3 million and payments on capital leases of $0.2 million.

Contractual Obligations and Other Commitments

The following table summarizes our commitments to settle contractual obligations as of December 31, 2020:

	Payments due by period				
(in thousands)	Total	Less Than 1 Year	1-3 Years	3-5 Years	More than 5 Years
Operating lease commitments(1)	18,286	4,290	7,918	6,078	—
Capital lease commitments	43	43	—	—	—
Other obligations(2)	10,303	6,235	4,068	—	—
	$ 28,632	$ 10,568	$ 11,986	$ 6,078	$ —

(1) Operating lease obligations relate to our office space and warehouses. The remaining lease terms are between one and five years, and the majority of the lease agreements are renewable at the end of the lease period.

(2) Other obligations include purchase obligations and royalties. Purchase obligations include minimum payments due to third-party logistics for noncancelable periods and future payments for subscription software services for which we have entered into non-cancelable arrangements. Royalties include minimum commitments for license arrangements.

Off-Balance Sheet Arrangements

We did not have any off-balance sheet arrangements as of December 31, 2020.

Quantitative and Qualitative Disclosure About Market Risk

Interest Rate Risk

We were primarily exposed to changes in interest rates with respect to our cost of borrowing under our Revolving Credit Loan and Term Loan. We monitor our cost of borrowing, taking into account our funding requirements and our expectations for interest rates in the future. To date, we have not been exposed, nor do we anticipate being exposed to material risks due to changes in interest rates. A hypothetical 10% change in interest rates during any of the periods presented would not have had a material impact on our consolidated financial statements.

Foreign Currency Risk

Our reporting currency is the U.S. dollar and the functional currency of each of our subsidiaries is either its local currency or the U.S. dollar depending on the circumstances. For foreign subsidiaries where the functional currency is the local currency, assets and liabilities are translated into U.S. dollars at exchange rates in effect at each balance sheet date. Revenue and expenses are translated using the average exchange rate for the relevant period. Equity transactions are translated using historical exchange rates. Decreases in the relative value of the U.S. dollar to other currencies may negatively affect revenue and other results of operations as expressed in U.S. dollars. Foreign currency translation adjustments are accounted for as a component of accumulated other comprehensive income (loss) within stockholders' equity. Gains or losses due to transactions in foreign currencies are included in general and administrative operating expenses in our consolidated statements of operations. As the impact of foreign currency exchange rates was not material to results of operations during 2018, 2019 and 2020, we have not entered into derivative or hedging transactions, but we may do so in the future if our exposure to foreign currency becomes more significant.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with GAAP. In preparing the consolidated financial statements, we make estimates and judgments that affect the reported amounts of assets, liabilities, stockholders' equity, revenue, expenses and related disclosures. We re-evaluate our

estimates on an on-going basis. Our estimates are based on historical experience and various other assumptions that we believe to be reasonable under the circumstances. Because of the uncertainty inherent in these matters, actual results may differ from these estimates and could differ based upon other assumptions or conditions. The critical accounting policies that reflect our more significant judgments and estimates used in the preparation of our consolidated financial statements include those noted below.

Revenue Recognition

We derive the majority of our revenue from the sale of connected machines, subscriptions and accessories and materials. We market and sell our products to customers, which include brick-and-mortar and online retail partners as well as users that purchase from our website at cricut.com.

We determine revenue recognition through the following steps:

- Identification of the contract, or contracts, with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when, or as, we satisfy a performance obligation.

Revenue is recognized when control of the promised goods or services is transferred to our customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services. Revenue is recorded at the net sales price, which includes estimates of variable consideration such as product returns, volume rebates and other incentive adjustments or discounts. The estimates of variable consideration are based on historical return experience, historical and projected sales data and current contract terms.

Taxes collected from customers relating to product sales and remitted to governmental authorities are excluded from revenue. We account for shipping and handling activities performed after a customer obtains control of the goods as activities to fulfill the promise to transfer the good. We do not incur significant costs to obtain contracts with customers.

The following describes the nature of our primary types of revenue and the revenue recognition policies and significant payment terms as they pertain to the types of transactions with our customers.

Connected Machines

Connected machines include Cricut Joy, Cricut Explore and Cricut Maker. Payment for sale of products online through the online channel at cricut.com is collected at point of sale in advance of shipping the products. Payment by traditional brick-and-mortar retail partners, including their online channels, is due under customary fixed payment terms. Our contracts with customers for a connected machine contain multiple promises that include hardware, software, unspecified future upgrades and enhancements related to the software and access to our cloud-based services. Determining whether products and services are considered distinct performance obligations that should be accounted for separately requires significant judgment. The software used to design, cut and complete projects can be accessed offline or with our cloud-based services at no charge. When accessed with the cloud-based services, users are also able to sync projects across various devices. The connected machines are not able to function without the software, inclusive of firmware and the downloadable software. Together, the hardware and software are inputs into providing the essential functionality of the connected machines and are accounted for as a single performance obligation. Revenue is recognized for the single performance obligation of hardware with essential software at a point-in-time when control is transferred, which is either upon shipment or delivery of goods, in accordance with the terms of each contract with the customer.

The promise to provide the customer with unspecified future upgrades and enhancements related to the essential software and the promise to provide access to our cloud-based services are both distinct performance obligations that provide incremental benefits to the connected machines and are recognized using a time-based output measure over the service period as the customer consumes the benefit of the service each day. We estimate the service period when it is not contractually stated. In developing the estimated period of providing future services, we consider past history, plans to continue to provide services, expected technological developments, obsolescence, competition and other factors. The estimated service period may change in the future in response to competition, technology developments and our business strategy.

Judgment is required to determine the SSP for each distinct performance obligation. We allocate revenue to each performance obligation based on their relative standalone selling price, or SSP. We estimate SSP for items that are not sold separately, which include the connected machines and related software, unspecified software upgrades and cloud-based services using information that may include the range of prices for the bundle of products and services and the cost of providing the products or services plus a reasonable margin. In developing SSP estimates, we also consider the nature of the products and services and the expected level of future services. SSP of the hardware and essential software reflects our best estimate of the selling price if it was sold regularly on a standalone basis and comprises the majority of the contract value.

Subscriptions

Our paid subscriptions provide subscribers unlimited access to images, fonts and ready-to-make projects within our software, which is in addition to the free service of unspecified future upgrades and enhancements related to the essential software and access to our cloud-based services noted above. The paid subscription services are offered on a month-to-month or annual basis. Payments for subscription services are due month-to-month or annually in advance. Cricut Access and Cricut Access Premium are generally sold in standalone contracts and reallocations are not required. Revenue related to subscriptions is recognized ratably over the length of the subscription using a time-based output measure as the customer consumes the benefit of the service each day.

Accessories and Materials

We also sell accessories and materials which generally consist of a single performance obligation, and reallocations are not required. Revenue from accessories and materials is recognized at a point-in-time when control is transferred, either upon shipment or delivery of goods, in accordance with the terms of each contract with the customer, or in the case of digital goods, at a point-in-time when the goods are made available to the customer. Payment for sale of accessories and materials online through the online channel at cricut.com is collected at point of sale in advance of shipping the products. Payment by traditional brick-and-mortar retail partners, including their online channels, due under customary fixed payment terms.

Customer Rebates

We participate in promotional and rebate programs with our key brick-and-mortar and online retail partners to enhance the sale of our products. These promotional programs consist of incentives or entitlements to our customers, such as advertising allowances, volume and growth incentives, business development, product damage allowances and point-of-sale support. Sales incentives are considered to be variable consideration, which we estimate using the expected value method or most likely amount, based upon the nature of the incentive. Sales are reduced by the cost of these promotional and rebate programs and we record a related customer rebate liability in our consolidated balance sheets at the date of the transaction.

In limited cases where the customer rebate is specifically for co-operative marketing or advertising campaigns, we will classify these expenditures as selling and marketing expenses only if they meet the criteria of being a distinct good or service, are distinct within the context of the contract and the fair value is readily estimable.

Sales Refund Liability

We provide our customers a limited right of return with the sale of our products. We estimate sales returns and record reserves at the time the related sales are recorded based on historical data and current economic trends. Actual sales returns could differ from these estimates. We regularly assess and adjust the estimate of accrued sales returns by updating the return rates for actual trends and projected costs. We classify the estimated sales returns as a current liability as they are expected to be paid out in less than one year using the expected-value method. The estimated sales returns are recorded as a reduction of revenue at the time of sale and recorded as a liability on the consolidated balance sheets. At the same time the liability is recorded, a right of recovery asset is also recorded within inventory.

Warranty Reserves

We provide an assurance-type limited warranty on most of the products sold. The estimated warranty costs, which are expensed at the time of sale and included in cost of revenue, are based on the results of product testing, industry and historical trends and warranty claim rates incurred and are adjusted for any current or expected trends as appropriate. Actual warranty claim costs could differ from these estimates. We regularly assess and adjust the estimate of accrued warranty claims by updating claims rates for actual trends and projected claim costs.

Inventories

Inventories, which primarily consist of finished goods, are valued at the lower of average cost or net realizable value. Net realizable value is defined as estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. Assessments to value the inventory at the lower of the average cost to purchase the inventory, or the net realizable value of the inventory, are based upon assumptions about future demand, physical deterioration, changes in price levels and market conditions. As a result of our assessment, when the net realizable value of inventory is less than the carrying value, the inventory cost is written down to the net realizable value and the write down is recorded as a charge to cost of revenue. Inventories include indirect acquisition and production costs that are incurred to bring the inventories to their present condition and location. Inventories are recorded net of reserves for obsolescence. Once established, the original cost of the inventory less the related inventory reserve represents the new cost basis of such products.

Impairment of Long-lived Assets

We assess potential impairments to our long-lived assets, including intangible assets subject to amortization, on an annual basis or when there is evidence that events or changes in circumstances indicate that the carrying amount of an asset may not be recovered. We regularly evaluate whether events or circumstances have occurred that indicate possible impairment and rely on a number of factors, including results of operations, business plans, economic projections and anticipated future cash flows. An impairment loss is recognized when the carrying amount of the long-lived asset is not recoverable and exceeds its fair value. The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. Any required impairment loss is measured as the amount by which the carrying amount of a long-lived asset exceeds its fair value and is recorded as a reduction in the carrying value of the related asset and a charge to the statement of operations.

Stock-Based and Stock-Equivalent Compensation

Cricut Holdings has granted to certain of our employees common incentive units, which include incentive units with a participation threshold and zero strike price incentive units, or CIUs. CIUs entitle recipients certain interests in Cricut Holdings upon satisfaction of service, performance or market conditions. The awards are equity classified awards. During the year ended December 31, 2020, Cricut Holdings granted employees of the Company options to purchase zero strike price incentive units. As of December 31, 2020, all outstanding equity-based awards are in our parent company, Cricut Holdings. As

the awards are issued by Cricut Holdings, we record a capital contribution from Cricut Holdings commensurate with the amount of compensation expenses recorded. We record compensation expenses for all stock-based awards granted based on the fair value of the award at the time of the grant. Stock-based compensation costs are recognized as expenses over the requisite service period, which is generally the vesting period, on a straight-line basis for awards with only a service condition. The graded vesting method is used for awards that have service and other conditions. Forfeitures are accounted for as they occur.

Cricut Holdings has granted to certain of our employees incentive unit equivalents (phantom units), which entitle the recipient to receive future compensation based upon satisfaction of service conditions. The amount of compensation is determined by the change in the underlying value of Cricut Holdings common units. The awards are liability classified awards. Since the awards also have a market condition, we record stock-based compensation expenses over the requisite service period using the graded vesting method. The stock-based equivalent awards are recorded at fair value and are required to be re-measured at fair value at each reporting period during the period from the date of grant through the settlement date. Fair value re-measurement increases and decreases will be recognized as compensation cost over the requisite service period.

We estimate the fair value of awards with time-based or performance-based vesting provisions using the Black-Scholes method. The fair value of awards subject to market conditions is estimated using a Geometric Brownian Motion Stock Path Monte Carlo Simulation, or Monte Carlo Simulation. The determination of the grant date fair value of the awards issued is affected by a number of variables, including the fair value of Cricut Holdings' units, the expected unit price volatility over the expected life of the awards, the expected term of the award, risk-free interest rates, the expected dividend yield of Cricut Holdings' units and the likelihood of termination. We derive our volatility from the average historical stock volatilities of peer public companies over a period equivalent to the expected term of the awards. We estimate the expected term based on the expected time to a liquidation event or other transaction that would result in settlement of the award. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant. Expected dividend yield is 0.0% as Cricut Holdings has not paid and does not anticipate paying dividends on its common units other than a one-time dividend paid in September 2020. Likelihood of termination for the Monte Carlo Simulation is estimated based upon both historical turnover and anticipated turnover based upon Company or market pressures.

The fair value of equity classified incentive units was estimated using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	Year Ended December 31,		
	2018	2019	2020
Fair value of common unit	$ 0.48	$ 0.80	$ 2.77
Expected life (in years)	3.7	3.5	3.2
Expected volatility	38.1%	42.9%	50.0%
Risk-free interest rate	2.5%	2.3%	0.6%
Expected dividend yield	0.0%	0.0%	0.0%

The fair value of options to purchase zero strike price incentive units was estimated using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	Year Ended December 31,
	2020
Fair value of common unit	$ 6.24
Expected life (in years)	3.5
Expected volatility	52.5%
Risk-free rate	0.3%
Expected dividend yield	0.0%

The fair value of liability classified incentive units was estimated using a Monte Carlo Simulation with the following weighted-average assumptions:

	Year Ended December 31,		
	2018	2019	2020
Fair value of common unit	$ 0.77	$ 1.85	$ 7.40
Expected life (in years)	3 - 5	3 - 5	0.3 - 5
Expected volatility	46.8%	40.2%	51.1%
Risk-free interest rate	2.5%	1.6%	0.2%
Expected dividend yield	0.0%	0.0%	0.0%
Likelihood of termination	10%	10%	10%

Common Unit Valuations

Given the absence of a public trading market, the fair value of the underlying common units of Cricut Holdings has historically been determined by Cricut Holdings' Board of Managers, or Holdings' Board, on the date of grant for all awards granted. In the absence of a public trading market, Holdings' Board, with input from us, exercises significant judgment and considers numerous objective and subjective factors to determine the fair value of Cricut Holdings' common units as of the date of each award grant, including:

- relevant precedent transactions involving Cricut Holdings' capital units;
- Cricut Holdings' actual consolidated operating and financial performance;
- current business conditions and projections;
- Cricut Holdings' stage of development;
- the likelihood and timing of achieving a liquidity event, such as an initial public offering, given prevailing market conditions;
- any adjustment necessary to recognize a lack of marketability of the common units;
- the market performance of comparable publicly traded companies; and
- U.S. and global capital market conditions.

In addition, Holdings' Board considers the independent valuations completed by a third-party valuation consultant. The valuations of Cricut Holdings' common units are determined in accordance with the guidelines outlined in the American Institute of Certified Public Accountants Practice Aid, Valuation of Privately-Held-Company Equity Securities Issued as Compensation.

We performed valuations of our common units using various valuation methods including combinations of income and market approaches with input from management. The income approach estimates the fair value based on the expectation of future cash flows that we will generate. These future cash flows are discounted to their present values using an appropriate discount rate to reflect the risks inherent in us achieving these estimated cash flows. The market approach estimates value considering an analysis of guideline public companies. The guideline public companies method estimates value by applying a representative multiple of gross profits and EBITDA from a peer group of companies in similar lines of business to our gross profits and EBITDA. Our peer group of companies was selected based on operational and economic similarities to us and factors considered included but were not limited to industry, business model, growth rates, customer base, capitalization, size, profitability and stage of development.

Following this offering, it will not be necessary to determine the fair value of our common units using these valuation approaches as shares of our Class A common stock will be traded in the public market.

Based upon the assumed initial public offering price of $21.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, the aggregate intrinsic value of CIUs and incentive unit equivalents (phantom units) outstanding as of December 31, 2020 was $971.7 million, of which $665.5 million related to vested units and $306.2 million related to unvested units.

Income Taxes

We utilize the asset and liability method for computing our income tax provision. Deferred tax assets and liabilities reflect the expected future consequences of temporary differences between the financial reporting and tax bases of assets and liabilities as well as operating loss, capital loss and tax credit carryforwards, using enacted tax rates. We make estimates, assumptions and judgments to determine our provision for income taxes, deferred tax assets and liabilities, and any valuation allowance recorded against deferred tax assets. We assess the likelihood that our deferred tax assets will be recovered from future taxable income and, to the extent we believe that recovery is not likely, we establish a valuation allowance.

We recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized from such positions are then measured based on the largest benefit that has a greater than 50% likelihood of being realized upon settlement. Interest and penalties related to unrecognized tax benefits, which to date have not been material, are recognized within the provision for income taxes.

Legal Contingencies

We are involved in legal proceedings, claims and regulatory, tax and government inquiries and investigations that arise in the ordinary course of business. Certain of these matters include claims for substantial or indeterminate amounts of damages. We record a liability when we believe that it is both probable that a loss has been incurred and the amount can be reasonably estimated. If we determine that a loss is reasonably possible and the loss or range of loss can be reasonably estimated, we disclose the possible loss in the accompanying notes to the consolidated financial statements. If we determine that a loss is reasonably possible but the loss or range of loss cannot be reasonably estimated, we state that such an estimate cannot be made.

We review the developments in our contingencies that could affect the amount of the provisions that have been previously recorded, and the matters and related reasonably possible losses disclosed. We make adjustments to our provisions and changes to our disclosures accordingly to reflect the impact of negotiations, settlements, rulings, advice of legal counsel and updated information. Significant judgment is required to determine both the probability and the estimated amount of loss. These estimates have been based on our assessment of the facts and circumstances at each balance sheet date and are subject to change based on new information and future events.

The outcome of litigation is inherently uncertain. Therefore, if one or more of these matters were resolved against us for amounts in excess of management's expectations, our results of operations and financial condition, including in a particular reporting period in which any such outcome becomes probable and estimable, could be materially adversely affected.

Recent Accounting Pronouncements

See Note 2 to our consolidated financial statements included elsewhere in this prospectus for recently adopted accounting pronouncements and recently issued accounting pronouncements not yet adopted as of the dates of the statement of financial position included in this prospectus.

Emerging Growth Company Status

We are an “emerging growth company,” as defined in the JOBS Act. Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. We have elected to use this extended transition period to enable us to comply with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date we are no longer an emerging growth company or affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates.

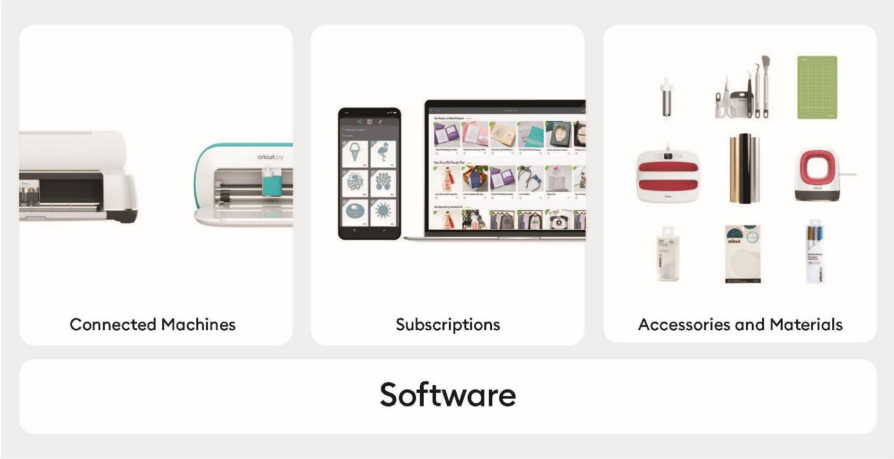
At Cricut, our mission is to help people lead creative lives.

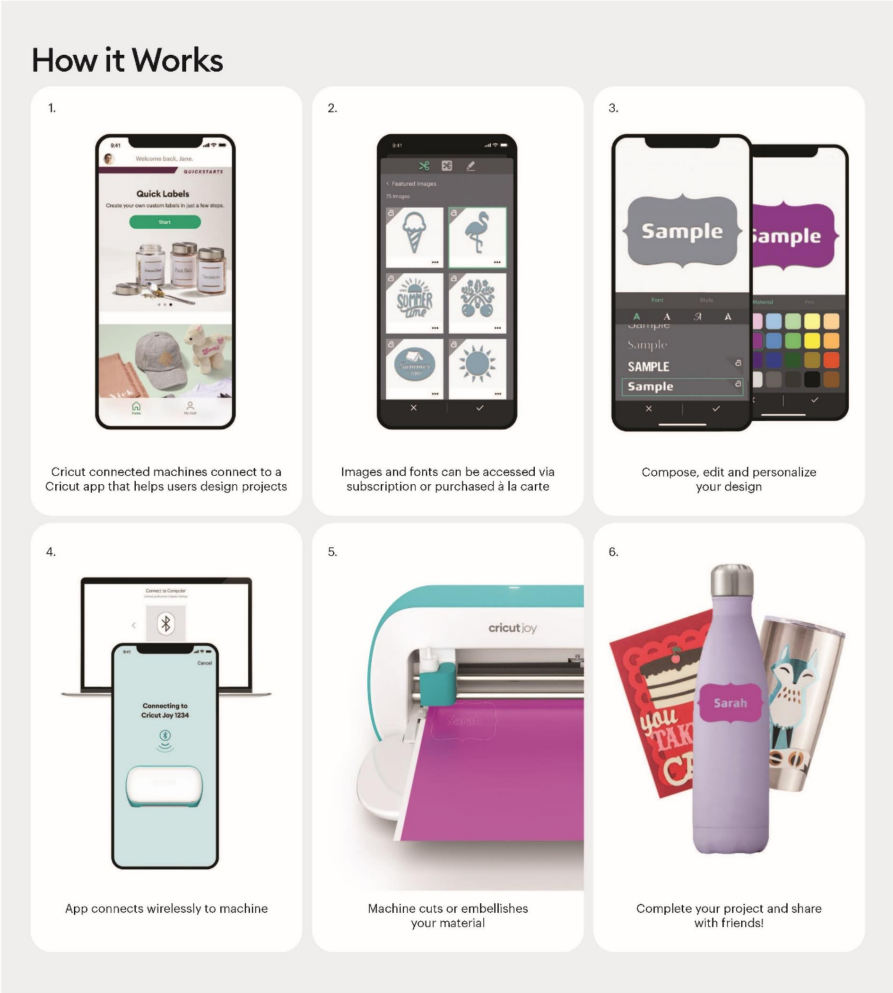
We have designed and built a creativity platform that enables our engaged and loyal community of 4.3 million users to turn ideas into professional-looking handmade goods. With our highly versatile connected machines, design apps and accessories and materials, users create everything from personalized birthday cards, mugs and T-shirts to large-scale interior decorations and more. Our cloud-based software enables us to update the functionality and features of existing physical and digital products, and to release new products that seamlessly integrate with our platform. This makes our platform broadly extensible and empowers our users to unlock ever-expanding creative potential.

Cricut often becomes a huge part of our users' creative lives, serving as the foundation for their journey of creativity. Our users' journeys typically begin with the purchase of a connected machine and expand across our family of products as users harness the power of our platform. Our users have demonstrated continued engagement with their connected machines over time, which results in purchases of subscriptions and accessories and materials long after they first purchase a connected machine. As of December 31, 2020, 65% of our users created on their connected machines in the last 90 days and 84% created on their connected machines in the last 365 days.

We enable users to be inspired, create and share projects with the Cricut community and to follow others doing the same. Our users join the Cricut community to share projects and inspire others, both on our platform and across social media. Our community of users has scaled significantly over time, and our number of users grew by 50% from December 31, 2018 to December 31, 2019 and by 71% from December 31, 2019 to December 31, 2020.

Our software integrates our connected machines and design apps, allowing our users to create and share seamlessly. Our software is cloud-based meaning that users can access and work on their projects anywhere, at any time, across any desktop or mobile device. Our software aggregates billions of data points of our users' contributions, giving us valuable insights into our users' preferences and behaviors. We use our data science capabilities to continuously improve our software and products, driving further engagement. As a result, our business model is characterized by strong user engagement and diversified sales across product categories.





Our portfolio of connected machines cut, write, score and create decorative effects using a wide variety of materials including paper, vinyl, leather and more. We strive for our users' journeys to be both inspiring and intuitive, so we take great care to design connected machines that are beautiful and easy to use. Our connected machines are designed for a wide range of uses and available at a variety of price points:

- Cricut Joy for personalization on-the-go, $179.99 MSRP
- Cricut Explore for cutting, writing and scoring, $249.99 MSRP

- Cricut Maker for cutting, writing, scoring and adding decorative effects to a wider range of materials, $399.99 MSRP

We offer free design apps, in-app purchases and subscription offerings that enable our users to create and complete projects. On our apps, users can find inspiration, purchase or upload content like fonts and images, design a project from scratch or find a vast array of ready-to-make projects on both mobile and desktop devices. All users can access a select number of free images, fonts and projects from our design apps or upload their own. In addition, we offer a wider selection of images, fonts and projects for purchase à la carte, including licensed content from partners with well-known brands and characters, like major motion picture studios. We also provide two subscription offerings, Cricut Access and Cricut Access Premium. Cricut Access provides users with a subscription to a curated and growing design library of over 125,000 images, 6,000 ready-to-make projects and hundreds of fonts, as well as other member benefits, such as discounts and priority Cricut Member Care. Cricut Access Premium includes all of the benefits of Cricut Access as well as additional discounts and preferred shipping. As of December 31, 2020, we had over 1.3 million Paid Subscribers to Cricut Access and Cricut Access Premium, representing approximately 30% of our total users.

We also sell a broad range of accessories and materials that help bring designs to life, from advanced tools like heat presses to Cricut-branded rulers, scoring tools, pens, paper and iron-on vinyl. These products are designed to work seamlessly and easily with our connected machines, which is why we see many of our users purchase Cricut-branded accessories and materials. Creating projects often drives repeat purchases of accessories and materials for years after a user first buys a connected machine, demonstrating ongoing engagement with our platform.

Many of our users share a love of our brand, products and mission, which fosters a loyal community of users who are deeply engaged with Cricut. Every project is an opportunity to start a conversation, both with us and with each other. We often see our users inspire, teach and create together. Users are passionate about sharing Cricut tips, tricks and personal stories and this engagement carries over into social media and into everyday life. There are over three million Cricut followers and many independently-run Cricut groups across social media. Users often self-organize, host independent events and meet up in person across the globe.

Our community creates a reinforcing network effect. As the number of our users grow, so does the number of projects made and shared physically or digitally. This generates even more shared projects and word-of-mouth that in turn helps to grow our community. This community network effect has allowed us to efficiently acquire new users and drive sales of connected machines, subscriptions and accessories and materials. To date, our success has been driven by word-of-mouth referrals as well as effective use of low-cost marketing channels like social media, which we then complement with our targeted sales and marketing efforts.

We generate revenue from the sale of our connected machines, subscriptions and accessories and materials. We sell our products through brick-and-mortar and online retail partners, including Hobby Lobby, HSN, Jo-Ann, Michaels, Target and Walmart, as well as through online channels such as Amazon and cricut.com.

We are a fast-growing, scaled and profitable business. In 2018, 2019 and 2020, we generated:

- Total revenue of $340 million, $487 million and $959 million, respectively, representing 43% and 97% year-over-year growth, respectively
- Net income of $27 million, $39 million and $155 million, respectively, representing 43% and 294% year-over-year growth, respectively
- EBITDA of $46 million, $63 million and $214 million, respectively, representing 36% and 242% year-over-year growth, respectively

Our Industry

We both influence and benefit from powerful secular tailwinds:

- ***Personalization is a Global Mega Trend.*** Today, more and more people want to be surrounded by personalized items. According to a study by Deloitte, one in four consumers are willing to pay more to receive a personalized product or service. Additionally, over 35% of consumers expressed interest in purchasing customized products or services in furniture, homeware and DIY goods. We empower individuals to personalize. The number one reason why people buy our connected machines is personalization.
- ***Digitization of Tools.*** Consumers have access to more tools in the digital world than ever before. They are easier to use, more powerful and available on every device. The power to create and manipulate content – text, audio or video – can now be done from anyone's smartphone or laptop. Cricut has built on this trend by offering both digital and physical tools and, more importantly, bridging these two worlds together.
- ***Technology is Enabling a New Generation of Entrepreneurs.*** The rapid growth of marketplaces and commerce enablement platforms creates economic opportunities for millions of creative entrepreneurs. Individual entrepreneurs value supplemental income, flexibility and the opportunity to do what they love for a living. According to Upwork's 2019 "Freelancing in America" report, 15 million Americans are freelancers who sell goods, and 75% of arts and design professionals are freelancers. Cricut enables the shift in production of physical goods from factory floors to kitchen tables and provides manufacturing solutions for small scale businesses. Twenty-nine percent of our users make projects to sell. Women, who represent 96% of our users as of September 2020 and are at the forefront of this trend, created businesses more than twice as fast as national average.
- ***Social Media is Enabling a New Wave of Creativity.*** The ubiquity of social media is a key driver of global consumer engagement with new creative endeavors. Billions of people globally engage on social media every month and spend an average of more than two hours per day on social networks and messaging apps. Through social media, people can be inspired by new ideas or projects anywhere and anytime. We help our users turn virtual inspiration into beautiful, physical things. We have over three million followers across social media, and our users have shared thousands of projects on our platform.

Our Opportunity

We believe that everyone is innately creative and thus anyone can be a part of the Cricut community of users. This presents us with a large untapped market opportunity in addition to our current user base.

We quantify our market opportunity in terms of SAM, which includes active creatives who we address with our current products and price points, and TAM, which includes potential creatives who we believe we can reach over the long term as we make products for new uses and products that are more accessible, even easier to use and available at a broad set of price points.

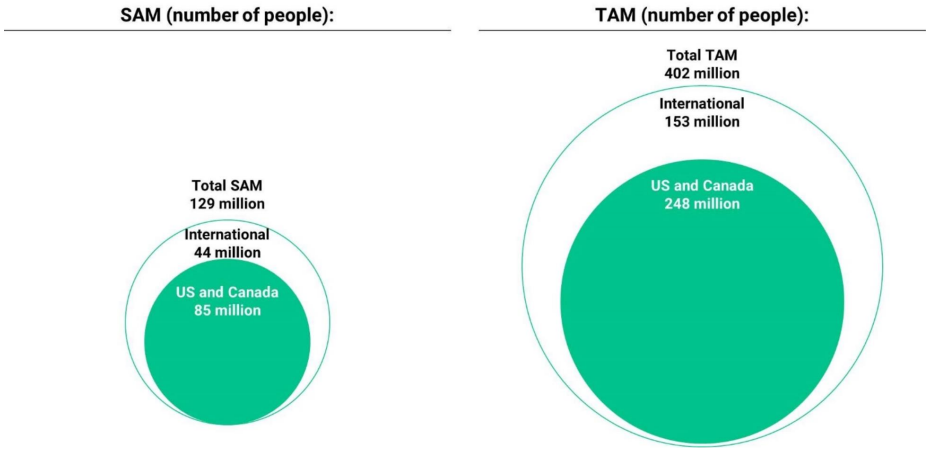
We commissioned a study from YouGov America in September 2020 across multiple countries. The sample size of those surveyed in each country included over 1,000 individuals ages 18 and older. To calculate our SAM and TAM, we extrapolate these survey results across the general population ages 18 and older in each country.

Our SAM consists of the portion of individuals surveyed who said they have made at least one creative project in categories addressed by our current products in the last 12 months, whom we call "active creatives." Our TAM includes the individuals in our SAM as well as the portion of individuals surveyed who said they like, buy, used to make or are interested in creating personalized, handmade or custom items, whom we call "potential creatives" but who have not made at least one creative project in categories addressed by our current products in the last 12 months.

We assess our SAM and TAM in the United States and Canada and internationally. Today, a small portion of our revenue is generated from countries outside the United States and Canada. We currently classify four of these countries, Australia, France, Germany and the United Kingdom, as our primary international target markets and include them in our international SAM and TAM.

Based in part on the YouGov study, we estimate that our SAM consists of over 85 million people in the United States and Canada. As of December 31, 2020, we had 4.3 million users, the vast majority of whom are in the United States and Canada, implying approximately 5% penetration of our SAM in those markets. We estimate that our SAM among our primary international target markets consists of over 44 million people. Accordingly, we estimate our total SAM is over 129 million individuals.

We estimate that there are over 163 million potential creatives in the United States and Canada and over 109 million potential creatives in our primary international target markets. We estimate that our United States and Canada TAM includes over 248 million individuals, which reflects our belief that all people, regardless of demographic, can be creative and a part of the Cricut community. Our TAM among our primary international target markets includes over 153 million individuals, for a combined TAM of approximately 402 million individuals. We believe our products could achieve broader adoption in a number of countries beyond our primary international target markets that also have large populations engaging in creative activities and represent a similar product-market fit.



Because our products make creativity accessible, we believe our opportunity is much larger than the estimates of the size of the traditional craft market. The Association for Creative Industries estimated that the traditional craft market, which is comprised of items and supplies purchased for creative activities, in the United States was $36.2 billion in the twelve months ended September 2017. We put production power into the hands of our users by allowing them to create their own professional-looking homemade goods instead of purchasing manufactured goods from a third party opening up a broad array of markets for our users that go beyond the traditional craft market. For example, the goods that users can produce or customize using our platform fall into multiple large market categories, some of which may overlap. The 2020 estimated markets for such categories were $4.1 billion for cards and calendar; $9.7 billion for stationery; $26.5 billion for seasonal décor; $55.1 billion for wedding-related services[4]; $11.3 billion for organization[5] and $21.5 billion for custom gifts[6].

The Cricut User Journey

As Brené Brown said, “We are born makers. We move what we’re learning from our heads to our hearts through our hands.”

Creative individuals come to Cricut and quickly become engaged users who can express themselves both individually and as part of a large and passionate community. As of September 30, 2020, 96% of our users were women. Many users also earn income through products they create on Cricut. According to a survey that we conducted in October 2020:

- 88% of new users want to make a broad range of products
- 29% make projects to sell
- 78% say crafting helps them with their mental well-being
- 87% say crafting inspires feelings of accomplishment

A user’s journey evolves after their first purchase. New users typically intend to create a broad range of products but may start with one or two intended uses and grow with Cricut over time. For example, a user may buy a connected machine and begin by making cards but later branch out to T-shirts, wall decals and more. As we launch new software and products, and as our community continues to grow and share on our platform and on social media, we have the opportunity to continually refresh this relationship and expand the versatility of our platform.

Our large and loyal community of users engage with Cricut and each other across our design apps and on social media. Users can share projects they created, and other users can be inspired and access and create that same project. These teaching and inspiration moments enhance our monetization opportunities, as projects often lead users to purchase images, fonts, accessories and materials. There are over three million Cricut followers and many independently-run Cricut groups across social media.

4 The preceding statements are from IBIS World. See the section titled “Market, Industry and Other Data.”

5 The preceding statement is from The Freedonia Group, a division of MarketResearch.com. See the section titled “Market, Industry and Other Data.”

6 The preceding statement is from Technavio. See the section titled “Market, Industry and Other Data.”

Bridgette Campbell
Teacher

“Now, with all the things I’ve made, I wonder how I ever lived without Cricut Maker.”

Bridgette is a mother, special education teacher and avid scrapbooker who makes meaningful projects to inspire others and to make the world a more inclusive place. *“Since having my daughter, I want people to be aware of her as a person, not for a disability.”* She makes monogrammed gifts for teachers and crafts together with her daughter. *“At the beginning of the COVID-19 pandemic, I started crafting with my daughter. She started to talk for the first time, she said ‘Mommy’ for the first time. She has made incredible progress from spending quality time together using our Cricut machine.”*

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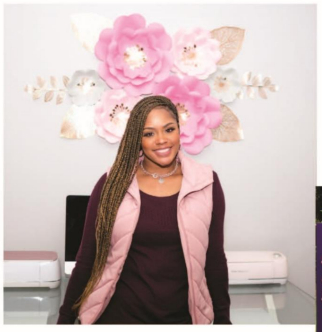
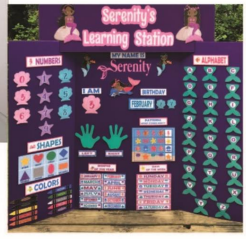
Sharia Collins
Teacher

"My business turned into so much more once I bought a Cricut machine. You have to have one to be able to create the kind of products I'm creating."





Sharia is an English teacher and life-long entrepreneur who began selling invitations, learning boards and other custom creations in 2017. *"Using my Cricut Explore helped me to perfect my craft. It changed my life because there is no way I could make the things I make and generate the kind of revenue I generate without it. It makes me feel good that a lot of people are inspired by what I make."*

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Jenny Luttermoser
Emotional wellness professional

"With my Cricut Maker, I can accomplish in 2 hours what used to take me 3 days. It's made me feel like I can do anything."

Jenny is a mother of 2-year-old twin girls and a 5-year-old boy. *"The rest of my life is so constrictive, but making art with my Cricut Maker makes me feel free. When I'm crafting I can let myself go. I call it my 'accessible craft robot.' It's definitely a craft robot. There's no other way to describe it. You can literally do anything with Cricut Maker."*

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Aneta Bies
Healthcare Worker

"This is the first time in my life I feel really confident in what I'm doing. There's no end to how far I can push my creativity."

Aneta finds solace in creating for others—from teaching art classes for children, to making custom safety vests for alpaca farmers. *"Cricut Maker is like a unique pot of gold at the end of a rainbow—whether your gold is quilting, paper crafts, vinyl ... it's never-ending!"* She has her sights set on growing her business and bringing the art of making to her community. *"I'd love to open up my own space for crafting, teaching and even hosting events. It would be a community meet-up space."*

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Cory Peace
Designer

"What I thought would be a hobby turned into a passion. Orders are flowing in. I needed another machine to speed up production."

Cory is a U.S.-based graphic designer who has found his Zen by bringing the digital to life. He first learned about Cricut from a friend and purchased his first machine on July 31, 2020. By the end of September he launched a website featuring his Cricut creations, and within weeks, made $2,200 in custom orders. *"Even people in the U.K. are looking at my website, and they like what 42-year-old, introverted me makes."*

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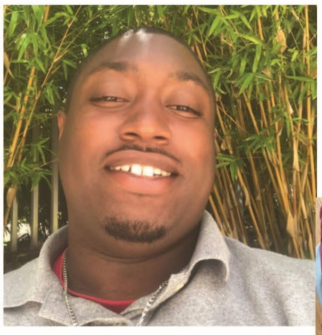
Brandon Boyd
Father and Coach

"Cricut has helped us make our uniforms and helped our players show their team spirit."



Brandon is a father of three, a baseball and football coach and the co-owner of a youth development sports business. He uses his Cricut Explore machine to make uniforms for the sports teams he works with. *"Our program has grown so much, we figured it would be easier to do it ourselves. Plus, making is joyful and fun. It's exciting to imagine a design in your head and be able to make it, and see that final project come to life."*

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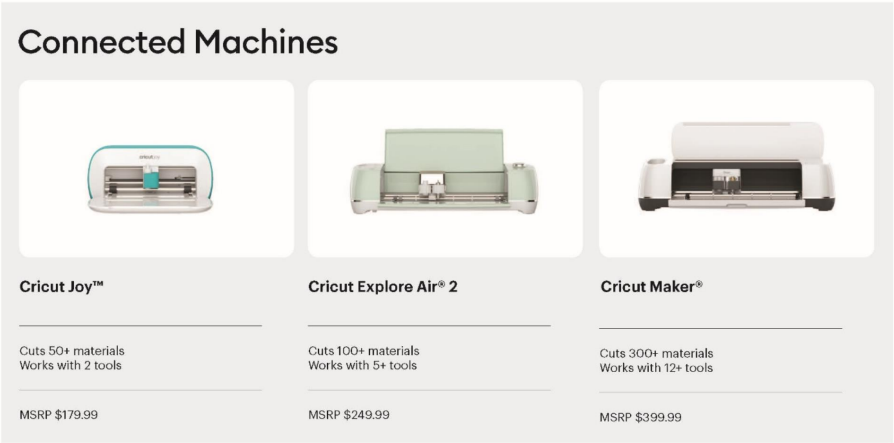
Our Software

Our software integrates our connected machines and design apps, allowing our users to create and share seamlessly. Our software is cloud-based meaning that users can access and work on their projects anywhere, at any time, across desktops or mobile devices. We enable our users to be inspired, create and share projects with the Cricut community, and follow others doing the same. Each user's credentials, profile, machine registration data, pressure settings for various materials and tools, uploaded images, designs, projects, community networks and more are stored in the cloud. Our software aggregates billions of data points of our users' contributions, giving us valuable insights into our users' preferences and behaviors. We use our data science capabilities to continuously improve our software and products, driving further engagement. For example, as we monitor how users engage with a certain feature, we can continue to improve it or choose to sunset it if it is no longer useful. We have the ability to release new connected machines with new uses that can seamlessly integrate with our software, allowing us to grow with existing users.

Connected Machines

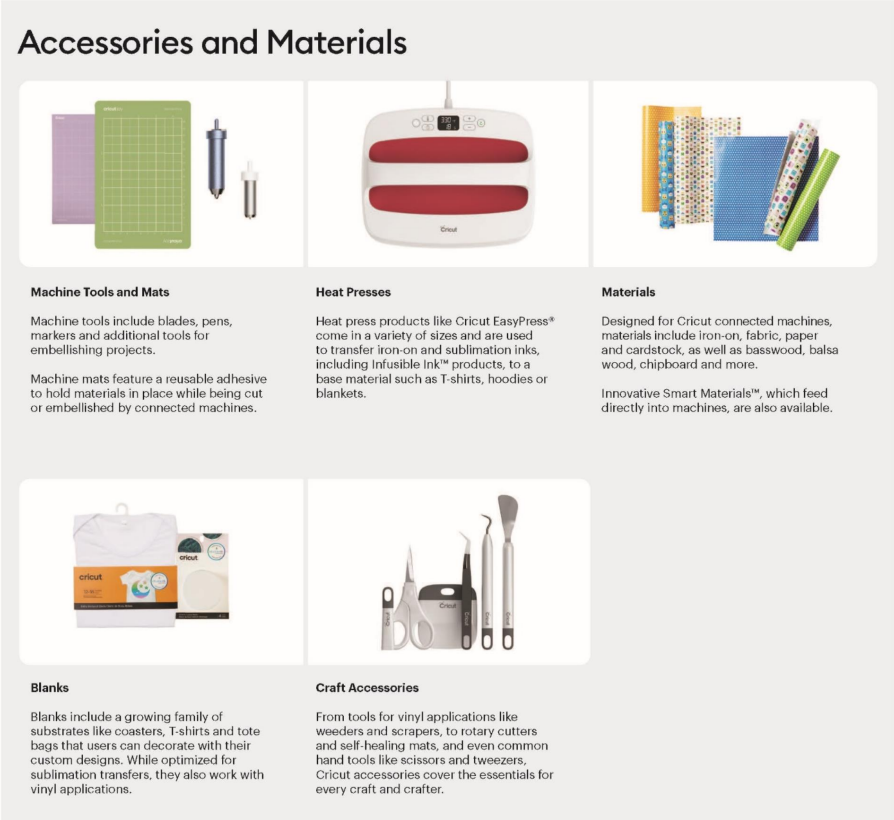
Our connected machines currently include Cricut Joy, Cricut Explore and Cricut Maker.



Our portfolio of connected machines cut, write, score and create decorative effects using a wide variety of materials including paper, vinyl, leather and more. Our connected machines are designed for various uses ranging from quick, everyday projects like handmade cards or signs to professional-level DIY projects like home décor, quilts and tables. Each of our connected machines provides users with different capabilities. For example, Cricut Joy can work with over 50 different materials – from the most popular craft materials like cardstock, vinyl and iron-on to specialty materials like glittery paper and polished foils. Cricut Maker incorporates even more material capabilities from the most delicate paper and fabric to harder materials such as matboard, leather and basswood. Our connected machines also incorporate different tools, attachments, accessories and capabilities. For example, Cricut Explore Air pioneered a calligraphy pen, while Cricut Maker cuts fabric and can also engrave metal. Machine connectivity is enabled through Bluetooth and USB. All Cricut connected machines come with Design Space, a free, easy-to-learn and easy-to-use, cloud-based design software available on Android, iOS, Mac and PC devices.

Design Apps and Subscriptions. Users can leverage the full power of our platform by using our connected machines together with our free design apps for our connected machines, including our Design Space app that works with all connected machines and our Cricut Joy-specific app. Users download our apps, create a profile and design and share their Cricut projects from both desktop and mobile devices. All users can access a select number of free images, fonts and projects from our design apps or upload their own. In addition, we offer a wider selection of images, fonts and projects for purchase à la carte, including licensed content from partners like major motion picture studios. Ready-to-make projects, from cards to holiday décor, each come with instructions and recommendations for the ideal materials to use. Users can share their designs on our apps to teach and inspire others. If one user shares a project that uses images from the Cricut library, another user can download and create that same project – as long as they are subscribed to Cricut Access or Cricut Access Premium or have purchased those images.

Cricut Access and Cricut Access Premium are our subscription offerings that include a large selection of images, fonts and projects as well as other member benefits, such as discounts, priority Cricut Member Care and, in the case of Cricut Access Premium, preferred shipping. Paid Subscribers are granted access to a curated and growing design library of over 125,000 images, 6,000 ready-to-make projects and hundreds of fonts. Cricut Access is billed monthly for $9.99 per month or annually for $95.88 per year. Cricut Access Premium, which includes all of the benefits of Cricut Access and additional discounts and preferred shipping, is billed annually for $119.88 per year. As of December 31, 2020, we had over 1.3 million Cricut Access and Cricut Access Premium subscribers, representing approximately 30% of our total users.



Cricut Accessories and Materials. We sell a broad range of accessories and materials that help bring designs to life, such as Cricut EasyPress, various hand tools, machine replacement tools and blades and project materials. These products are designed to work seamlessly with our connected machines. This interconnectedness is important to our users, who choose to buy Cricut-branded accessories and materials because they find them easy to use and trust our brand. Seventy-seven percent of our users agree that our materials are designed to work seamlessly with Cricut machines. Some products, like our mats and blades, attach to a connected machine. Mats hold materials in place as they are cut by the connected machine. Our mats are sold in different grip strengths that are appropriate for the material being used. For example, a light-grip mat is perfect for paper, while a strong-grip mat is optimal for materials that need stronger adhesive to secure in place, such as matboard and leather. Blades are inserted into Cricut connected machines. For example, a Premium Fine Point Blade works well with cardstock, a Rotary Blade is perfect for fabric and a Knife Blade is optimal for leather and wood products. We have also created a portfolio of both complex and basic accessories. For instance, Cricut EasyPress is a portable heat press with a variety of heat transfer uses for oddly-shaped, non-uniform surfaces. Cricut BrightPad illuminates fine lines to ensure precision for removing the unneeded pieces of a cut image. We also sell a wide range of project materials including vinyl, iron-on vinyl, deluxe paper, Infusible Ink (sublimation), machine tools and

accessories and more. We offer over 3,000 total SKUs within our Cricut accessories and materials, ranging in price from a $0.99 digital image to the $239.99 EasyPress.

How We Go to Market

Many of our users hear about our products through word-of-mouth. With 91% of our users creating products for their friends and family, word-of-mouth marketing continues to be one of the most efficient and effective ways we attract new users. In 2020, 42% of new users first heard about Cricut through friends and family. We also use digital and social media marketing to attract users.

We sell our connected machines and accessories and materials through our brick-and-mortar and online retail partners, as well as through our website at cricut.com. Our partners include Amazon, Hobby Lobby, HSN, Jo-Ann, Michaels, Target, Walmart and many others. We also sell our products, including subscriptions to Cricut Access and Cricut Access Premium, on cricut.com. In each of 2019 and 2020, 52% of our revenue was generated through brick-and-mortar sales and 48% was generated through online channels.

Our Competitive Strengths

Our competitive strengths include:

Our Vertically Integrated Platform Encourages Continual Engagement. Our platform accompanies a user from an idea to a finished project, with Cricut providing the connected machines, design apps and accessories and materials to make this a seamless journey. All of the content our users purchase and the projects they spend hours designing are stored in the cloud. This allows our users to access their designs from their Android, iOS, Mac and PC devices seamlessly. This content can only be accessed through Cricut's design apps and is optimized to a proprietary Cricut format for a great experience. As of December 31, 2020, 65% of our users created on their connected machines in the last 90 days and 84% created on their connected machines in the last 365 days.

We Build Beautiful, Inspiring and Easy-to-Use Products. Our mission is rooted in our passion for design, and this passion comes to life in the beautiful products we build and experiences we create. We take great pride in marrying design and functionality for each SKU – from our connected machines to design apps to content to accessories and materials. Every touchpoint is an opportunity to engage the customer and exceed expectations. Our goal is to provide users with an experience that is both inspiring and intuitive, and we take great care to make our products easy to use. Our elegant products are backed by deep user experience, software, technology and engineering expertise.

We Designed our Platform to be Able to Constantly Evolve so We Can Find New Ways to Delight Users. We constantly innovate and offer new products and functionality to provide users with new capabilities for their existing connected machines. We have introduced eight additional tools for Cricut Maker since its August 2017 launch. For example, in 2020, we launched a foil transfer tool, giving users the ability to include a letter foil effect in their projects. This tool allowed us to then launch ten materials SKUs in addition to the tool. New products are integrated seamlessly into existing connected machines with updates to our software, infrastructure and content. We aim to give our users the freedom to create without limitations while improving their experience along the way.

We Have a Strong and Loyal Community of Users. Many of our users become deeply engaged in our creative community and loyal to our brand. Each project becomes an opportunity to create a conversation – our users share, inspire and teach each other. Our community of 4.3 million users as of December 31, 2020, creates a reinforcing network effect. As the number of our users grow, so does the number of projects made and shared physically or digitally. This engagement generates even more shared projects and word-of-mouth that in turn helps to grow our community.

We Have a Positive Impact on Our Users, in Good Times and in Bad. When users design with our products, they feel creative and self-accomplished. When they personalize an object or make something for someone as a gift, they feel good about themselves. Our products make people feel accomplished and

confident – powerful emotions that help create a relationship and love between our brand and our users. Crafting allows people to save money by creating their own gifts or to earn income selling handmade goods. Given the positive emotions connected with crafting, our users create to celebrate and as a respite during difficult times.

Our Growth Strategy

These are key elements of our growth strategy:

Reach More Users. As of December 31, 2020, we had 4.3 million users, representing approximately 5% of the 85 million addressable active creatives in our United States and Canada SAM. We have a significant opportunity to bring more users to our platform by enhancing our brand and product awareness in both the United States and Canada and in the other geographies where we currently sell our products. We intend to pursue this opportunity in part through digital and social media marketing, retail partners and word-of-mouth referrals.

Increase Monetization from Current Users. We keep our users engaged by applying what we learn on our platform to launch new software and products. We believe that by finding new ways to inspire our users with their existing connected machines, we can sell more content and accessories and materials. By enhancing our subscription offerings, we also believe we can grow our subscription base over time.

Continuously Improve Ease of Use and User Experience. We plan to continue to broaden our demographic appeal by making our products even easier to use and educating users on our products and their capabilities. We believe that reducing the barriers to entry for active creatives and potential creatives can help us both further penetrate our SAM and continue to expand and penetrate a portion of our TAM.

Launch New Products in New Categories. New products help us extend our impact with new and existing users. Our deeply engaged base of users gives us unique insights into what new products are going to be most successful. Our strategy for keeping current users engaged is focused on launching new products and services that attach seamlessly to our existing platform, whether accessories and materials or connected machines. We plan on expanding our offerings to serve a larger portion of our SAM, including new connected machine offerings with new uses to capture additional customer segments. Our ability to launch new services and new products will allow us to diversify our channels and bring on new brick-and-mortar and online retail partners.

Expand Internationally. We believe there is a significant opportunity for Cricut to grow internationally. We began our international expansion by launching in Australia, Canada, France, Germany and the United Kingdom. We have also localized our design apps in several languages such as French, German, Portuguese and Spanish. We offer country-specific content and continue to add local content for markets where we are in various stages of launch. We will continue to pursue disciplined international expansion by targeting countries with large populations of active creatives where we believe the Cricut value proposition will resonate. We expect to leverage a combination of brick-and-mortar and online retail partners to go to market internationally.

Technology and Content

Our core technology and content that support our platform are critical competitive advantages and are purpose-built to leverage the tools and capabilities of our connected machines. These solutions utilize a myriad of factors and elements unique to Cricut and are highly differentiated.

- **Cutting-Edge Innovation, Beautiful Design and Ease of Use.** We invest substantial resources in research and development to enhance our platform, develop new products and features and improve our user experience. Our hardware innovation harnesses the power of technologies typically found only in professional robotics, computer numerical control machinery and other automated commercial devices. One example of our cutting-edge innovation is our Cricut Joy, a connected machine that is both powerful and portable. Our software integrates our connected

machines with the rest of our platform and enables a seamless creative experience for our users. Our hardware and software are beautifully designed to be easy-to-use, so that users can be their creative best.

- **Proprietary Technology.** Our platform benefits from our proprietary intellectual property. Servo motors in our connected machines operate with feedback control to ensure ultra-precise cutting and drawing paths are generated each time a user clicks “Make It.” The uniform heat plate technology in our EasyPress family of products allows our users to more evenly adhere iron-on vinyl and films onto T-shirts, totes or tags. The ability to control the amount of machine pressure used by Cricut Maker was an industry first in such a compact form factor and allows our users to not only cut thicker materials like matboard, leather and basswood but also to deboss heavy chipboard or even engrave metal. While assorted machine tools are required to create these decorative effects, our connected machines also have the capability to automatically detect whether the proper tool is installed in order to safeguard proper operation and help our users achieve their desired effect.
- **Cloud-Based Architecture Which Allows for Simplicity, Scalability and Security.** Our distributed and scalable technology architecture allows our users to access inspiration and create anytime they want from almost any computing device, maximizing utilization of our platform. Our users can get inspired on the go using Design Space on their phone, continue designing on their tablet, and then finish creating using their desktop; or stay on one device during their all-night crafting session. Design Space maintains an expanding list of materials and a corresponding database. As every creative project is unique, this database aids our users in understanding which materials are compatible with or optimized for their connected machine. Our materials database also houses, maintains and controls the precise pressure, speed and machine tools needed to ensure a unified experience when a connected machine communicates with our cloud-based, highly-scalable, microservice-designed APIs. Our software and apps are built and continually maintained using the industry’s latest technology like Swift for iOS, Kotlin for Android and Electron Framework for Mac and Windows. We benefit from and leverage the AWS security frameworks to provide our users an infrastructure that is consistent with information security best practices so that our users’ information, creative projects and account are safe and secure.
- **Cut Smart Technology, Adaptive Tool System and QuickSwap Housings.** Years ago we transformed the household electronic cutting machine market with the introduction of our Cut Smart technology on Cricut Explore. This allows our connected machines to cut and draw on materials through machine mat and carriage plot movements, while our servo motors apply a precise amount of cut force tailored to each material so there is no need for users to manually adjust blade depth, cut force or speed. Later on, with the release of Cricut Maker, we further innovated by introducing our Adaptive Tool System, which deepens and enhances our connected machine movements by adding additional control from the drive housing itself. Through the interlocking of gears with the machine carriage, our Adaptive Tool System (currently available only on Cricut Maker) can additionally lift and turn the blade during operation. This third juncture point allows Cricut Maker to intelligently control the direction of the blade and cut pressure to match the material, enabling experiences like machine cutting fabric with a rotary blade or using our knife blade to machine cut thicker materials like matboard and basswood. In addition to this multi-dimensional movement, our Adaptive Tool System also allows our users to install one machine tool housing that can be easily changed to have varying tips, something we aptly call QuickSwap. While Cricut Maker was released with only four tools initially, together with our Adaptive Tool System and QuickSwap housings, we have since empowered Cricut Maker users with the use of over 10 tools. Our connected machines are durable, built to last and designed with this level of extensibility to quickly enable new uses as they are designed and brought to market.
- **Optimized Accessories and Materials.** While our connected machines work with a wide variety of accessories and materials regardless of brand, using Cricut-branded products brings added benefits. For example, with the recent introduction of our new Smart Materials line for Cricut Joy (including Smart Vinyl, Smart Iron-On and Smart Label), our users can now load these materials

into their connected machines without the need for a separate cutting mat. Our sourcing, quality assurance and materials teams go to great lengths to ensure all Cricut-branded accessories and materials (including Smart Materials, as well as cardstock, vinyl, transfer tape, leather, hand tools and others) are calibrated and purpose-built to work hand-in-hand with Cricut connected machines, as well as interplay well with other Cricut products. Our materials database works best with these Cricut-branded accessories and materials, thereby allowing our users to create quicker with more predictable results.

- **Content Development and Production.** The breadth and depth of our growing content library comes as a direct result of the data-driven approach we use to gain insights into our users' preferences and behavior. Using real-time data points, we observe the use patterns and other aggregated data to predict future trends or gaps in our content offering. Using these key learnings, we select ideas, themes and content categories that ultimately inform and shape our product development cycle. By partnering with professional illustrators, project designers and subject matter experts, both internally and externally, we create tailor-made content offerings that beautifully complement our platform. Whether through the creation, acquisition or licensing of varied creative assets, our content teams then use a proprietary process to convert these images and projects into content specifically optimized to integrate with our connected machines and Cricut-branded accessories and materials seamlessly. The output of this content lifecycle results in authentic, on-trend and high-quality images and projects we offer our users for à la carte purchase or as a part of our Cricut Access and Cricut Access Premium subscriptions. As we diversify our content categories and further expand internationally, we will continue to develop localized and meaningful content shaped to meet the language, needs and preferences of our growing global user base.

- **Unified Integration Between Hardware, Software and Content.** Our design, engineering, product and content teams work hand-in-hand to bring our products to life, from conception and validation to implementation. We work hard to build strong synergies across teams in order to successfully launch products that address new creative categories. One such example was evident in the successful launch of Cricut Joy together with its companion Cricut Joy Insert Cards. Collaborating with our hardware engineering and machine teams, our materials team launched a colorful array of newly designed pre-scored and pre-cut cardstock greeting cards, complete with decorative inserts and envelopes. Utilizing a patent-pending card mat to hold these cards in place during operation, Cricut Joy can cut and draw professional-looking handmade cards for any occasion while easily pulling from hundreds of ready-to-make greeting card projects in Design Space. This type of unified integration by and between our hardware, software, content and accessories and materials provides an outcome to our users with a value much greater than the sum of its individual parts.

Mission, Values and Employees

Our mission is to help people lead creative lives. To help us fulfill that mission, our employees focus on the following Cricut values and mantras:

We have created our values and mantras on the foundation of the five behaviors of a cohesive team (trust, conflict, commitment, accountability and results) introduced by a pioneer of the organizational health movement, Patrick Lencioni.

As of December 31, 2020, we had over 640 employees. We also engage contractors and consultants. To our knowledge, none of our employees is represented by a labor union or covered by a collective bargaining agreement. We have not experienced any work stoppages, and we believe that our employee relations are good.

Competition

We compete in a number of market segments with our business, separately and together.

We experience competition in connected machines; for example, Brother, Graphtec and Silhouette America sell cutting machines. We expect significant competition to continue, both from current competitors as well as new entrants into the market, some of which may become significant competitors in the future.

The accessories and materials DIY market is highly competitive with few barriers to entry. We face heightened competition in providing accessories and materials that we sell for use with our connected machines. We compete against well-established, well-known companies, many of which are also our retail partners, including Hobby Lobby, HSN, Jo-Ann and Michaels. Many of these companies have substantial market share, diversified product lines, well-established supply and distribution systems, strong brand recognition and significant financial, marketing, research and development and other resources. These brick-and-mortar and online retail partners often have their own brands of products that we compete against, particularly in accessories and materials. We believe that our brand, technology and software set us apart. We provide a superior value proposition and benefit from our deeply engaged community of users.

The areas in which we compete include:

- ***Product Offering*.** We compete with producers of DIY design and crafting tools, materials and accessories and work to ensure that our connected machines maintain the most innovative technology and user-friendly features. Our products, materials and accessories allow our users to produce professional-looking projects.
- ***Engagement*.** We compete for consumers to purchase our products, and we seek to retain them through our connected machines, subscriptions and accessories and materials, as well as our engaged community.
- ***Talent*.** We compete for talent in every vertical across our company including technology, design, marketing, finance, legal and retail. As our platform is highly dependent on technology and software, we require a significant base of engineers to continue innovating.

The principal competitive factors that companies in our industry need to consider include but are not limited to total cost of product, manufacturing efficiency and supply chain management, product vision, product innovation, digital content (original and licensed), product quality and safety, pricing, user engagement, strength of sales and marketing efforts, technological advances and brand awareness and reputation. We believe we compete favorably across these factors and we have developed a business model that is difficult to replicate.

For additional information, see the section titled “Risk Factors—Risks Related to Our Industry and Business—We operate in a highly competitive market and we may be unable to compete successfully against existing and future competitors.”

Intellectual Property

We believe that our intellectual property rights are valuable and important to our business. Our practice is to seek protection for our intellectual property as appropriate, and we rely on a combination of patents, trademarks, copyrights, trade secrets, license agreements, confidentiality procedures, non-disclosure agreements, employee disclosure and invention assignment agreements, as well as other legal and contractual rights, to establish and protect our proprietary rights. Although we rely in part upon these legal and contractual protections, we believe that factors such as the skills and ingenuity of our employees and the functionality and frequent enhancements to our platform are larger contributors to our success in the market.

As of December 31, 2020, we had 39 issued patents in the United States, which expire at various times between January 23, 2021 and March 19, 2039, as well as 36 issued patents in non-U.S. jurisdictions, which expire at various times between July 14, 2026 and July 8, 2045. As of December 31, 2020, we also hold 32 pending patents in the United States and 56 pending patents in non-U.S. jurisdictions. These patents are intended to protect our proprietary inventions that are relevant to our business. We continually review our development efforts to assess the existence and patentability of new intellectual property.

We have an ongoing trademark and service mark registration program pursuant to which we register our brand names and product names, taglines and logos in the United States and other jurisdictions to the extent we determine appropriate and cost-effective. We also have common law rights in some unregistered trademarks that were established over years of use. As of December 31, 2020, we have a total of 16 registered trademarks in the United States and 103 registered trademarks in non-U.S. jurisdictions. We also have registered domain names for websites that we use in our business, such as cricut.com and other variations.

We intend to pursue additional intellectual property protection to the extent we believe it would be beneficial and cost-effective. Despite our efforts to protect our intellectual property rights, they may not be respected in the future or may be invalidated, circumvented or challenged. In addition, as we continue to expand internationally, the laws of certain foreign countries may not protect our intellectual property rights to the same extent as laws in the United States. We expect that infringement of our intellectual property may increase as the number of products and competitors in our market increases, and effective protection of intellectual property rights is expensive and difficult. In addition, to the extent that we gain greater visibility and market exposure as a public company, we face a higher risk of being the subject of intellectual property infringement claims from third parties. Any third-party intellectual property claims against us could significantly increase our expenses and could have a significant and negative impact on our business, results of operations and financial condition. For additional information, see the section titled “Risk factors—Risks Related to our Intellectual Property.”

Manufacturing, Supply Chain and Fulfillment

We currently outsource the manufacturing of our products to third-party contract manufacturers located primarily in China and Malaysia. We believe outsourcing our manufacturing function promotes more flexibility and scalability in our operations.

We primarily use one contract manufacturer in China, Intretech, to produce our connected machines, which are built based on our quality and performance standards and specifications. Our agreement with Intretech is on a purchase order basis, and Intretech is not otherwise obligated to supply our connected machines in any specific quantity or at any specific price. The Intretech agreement has an initial five-year term beginning August 2018 and thereafter automatically renews for one additional year unless earlier terminated by the parties for breach or upon 60 days’ prior written notice.

Our contract manufacturers procure nearly all of the components that are used in the production of our products from approved third-party suppliers. In certain circumstances, we purchase components directly from suppliers which are then provided to our manufacturers, but we generally do not have long-term contractual agreements with those suppliers. Certain highly specialized components and raw materials, such as Bluetooth components, microchips and certain alloys that are critical to the performance of our connected machines, are sourced from very limited component suppliers. These components have unique performance profiles, and, as a result, it is not commercially practical to support multiple sources for these components for our products.

To streamline e-commerce logistics, inventory management, warehousing and fulfillment, we engage a small number of third-party logistics partners, including last mile warehousing and delivery partners, located in the United States, China and Europe to receive and distribute our products. Our third-party logistics partners complete a substantial percentage of our deliveries to brick-and-mortar and online retail partners, distributors and online sales channels. Our products generally arrive at our third-party logistics partner facilities via ocean shipping services from our contract manufacturers. Direct shipments to users are then typically ground shipped for U.S. users and air- or ocean-freighted for our international users. Most brick-and-mortar and online retail partners and distributors generally use their own freight carriers for shipments from our third-party logistics partner facilities.

As we grow and scale, we continue to evaluate and assess the need for existing and new manufacturers, suppliers and partners. To mitigate the risks of having a limited number of suppliers, we have currently-qualified alternative contract manufacturers in place; however, we do not currently have alternative suppliers for certain key components. As a result of the COVID-19 pandemic, we have

experienced certain delays in component and raw material sourcing, manufacturing and shipping. For additional information, see the section titled “Risk Factors—Risks Related to Manufacturing, Supply Chain and Fulfillment.”

Sales and Marketing

Sales Channels

We sell our products primarily through our third-party brick-and-mortar and online retail partners, as well as through our website at cricut.com. We also sell to a network of distributors in over 20 countries who resell our products primarily to international brick-and-mortar and online retail partners and on a limited basis to U.S. brick-and-mortar and online retail partners. In 2019 and 2020, 48% of our revenue was generated through online channels. Our sales and channels team located in the United States support both the onboarding of new brick-and-mortar and online retail partners as well as account management of existing brick-and-mortar and online retail partners. We also have an international sales and marketing force working remotely in Australia, continental Europe and the United Kingdom to drive sales and whose reach spans into many jurisdictions across the globe.

Many of our products are sold through traditional brick-and-mortar retail partners, varying in size, including on their websites, as follows:

- ***Specialized Craft Retailers.*** We sell to specialized arts and crafts supply retailers with large regional or national presence, such as Hobby Lobby, HSN, Jo-Ann and Michaels.
- ***National Retailers.*** We sell to large, mass merchant retailers with national and international presence, such as Amazon, Target and Walmart.
- ***Independent Retailers.*** We sell to a network of smaller, independent retailers in targeted locations or in specialty markets.

Each of Amazon, Jo-Ann and Michaels represented 10% or more of our consolidated revenue in the years ended December 31, 2018 and 2019, and Jo-Ann, Michaels and Walmart represented 10% or more of our consolidated revenue in the year ended December 31, 2020. We also currently offer our products through our website at cricut.com, which can be purchased directly by users in the United States and Canada. Users can also purchase subscriptions to Cricut Access and Cricut Access Premium through our website or through Cricut’s design apps on Android and iOS devices. Additionally, users can make in-app purchases of images, fonts and projects à la carte on our platform and through our design apps. We drive consumers to our website and platform primarily through word-of-mouth marketing channels and the use of low-cost marketing channels like social media.

We believe our omni-channel strategy enables us to target a diverse consumer base.

Marketing

We focus our marketing efforts on building brand and product awareness and community engagement to attract new users and retain existing users. We believe our platform and loyal community of 4.3 million users as of December 31, 2020, are our best and most effective marketing tools, helping to generate robust word-of-mouth referrals, which have been significant drivers of our growth. With 91% of our users creating products for their friends and family, word-of-mouth marketing continues to be paramount to our operational success. Crafting inspires feelings of accomplishment in our users, which promotes repeat use of our products and reengagement in our platform and community.

Users in our community are deeply engaged and are passionate about sharing inspiration, Cricut tips, tricks and personal stories online on social media, which promotes discovery and adoption. Users across the globe often also connect offline, self-organizing and hosting in-person meet-up events to create together, which reinforces the community network effect. As the number of users grow, the number of projects and content created and shared physically and digitally multiply.

Additionally, our users' ongoing engagement on our data-driven platform enables us to learn more about their preferences and behaviors, which we harness to continually improve our platform and to predict what new products will be successful, driving a cycle of further community engagement.

We intend to continue to invest significant resources to build our brand and community engagement, including from time to time employing traditional online advertising as well as third-party social media. We also spend significant time and resources training our Cricut Member Care team to resolve any technical and operational issues relating to our products and services so that our users' experience with our platform is not negatively impacted.

Research and Development

Our research and development efforts focus on enabling our users to express their creativity. Technical direction is derived from our data science capabilities and feedback from our deeply engaged user community. This focus enables the development of a robust platform architected to ensure a simple and intuitive user experience, centered around our connected machines, subscriptions and accessories and materials. Our design, product, engineering and customer support teams collaborate extensively with our user community. Our platform is primarily built and maintained in-house by a team of professionals across design, product management and engineering disciplines.

As of December 31, 2020, we had over 190 employees in our research and development organization. We intend to continue to invest in our research and development capabilities to further improve our software, and the ease of use and functionality of our connected machines and platform and to expand our accessories and materials offerings.

Government Regulation

We are subject to a variety of U.S. federal and state laws and foreign laws and regulations that involve matters central to our business, many of which are still evolving and could be interpreted in ways that could harm our business. These laws and regulations include laws governing, among other areas, privacy, data protection, content regulation, intellectual property, competition, consumer protection, e-commerce, product liability, marketing, advertising, trade (e.g., sanctions, export controls and tariffs) and taxation. These laws and regulations are often complex, sometimes contradict other laws, and are frequently still evolving. Laws and regulations may be interpreted, applied, created, amended and enforced in different ways in various locations around the world, posing a significant challenge to our increasingly global business.

As we grow and expand our geographical reach and our offerings, we may become subject to additional regulations, in the United States and internationally.

In the EU, the GDPR became effective on May 25, 2018. The GDPR is intended to create a single legal framework that applies across all EU member states. However, there are certain areas where EU member states can deviate from the requirements in their own legislation. It is therefore likely that we will need to comply with these local regulations in addition to the GDPR. Local supervisory authorities are able to impose fines for non-compliance and have the power to carry out audits, require companies to cease or change processing, request information and obtain access to premises. The GDPR created more stringent operational requirements for processors and controllers of personal data, including, for example, requiring enhanced disclosures to data subjects about how personal data is processed (including information about the profiling of individuals and automated individual decision-making), limiting retention periods of personal data, requiring mandatory data breach notification and requiring additional policies and procedures to comply with the accountability principle under the GDPR. In addition, data subjects have more robust rights with regard to their personal data. Similarly, other jurisdictions are instituting privacy and data security laws, rules and regulations, which could increase our risk and compliance costs.

The CCPA also affords consumers expanded privacy protections. Additionally, the California Attorney General issued CCPA regulations that may add additional requirements on businesses. The potential effects of this legislation and the related CCPA regulations are far-reaching and may require us to modify our data processing practices and policies and to incur substantial costs and expenses in an effort to comply. For example, the CCPA gives California residents (including employees, though only in limited circumstances until January 1, 2023) expanded rights to transparency access and require deletion of their personal information, opt out of certain personal information sharing and receive detailed information about how their personal information is collected and used. The CCPA also provides for civil penalties for violations, as well as a private right of action for data breaches that may increase data breach litigation. Additionally, in November 2020, California passed the CPRA, which amends and significantly modifies the CCPA, potentially resulting in further uncertainty and requiring us to incur additional costs and expenses in efforts to comply. The enactment of the CCPA is prompting similar legislative developments in other states in the United States, which could create the potential for a patchwork of overlapping but different state laws, and is inspiring federal legislation.

Further, some countries also are considering or have passed legislation requiring local storage and processing of data, or similar requirements, which could increase the cost and complexity of operating our products and services and other aspects of our business.

Additionally, we are subject to laws, rules and regulations regarding cross-border transfers of personal data, including laws relating to the transfer of personal data outside the EEA and the United Kingdom (after Brexit). We rely on transfer mechanisms permitted under these laws, including the standard contract clauses, which have been subject to regulatory and judicial scrutiny. If these existing mechanisms for transferring personal data from the EEA, the United Kingdom or other jurisdictions are unavailable, we may be unable to transfer personal data of employees or users in those regions to the United States.

See the section titled “Risk Factors” for additional information about the laws and regulations we are subject to and the risks to our business associated with such laws and regulations.

Legal Proceedings

We are not presently a party to any material pending legal proceedings. We are, from time to time, subject to legal proceedings and claims arising from the normal course of business activities, and an unfavorable resolution of any of these matters could materially affect our business, results of operations, financial condition or cash flows.

Future litigation may be necessary, among other things, to defend ourselves or our users by determining the scope, enforceability and validity of third-party proprietary rights or to establish our proprietary rights. The results of any current or future litigation cannot be predicted with certainty, and regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

In September 2020, we joined NXN LLC and dozens of other plaintiffs in a complaint against the U.S. federal government in the United States Court of International Trade alleging unlawful actions by the federal government on the imposition of the third and fourth round of tariffs on products covered in the United States Trade Representative’s *Section 301 Action Concerning China’s Act’s, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation.* The complaint seeks declaratory judgment that the United States Trade Representative’s actions were beyond its delegated authority under the Trade Act of 1974 and in violation of the Administrative Procedure Act and the United States Constitution.

Our Facilities

Our corporate headquarters occupies approximately 94,000 square feet in South Jordan, Utah under operating leases that expire at various times through 2025. We also lease offices elsewhere in Utah, China and Malaysia. All of our offices are leased and we do not own any real property.

We believe that our existing facilities are sufficient for our current needs. In the future, we may need to add new facilities and expand our existing facilities as we add employees, grow our infrastructure and evolve our business, and we believe that suitable additional or substitute space will be available on commercially reasonable terms to meet our future needs.

Executive Officers and Directors

The following table sets forth information regarding our executive officers and directors as of March 11, 2021.

Name	Age	Position(s)
Executive Officers		
Ashish Arora	53	Chief Executive Officer and Director
Martin F. Petersen	60	Chief Financial Officer
Donald B. Olsen	46	Executive Vice President, General Counsel and Secretary
Gregory Rowberry	53	Executive Vice President, Sales
Non-Employee Directors		
Jason Makler(1)	47	Director and Chair of the Board of Directors
Len Blackwell(2)	56	Director
Steven Blasnik(1)	63	Director
Russell Freeman	57	Director
Melissa Reiff(2)	66	Director
Billie Williamson(2)	68	Director

(1) Member of the Compensation Committee
(2) Member of the Audit Committee

Executive Officers

Ashish Arora has served as our Chief Executive Officer and as the Chief Executive Officer of Cricut Holdings since February 2012. Mr. Arora has also served as a member of our board of directors since March 2021 and as a member of the board of managers of Cricut Holdings since February 2012. From July 2009 to February 2012, he served as the General Manager, Digital Home – Software Platforms and Products for Logitech International S.A., a global manufacturer of computer peripherals and other devices. Mr. Arora holds a B.S. in Electronics Engineering from Thapar Institute of Engineering and Technology and an M.B.A. from the University of Kansas Graduate School of Business.

We believe Mr. Arora is qualified to serve as a member of our board of directors because of his perspective and experience as our Chief Executive Officer and his extensive experience in business development and project management.

Martin F. Petersen has served in various positions with us since May 2012, most recently as our Chief Financial Officer from April 2018 to present and from May 2012 to January 2017 and as Chief Operating Officer from February 2015 to May 2019. He has also served as the Executive Vice President, Chief Financial Officer of Cricut Holdings since May 2012. From January 2010 to May 2012, he served as the Chief Financial Officer of certain of the Morell Companies, a U.S. government contractor. Earlier, Mr. Petersen was Vice President and Treasurer of Huntsman Corporation and a Vice President in the Investment Banking Division of Merrill Lynch & Co. Mr. Petersen holds a B.A. in International Relations from Brigham Young University and an M.B.A. from the University of Chicago Booth School of Business.

Donald B. Olsen has served in various positions with us since June 2007, most recently as our Executive Vice President, General Counsel and Secretary and as the Executive Vice President, General Counsel of Cricut Holdings since July 2016 and as Secretary of Cricut Holdings since June 2011. Mr. Olsen previously also served as our Head of Human Resources from July 2013 to November 2020. Mr. Olsen holds a B.A. in English from Brigham Young University and a J.D. from Brigham Young University's J. Reuben Clark Law School.

Gregory Rowberry has served as our Executive Vice President, Sales since April 2018 and as the Executive Vice President, Sales of Cricut Holdings since July 2017. Mr. Rowberry joined Cricut Holdings in September 2008 and served as the Executive Vice President of Sales, Customer Service and Quality of

Cricut Holdings from July 2013 to July 2017, as the Vice President of Finance, Customer Service and Quality of Cricut Holdings from July 2012 to July 2013, as the Vice President of Finance of Cricut Holdings from March 2010 to July 2012 and as the Director of Finance of Cricut Holdings from September 2008 to March 2010. Mr. Rowberry holds a B.S. in Health Sciences from Brigham Young University and an M.B.A. from Brigham Young University.

Non-Employee Directors

Jason Makler has served as our Chair since March 2021, as a member of the board of directors since March 2021 and as a member of the board of managers of Cricut Holdings since September 2011. Mr. Makler has served as a Corporate Analyst for Petrus Asset Management Co., or Petrus Asset Management or its predecessors, since March 2002. Mr. Makler holds a B.B.A. in Accounting from the University of Texas at Austin and an M.B.A. from Yale University.

We believe Mr. Makler is qualified to serve as a member of our board of directors because of his perspective as a representative of our largest stockholder and his extensive financial background and expertise.

Len Blackwell has served as a member of the board of directors since March 2021 and as a member of the board of managers of Cricut Holdings since March 2013. Mr. Blackwell has served as Chairman of Paranet Solutions, a managed services and IT consulting firm, since February 2019. Mr. Blackwell previously served as Managing Director at Sorenson Capital, a private equity firm, from August 2006 to December 2019. Mr. Blackwell served as Chairman of RTC Aerospace, a manufacturer of precision flight-critical components, from August 2017 to January 2020, and remains a board member. Mr. Blackwell served as a board member and subsequently as Chairman of International Development LLC, a lighting products company, from December 2011 until its sale in June 2017. Mr. Blackwell holds a B.A. in Economics from Duke University and is a Chartered Financial Analyst (CFA) charter holder.

We believe Mr. Blackwell is qualified to serve as a member of our board of directors because of his extensive leadership experience in multiple industries and his experience in the private equity industry.

Steven Blasnik has served as a member of the board of directors since March 2021 and as a member of the board of managers of Cricut Holdings since February 2018. Mr. Blasnik has served as a Director at the Petrus Trust Company since April 2008 and as Senior Advisor to Petrus Asset Management, the investment management division of Petrus Trust Company, since March 2019. Mr. Blasnik served as President of Petrus Asset Management from April 2008 to March 2019. Mr. Blasnik also served as a member of the board of directors of Perot Systems Corp. from September 1994 to November 2009. Mr. Blasnik holds a B.S.E. in Mechanical and Aerospace Engineering from Princeton University and a J.D. from Harvard Law School.

We believe Mr. Blasnik is qualified to serve as a member of our board of directors because of his perspective as a representative of our largest stockholder and his extensive financial background and expertise.

Russell Freeman has served as a member of the board of directors since March 2021 and as a member of the board of managers of Cricut Holdings since September 2015. Since January 2014, Mr. Freeman has served as the Chief Executive Officer of Hillwood Energy and its subsidiary, HKN Energy, for which he also serves as a board member. Mr. Freeman has served on the board of managers of GuideIT, LLC since February 2013. Mr. Freeman has also served as Vice Chairman for the Petrus Trust Company since March 2010, and previously served as its Chief Financial Officer from April 2011 to April 2019. Mr. Freeman previously served as Chief Operating Officer of Perot Systems Corp. from August 2007 to November 2009, and Chief Financial Officer from August 2000 to August 2007. Mr. Freeman holds a B.B.A. in Accounting from Texas Tech University.

We believe Mr. Freeman is qualified to serve as a member of our board of directors because of his perspective as a representative of our largest stockholder and his extensive financial background and expertise.

Melissa Reiff has served as a member of the board of directors since March 2021 and as a member of the board of managers of Cricut Holdings since February 2021. Ms. Reiff has served as Chairwoman of the board of directors of The Container Store Group, Inc., or TCS, the nation's originator and leader of the storage and organization category of retail, since August 2019, as Chief Executive Officer from July 2016 until her retirement in February 2021, as President and Chief Operating Officer from March 2013 to June 2016 and as President from early 2006 to February 2013. Ms. Reiff joined TCS in 1995 as Vice President of Sales and Marketing, and assumed the role of Executive Vice President of Stores and Marketing in 2003. She has served on the boards of directors of TCS since August 2007 and Etsy, Inc. since April 2015, where she is also a member of the compensation committee. She is a member of the Dallas chapter of the American Marketing Association, International Women's Foundation and C200. She also serves on the board of Southern Methodist University's Cox School of Business Executive Board and is a sustaining member of the Junior League of Dallas. Ms. Reiff holds a B.S. in Political Science and Law from Southern Methodist University.

We believe Ms. Reiff is qualified to serve as a member of our board of directors because of her particular knowledge and experience in retail, marketing, merchandising, operations, communication and leadership, as well as her experience as a CEO and director of public companies.

Billie Williamson has served as a member of the board of directors since March 2021 and as a member of the board of managers of Cricut Holdings since August 2020. Ms. Williamson has over three decades of experience auditing public companies as an employee and partner of Ernst & Young LLP, a global accounting firm, where she served most recently as Senior Assurance Partner from March 1998 to December 2011. She also served as Ernst & Young's Americas Inclusiveness Officer, a member of its Americas Executive Board, which functions as the Board of Directors for Ernst & Young dealing with strategic and operational matters, and a member of the Ernst & Young U.S. Executive Board responsible for partnership matters for the firm. Ms. Williamson currently serves as a member of the board of directors of Cushman & Wakefield plc since July 2018, Kraton Corporation since September 2018 and Pentair plc since May 2014. She previously served as a member of the board of directors of numerous public companies including Exelis, Inc., Annie's Inc., Janus Capital Group Inc., from June 2015 to May 2017, CSRA, Inc. from November 2015 to May 2018, XL Group plc, and Pharos Capital BDC, Inc. from January 2018 to March 2020, as well as on the board of directors of a number of private company boards. Ms. Williamson holds a B.B.A. in Accounting from the Southern Methodist University's Cox School of Business.

We believe Ms. Williamson is qualified to serve as a member of our board of directors because of her extensive board service for both public and private companies and her financial knowledge and expertise.

Family Relationships

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

Board of Directors

Our business and affairs are managed under the direction of our board of directors. The number of directors will be fixed by our board of directors, subject to the terms of our amended and restated certificate of incorporation and our amended and restated bylaws that will become effective on the Effectiveness Date. Our board of directors consists of seven directors, three of whom qualify as "independent" under the Exchange's listing standards.

Upon completion of this offering, Petrus and affiliates will control a majority of the voting power of our outstanding capital stock. As a result, Petrus will be able to control any action requiring the general approval of our stockholders, including the election of our board of directors.

Director Independence

Our board of directors has undertaken a review of the independence of each director. Based on information provided by each director concerning his or her background, employment and affiliations, our board of directors has determined that each of Len Blackwell, Melissa Reiff and Billie Williamson does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is "independent" as that term is defined under the rules of the Exchange.

In making these determinations, our board of directors considered the current and prior relationships that each non-employee director has with our company and all other facts and circumstances our board of directors deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director and their affiliates, and the transactions involving them described in the section titled "Certain Relationships and Related Party Transactions."

Board Oversight of Risk

One of the key functions of our board of directors is informed oversight of our risk management process. In particular, our board of directors is responsible for monitoring and assessing strategic risk exposure. Our executive officers are responsible for the day-to-day management of the material risks we face. Our board of directors administers its oversight function directly as a whole, as well as through various standing committees of our board of directors that address risks inherent in their respective areas of oversight. For example, our Audit Committee is responsible for overseeing the management of risks associated with our financial reporting, accounting and auditing matters, and our Compensation Committee oversees the management of risks associated with our compensation policies and programs.

Controlled Company Exemption

After the completion of this offering, Petrus will continue to control a majority of the voting power of our outstanding common stock. As a result, we will be a "controlled company" within the meaning of the Exchange's corporate governance standards. Under the Exchange's rules, a company of which more than 50% of the voting power is held by an individual, group or another company is a "controlled company" and may elect not to comply with certain corporate governance standards, including requirements that:

- a majority of our board of directors consist of "independent directors" as defined under the rules of the Exchange;
- our board of directors have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee purpose and responsibilities; and
- our director nominations be made, or recommended to the full board of directors, by our independent directors or by a nominations committee that is composed entirely of independent directors and that we adopt a written charter or board resolution addressing the nominations process.

Following this offering, we intend to utilize some or all of these exemptions. In addition, for so long as we are a "controlled company" we may not have a majority of independent directors on our board of directors and our compensation committee may not consist entirely of independent directors or be subject to annual performance evaluations. Accordingly, for so long as we are a "controlled company" you will not have the same protections afforded to stockholders of companies that are subject to all of the Exchange's corporate governance requirements. In the event that we cease to be a "controlled company" and our shares continue to be listed on the Exchange, we will be required to comply with these provisions within the applicable transition periods.

The “controlled company” exception does not modify the independence requirements for the audit committee, and we currently comply with the audit committee requirements of Rule 10A-3 under the Exchange Act and the Exchange rules. Pursuant to such rules, we are allowed to have a majority of independent directors on our audit committee until one year from the Effectiveness Date. Thereafter, our Audit Committee is required to be comprised entirely of independent directors.

Board Committees

Our board of directors established an Audit Committee and a Compensation Committee. Our board of directors may establish other committees to facilitate the management of our business. Our board of directors and its committees set schedules for meeting throughout the year and can also hold special meetings and act by written consent from time to time, as appropriate. Our board of directors will delegate various responsibilities and authority to its committees as generally described below. The committees will regularly report on their activities and actions to the full board of directors. Members serve on these committees until their resignation or until otherwise determined by our board of directors.

Audit Committee

Our board of directors established an Audit Committee that consists of Len Blackwell, Melissa Reiff and Billie Williamson, with Ms. Williamson serving as Chairperson, each of whom meets the requirements for independence under the listing standards of the Exchange and SEC rules and regulations. Each member of our Audit Committee also meets the financial literacy and sophistication requirements of the listing standards of the Exchange. In addition, our board of directors has determined that each of Mr. Blackwell and Mses. Reiff and Williamson is an audit committee financial expert within the meaning of Item 407(d) of Regulation S-K under the Securities Act. As of the Effectiveness Date, our Audit Committee will be responsible for, among other things:

- selecting a qualified firm to serve as the independent registered public accounting firm to audit our financial statements;
- helping to ensure the independence of the independent registered public accounting firm;
- overseeing and evaluating the performance of the independent registered public accounting firm;
- discussing the scope and results of the audit with the independent registered public accounting firm, and reviewing with management and the independent registered public accounting firm, our interim and year-end results of operations;
- reviewing our financial statements and our critical accounting policies and estimates;
- reviewing the adequacy and effectiveness of our internal controls;
- developing procedures for employees to submit concerns anonymously about questionable accounting, internal accounting controls or audit matters;
- reviewing our policies on risk assessment and risk management;
- reviewing and approving related party transactions; and
- approving or, as required, pre-approving, all audit and all permissible non-audit services to be performed by the independent registered public accounting firm.

Our Audit Committee will operate under a written charter, to be effective on the Effectiveness Date, which satisfies the applicable rules and regulations of the SEC and the listing standards of the Exchange.

Compensation Committee

Our board of directors established a Compensation Committee that consists of Steven Blasnik and Jason Makler, with Mr. Makler serving as Chairperson. Each member of our Compensation Committee is also a non-employee director, as defined pursuant to Rule 16b-3 promulgated under the Exchange Act, or Rule 16b-3. As of the Effectiveness Date, our Compensation Committee will be responsible for, among other things:

- reviewing, approving and determining, or making recommendations to our board of directors, or the independent members of our board of directors, regarding the compensation of our executive officers;
- administering our equity compensation plans;
- reviewing, approving and making recommendations to our board of directors regarding incentive compensation and equity compensation plans;
- establishing and reviewing general policies relating to the compensation and benefits of our employees; and
- making recommendations regarding non-employee director compensation to our full board of directors.

Our Compensation Committee will operate under a written charter, to be effective on the Effectiveness Date, which satisfies the applicable rules and regulations of the SEC and the listing standards of the Exchange.

Code of Conduct and Ethics

Our board of directors has adopted a Code of Conduct and Ethics, or the Ethics Code. The Ethics Code applies to all of our employees, officers, directors, contractors, consultants, suppliers and agents. Upon the completion of this offering, the full text of our code of conduct will be posted on our website at cricut.com under the Investor Relations section. We intend to disclose future amendments to, or waivers of, our Ethics Code as and to the extent required by SEC regulations, at the same location on our website identified above or in public filings. Information contained on our website is not incorporated by reference into this prospectus, and you should not consider information contained on our website to be part of this prospectus or in deciding whether to purchase shares of our Class A common stock.

Compensation Committee Interlocks and Insider Participation

None of our executive officers serves, or in the past year has served, as a member of the board of directors or compensation committee of any other entity that has or has had one or more executive officers serving as a member of our board of directors or our Compensation Committee.

Non-Employee Director Compensation

The following table sets forth information concerning the compensation of our non-employee directors for the year ended December 31, 2020. Mr. Arora did not receive any compensation for his services as a director in 2020. The compensation received by Mr. Arora as an employee is set forth in the section titled "Executive Compensation—2020 Summary Compensation Table."

Name	Fees Earned or Paid in Cash ($)	Equity Awards[1] ($)	All Other Compensation ($)	Total ($)
Len Blackwell	—	—	—	—
Steven Blasnik	—	—	—	—
Jason Makler	—	—	—	—
Russell Freeman	—	—	—	—
Billie Williamson[2]	11,111	621,000	—	632,111

(1) The amount in the "Equity Awards" column reflects the aggregate grant-date fair value of incentive units in Cricut Holdings granted to our non-employee director during 2020 computed in accordance with FASB ASC Topic 718, rather than the amounts paid or realized by our non-employee director. We provide information regarding the assumptions used to calculate the value of the incentive unit award made to non-employee director in Note 11 to our consolidated financial statements included elsewhere in this prospectus.

(2) Ms. Williamson was appointed to our board of directors in August 2020. In connection her appointment to our board of directors, we granted her 100,000 zero strike price incentive units on November 23, 2020, all of which were outstanding as of December 31, 2020. Her award vests in equal annual installments over a period of five years from the grant date and fully vests in the event of her death or a change in control (as defined the award agreement), subject to (other than in case of her death) continued service through each vesting date. As a result of the Corporate Reorganization, these units will be converted into shares of Class B common stock of Cricut, Inc. and/or restricted stock awards covering shares of Class B common stock of Cricut, Inc. We estimate that the total number of shares of restricted stock covered by such award (on a post-forward stock split basis) based on the midpoint of the estimated offering price range set forth on the cover page of this prospectus, or collectively the Post-Corporate Reorganization Unvested Shares, will equal 51,231 shares of Class B common stock of Cricut, Inc. The amount in the "Fees Earned or Paid in Cash" column reflects an annual cash retainer for Ms. Williamson's service as a member of our board of directors, pursuant to her director offer letter, prorated for the portion of 2020 in which she was a member of our board of directors.

In February 2021, in connection with Melissa Reiff joining the board of directors, we granted to Ms. Reiff 60,000 zero strike price incentive units. Her award vests in equal annual installments over a period of five years from the grant date and fully vests in the event of her death or a change in control (as defined the award agreement), subject to (other than in case of her death) continued service through each vesting date. We estimate that the Post-Corporate Reorganization Unvested Shares will equal 30,738 shares of our Class B common stock.

Prior to this offering, we had not implemented a formal policy with respect to compensation payable to our non-employee directors for service as directors. We have a policy of reimbursing all of our non-employee directors for their reasonable out-of-pocket expenses in connection with attending board of directors and committee meetings. From time to time, we have granted incentive units and cash fees to certain of our non-employee directors, typically in connection with a non-employee director's initial appointment to our board of directors.

We have adopted, and our stockholders have approved, an Outside Director Compensation Policy that will be effective on the Effectiveness Date. Our Outside Director Compensation Policy provides that all non-employee directors serving on the audit and compensation committees will be entitled to receive the following cash compensation for their services on such committees following the Effectiveness Date contemplated by this prospectus:

- $25,000 retainer per year for the chairman of the audit committee or $10,000 retainer per year for each other member of the audit committee; and
- $20,000 retainer per year for the chairman of the compensation committee or $10,000 retainer per year for each other member of the compensation committee.

Each non-employee director who serves as the chair of a committee will receive only the additional annual fee as the chair of the committee and will not receive the additional annual fee as a member of the committee. All cash payments to non-employee directors will be paid quarterly in arrears on a prorated basis.

In addition to the cash compensation structure described above, our Outside Director Compensation Policy provides the following equity incentive compensation program for non-employee directors.

Each person who first becomes a non-employee director will receive, on the first trading date on or after the date on which the person first becomes an non-employee director, an initial award of RSUs covering a number of shares of our Class A common stock having a grant date fair value (determined in accordance with GAAP) equal to $450,000, rounded to the nearest whole share. Each initial award will vest as to 1/5th of the underlying shares on each of the first five anniversaries of the date the individual became a non-employee director, subject to continued service through each relevant vesting date. If the person was a member of our board of directors and also an employee, becoming a non-employee director due to termination of employment will not entitle the non-employee director to an initial award.

On the date of each of our annual stockholder meetings following the Effectiveness Date, each non-employee director who is continuing as a director following our annual stockholder meeting automatically will be granted an annual award of RSUs having a grant date fair value (determined in accordance with GAAP) of $125,000, rounded to the nearest whole share. Each annual award will vest as to 1/4th of the underlying shares on each of the first four quarterly vesting dates after the award's grant date (except that the fourth quarterly vesting date of each annual award will occur no later than the day before the date of the annual stockholder meeting following the date the annual award was granted), subject to continued service through each relevant vesting date.

In the event of a change in control of our company, all equity awards granted to a non-employee director (including those granted pursuant to our Outside Director Compensation Policy) will fully vest and become immediately exercisable (if applicable) and, with respect to equity awards with performance-based vesting, all performance goals or other vesting criteria will be deemed achieved at 100% of target levels and all other terms and conditions met, unless specifically provided otherwise under the applicable award agreement or other written agreement between the non-employee director and us.

In any fiscal year of ours, no non-employee director may be paid, issued or granted cash compensation and equity awards with a total value of no greater than $850,000, with the value of an equity award based on its grant date fair value for purposes of this limit, or the annual director limit. Any cash compensation paid or equity awards granted to a non-employee director while he or she was an employee or consultant (other than a non-employee director) will not count toward the annual director limit.

Our Outside Director Compensation Policy also provides for the reimbursement of our non-employee directors for reasonable, customary and documented travel expenses to attend meetings of our board of directors and committees of our board of directors.

In addition, our Outside Director Compensation Policy includes minimum equity ownership guidelines that require each non-employee director to hold equity interests that cover at least 25,000 shares. Each non-employee director must satisfy this requirement by the second anniversary of the later of (i) the Effectiveness Date or (ii) the date such individual becomes a non-employee director, and subsequently must continue to meet the requirement at all times while the individual remains a non-employee directors. For purposes of this requirement, a non-employee director's equity interests means shares (including unvested shares and shares covered by any other equity awards (other than options), whether such equity awards are vested or unvested) that are (i) directly owned by the non-employee director or his or her immediate family members residing in the same household, (ii) beneficially owned by the non-employee director, but held in trust, limited partnerships, or similar entities for the sole benefit of the non-employee director or his or her immediate family members residing in the same household and (iii) held in retirement or deferred compensation accounts for the benefit of the non-employee director or his or her immediate family members residing in the same household.

Each non-employee director that is employed by Petrus or any of its affiliates has agreed to waive his or her right to receive any cash or equity compensation for services as a non-employee director for our 2021 fiscal year. Mr. Blackwell has also agreed to waive his right to receive any cash or equity compensation for services as a non-employee director for our 2021 fiscal year.

Compensation for our non-employee directors is not limited to the equity awards and payments set forth in our Outside Director Compensation Policy. Our non-employee directors will remain eligible to receive equity awards and cash or other compensation outside of the Outside Director Compensation Policy, as may be provided from time to time at the discretion of our board of directors. For further information regarding the equity compensation of our non-employee directors, see the section of this prospectus titled "Executive Compensation—Equity Plans and Other Compensation Arrangements—2021 Equity Incentive Plan."

EXECUTIVE COMPENSATION

This section discusses the material components of the executive compensation program for our executive officers who are named in the section titled "—2020 Summary Compensation Table" below. The table summarizes the compensation paid to our principal executive officer and each of our other named executive officers determined under 402(m)(2) of Regulation S-K during 2020. We refer to these individuals as our "named executive officers." In fiscal year 2020, our named executive officers and their positions were as follows:

- Ashish Arora, our Chief Executive Officer;
- Martin F. Petersen, our Chief Financial Officer; and
- Gregory Rowberry, our Executive Vice President, Sales.

This discussion may contain forward-looking statements that are based on our current plans, considerations, expectations and determinations regarding future compensation programs. Actual compensation programs we adopt following the completion of this offering may differ materially from the currently planned programs summarized in this discussion.

2020 Summary Compensation Table

The following table sets forth information concerning the compensation of our named executive officers for the year ended December 31, 2020:

Name and Principal Position	Year	Salary ($)	Bonus[1] ($)	Equity Awards[2] ($)	Non-Equity Incentive Plan Compensation[3] ($)	All Other Compensation[4] ($)	Total ($)
Ashish Arora	2020	452,540	—	4,362,593	2,195,571	13,886	7,024,590
Chief Executive Officer	2019	446,600	—	916,284	1,515,340	12,340	2,890,564
Martin F. Petersen	2020	295,593	—	207,870	667,825	23,683	1,194,971
Chief Financial Officer	2019	281,763	30,000	52,660	350,862	13,562	728,847
Gregory Rowberry	2020	224,287	—	24,446	371,449	14,610	634,792
Executive Vice President, Sales							

(1) The amount in the "Bonus" column reflects the annual cash bonus earned by Mr. Petersen in 2019 as determined by us based on a qualitative assessment of his performance in 2019 and contribution towards achievement of key initiatives.

(2) The amounts in the "Equity Awards" column reflect the aggregate grant-date fair value of incentive units in Cricut Holdings granted to our named executive officers during each of 2020 and 2019 computed in accordance with FASB ASC Topic 718, rather than the amounts paid or realized by the named executive officer. We provide information regarding the assumptions used to calculate the value of all incentive unit awards made to our named executive officers in Note 10 to our consolidated financial statements included elsewhere in this prospectus.

(3) The amounts in the "Non-Equity Incentive Plan Compensation" column reflect the annual cash bonuses earned by our named executive officers in each of 2020 and 2019 under our 2020 bonus plan and 2019 bonus plan, respectively. A portion of our named executive officers' annual cash bonuses under our 2020 bonus plan were pre-paid in November 2020 in the form of zero strike incentive units in Cricut Holdings, in the amount of $1,093,200 for Mr. Arora, $331,653 for Mr. Petersen and $20,000 for Mr. Rowberry, in each case subject to vesting over two years. The amount for Mr. Arora also includes an additional cash bonus earned by him in each of 2020 and 2019 under our special CEO bonus plan. The amount for Mr. Rowberry also includes quarterly commissions earned by him in 2020 under our commission plan. For additional information on our bonus incentive compensation program, see the section titled "—Narrative Disclosure to 2020 Summary Compensation Table—2020 Bonus Incentive Compensation Program."

(4) The amounts in the "All Other Compensation" column include (i) matching contributions made to our named executive officers' accounts under our 401(k) plan in the respective year (for Mr. Arora, $12,439 and $11,674 in 2020 and 2019, respectively; for Mr. Petersen, $13,000 in each of 2020 and 2019; and for Mr. Rowberry, $11,945 in 2020), (ii) life insurance premiums paid by us in the respective year for the benefit of the named executive officer (for Mr. Arora, $1,447 and $667 in 2020 and 2019, respectively; for Mr. Petersen, $943 and $562 in 2020 and 2019, respectively; and for Mr. Rowberry, $717 in 2020) and (iii) a cash dividend paid by us in 2020 in lieu of future dividends to our named executive officers (for Mr. Petersen, $9,740 and for Mr. Rowberry, $1,948) in connection with each named executive officer executing a waiver of catch-up and tax distributions agreement.

Narrative Disclosure to 2020 Summary Compensation Table

2020 Incentive Compensation Program

2020 Bonus Program

In 2020, we adopted a bonus plan, or our 2020 bonus plan, for our executive and non-executive employees. Under our 2020 bonus plan, eligible employees were able to earn cash bonuses based on our achievement of 2020 annual targets for net revenue and EBITDA, which were weighted equally. If the weighted average achievement of the performance objectives was at least 80%, the 2020 bonus plan funded at 80% of target increasing on a straight-line basis up to funding at 160% for 160% or greater achievement of the performance targets. In addition, if we achieved 120% or more of the performance targets, the 2020 bonus plan provided for funding accelerators, which increased the size of the bonus pool. The maximum accelerator was 38% for achievement of 160% or more of the performance targets.

Following the end of 2020, we determined that we achieved 219% of the 2020 bonus plan performance targets resulting in a payout percentage of approximately 219% plus a 38% accelerator for an overall funding percentage of approximately 302%. Each named executive officer's bonus payment under the 2020 bonus plan was equal to approximately 302% of his 2020 target bonus opportunity.

In November 2020, the Holdings' Board assessed the likely achievement under our 2020 bonus plan, and determined to approve the early payment to certain executives (including the named executive officers) of a portion of their 2020 annual bonuses, or for each executive, the Gross Pre-Payment Amount, with the actual amount payable to each executive after deduction for applicable tax withholdings, or the Net Pre-Payment Amount, to be made in the form of a number of zero strike incentive units in Cricut Holdings equal to (x) the executive's Net Pre-Payment Amount divided by (y) the then-current fair market value of a common unit in Holdings of $4.52, subject to vesting over a two-year period, that would be purchased by the executive with the Net Pre-Payment Amount.

The Gross Pre-Payment Amount for our named executive officers was: $1,093,200 for Mr. Arora, $331,653 for Mr. Petersen and $20,000 for Mr. Rowberry.

2020 CEO Special Bonus Program

In 2020, we also adopted a special CEO bonus plan, or the 2020 special CEO bonus plan, for Mr. Arora to provide additional incentives for him to drive performance in two specific areas of our business in 2020: connected machine sales and subscriptions. Mr. Arora's target bonus amount under the 2020 special CEO bonus plan was $840,000, which was set by our board, in its discretion, after taking into account such factors as it determined appropriate, including Mr. Arora's other 2020 cash compensation opportunities. Following the end of 2020, we determined that we exceeded the maximum levels for each performance target under our 2020 special bonus plan, resulting in the maximum payout to Mr. Arora under the 2020 special CEO bonus plan of $840,000.

2020 Rowberry Commission Plan

In addition to participating in the 2020 bonus plan, Mr. Rowberry participated in a commission plan under which he earned quarterly commissions based on achievement in revenue growth and contribution margin ratio in relation to certain targets, and further weighted based on relative achievement of the sales team. Based on achievements under the commission plan, Mr. Rowberry earned commissions of $237,080 for 2020 performance.

The amounts in the 2020 Summary Compensation Table under the column "Non-Equity Incentive Plan Compensation" represent the sum of the named executive officer's bonus earned under our 2020 bonus plan, and, in the case of Mr. Arora, his bonus earned under our 2020 special CEO bonus plan, and, in the case of Mr. Rowberry, his quarterly commissions earned under our commission plan.

Outstanding Equity Awards at Fiscal 2020 Year-End

The following table sets forth information regarding outstanding unvested and unearned equity awards held by each of our named executive officers as of December 31, 2020:

		Equity Awards					
Name	Grant Date	Number of Units That Have Not Vested[1] (#)	Threshold Price Per Unit[2] ($)	Market Value of Units That Have Not Vested[3] ($)	Equity Incentive Plan Awards: Number of Unearned Units that Have Not Vested[1] (#)	Threshold Price Per Unit[2] ($)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Units that Have Not Vested[3] ($)
Ashish Arora	8/17/2020[4]	—	4.85	—	3,000,000	4.85	17,130,000
Chief Executive Officer	3/1/2020[5]	3,447,124	1.70	30,541,519	—	—	
	3/1/2019[6]	2,610,000	0.62	25,943,400	—	—	
	10/1/2018[7]	3,000,000	1.85	26,130,000	3,000,000	1.85	26,130,000
	3/1/2018[8]	1,809,626	0.20	18,747,715	—	—	—
Martin F. Petersen	8/17/2020[9]	100,000	2.80	776,000	—	—	—
Chief Financial Officer	3/1/2020[10]	225,000	1.70	1,993,500	—	—	—
	3/1/2019[11]	150,000	0.62	1,491,000	—	—	—
	3/1/2018[12]	124,144	0.20	1,286,132	—	—	—
Gregory Rowberry	3/1/2020[13]	40,000	1.70	354,400	—	—	—
Executive Vice President, Sales	3/1/2019[14]	75,000	0.62	745,500	—	—	—
	3/1/2018[15]	85,000	0.20	880,600	—	—	—

(1) These amounts reflect time- and performance-based incentive units granted pursuant to the existing limited liability company agreement of Cricut Holdings with such vesting terms as amended effective January 1, 2020.

(2) These amounts reflect a $0.15 adjustment for partial satisfaction of the threshold price as a result of the September 2020 cash dividend described elsewhere in this prospectus.

(3) Because we were not publicly traded during 2020, there is no ascertainable public market value for these incentive units. The market value reported in this table assumes that the fair value of a unit on December 31, 2020 was $10.56, which represents the liquidation value of Cricut Holdings, assuming it was liquidated at the time of this offering with a value implied by the midpoint of the price range set forth on the cover page of this prospectus. Where applicable, the fair market value of an incentive unit reflects the value of a common unit less any unsatisfied return threshold reported under the heading "Threshold Price Per Unit," and disregarding the CEO Performance Award Adjustments, as described in the section titled "—CEO Performance Equity Awards."

(4) This amount reflects time- and performance-based incentive units of Cricut Holdings. With respect to 3,000,000 incentive units granted to Mr. Arora, the first group of 1,000,000 incentive units vest in equal annual installments over a period of four years from August 17, 2020, subject to continued employment through each applicable vesting date, and were not earned as of December 31, 2020 because the threshold price per unit exceeded the per unit market value as of December 31, 2020. The second and third groups of 1,000,000 incentive units will become eligible to vest upon achievement of the applicable vesting triggers, and any such incentive units that become eligible to vest will vest in equal annual installments over a period of four years from August 17, 2020, subject to continued employment through each applicable vesting date. These incentive units are subject to accelerated vesting upon a change in control or if Mr. Arora's employment is terminated due to his death or by us due to his disability. For narrative description of the vesting terms of these incentive units, see the section titled "—CEO Performance Equity Awards." We estimate that the Post-Corporate Reorganization Unvested Shares will equal 694,279.

(5) 3,447,124 incentive units granted to Mr. Arora vest in equal annual installments over a period of four years from March 1, 2020, in each case subject to continued employment through each vesting date. These incentive units are subject to accelerated vesting upon a change in control or if Mr. Arora's employment is terminated due to his death or by us due to his disability. We estimate that the Post-Corporate Reorganization Unvested Shares will equal 1,106,310.

(6) 3,480,000 incentive units granted to Mr. Arora vest in equal annual installments over a period of four years from March 1, 2019, in each case subject to continued employment through each vesting date. These incentive units are subject to accelerated vesting upon a change in control or if Mr. Arora's employment is terminated due to his death or by us due to his disability. We estimate that the Post-Corporate Reorganization Unvested Shares will equal 854,546.

(7) This amount reflects time- and performance-based incentive units of Cricut Holdings. With respect to 9,000,000 incentive units granted to Mr. Arora, the first group of 3,000,000 incentive units vest in equal annual installments over a period of four years from July 1, 2018, subject to continued employment through each applicable vesting date. The second and third groups of 3,000,000 incentive units will become eligible to vest upon achievement of the applicable vesting triggers, and any such incentive units that become eligible to vest will vest in equal annual installments over a period of four years from July 1, 2018, subject to continued employment through each applicable vesting date. These incentive units are subject to accelerated vesting upon a

change in control or if Mr. Arora's employment is terminated due to his death or by us due to his disability. For narrative description of the vesting terms of these incentive units, see the section titled "—CEO Performance Equity Awards." We estimate that the Post-Corporate Reorganization Unvested Shares will equal 1,722,117.

(8) 3,619,251 incentive units granted to Mr. Arora vest in equal annual installments over a period of four years from March 1, 2018, in each case subject to continued employment through each vesting date. These incentive units are subject to accelerated vesting upon a change in control or if Mr. Arora's employment is terminated due to his death or by us due to his disability. We estimate that the Post-Corporate Reorganization Unvested Shares will equal 460,610.

(9) 100,000 incentive units granted to Mr. Petersen vest in equal annual installments over a period of four years from August 17, 2020, in each case subject to continued employment through each vesting date. These incentive units are subject to accelerated vesting if Mr. Petersen's employment is terminated due to his death or by us due to his disability. We estimate that the Post-Corporate Reorganization Unvested Shares will equal 38,188.

(10) 225,000 incentive units granted to Mr. Petersen vest in equal annual installments over a period of four years from March 1, 2020, in each case subject to continued employment through each vesting date. These incentive units are subject to accelerated vesting if Mr. Petersen's employment is terminated due to his death or by us due to his disability. We estimate that the Post-Corporate Reorganization Unvested Shares will equal 72,210.

(11) 200,000 incentive units granted to Mr. Petersen vest in equal annual installments over a period of four years from March 1, 2019, in each case subject to continued employment through each vesting date. These incentive units are subject to accelerated vesting if Mr. Petersen's employment is terminated due to his death or by us due to his disability. We estimate that the Post-Corporate Reorganization Unvested Shares will equal 49,111.

(12) 248,288 incentive units granted to Mr. Petersen vest in equal annual installments over a period of four years from March 1, 2018, in each case subject to continued employment through each vesting date. These incentive units are subject to accelerated vesting if Mr. Petersen's employment is terminated due to his death or by us due to his disability. We estimate that the Post-Corporate Reorganization Unvested Shares will be equal to 31,598.

(13) 40,000 incentive units granted to Mr. Rowberry vest in equal annual installments over a period of four years from March 1, 2020, in each case subject to continued employment through each vesting date. These incentive units are subject to accelerated vesting if Mr. Rowberry's employment is terminated due to his death or by us due to his disability. We estimate that the Post-Corporate Reorganization Unvested Shares will be equal to 12,837 .

(14) 100,000 incentive units granted to Mr. Rowberry vest in equal annual installments over a period of four years from March 1, 2019, in each case subject to continued employment through each vesting date. These incentive units are subject to accelerated vesting if Mr. Rowberry's employment is terminated due to his death or by us due to his disability. We estimate that the Post-Corporate Reorganization Unvested Shares will be equal to 24,555.

(15) 170,000 incentive units granted to Mr. Rowberry vest in equal annual installments over a period of four years from March 1, 2018, in each case subject to continued employment through each vesting date. These incentive units are subject to accelerated vesting if Mr. Rowberry's employment is terminated due to his death or by us due to his disability. We estimate that the Post-Corporate Reorganization Unvested Shares will be equal to 21,635.

CEO Performance Equity Awards

Mr. Arora was granted the following awards of incentive units in Cricut Holdings: (i) in October 2018, an award of 9,000,000 incentive units, or the 2018 CEO Performance Award, and (ii) in August 2020, an award of 3,000,000 incentive units, or the 2020 CEO Performance Award. Each award is grouped into three separate categories of incentive units (with the number of incentive units in each category equal to 1/3rd of the total number of incentive units subject to the award):

- The first category of incentive units vests in equal annual installments over a period of four years from the vesting start date (which is (i) July 1, 2018 for the 2018 CEO Performance Award and (ii) August 17, 2020 for the 2020 CEO Performance Award), subject to Mr. Arora's continued employment through each vesting date. If a change in control occurs and Mr. Arora remains continuously employed through the date of the change in control, all of the then-unvested incentive units from this first category will vest immediately before the change in control.
- The second and third categories of these incentive units will become eligible to vest upon achievement of the applicable vesting trigger, which requires the fair market value of an equity interest to exceed a specified threshold for the following number of days within 10 years from the date the incentive units were issued: (i) if the equity interests are then publicly traded, for at least 100 of the previous 120 trading days, (ii) if the equity interests are not then-publicly traded, for two consecutive meetings of our board of directors or (iii) if our board of directors has determined that the fair market value of an equity interest exceeded the specified threshold at one meeting of our board of directors and, before the following meeting of our board of directors, the equity interests begin trading publicly, for at least 50 of the 60 trading days following the date on which the equity interests begin trading publicly. The specified threshold is (i) for the 2018 CEO Performance Award, $2.85 for the second category of incentive units and $3.85 for the third category of incentive units and (ii) for the 2020 CEO Performance Award, $5.85 for the

second category of incentive units and $6.85 for the third category of incentive units, in each case, reflecting a $0.15 adjustment as a result of the September 2020 cash dividend described elsewhere in this prospectus. The specified threshold for the second category of incentive units for the 2018 CEO Performance Award was achieved as of December 31, 2020. The 10-year deadline for achievement of the other vesting triggers will be subject to a one-time extension of six months if (i) the equity interests are publicly traded and the closing price of an equity interest exceeds the specified threshold for at least one day or (ii) the equity interests are not publicly traded and the fair market value of an equity interest exceeds the specified threshold in the meeting of our board directors immediately before the 10-year deadline. Any incentive units that become eligible to vest will vest in equal annual installments over a period of four years from the vesting start date, subject to Mr. Arora's continued employment through each vesting date. If a change in control occurs, Mr. Arora remains continuously employed through the date of the change in control, and the then-current fair market value of an equity interest exceeds the specified threshold for the second or third group, all of the then-unvested incentive units for such group will vest immediately before such change in control. It is not expected that this offering will constitute a change in control for purposes of this incentive unit award.

Upon termination of Mr. Arora's employment with us (other than a termination due to his death or by us due to his disability), his unvested incentive units will be immediately forfeited. If Mr. Arora's employment is terminated due to his death or by us due to his disability, all of his then-unvested incentive units will vest.

In connection with the Corporate Reorganization, and except as provided in the next paragraph, Mr. Arora's CEO Performance Awards will be treated in the same manner as other incentive units, as described above under "Corporate Reorganization—Treatment of Outstanding Equity Awards," including that Mr. Arora's unvested incentive units in Cricut Holdings will be converted into shares of restricted stock of Cricut, Inc., subject to the same vesting conditions that apply to the unvested incentive units, and his vested incentive units in Cricut Holdings will be converted into shares of Class B common stock of Cricut, Inc.

For these purposes, and after taking into account that the specified vesting thresholds for each of the 2018 CEO Performance Award and the 2020 CEO Performance Award have been achieved, the number of shares of Class B common stock of Cricut, Inc. and restricted stock of Cricut, Inc. received with respect to the 2018 CEO Performance Award and the 2020 CEO Performance Award will be calculated as if, or collectively, the CEO Performance Award Adjustments:

- the threshold price per unit for the second category of incentive units under the 2018 CEO Performance Award was $3.00 (or $2.85 after taking into account the impact of the one-time dividend paid in September 2020);
- the threshold price per unit for the third category of incentive units under the 2018 CEO Performance Award was $4.00 (or $3.85 after taking into account the impact of the one-time dividend paid in September 2020);
- the threshold price per unit for the second category of incentive units under the 2020 CEO Performance Award was $6.00 (or $5.85 after taking into account the impact of the one-time dividend paid in September 2020); and
- the threshold price per unit for the third category of incentive units under the 2020 CEO Performance Award was $7.00 (or $6.85 after taking into account the impact of the one-time dividend paid in September 2020).

All other terms of the 2018 CEO Performance Award and the 2020 CEO Performance Award will remain the same for purposes of the conversion calculations.

Accordingly, we estimate that the Post-Corporate Reorganization Unvested Shares that Mr. Arora will receive with respect to the 2018 CEO Performance Award and the 2020 CEO Performance Award will be equal to (i) 1,283,748 for the first category of incentive units under the 2018 CEO Performance Award, (ii) 1,145,661 for the second category of incentive units under the 2018 CEO Performance Award, (iii) 1,014,827 for the third category of incentive units under the 2018 CEO Performance Award, (iv) 277,841

for the first category of incentive units under the 2020 CEO Performance Award, (v) 231,389 for the third category of incentive units under the 2020 CEO Performance Award and (vi) 185,049 for the third category of incentive units under the 2020 CEO Performance Award.

Executive Compensation Arrangements

Ashish Arora Employment Agreement

We have entered into an employment agreement with Mr. Arora that does not have a specific term and provides that Mr. Arora's employment is at-will. Mr. Arora's current base salary is $448,000 and his annual on-target bonus opportunity is 100% of his base salary.

Under Mr. Arora's employment agreement, if a "change in control" of the company occurs before Mr. Arora's termination date, 100% of Mr. Arora's equity awards that are subject to time-based conditions will become fully vested and, if applicable, immediately exercisable, and with respect to Mr. Arora's equity awards that are subject to performance-based vesting, all performance goals or other vesting criteria will be deemed achieved at 100% of target levels and all other terms and conditions met, in each case unless specifically provided otherwise under the applicable equity award agreement or other written agreement between Mr. Arora and us or any of our subsidiaries or parents, as applicable.

If any of the payments or benefits provided for under Mr. Arora's employment agreement or otherwise payable to him would constitute "parachute payments" within the meaning of Section 280G of the Code and could be subject to the related excise tax, Mr. Arora will receive either full payment of such payments and benefits or such lesser amount that would result in no portion of the payments and benefits being subject to the excise tax, whichever results in the greater amount of after-tax benefits to them. Mr. Arora is not entitled to any tax gross-up payments with respect to "parachute payments."

Martin F. Petersen Employment Letter

We have entered into a new employment letter with Mr. Petersen that does not have a specific term and provides that Mr. Petersen's employment is at-will. Mr. Petersen's current base salary is $322,400 and his annual on-target bonus opportunity is 75% of his base salary.

Gregory Rowberry Employment Letter

We have entered a new employment letter with Mr. Rowberry that does not have a specific term and provides that Mr. Rowberry's employment is at-will. Mr. Rowberry's current base salary is $231,330 and his annual on-target bonus opportunity is 20% of his base salary.

Potential Payments upon Termination or Change in Control

Equity Awards

The time-based incentive unit awards held by our named executive officers will fully vest if the named executive officer's employment is terminated due to his death or by us due to his disability. In addition, Mr. Arora's performance incentive unit awards granted in October 2018 and August 2020 are subject to certain treatment upon a change in control as set forth in the section titled "—CEO Performance Equity Awards." It is not expected that this offering will constitute a change in control for purposes of the incentive unit awards held by Mr. Arora.

Executive Change in Control and Severance Plan

We have adopted an Executive Change in Control and Severance Plan, or our Executive Severance Plan, under which our executive officers and certain other key employees will be eligible to receive severance benefits, as specified in and subject to the employee signing a participation agreement under our Executive Severance Plan. This Executive Severance Plan is designed to attract, retain, and reward

senior level employees. The severance payments and benefits under the Executive Severance Plan generally are in lieu of any other severance payments and benefits to which a participant was entitled before signing his or her participation agreement, except as specifically provided under the participation agreement.

Our board of directors has designated each of our executive officers as a participant under our Executive Severance Plan eligible for the rights to the applicable payments and benefits described below.

In the event of a "termination" of the employment by us for a reason other than "cause" or the participant's death or "disability" or by the participant for "good reason" (as such terms are defined in our Executive Severance Plan), in either case, occurring within a period beginning three months prior to and ending 18 months following a "change in control" (as defined in our Executive Severance Plan), the participant will be entitled to the following payments and benefits:

- a lump sum payment equal to 12 months of the participant's annual base salary plus 100% of the participant's target annual bonus as in effect for the fiscal year in which the termination of employment occurs; and
- 100% accelerated vesting of all outstanding equity awards, and, with respect to equity awards with performance-based vesting, all performance goals or other vesting criteria will be deemed achieved at 100% of target levels for the relevant performance period(s), unless otherwise determined by the applicable agreement governing the equity award with performance-based vesting.

The receipt of the payments and benefits provided for under the Executive Severance Plan described above is conditioned on the participant signing and not revoking a separation and release of claims agreement and such release becoming effective and irrevocable no later than the 60th day following the participant's involuntary termination of employment. In addition, if a participant fails to comply with certain non-disparagement provisions in the Executive Severance Plan or any confidentiality, proprietary information, and inventions agreement applicable to the participant, the participant will not be entitled to receive any further payments and benefits under the Executive Severance Plan and will be required to return to us any payments and benefits under the Executive Severance Plan that he or she already received.

If any of the payments or benefits provided for under our Executive Severance Plan or otherwise payable to a participant would constitute "parachute payments" within the meaning of Section 280G of the Code and could be subject to the related excise tax, a participant will receive either full payment of such payments and benefits or such lesser amount that would result in no portion of the payments and benefits being subject to the excise tax, whichever results in the greater amount of after-tax benefits to them. No participant is entitled to any tax gross-up payments with respect to "parachute payments."

Equity Plans and Other Compensation Arrangements

The principal features of our equity plans and other compensation arrangements are summarized below. These summaries are qualified in their entirety by reference to the actual verbiage of the plans, which are filed as exhibits to the registration statement of which this prospectus forms a part.

Incentive Unit Awards

We have granted our employees and directors awards of incentive units in Cricut Holdings, which are intended to qualify as profits interests for U.S. federal tax purposes and pursuant to which the holder may receive certain distributions with respect to any such incentive units that have vested once such distributions payable to holders or common units or incentive units in Cricut Holdings exceed the specified participation threshold for the specific award of incentive units.

The incentive units vest according to the approved vesting schedule. In general, the incentive units vest in equal annual installments over a period of four years, subject to the holder's continued employment or service through each vesting date.

If a change in control occurs and the holder remains continuously employed or in service through the date of the change in control, all of his or her then-unvested incentive units will vest immediately before such change in control. Any termination in connection with a change in control as a result of any action of, or direction by, the acquirer will not be taken into account for purposes of determining continuous employment through the date of the change in control. Upon termination of the holder's employment or service, his or her unvested incentive units will be immediately forfeited, and his or her vested units will be (i) immediately forfeited if such termination is for cause or (ii) subject to our right to redeem such incentive units at their then-current fair market value if such termination occurs for any other reason.

In March 2021, we completed a tender offer whereby the incentive units of each employee who elected to participate in the tender offer were amended to (i) remove the provisions described in the previous paragraph and (ii) add 100% accelerated vesting of the incentive units if the employee's employment is terminated due to his or her death or by us due to his or her disability.

We have granted each of our named executive officers awards of incentive units in Cricut Holdings in 2020. For additional information on these awards, see the footnotes in the section titled "—Outstanding Equity Awards at Fiscal 2020 Year-End."

As described above under "Corporate Reorganization—Treatment of Outstanding Equity Awards," unvested incentive units in Cricut Holdings will be converted into shares of restricted stock of Cricut, Inc., subject to the same vesting conditions that apply to the unvested incentive units, and vested incentive units in Cricut Holdings will be converted into shares of Class B common stock of Cricut, Inc.

In addition, in connection with the Corporate Reorganization, we intend to grant under our 2021 Plan options to purchase shares of Class A common stock with an exercise price equal to the initial public offering price to holders of certain outstanding incentive unit awards on the same vesting terms as such incentive unit awards.

Zero Strike Price Incentive Unit Awards

We have granted certain employees awards of zero strike price incentive units in Cricut Holdings, pursuant to which the employee may receive distributions with respect to any such zero strike price incentive units that have vested.

The zero strike price incentive units vest according to the approved vesting schedule. In general, the zero strike price incentive units vest in equal annual installments over a period of four years, subject to the holder's continued employment through each vesting date.

If a change in control occurs and the employee remains continuously employed through the date of the change in control, all of his or her then-unvested zero strike price incentive units will vest immediately before such change in control. Any termination in connection with a change in control as a result of any action of, or direction by, the acquirer will not be taken into account for purposes of determining continuous employment through the date of the change in control. Upon termination of the holder's employment, his or her unvested zero strike price incentive units (i) will be subject to our right to redeem such zero strike price

incentive units at their then-current fair market value if such termination is due to the holder's permanent disability or death or (ii) will be immediately forfeited if such termination is for any other reason.

In March 2021, we completed a tender offer whereby the zero strike price incentive units of each employee who elected to participate in the tender offer were amended to (i) remove the provisions described in the previous paragraph and (ii) add 100% accelerated vesting of the zero strike price incentive units if the employee's employment is terminated due to his or her death or by us due to his or her disability.

As described above under "Corporate Reorganization—Treatment of Outstanding Equity Awards," unvested incentive units in Cricut Holdings will be converted into restricted stock of Cricut, Inc., subject to the same vesting conditions that apply to the unvested incentive units, and vested incentive units in Cricut Holdings will be converted into shares of Class B common stock of Cricut, Inc.

Phantom Unit Awards

We have granted our employees awards of incentive unit equivalents or zero strike incentive unit equivalents, as applicable, which are phantom units pursuant to which the employee may receive certain distributions with respect to any such incentive unit equivalents or zero strike incentive unit equivalents, as applicable, that have vested once the distributions to holders or common units, incentive units or incentive unit equivalents exceed the specified participation threshold. None of our named executive officers have been granted phantom units.

The phantom units vest according to the terms approved by the board of managers of Cricut Holdings. In general, the phantom units vest in equal annual installments over a period of four years, subject to the holder's continued employment through each vesting date.

If a change in control occurs and the holder remains continuously employed through the date of the change in control, all of the then-unvested portion of his or her phantom unit will vest immediately before the change in control. Any termination in connection with a change in control as a result of any action of, or direction by, the acquirer will not be taken into account for purposes of determining continuous employment through the date of the change in control.

In March 2021, we completed a tender offer whereby the phantom units of each employee who elected to participate in the tender offer were amended to remove the vesting acceleration described in the previous paragraph.

Upon termination of the holder's employment, all of his or her phantom units (whether vested or unvested) will be immediately forfeited.

As described above under "Corporate Reorganization—Treatment of Outstanding Equity Awards," outstanding phantom units will be converted into either shares of Class B common stock of Cricut, Inc. or paid in cash, to the extent permitted in each applicable jurisdiction.

In addition, in connection with the Corporate Reorganization, we intend to grant under our 2021 Plan options to purchase shares of Class A common stock with an exercise price equal to the initial public offering price or cash-settled RSUs to holders of certain outstanding equity awards (other than options) or phantom units on the same vesting terms as the corresponding outstanding equity awards and phantom units.

Option Awards

We have granted awards of options to purchase zero strike incentive units. None of our named executive officers have been granted options.

The options vest according to the terms approved by the board of managers of Cricut Holdings. In general, the options vest 100% on the two-year anniversary of the grant date, subject to the holder's

continued employment through the vesting date. In the event the holder terminates due to death or incapacity, 100% of the option will vest and become exercisable. The options generally have a term of five years from the grant date. If the holder terminates employment after the option is vested, but before the end of the term, the outstanding portion of the option will be exercisable for three months (or 12 months in the event of death or incapacity) following the termination date.

If there is a dividend, recapitalization, unit split, reverse unit split, reorganization, merger, consolidation, split up, spin-off, division, combination, repurchase or exchange of common units or other securities, other distribution of common units or other securities without the receipt of consideration by us, or other change in our organizational structure affecting the common units occurs, the board will adjust the number, class and price of shares covered by each outstanding award. In the event of our merger with or into another corporation or entity or a “change in control”, each outstanding award will be treated as the administrator determines.

As described above under “Corporate Reorganization—Treatment of Outstanding Equity Awards,” options that are outstanding immediately prior to the consummation of the Corporate Reorganization will be converted into options to purchase shares of our Class B common stock on the same vesting and exercise terms, but with adjustments to the share number and exercise price per share, in each case, to substantially preserve the intrinsic value of the option as of the consummation of the Corporate Reorganization.

2021 Equity Incentive Plan

Our board of directors has adopted, and our stockholders have approved, our 2021 Plan. Our 2021 Plan will be effective on the business day immediately prior to the Effectiveness Date and will not be used until the Effectiveness Date. Our 2021 Plan provides for the grant of incentive stock options, within the meaning of Section 422 of the Code, to our employees and any of our parent and subsidiary corporations’ employees, and for the grant of nonstatutory stock options, restricted stock, restricted stock units, stock appreciation rights, performance units and performance shares to our employees, directors and consultants and our parent and subsidiary corporations’ employees and consultants.

Authorized Shares. The total number of shares of our Class A common stock that are reserved for issuance pursuant to our 2021 Plan is equal to (i) 20,800,000 shares plus (ii) a number of shares equal to any (A) shares subject to equity awards granted outside our 2021 Plan that are outstanding as of the Effectiveness Date, or the Non-Plan Awards, that, on or after the Effectiveness Date, expire or otherwise terminate without having been exercised or issued in full, (B) shares that, after the Effectiveness Date, are tendered to or withheld by us for payment of an exercise price of a Non-Plan Award or for tax withholding obligations with respect to a Non-Plan Award, or (C) shares issued pursuant to a Non-Plan Award that, after the Effectiveness Date, are forfeited to or repurchased by us due to failure to vest, with the maximum number of Shares to be added to our 2021 Plan under clause (ii) equal to 14,500,000 shares. In addition, the number of shares available for issuance under our 2021 Plan also includes an annual increase on the first day of each fiscal year beginning with our 2022 fiscal year, equal to the least of:

- 20,800,000 shares;
- 5% of the outstanding shares of our capital stock as of the last day of the immediately preceding fiscal year; or
- such other amount as the administrator may determine no later than the last day of the immediately preceding fiscal year.

If an award expires or becomes unexercisable without having been exercised in full, is surrendered pursuant to an exchange program, or, with respect to restricted stock, restricted stock units, performance units or performance shares, is forfeited to or repurchased by us due to failure to vest, the unpurchased shares (or for awards other than stock options or stock appreciation rights, the forfeited or repurchased shares) will become available for future grant or sale under our 2021 Plan (unless our 2021 Plan has terminated). With respect to stock appreciation rights, only the net shares actually issued will cease to be

available under our 2021 Plan and all remaining shares under stock appreciation rights will remain available for future grant or sale under our 2021 Plan (unless our 2021 Plan has terminated). Shares that have actually been issued under our 2021 Plan will not be returned to our 2021 Plan, except if shares issued pursuant to awards of restricted stock, restricted stock units, performance shares or performance units are repurchased by or forfeited to us, such shares will become available for future grant under our 2021 Plan. Shares used to pay the exercise price of an award or satisfy the tax withholding obligations related to an award will become available for future grant or sale under our 2021 Plan. To the extent an award is paid out in cash rather than shares, such cash payment will not result in a reduction in the number of shares available for issuance under our 2021 Plan.

Plan Administration. Our board of directors or one or more committees appointed by our board of directors will administer our 2021 Plan. We expect that the compensation committee of our board of directors will initially administer our 2021 Plan. In addition, if we determine it is desirable to qualify transactions under our 2021 Plan as exempt under Rule 16b-3, such transactions will be structured to satisfy the requirements for exemption under Rule 16b-3. Subject to the provisions of our 2021 Plan, the administrator will have the power to administer our 2021 Plan and make all determinations deemed necessary or advisable for administering our 2021 Plan, such as the power to determine the fair market value of our Class A common stock, select the service providers to whom awards may be granted, determine the number of shares covered by each award, approve forms of award agreements for use under our 2021 Plan, determine the terms and conditions of awards (such as the exercise price, the time or times at which awards may be exercised, any vesting acceleration or waiver or forfeiture restrictions and any restriction or limitation regarding any award or the shares relating to the award), prescribe, amend and rescind rules and regulations and adopt sub-plans relating to the 2021 Plan (including rules, regulations and sub-plans for the purposes of facilitating compliance with foreign laws, easing the administration of the 2021 Plan and/or taking advantage of tax-favorable treatment for awards granted to service providers outside the U.S.), construe and interpret the terms of our 2021 Plan and awards granted under it, modify or amend each award, such as the discretionary authority to extend the post-service exercisability period of awards (except no option or stock appreciation right will be extended past its original maximum term), temporarily suspend the exercisability of an award if the administrator deems such suspension to be necessary or appropriate for administrative purposes, and allow a participant to defer the receipt of payment of cash or the delivery of shares that would otherwise be due to such participant under an award. The administrator also has the authority to institute an exchange program by which outstanding awards may be surrendered or cancelled in exchange for awards of the same type (which may have a higher or lower exercise price and/or different terms), awards of a different type and/or cash, by which participants would have the opportunity to transfer outstanding awards to a financial institution or other person or entity selected by the administrator, or by which the exercise price of an outstanding award is increased or reduced. The administrator's decisions, interpretations and other actions are final and binding on all participants.

Stock Options. We will be able to grant stock options under our 2021 Plan. The per share exercise price of options granted under our 2021 Plan must be at least equal to the fair market value of a share of our Class A common stock on the date of grant. The term of an incentive stock option may not exceed ten years. With respect to any incentive stock option granted to an employee who owns more than 10% of the voting power of all classes of our (or any parent or subsidiary of ours) outstanding stock, the term of the incentive stock option must not exceed five years and the per share exercise price of the incentive stock option must equal at least 110% of the fair market value of a share of our Class A common stock on the grant date. The administrator will determine the methods of payment of the exercise price of an option, which may include cash, shares or other property acceptable to the administrator to the extent permitted by applicable law. After a participant's status as a service provider ends, he or she will be able to exercise the vested portion of his or her option for the period of time stated in his or her option agreement. In the absence of a specified time in an award agreement, if end of service provider status is due to death or disability, the vested portion of the option will remain exercisable for 12 months following the end of service provider status. In all other cases, in the absence of a specified time in an award agreement, the vested portion of the option will remain exercisable for three months following the end of service provider status. In addition, an option agreement may provide for an extension of the option post-service exercise period if the participant's service provider status ends for reasons other than his or her death or disability and the exercise of the option following the end of the participant's service provider status would result in liability

under Section 16(b) of the Exchange Act or would violate the registration requirements under the Securities Act. An option, however, may not be exercised later than the expiration of its term. Subject to the provisions of our 2021 Plan, the administrator will determine the other terms of options.

Stock Appreciation Rights. We will be able to grant stock appreciation rights under our 2021 Plan. Stock appreciation rights allow the recipient to receive the appreciation in the fair market value of the underlying shares of our Class A common stock between the exercise date and the date of grant. Stock appreciation rights may not have a term exceeding ten years. Subject to the provisions of our 2021 Plan, the administrator will determine the other terms of stock appreciation rights, including when such rights become exercisable and whether to pay any increased appreciation in cash or with shares of our Class A common stock, or a combination thereof, except that the per share exercise price for the shares to be issued pursuant to the exercise of a stock appreciation right will be no less than 100% of the fair market value of a share of our Class A common stock on the date of grant. After a participant's status as a services provider ends, the same rules relating to the exercise of options will apply to the participant's stock appreciation rights.

Restricted Stock. We will be able to grant restricted stock under our 2021 Plan. Restricted stock awards are grants of shares of our Class A common stock that vest in accordance with terms and conditions established by the administrator.

The administrator will determine the number of shares of restricted stock granted to any employee, director or consultant and, subject to the provisions of our 2021 Plan, will determine the terms and conditions of such awards. The administrator will be able to impose whatever vesting conditions it determines to be appropriate (for example, the administrator may set restrictions based on the achievement of specific performance goals or continued service to us), except the administrator, in its sole discretion, may accelerate the time at which any restrictions will lapse or be removed. Recipients of restricted stock awards generally will have voting and dividend rights with respect to such shares upon grant without regard to vesting, unless the administrator provides otherwise. Shares of restricted stock that do not vest are subject to our right of repurchase or forfeiture.

Restricted Stock Units. We will be able to grant restricted stock units under our 2021 Plan. Restricted stock units are bookkeeping entries representing an amount equal to the fair market value of one share of our Class A common stock. Subject to the provisions of our 2021 Plan, the administrator will determine the terms and conditions of restricted stock units, including the vesting criteria and the form and timing of payment. The administrator may set vesting criteria based upon the achievement of company-wide, divisional, business unit or individual goals (such as continued employment or service), applicable federal or state securities laws or any other basis determined by the administrator in its discretion. The administrator, in its sole discretion, may pay earned restricted stock units in the form of cash, in shares or in some combination thereof. In addition, the administrator, in its sole discretion, may accelerate the time at which any restrictions will lapse or be removed. The administrator may provide that a participant will be entitled to receive dividend equivalents with respect to any cash dividends on our Class A common stock that have a record date before the participant's restricted stock units are settled or forfeited.

Performance Units and Performance Shares. We will be able to grant performance units and performance shares under our 2021 Plan. Performance units and performance shares are awards that will result in a payment to a participant only if performance objectives established by the administrator are achieved or the awards otherwise vest. The administrator will establish performance objectives or other vesting criteria in its discretion, which, depending on the extent to which they are met, will determine the number or the value of performance units and performance shares to be paid out to participants. The administrator may set performance objectives based on the achievement of company-wide, divisional, business unit or individual goals (such as continued employment or service), applicable federal or state securities laws or any other basis determined by the administrator in its discretion. After the grant of a performance unit or performance share, the administrator, in its sole discretion, may reduce or waive any performance objectives or other vesting provisions for such performance units or performance shares. Performance units will have an initial value established by the administrator on or prior to the grant date. Performance shares will have an initial value equal to the fair market value of the underlying shares of our Class A common stock on the grant date. The administrator, in its sole discretion, may pay out earned

performance units or performance shares in cash, shares or in some combination thereof. The administrator may provide that a participant will be entitled to receive dividend equivalents with respect to any cash dividends on our Class A common stock that have a record date before the participant's performance units or performance shares are settled or forfeited.

Non-Transferability of Awards. Unless the administrator provides otherwise, our 2021 Plan generally will not allow for the transfer of awards and only the recipient of an award may exercise an award during his or her lifetime. If the administrator makes an award transferrable, such award will contain such additional terms and conditions as the administrator deems appropriate.

Certain Adjustments. In the event of certain changes in our capitalization, to prevent diminution or enlargement of the benefits or potential benefits available under our 2021 Plan, the administrator will adjust the number and class of shares that may be delivered under our 2021 Plan and/or the number, class and price of shares covered by each outstanding award and the numerical share limits set forth in our 2021 Plan.

Dissolution or Liquidation. In the event of our proposed liquidation or dissolution, the administrator will notify participants as soon as practicable prior to the effective date of such proposed transaction, and to the extent not exercised, all awards will terminate immediately prior to the consummation of such proposed transaction.

Merger or Change in Control. Our 2021 Plan provides that in the event of a merger or change in control, as defined under our 2021 Plan, each outstanding award will be treated as the administrator determines, without a participant's consent. The administrator is not required to treat all participants, all awards, all awards held by a participant, all awards of the same type, or all portions of awards similarly in the transaction.

If a successor corporation does not assume or substitute for any outstanding award, then the participant will fully vest in and have the right to exercise all of his or her outstanding options and stock appreciation rights, all restrictions on restricted stock and restricted stock units will lapse, and for awards with performance-based vesting, all performance goals or other vesting criteria will be deemed achieved at 100% of target levels and all other terms and conditions met, unless specifically provided for otherwise under the applicable award agreement or other agreement or policy applicable to the participant. If an option or stock appreciation right is not assumed or substituted in the event of a change in control, the administrator will notify the participant in writing or electronically that such option or stock appreciation right will be exercisable for a period of time determined by the administrator in its sole discretion and the option or stock appreciation right will terminate upon the expiration of such period.

For awards granted to an outside director, in the event of a change in control, the outside director will fully vest in and have the right to exercise all of his or her outstanding options and stock appreciation rights, all restrictions on restricted stock and restricted stock units will lapse and, for awards with performance-based vesting, all performance goals or other vesting criteria will be deemed achieved at 100% of target levels and all other terms and conditions met, unless specifically provided for otherwise under the applicable award agreement or other agreement or policy applicable to the participant.

Death or Disability. Awards granted under our 2021 Plan generally will include a vesting acceleration provision under which the award will become fully vested if the participant's employment is terminated due to his or her death or by us due to his or her disability.

Clawback. The administrator may specify in an award agreement that the participant's rights, payments and benefits with respect to an award will be subject to reduction, cancellation, forfeiture, recoupment, reimbursement, or reacquisition upon the occurrence of certain specified events. Awards will be subject to any clawback policy of ours, as may be established and/or amended from time to time to comply with applicable laws. The administrator may require a participant to forfeit, return or reimburse us all or a portion of the award and any amounts paid under the award, according to such clawback policy or in order to comply with applicable laws.

Amendment; Termination. The administrator will have the authority to amend, alter, suspend or terminate our 2021 Plan, provided such action does not materially impair the rights of any participant, unless mutually agreed to in writing between the participant and the administrator. Our 2021 Plan will continue in effect until terminated by the administrator, but (i) no incentive stock options may be granted after ten years from the date our 2021 Plan was adopted by our board of directors and (ii) the automatic annual increases to the number of shares available for issuance under our 2021 Plan will operate only until the tenth anniversary of the date our 2021 Plan was adopted by our board of directors.

2021 Employee Stock Purchase Plan

Our board of directors has adopted, and our stockholders have approved, our 2021 ESPP. Our 2021 ESPP will be effective on the business day immediately prior to the effective date of the registration statement of which this prospectus forms a part. We believe that allowing our employees to participate in our 2021 ESPP provides them with a further incentive towards promoting our success and accomplishing our corporate goals.

Authorized Shares. A total of 4,000,000 shares of our Class A common stock are available for sale under our 2021 ESPP. The number of shares of our Class A common stock that are available for sale under our 2021 ESPP also includes an annual increase on the first day of each fiscal year beginning with our 2022 fiscal year, equal to the least of:

- 4,000,000 shares;
- 1% of the outstanding shares of all classes of our common stock as of the last day of the immediately preceding fiscal year; or
- such other amount as the administrator may determine.

2021 ESPP Administration. We expect that the compensation committee of our board of directors will administer our 2021 ESPP. The administrator will have full and exclusive discretionary authority to construe, interpret, and apply the terms of our 2021 ESPP, delegate ministerial duties to any of our employees, designate separate offerings under our 2021 ESPP, designate our subsidiaries and affiliates as participating in our 2021 ESPP, determine eligibility, adjudicate all disputed claims filed under our 2021 ESPP, and establish procedures that it deems necessary or advisable for the administration of our 2021 ESPP, such as adopting such rules, procedures, sub-plans, and appendices to subscription agreements as are necessary or appropriate to permit participation in our 2021 ESPP by employees who are foreign nationals or employed outside the United States. The administrator's findings, decisions and determinations will be final and binding on all participants to the full extent permitted by law.

Eligibility. Generally, all of our employees will be eligible to participate if they are customarily employed by us, or any participating subsidiary or affiliate, for at least 20 hours per week and more than five months in any calendar year. The administrator, in its discretion, may, prior to an enrollment date, for all options to be granted on such enrollment date in an offering, determine that an employee who (i) has not completed at least two years of service (or a lesser period of time determined by the administrator) since his or her last hire date, (ii) customarily works not more than 20 hours per week (or a lesser period of time determined by the administrator), (iii) customarily works not more than five months per calendar year (or a lesser period of time determined by the administrator), (iv) is a highly compensated employee within the meaning of Section 414(q) of the Code or (v) is a highly compensated employee within the meaning of Section 414(q) of the Code with compensation above a certain level or is an officer or subject to disclosure requirements under Section 16(a) of the Exchange Act, is or is not eligible to participate in such offering period.

However, an employee may not be granted rights to purchase shares of our Class A common stock under our 2021 ESPP if such employee:

- immediately after the grant would own capital stock and/or hold outstanding options to purchase such stock possessing 5% or more of the total combined voting power or value of all classes of capital stock of ours or of any parent or subsidiary of ours; or

- holds rights to purchase shares of our stock under all employee stock purchase plans of ours or any parent or subsidiary of ours that accrue at a rate that exceeds $25,000 worth of shares of our stock for each calendar year in which such rights are outstanding at any time.

Offering Periods. Our 2021 ESPP includes a component that allows us to make offerings intended to qualify under Section 423 of the Code and a component that allows us to make offerings not intended to qualify under Section 423 of the Code to designated companies, as described in our 2021 ESPP. No offerings have been authorized to date by the administrator under the 2021 ESPP. If the administrator authorizes an offering period under the 2021 ESPP, the administrator will establish the duration of offering periods and purchase periods, including the starting and ending dates of offering periods and purchase periods, provided that no offering period may have a duration exceeding 27 months.

Contributions. Our 2021 ESPP permits participants to purchase shares of our Class A common stock through contributions (in the form of payroll deductions or otherwise to the extent permitted by the administrator) in whole percentages of their eligible compensation, which includes a participant's base straight time gross earnings but excludes payments for commissions, incentive compensation, bonuses, payments for overtime and shift premium, equity compensation income and other similar compensation. Unless otherwise determined by the administrator, a participant may make a one-time decrease (but not increase) to the rate of his or her contributions to 0% during an offering period.

Exercise of Purchase Right. Amounts contributed and accumulated by the participant will be used to purchase shares of our Class A common stock at the end of each offering period. During an offering period, a participant may not purchase more than the maximum number of shares of our Class A common stock established by the administrator for that offering period. The per share purchase price of the shares will be 85% of the lower of the fair market value of a share of our Class A common stock on the first trading day of the offering period or on the exercise date. If the fair market value of a share of our Class A common stock on the exercise date is less than the fair market value of a share of our Class A common stock on the first trading day of the offering period, then the offering period automatically will terminate on such exercise date immediately after the exercise of all options outstanding as of such exercise date, and all participants in the offering period automatically will be re-enrolled in the immediately following offering period. Participants may end their participation at any time during an offering period and will be paid their accrued contributions that have not yet been used to purchase shares of our Class A common stock. Participation ends automatically upon termination of employment with us.

Non-Transferability. A participant will not be permitted to transfer contributions credited to his or her account or rights granted under our 2021 ESPP (other than by will, the laws of descent and distribution or as otherwise provided under our 2021 ESPP).

Merger or Change in Control. Our 2021 ESPP provides that in the event of a merger or change in control, as defined under our 2021 ESPP, a successor corporation (or a parent or subsidiary of the successor corporation) may assume or substitute each outstanding purchase right. If the successor corporation refuses to assume or substitute for the outstanding purchase right, the offering period with respect to which the purchase right relates will be shortened, and a new exercise date will be set that will be before the date of the proposed merger or change in control. The administrator will notify each participant that the exercise date has been changed and that the participant's option will be exercised automatically on the new exercise date unless prior to such date the participant has withdrawn from the offering period.

Amendment; Termination. The administrator will have the authority to amend, suspend or terminate our 2021 ESPP. Our 2021 ESPP automatically will terminate in 2041, unless we terminate it sooner.

Executive Incentive Compensation Plan

Our board of directors has adopted an Executive Incentive Compensation Plan, or the Incentive Compensation Plan. Our Incentive Compensation Plan allows us to grant incentive awards, generally payable in cash, to employees selected by the administrator of the Incentive Compensation Plan, including our named executive officers.

Under our Incentive Compensation Plan, the administrator will determine the performance goals applicable to any award, which goals may include, without limitation, (i) revenue, (ii) operating income, (iii) earnings (including, but not limited to, earnings before interest, taxes, depreciation and amortization), (iv) marketing efficiency, (v) segment and/or division revenue, (vi) company brand penetration, (vii) individual performance, (viii) gross margin, (ix) return on investment capital, (x) budget management, (xi) earnings per share, (xii) cash flow, (xiii) net income, (xiv) conversion, (xv) units per transaction, (xvi) average dollar sale, (xvi) customer satisfaction metrics like NPS, (xviii) shrinkage and/or inventory control, (xix) management of expenses (including, but not limited to, labor or payroll expenses), (xx) operational efficiency, (xxi) safety, (xxii) return on invested capital, (xxiii) inventory turn, (xxiv) total shareholder return, (xxv) cash flow growth and (xxvii) other subjective or objective criteria. As determined by the administrator, the performance goals may be based on generally accepted accounting principles, or GAAP, or non-GAAP results and any actual results may be adjusted by the administrator for one-time items or unbudgeted or unexpected items and/or payments of actual awards under the Incentive Compensation Plan when determining whether the performance goals have been met. The goals may be on the basis of any factors the administrator determines relevant, such as on an individual, divisional, portfolio, project, business unit, segment or company-wide basis. Any criteria used may be measured on such basis as the administrator determines. The performance goals may differ from participant to participant and from award to award. The administrator also may determine that a target award or a portion thereof will not have a performance goal associated with it but instead will be granted (if at all) in the compensation committee's sole discretion.

Our board of directors or a committee appointed by our board of directors (which, until our board of directors determines otherwise, will be our compensation committee) administers our Incentive Compensation Plan. The administrator of our Incentive Compensation Plan may, in its sole discretion and at any time before payment of an award, increase, reduce or eliminate a participant's actual award and/or increase, reduce or eliminate the amount allocated to the bonus pool for a particular performance period. The actual award may be below, at or above a participant's target award, in the discretion of the administrator. The administrator may determine the amount of any increase, reduction or elimination on the basis of such factors as it deems relevant, and it is not required to establish any allocation or weighting with respect to the factors it considers.

Actual awards generally will be paid in cash (or its equivalent) only after they are earned and approved. Unless otherwise determined by the administrator, to earn an actual award a participant must be employed by us through the date the actual award is paid. The administrator reserves the right to settle an actual award with a grant of an equity award under our then-current equity compensation plan, which equity award may have such terms and conditions, including vesting, as the administrator determines. Payment of awards occurs after they are earned, but no later than the dates set forth in our Incentive Compensation Plan.

All awards under our Incentive Compensation Plan will be subject to reduction, cancellation, forfeiture or recoupment in accordance with any clawback policy that we (or any parent or subsidiary of ours) are required to adopt pursuant to the listing standards of any national securities exchange or association on which our securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable laws. In addition, our compensation committee may impose such other clawback, recovery or recoupment provisions with respect to an award under the Incentive Compensation Plan as it determines necessary or appropriate, including without limitation a reacquisition right in respect of previously acquired cash, stock or other property provided with respect to an award. Recovery of compensation under a clawback policy generally will not give the participant the right to resign for "good reason" or "constructive termination" (or similar term) under any agreement with us or any parent or subsidiary of ours. Additionally, our compensation committee may specify when providing for an award

under the Incentive Compensation Plan that the participant's rights, payments and benefits with respect to the award will be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of specified events, in addition to any otherwise applicable vesting or performance conditions of the award. In the event of an accounting restatement, the recipient of an award will be required to repay a portion of the proceeds received with respect to an award earned or accrued under certain circumstances.

Our board of directors and the administrator have the authority to amend, suspend or terminate our Incentive Compensation Plan, provided such action does not impair the existing rights of any participant with respect to any earned awards.

401(k) Plan

We maintain a 401(k) retirement savings plan for the benefit of our employees, including our named executive officers, who satisfy certain eligibility requirements. Under the 401(k) plan, eligible employees may elect to defer a portion of their compensation, within the limits prescribed by the Internal Revenue Code of 1986, as amended, or the Code, on a pre-tax or after-tax (Roth) basis, through contributions to the 401(k) plan. The 401(k) plan permits us to make discretionary matching contributions of up to 50% of the first 12% of eligible compensation. The 401(k) plan is intended to qualify under Sections 401(a) and 501(a) of the Code. As a tax-qualified retirement plan, pre-tax contributions to the 401(k) plan and earnings on those pre-tax contributions are not taxable to the employees until distributed from the 401(k) plan, and earnings on Roth contributions are not taxable when distributed from the 401(k) plan.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

In addition to the compensation arrangements, including employment, termination of employment and change in control arrangements and indemnification arrangements, discussed in the sections titled “Management” and “Executive Compensation,” the following is a description of each transaction since January 1, 2018 and each currently proposed transaction in which:

- we, Cricut Holdings or any subsidiaries thereof have been or will be a participant;
- the amount involved exceeded or will exceed $120,000; and
- any of our directors, executive officers or beneficial holders of more than 5% of any class of our capital stock, or their affiliates, or any immediate family member of, or person sharing the household with, any of these individuals, had or will have a direct or indirect material interest.

Corporate Reorganization

Prior to the consummation of this offering, we will consummate the Corporate Reorganization described under the section titled “Corporate Reorganization.”

Equity Investments in Cricut Holdings

The following table sets forth the number of units and purchase price paid for all purchases of equity interests in Cricut Holdings by our directors, executive officers and beneficial owners of more than 5% of any class of our capital stock, or their respective affiliates.

Name	Date Acquired	Number of Units Purchased	Aggregate Purchase Price
Ashish Arora	March 1, 2018	4,571,429	$ 1,600,000

Repurchase of Incentive Units

In March 2020, we repurchased incentive units from each of Mr. Arora and Mr. Petersen at a purchase price of $1.85 per unit for an aggregate purchase price of $312,676 and $318,148, respectively.

Executive and Director Compensation

We have granted certain equity awards to our executive officers and certain of our directors. See the sections titled “Executive Compensation—Outstanding Equity Awards at Fiscal 2020 Year-End” and “Management—Non-Employee Director Compensation” for a description of these equity awards.

Other than as described above under this section titled “Certain Relationships and Related Party Transactions,” since January 1, 2018, we have not entered into any transactions, nor are there any currently proposed transactions, between us and a related party where the amount involved exceeds, or would exceed, $120,000, and in which any related person had or will have a direct or indirect material interest. We believe the terms of the transactions described above were comparable to terms we could have obtained in arm’s-length dealings with unrelated third parties.

From time to time, we do business with other companies affiliated with certain holders of our capital stock. We believe that all such arrangements have been entered into in the ordinary course of business and have been conducted on an arm’s-length basis.

Limitation of Liability and Indemnification of Officers and Directors

We have adopted an amended and restated certificate of incorporation, which will become effective on the Effectiveness Date, and which contains provisions that limit the liability of our directors for monetary damages to the fullest extent permitted by Delaware law. Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for the following:

- any breach of their duty of loyalty to our company or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the DGCL; or
- any transaction from which they derived an improper personal benefit.

Any amendment to, or repeal of, these provisions will not eliminate or reduce the effect of these provisions in respect of any act, omission or claim that occurred or arose prior to that amendment or repeal. If the DGCL is amended to provide for further limitations on the personal liability of directors of corporations, then the personal liability of our directors will be further limited to the greatest extent permitted by the DGCL.

In addition, we have adopted amended and restated bylaws, which will become effective on the Effectiveness Date, and which provide that we will indemnify, to the fullest extent permitted by law, any person who is or was a party or is threatened to be made a party to any action, suit or proceeding by reason of the fact that he or she is or was one of our directors or officers or is or was serving at our request as a director or officer of another corporation, partnership, joint venture, trust or other enterprise. Our amended and restated bylaws provide that we may indemnify to the fullest extent permitted by law any person who is or was a party or is threatened to be made a party to any action, suit or proceeding by reason of the fact that he or she is or was one of our employees or agents or is or was serving at our request as an employee or agent of another corporation, partnership, joint venture, trust or other enterprise. Our amended and restated bylaws also provide that we must advance expenses incurred by or on behalf of a director or officer in advance of the final disposition of any action or proceeding, subject to limited exceptions.

Further, we have entered into or will enter into indemnification agreements with each of our directors and executive officers that may be broader than the specific indemnification provisions contained in the DGCL. These indemnification agreements require us, among other things, to indemnify our directors and executive officers against liabilities that may arise by reason of their status or service. These indemnification agreements also require us to advance all expenses incurred by the directors and executive officers in investigating or defending any such action, suit or proceeding. We believe that these agreements are necessary to attract and retain qualified individuals to serve as directors and executive officers.

The limitation of liability and indemnification provisions that are expected to be included in our amended and restated certificate of incorporation, amended and restated bylaws and in indemnification agreements that we have entered into or will enter into with our directors and executive officers may discourage stockholders from bringing a lawsuit against our directors and executive officers for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against our directors and executive officers, even though an action, if successful, might benefit us and other stockholders. Further, a stockholder's investment may be adversely affected to the extent that we pay the costs of settlement and damage awards against directors and executive officers as required by these indemnification provisions. At present, we are not aware of any pending litigation or proceeding involving any person who is or was one of our directors, officers, employees or other agents or is or was serving at our request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, for which indemnification is sought, and we are not aware of any threatened litigation that may result in claims for indemnification.

We have obtained insurance policies under which, subject to the limitations of the policies, coverage is provided to our directors and executive officers against loss arising from claims made by reason of breach of fiduciary duty or other wrongful acts as a director or executive officer, including claims relating to public securities matters, and to us with respect to payments that may be made by us to these directors and executive officers pursuant to our indemnification obligations or otherwise as a matter of law.

Certain of our non-employee directors may, through their relationships with their employers, be insured and/or indemnified against certain liabilities incurred in their capacity as members of our board of directors.

The underwriting agreement will provide for indemnification by the underwriters of us and our officers and directors for certain liabilities arising under the Securities Act or otherwise.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling our company pursuant to the foregoing provisions, we have been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Policies and Procedures for Related Party Transactions

As of the Effectiveness Date our Audit Committee will have the primary responsibility for reviewing and approving or disapproving "related party transactions," which are transactions between us and related persons in which the aggregate amount involved exceeds or may be expected to exceed $10,000 and in which a related person has or will have a direct or indirect material interest. As of the Effectiveness Date, our policy regarding transactions between us and related persons will provide that a related person is defined as a director, executive officer, nominee for director or beneficial owner of greater than 5% of any class of our capital stock, or their respective affiliates. Our Audit Committee charter that will be in effect as of the Effectiveness Date will provide that our Audit Committee shall review and approve or disapprove any related party transactions.

PRINCIPAL AND SELLING STOCKHOLDERS

The following table sets forth certain information with respect to the beneficial ownership of our capital stock and our selling stockholders, as of March 1, 2021, and assuming completion of the Corporate Reorganization, for:

- each of our named executive officers;
- each of our directors;
- all of our current directors and executive officers as a group;
- each person known by us to be the beneficial owner of more than 5% of the outstanding shares of our Class A common stock or Class B common stock; and
- the selling stockholders.

The number of shares of Class A common stock and Class B common stock beneficially owned and percentage of beneficial ownership before this offering set forth below are based on the number of shares to be issued and outstanding after giving effect to the Corporate Reorganization. See the section titled “Corporate Reorganization” for additional information. The number of shares of Class A common stock and Class B common stock beneficially owned and percentages of beneficial ownership after this offering set forth below are based on (i) the number of shares to be issued and outstanding after this offering and (ii) an assumed initial public offering price of $21.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus.

We have based our calculation of the percentage of beneficial ownership after this offering on 15,314,903 shares of our Class A common stock and 206,051,201 shares of our Class B common stock outstanding immediately after the completion of this offering, assuming that the underwriters will not exercise their option to purchase up to an additional 2,297,235 shares of our Class A common stock from us and the selling stockholders in full. We have deemed shares of our Class A common stock and Class B common Stock subject to incentive units, zero strike price incentive units, purchased units and phantom units that are currently exercisable or exercisable within 60 days, or the Beneficial Ownership Date, to be outstanding and to be beneficially owned by the person holding the incentive units, zero strike price incentive units, purchased units or phantom units for the purpose of computing the percentage ownership of that person. We did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person.

Unless otherwise indicated below, to our knowledge, the persons and entities named in the table have sole voting and sole investment power with respect to all shares that they beneficially owned, subject to community property laws where applicable. The information does not necessarily indicate beneficial ownership for any other purpose, including for purposes of Sections 13(d) and 13(g) of the Securities Act.

Unless otherwise indicated below, the address of each beneficial owner listed in the table below is c/o Cricut, Inc., 10855 South River Front Parkway, South Jordan, Utah 84095.

	Number of Shares Beneficially Owned Before This Offering				Percentage of Total Voting Power Before This Offering	Total Number of Shares Being Offered		Number of Shares Beneficially Owned After This Offering							Percentage of Total Voting Power After the Offering
								Assuming the Underwriters' Option is Not Exercised				Assuming the Underwriters' Option is Exercised			
Named Executive Officers and Directors:	Class A Common Stock	%	Class B Common Stock	%		Assuming the Underwriters' Option is Not Exercised	Assuming the Underwriters' Option is Exercised	Class A Common Stock	%	Class B Common Stock	%	Class A Common Stock	%	Class B Common Stock	%	
Ashish Arora(1)	—	*	29,691,014	14.3	14.3	1,304,347	1,500,000	—	*	28,386,667	13.8	—	*	28,191,014	13.7	13.5
Martin F. Petersen(2)	—	*	3,220,609	1.5	1.5	282,335	324,686	—	*	2,938,274	1.4	—	*	2,895,923	1.4	1.4
Gregory Rowberry(3)	—	*	705,046	*	*	21,739	25,000	—	*	683,307	*	—	*	680,046	*	*
Jason Makler(4)	—	*	168,815	*	*	—	—	—	*	168,815	*	—	*	168,815	*	*
Len Blackwell(5)	—	*	1,548,306	*	*	—	—	—	*	1,548,306	*	—	*	1,548,306	*	*
Steven Blasnik(6)	—	*	2,978,132	1.4	1.4	—	—	—	*	2,978,132	1.4	—	*	2,978,132	1.4	1.4
Russell Freeman(7)	—	*	1,212,394	*	*	—	—	—	*	1,212,394	*	—	*	1,212,394	*	*
Melissa Reiff(8)	—	*	30,738	*	*	—	—	—	*	30,738	*	—	*	30,738	*	*
Billie Williamson(9)	—	*	53,394	*	*	—	—	—	*	53,394	*	—	*	53,394	*	*
All directors and executive officers as a group (10 persons)(10)	—	*	40,314,175	19.4	19.4	1,639,661	1,885,612	—	*	38,674,514	18.8	—		38,428,563	18.7	18.4
5% Stockholders:																
Petrus and affiliates(11)	—	*	128,375,504	61.7	61.7	—	—	—	*	128,375,504	62.3			128,375,504	62.4	61.3
All Other Selling Stockholders																
Charles Sieber(12)			4,258,343	2.0	2.0	148,598	170,888	—		4,109,745	2.0			4,087,455	2.0	2.0
Vivekanand Jayaraman(13)			2,300,614	1.1	1.1	100,685	115,788	—		2,199,929	1.1			2,184,826	1.1	1.0
Kimberly Kanarowski(14)			2,188,456	1.1	1.1	114,402	131,563	—		2,074,054	1.0			2,056,893	1.0	1.0
All Other Selling Stockholders (2 persons)(15)			1,256,571	*	*	61,557	70,792	—		1,195,014	*			1,185,779	*	*

* Represents beneficial ownership or voting power of less than 1% of the outstanding shares of our common stock.

(1) Includes (i) 26,617,153 shares of Class B common stock held of record by Mr. Arora of which 4,900,335 are subject to future vesting; (ii) 768,465 shares of Class B common stock held of record by the Ashish Chandra Arora 2021 GRAT dated January 20, 2021 for which Mr. Arora serves as trustee; (iii) 768,465 shares held of record by the Mridu Vashist Arora 2021 GRAT dated January 20, 2021 for which Mr. Arora's spouse serves as trustee and (iv) 1,536,931 shares of Class B common stock held of record by the Rushil Arora Trust dated January 20, 2021 for which Mr. Arora and his spouse serve as trustees.

(2) Includes (i) 1,434,469 shares of Class B common stock held of record by Martin Petersen and (ii) 1,786,140 shares of Class B common stock held of record by The Tartin Trust, dated March 10, 2021 for which Mr. Petersen serves as Investment Trustee of which 217,683 are subject to future vesting.

(3) Includes 705,046 shares of Class B common stock held of record by Greg Rowberry of which 60,629 are subject to future vesting.

(4) Includes 168,815 shares of Class B common stock held of record by the Jason and Alisa Makler Living Trust dated for which Mr. Makler serves as a trustee.

(5) Includes 1,548,306 shares of Class B common stock held of record by L&J Blackwell Partnership Ltd., or L&J Partnership. Mr. Blackwell serves as president of Continuous Asset Management LLC, the General Partner of L&J Partnership.

(6) Includes 2,978,132 shares of Class B common stock held of record by Mr. Blasnik.

(7) Includes (i) 896,543 shares of Class B common stock held of record by Mr. Freeman and (ii) 315,851 shares of Class B common stock held of record by the Russell and Carolyn Freeman Living Trust dated October 5, 2018 for which Mr. Freeman serves as a trustee.

(8) Includes 30,738 shares of Class B common stock held of record by Ms. Reiff all of which are subject to future vesting.

(9) Includes 53,394 shares of Class B common stock held of record by Ms. Williamson of which 51,231 are subject to future vesting.

(10) Includes 40,312,012 shares of Class B common stock beneficially owned by our executive officers and directors of which 5,197,741 are subject to future vesting.

(11) Includes (i) 120,622,545 shares of Class B common stock held of record by HWGAA, L.P. (HWGAA) and for which Petrus Capital Management, LLC (PCM) serves as the general partner and (ii) 7,752,959 shares of Class B common stock held of record by Petrus Employee Profit Share, L.P. (PAM2) and for which PAM Partners GP, LLC (PAM Partners GP) serves as the general partner. Petrus Trust Company, LTA (PTC) serves as an investment advisor to HWGAA and PAM2 and as trustee to the sole member of PAM Partners GP. An investment committee of PTC comprised of three individuals has voting and dispositive control over the Class B common stock held by HWGAA and PAM2. Each member of the investment committee has one vote, and the approval of two of the three members is required to approve an action of the investment committee; therefore, under the so-called "rule of three," no one individual is deemed to have or share beneficial ownership of such shares. The address for these entities is c/o Petrus Trust Company, 3000 Turtle Creek Boulevard, Dallas, Texas 75219.

(12) Includes 4,258,343 shares of Class B common stock held of record by Mr. Sieber of which 230,498 are subject to future vesting.

(13) Includes 2,300,614 shares of Class B common stock held of record by Mr. Jayaraman of which 250,827 are subject to future vesting.

(14) Includes 2,188,456 shares of Class B common stock held of record by Ms. Kanarowski of which 120,006 are subject to future vesting.

(15) Represents shares held by two selling stockholders not listed above who, as a group, own less than 1% of outstanding Class B common stock prior to this offering.

DESCRIPTION OF CAPITAL STOCK

General

The following description summarizes certain important terms of our capital stock, as they are in effect on the Effectiveness Date. We have adopted an amended and restated certificate of incorporation and amended and restated bylaws that will each become effective on the Effectiveness Date. Because it is only a summary, it does not contain all the information that may be important to you. For a complete description of the matters set forth in this section titled "Description of Capital Stock," you should refer to our amended and restated certificate of incorporation and amended and restated bylaws, which are included as exhibits to the registration statement of which this prospectus forms a part, and to the applicable provisions of Delaware law.

On the Effectiveness Date, our authorized capital stock will consist of 1,350,000,000 shares of capital stock of which:

- 1,000,000,000 shares are designated as Class A common stock, par value $0.001 per share;
- 250,000,000 shares are designated as Class B common stock, par value $0.001 per share; and
- 100,000,000 shares are designated as preferred stock, par value $0.001 per share.

Assuming the completion of the Corporate Reorganization, which will occur prior to the consummation of this offering, as of December 31, 2020, there were no shares of our Class A common stock outstanding, and 208,116,104 shares of our Class B common stock outstanding, held by 311 stockholders of record. Pursuant to our amended and restated certificate of incorporation, our board of directors will have the authority, without stockholder approval except as required by the listing standards of the Exchange, to issue additional shares of our Class A common stock.

Common Stock

We have two classes of authorized common stock, Class A common stock and Class B common stock. The rights of the holders of Class A common stock and Class B common stock are identical, except with respect to voting and conversion.

Dividend Rights

Subject to preferences that may apply to any shares of preferred stock outstanding at the time, the holders of our common stock are entitled to receive dividends out of funds legally available if our board of directors, in its discretion, determines to issue dividends and then only at the times and in the amounts that our board of directors may determine. See the section titled "Dividend Policy" for additional information.

Voting Rights

Holders of our Class A common stock are entitled to one vote for each share held on all matters submitted to a vote of stockholders and holders of our Class B common stock are entitled to five votes for each share held on all matters submitted to a vote of stockholders. The holders of our Class A common stock and Class B common stock vote together as a single class, unless otherwise required by law.

Delaware law could require either holders of our Class A common stock or our Class B common stock to vote separately, as a single class, in the following circumstances:

- if we were to seek to amend our amended and restated certificate of incorporation to increase or decrease the par value of a class of stock, then that class would be required to vote separately to approve the proposed amendment; and
- if we were to seek to amend our amended and restated certificate of incorporation in a manner that alters or changes the powers, preferences or special rights of a class of stock in a manner

that affected its holders adversely, then that class would be required to vote separately to approve the proposed amendment.

Until the Final Conversion Date, approval of a majority of the outstanding shares of our Class B common stock voting as a separate class will be required to:

- reclassify any outstanding shares of Class A common stock into shares having rights as to dividends or liquidation that are senior to the Class B common stock or the right to have more than one vote for each share thereof; or
- issue any shares of preferred stock authorized pursuant to the filing of a certificate as authorized by the Company's board of directors.

We have not provided for cumulative voting for the election of directors in our amended and restated certificate of incorporation. Subject to any rights of the holders of any series of preferred stock to elect directors under circumstances specified in our amended and restated certificate of incorporation, directors will be elected by a plurality of the voting power cast in the election of directors.

No Preemptive or Similar Rights

Our common stock is not entitled to preemptive rights, and is not subject to conversion, redemption or sinking fund provisions.

Right to Receive Liquidation Distributions

If we become subject to a liquidation, dissolution or winding-up, the assets legally available for distribution to our stockholders would be distributable ratably among the holders of our common stock and any participating preferred stock outstanding at that time, subject to prior satisfaction of all outstanding debt and liabilities and the preferential rights of and the payment of liquidation preferences, if any, on any outstanding shares of preferred stock.

Conversion of Class B Common Stock

Each share of Class B common stock is convertible at any time at the option of the holder into one share of Class A common stock. Shares of Class B common stock will automatically convert into shares of Class A common stock upon sale or transfer except for certain transfers described in our amended and restated certificate of incorporation, including transfers from one Petrus Affiliate to another Petrus Affiliate or estate planning or charitable transfers where sole dispositive power and exclusive voting control with respect to the shares of Class B common stock are retained by the transferring holder or to permitted transferees of such transferring holder. In addition, each outstanding share of Class B common stock held by a stockholder who is a natural person, or held by the permitted entities and permitted transferees of such natural person (as described in our amended and restated certificate of incorporation), will convert automatically into one share of Class A common stock upon the death of such natural person.

Each share of Class B common stock will convert automatically into one share of Class A common stock upon (i) the date following the Effectiveness Date on which the number of shares of our capital stock, including Class A common stock and Class B common stock, and any shares of capital stock underlying any securities, including restricted stock units, options or other convertible instruments, held by Petrus Affiliates and their permitted entities is less than 50% of the number of shares of Class B common stock held by Petrus Affiliates and their permitted entities as of 11:59 p.m. Eastern Time on the Effectiveness Date, (ii) the first date after the Effectiveness Date when the outstanding shares of Class B common stock represent less than a majority of the total voting power of the then outstanding shares of our capital stock entitled to vote generally in the election of directors or (iii) the time following the Effectiveness Date specified by affirmative vote or written election of the holders of at least two-thirds of the outstanding shares of Class B common stock.

Fully Paid and Non-Assessable

In connection with this offering, our legal counsel will opine that the shares of our Class A common stock to be issued in this offering will be fully paid and non-assessable.

Preferred Stock

Pursuant to our amended and restated certificate of incorporation that will become effective on the Effectiveness Date, our board of directors will have the authority, subject to limitations prescribed by Delaware law, to issue preferred stock in one or more series, to establish from time to time the number of shares to be included in each series, and to fix the designation, powers, preferences and rights of the shares of each series and any of its qualifications, limitations or restrictions, in each case without further vote or action by our stockholders. Our board of directors can also increase or decrease the number of shares of any series of preferred stock, but not below the number of shares of that series then outstanding, without any further vote or action by our stockholders. Our board of directors may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of our common stock. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring or preventing a change in control of our company and might adversely affect the market price of our Class A common stock and the voting and other rights of the holders of our common stock. We have no current plan to issue any shares of preferred stock.

Renouncement of Corporate Opportunity

Our amended and restated certificate of incorporation provides that, to the extent permitted by law, we renounce any expectancy that a "covered person" offer us an opportunity to participate in a "specified opportunity" and waives any claim that the specified opportunity constitutes a corporate opportunity that should have been presented by the covered person to us; *provided*, *however*, that the covered person acts in good faith. A "covered person" is any officer, member of the board of directors or stockholder (or affiliate thereof) who is not an employee of ours or any of our subsidiaries. A "specified opportunity" is any transaction or other business opportunity that is not presented to the covered person solely in his or her capacity as an officer, member of the board of directors or stockholder (or affiliate thereof).

Anti-Takeover Provisions

Delaware Law

We have elected not to be governed by the provisions of Section 203 of the DGCL. In general, Section 203 of the DGCL prohibits a public Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date of the transaction in which the person became an interested stockholder, unless:

- the transaction was approved by the board of directors prior to the time that the stockholder became an interested stockholder;
- upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding shares owned by directors who are also officers of the corporation and shares owned by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- at or subsequent to the time the stockholder became an interested stockholder, the business combination was approved by the board of directors and authorized at an annual or special meeting of the stockholders, and not by written consent, by the affirmative vote of at least two-thirds of the outstanding voting stock which is not owned by the interested stockholder.

In general, Section 203 defines a "business combination" to include mergers, asset sales and other transactions resulting in financial benefit to a stockholder and an "interested stockholder" as a person who, together with affiliates and associates, owns, or within three years did own, 15% or more of the corporation's outstanding voting stock. These provisions may have the effect of delaying, deferring or preventing changes in control of a company. We have opted out of these provisions. Accordingly, we will not be subject to any anti-takeover effects of Section 203.

Amended and Restated Certificate of Incorporation and Amended and Restated Bylaw Provisions

Our amended and restated certificate of incorporation and our amended and restated bylaws include a number of provisions that could deter hostile takeovers or delay or prevent changes in control of our board of directors or management team.

Dual Class Stock

As described above in "—Common Stock—Voting Rights," our amended and restated certificate of incorporation provides for a dual class common stock structure, which will provide our pre-offering stockholders, including Petrus, with significant influence over matters requiring stockholder approval, including the election of directors and significant corporate transactions, such as a merger or other sale of our company or its assets.

Board of Directors Vacancies

Our amended and restated certificate of incorporation and amended and restated bylaws authorize only our board of directors to fill vacant directorships, including newly created seats. In addition, the number of directors constituting our board of directors will be permitted to be set only by a resolution adopted by a majority vote of our entire board of directors. These provisions would prevent a stockholder from increasing the size of our board of directors and then gaining control of our board of directors by filling the resulting vacancies with its own nominees. This will make it more difficult to change the composition of our board of directors and will promote continuity of management.

Stockholder Action; Special Meetings of Stockholders

Our amended and restated certificate of incorporation provides that, prior to the Final Conversion Date, our stockholders may not take action by written consent unless the action is first recommended or approved by our board of directors. Further, our amended and restated certificate of incorporation provides that, from and after the Final Conversion Date, our stockholders may not take action by written consent, but may only take action at annual or special meetings of our stockholders. Our amended and restated bylaws provide that special meetings of our stockholders may be called only by a majority of our entire board of directors, the chairperson of our board of directors, our Chief Executive Officer or our President, thus prohibiting a stockholder from calling a special meeting. These provisions might delay the ability of our stockholders to force consideration of a proposal or for stockholders controlling a majority of our capital stock to take any action, including the removal of directors.

Advance Notice Requirements for Stockholders Proposals and Director Nominations

Our amended and restated bylaws provide advance notice procedures for stockholders seeking to bring business before our annual meeting of stockholders or to nominate candidates for election as directors at our annual meeting of stockholders. Our amended and restated bylaws also specify certain requirements regarding the form and content of a stockholder's notice. These provisions might preclude our stockholders from bringing matters before our annual meeting of stockholders or from making nominations for directors at our annual meeting of stockholders if the proper procedures are not followed. We expect that these provisions may also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of our company.

No Cumulative Voting

The DGCL provides that stockholders are not entitled to cumulate votes in the election of directors unless a corporation's certificate of incorporation provides otherwise. Our amended and restated certificate of incorporation does not provide for cumulative voting.

Amendment of Charter and Bylaws Provisions

Following the Final Conversion Date, certain amendments to our amended and restated certificate of incorporation will require the approval of two-thirds of the outstanding voting power of all outstanding shares of our capital stock. Our amended and restated certificate of incorporation provides that, following the Final Conversion Date, approval of stockholders holding two-thirds of the outstanding voting power of our outstanding voting securities is required for stockholders to alter or amend or repeal or adopt certain provision of our amended and restated bylaws.

Issuance of Undesignated Preferred Stock

Our board of directors will have the authority, without further action by our stockholders, to issue up to 100,000,000 shares of undesignated preferred stock with rights and preferences, including voting rights, designated from time to time by our board of directors. The existence of authorized but unissued shares of preferred stock would enable our board of directors to render more difficult or to discourage an attempt to obtain control of us by means of a merger, tender offer, proxy contest or other means.

Exclusive Forum

Our amended and restated bylaws, which will become effective on the Effectiveness Date, provide that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by, or other wrongdoing by, any of our directors, officers or other employees to us or our stockholders, (iii) any action asserting a claim against us or any of our directors or officers arising pursuant to any provision of the DGCL or (iv) any other action asserting a claim that is governed by the internal affairs doctrine shall be a state or federal court located within the State of Delaware, in all cases subject to the court's having jurisdiction over indispensable parties named as defendants. This provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act or any other claim for which the U.S. federal courts have exclusive jurisdiction. Our amended and restated bylaws also provide that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States shall be the sole and exclusive forum for any action asserting a claim arising pursuant to the Securities Act. Any person or entity purchasing or otherwise acquiring any interest in our shares of capital stock shall be deemed to have notice of and consented to these provisions. Although we believe these provisions benefit us by providing increased consistency in the application of Delaware and federal law for the specified types of actions and proceedings, the provisions may have the effect of discouraging lawsuits against us or our directors and officers.

Transfer Agent and Registrar

Upon the completion of this offering, the transfer agent and registrar for our Class A common stock and Class B common stock will be Computershare Trust Company, N.A. The transfer agent and registrar's address is 250 Royall Street, Canton Massachusetts 02021.

Limitations of Liability and Indemnification

See the section titled “Certain Relationships and Related Party Transactions—Limitation of Liability and Indemnification of Officers and Directors” for additional information.

Listing

We expect that our Class A common stock will be approved for listing, subject to notice of issuance on the Exchange under the symbol “CRCT.”

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our Class A common stock, and we cannot predict the effect, if any, that market sales of shares of our Class A common stock or the availability of shares of our Class A common stock for sale will have on the market price of our Class A common stock prevailing from time to time. Future sales of our Class A common stock in the public market, or the availability of such shares for sale in the public market, could adversely affect market prices prevailing from time to time. As described below, only a limited number of shares of our Class A common stock will be available for sale shortly after this offering due to contractual and legal restrictions on resale. Nevertheless, sales of our Class A common stock in the public market after such restrictions lapse, or the perception that those sales may occur, could adversely affect the prevailing market price at such time and our ability to raise equity capital in the future.

Following the completion of this offering, we will have a total of 15,314,903 shares of our Class A common stock outstanding (or 17,612,138 shares of our Class A common stock if the underwriters exercise in full their option to purchase additional shares from us and the selling stockholders) and 206,051,201 shares of our Class B common stock outstanding (or 205,741,461 shares of our Class B common stock if the underwriters exercise in full their option to purchase additional shares from us and the selling stockholders). Of these outstanding shares, all 15,314,903 shares of our Class A common stock sold in this offering will be freely tradable, except that any shares purchased in this offering by our affiliates, as that term is defined in Rule 144 under the Securities Act, would only be able to be sold in compliance with the Rule 144 limitations described below.

The remaining outstanding shares of our Class A common stock (including shares issued upon conversion of our Class B common stock) will be deemed “restricted securities” as defined in Rule 144 under the Securities Act. Restricted securities may be sold in the public market only if they are registered under the Securities Act or if they qualify for an exemption from registration under Rule 144 or Rule 701 under the Securities Act, which rules are summarized below. As a result of the lock-up agreements and market standoff agreements described below, and subject to the provisions of Rule 144 or Rule 701, shares of our Class A common stock will be available for sale in the public market as follows:

- beginning on the date of this prospectus, the 15,314,903 shares of our Class A common stock sold in this offering will be immediately available for sale in the public market;
- beginning on the Early Lock-Up Expiration Date, 52,745,578 shares of our Class A common stock will be immediately available for sale in the public market from time to time thereafter (assuming that all outstanding Class B common stock that are exchangeable for shares of Class A common stock are so exchange), of which 42,301,200 shares will be held by affiliates and subject to the volume and other restrictions of Rule 144, as described below; and
- beginning 180 days after the date of this prospectus, subject to the terms of the lock-up and market standoff agreements described below, 153,305,623 additional shares (assuming that all outstanding Class B common stock that are exchangeable for shares of Class A common stock are so exchanged) will become eligible for sale in the public market, of which 124,748,818 shares will be held by affiliates and subject to the volume and other restrictions of Rule 144, as described below.

Lock-Up and Market Standoff Agreements

We, our executive officers, directors, the selling stockholders and certain other holders of our capital stock and securities convertible into or exchangeable for our capital stock (including shares of Class A common stock issuable upon exchange of Cricut Holdings units) have agreed or will agree that, subject to certain exceptions, for a period of 180 days after the date of this prospectus, we and they will not, without the prior written consent of Goldman Sachs & Co. LLC, dispose of or hedge any shares or any securities convertible into or exchangeable for shares of our Class A common stock and Class B common stock. Goldman Sachs & Co. LLC may, in its discretion, release any of the securities subject to these lock-up agreements at any time. See the section titled “Underwriters” for additional information.

Notwithstanding the foregoing, the terms of the lock-up agreements are subject to the Early Lock-Up Expiration. If such conditions are met, the shares held by the signatory of each lock-up agreement that are subject to such Early Lock-Up Expiration will become available for sale immediately prior to the opening of trading on the Exchange on the second trading day following the end of the Measurement Period, subject to the conditions below if at any time following the Early Expiration Threshold Date:

(i) the company has filed at least one quarterly report on Form 10-Q or annual report on Form 10-K; and

(ii) the last reported closing price of the common stock on the Exchange is at least 33% greater than the price per share set forth on the cover of this prospectus for the Measurement Period.

If at the time of such Early Lock-Up Expiration Date we are in a blackout period, the actual date of such Early Lock-Up Expiration shall be delayed until immediately prior to the opening of trading on the Extension Expiration Date, following the Extension Expiration Measurement Date that (i) we are no longer in a blackout period under our insider trading policy and (ii) the closing price on the Extension Expiration Measurement Date is at least greater than the price on the cover of this prospectus.

Rule 144

In general, Rule 144 provides that once we have been subject to the public company reporting requirements of Section 13 or Section 15(d) of the Exchange Act for at least 90 days, a person who is not deemed to have been one of our affiliates for purposes of the Securities Act at any time during the 90 days preceding a sale and who has beneficially owned the shares of our Class A common stock proposed to be sold for at least six months is entitled to sell those shares without complying with the manner of sale, volume limitation or notice provisions of Rule 144, subject to compliance with the public information requirements of Rule 144. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than our affiliates, then that person would be entitled to sell those shares without complying with any of the requirements of Rule 144.

In general, Rule 144 provides that our affiliates or persons selling shares of our Class A common stock on behalf of our affiliates are entitled to sell upon expiration of the lock-up agreements described above, within any three-month period, a number of shares of our Class A common stock that does not exceed the greater of:

- 1% of the number of shares of our Class A common stock then outstanding, which will equal 153,149 shares immediately after the completion of this offering; or
- the average weekly trading volume of our Class A common stock during the four calendar weeks preceding the filing of a notice on Form 144 with respect to that sale.

Sales of Class A common stock made in reliance upon Rule 144 by our affiliates or persons selling shares of our Class A common stock on behalf of our affiliates are also subject to certain manner of sale provisions and notice requirements and to the availability of current public information about us.

Rule 701

Rule 701 generally allows a stockholder who purchased shares of our capital stock pursuant to a written compensatory plan or contract and who is not deemed to have been an affiliate of our company during the immediately preceding 90 days to sell these shares in reliance upon Rule 144, but without being required to comply with the public information, holding period, volume limitation or notice provisions of Rule 144. Rule 701 also permits affiliates of our company to sell their Rule 701 shares under Rule 144 without complying with the holding period requirements of Rule 144. All holders of Rule 701 shares, however, are required to wait until 90 days after the date of this prospectus before selling those shares pursuant to Rule 701.

Registration Statement on Form S-8

We intend to file a registration statement on Form S-8 under the Securities Act promptly after the completion of the registration statement of which this prospectus forms a part to register shares of our Class A common stock subject to incentive units and other awards issuable as well as reserved for future issuance under our equity compensation plans. The registration statement on Form S-8 is expected to become effective immediately upon filing, and shares of our Class A common stock covered by the registration statement will then become eligible for sale in the public market, subject to the Rule 144 limitations applicable to affiliates, vesting restrictions and any applicable market standoff agreements and lock-up agreements. See the section titled “Executive Compensation—Equity Plans” for a description of our equity compensation plans.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS OF OUR CLASS A COMMON STOCK

The following is a summary of the material U.S. federal income tax consequences to certain non-U.S. holders (as defined below) of the acquisition ownership and disposition of our Class A common stock but does not purport to be a complete analysis of all the potential tax considerations relating thereto. This summary is based upon the provisions of the Code, Treasury Regulations promulgated thereunder, administrative rulings and judicial decisions, all as of the date hereof. These authorities may be changed, possibly retroactively, so as to result in U.S. federal income tax consequences different from those set forth below. No ruling from the Internal Revenue Service, or IRS, has been, or will be, sought with respect to the tax consequences discussed herein, and there can be no assurance that the IRS will not take a position contrary to the tax consequences discussed below or that any position taken by the IRS would not be sustained.

This summary applies only to Class A common stock acquired in this offering. It does not address the tax considerations arising under the laws of any non-U.S., state or local jurisdiction, or under U.S. federal gift and estate tax laws. In addition, this discussion does not address the application of the Medicare contribution tax on net investment income or any tax considerations applicable to a non-U.S. holder's particular circumstances or to non-U.S. holders that may be subject to special tax rules, including, without limitation:

- banks, insurance companies or other financial institutions (except to the extent specifically set forth below), regulated investment companies or real estate investment trusts;
- persons subject to the alternative minimum tax;
- tax-exempt organizations or governmental organizations;
- controlled foreign corporations, passive foreign investment companies or corporations that accumulate earnings to avoid U.S. federal income tax;
- brokers or dealers in securities or currencies;
- traders in securities or other persons that elect to use a mark-to-market method of accounting for their holdings in our stock;
- U.S. expatriates or certain former citizens or long-term residents of the United States;
- partnerships or entities classified as partnerships for U.S. federal income tax purposes or other pass-through entities (and investors therein);
- persons who hold our Class A common stock as a position in a hedging transaction, "straddle," "conversion transaction" or other risk reduction transaction or integrated investment;
- persons who hold or receive our Class A common stock pursuant to the exercise of any employee stock option or otherwise as compensation;
- persons subject to special tax accounting rules as a result of any item of gross income with respect to our Class A common stock being taken into account in an "applicable financial statement" as defined in Section 451(b) of the Code;
- persons that own, or are deemed to own, more than five percent of our Class A common stock (except to the extent specifically set forth below);
- persons who do not hold our Class A common stock as a capital asset within the meaning of Section 1221 of the Code; or
- persons deemed to sell our Class A common stock under the constructive sale provisions of the Code.

In addition, if a partnership or entity classified as a partnership for U.S. federal income tax purposes holds our Class A common stock, the tax treatment of a partner generally will depend on the status of the partner and upon the activities of the partnership. Accordingly, partnerships that hold our Class A common stock, and partners in such partnerships, should consult their tax advisors.

You are urged to consult your tax advisor with respect to the application of the U.S. federal income tax laws to your particular situation, as well as any tax consequences of the acquisition, ownership and disposition of our Class A common stock arising under the U.S. federal estate or gift tax rules or under the laws of any state, local, non-U.S. or other taxing jurisdiction or under any applicable tax treaty.

Non-U.S. Holder Defined

For purposes of this discussion, you are a non-U.S. holder if you are a holder of our stock that is not a partnership (or entity or arrangement treated as a partnership for U.S. federal income tax purposes) and is not any of the following:

- an individual who is a citizen or resident of the United States (for U.S. federal income tax purposes);
- a corporation or other entity taxable as a corporation created or organized in the United States or under the laws of the United States or any political subdivision thereof or other entity treated as such for U.S. federal income tax purposes;
- an estate whose income is subject to U.S. federal income tax regardless of its source; or
- a trust (x) whose administration is subject to the primary supervision of a U.S. court and which has one or more "U.S. persons" (within the meaning of Section 7701(a)(30) of the Code) who have the authority to control all substantial decisions of the trust or (y) which has made a valid election to be treated as a U.S. person.

Distributions

As described in the section titled "Dividend Policy," we paid a cash dividend to Cricut Holdings in September 2020, but we do not anticipate paying any dividends on our capital stock in the foreseeable future. However, if we do make distributions on our Class A common stock in the future, those payments will constitute dividends for U.S. tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. To the extent those distributions exceed both our current and our accumulated earnings and profits, they will constitute a return of capital and will first reduce your basis in our Class A common stock, but not below zero, and then will be treated as gain from the sale of stock as described below under the section titled "—Gain on Disposition of Our Class A Common Stock."

Except as otherwise described below in the discussions of effectively connected income (in the next paragraph), backup withholding and FATCA (as defined below), any dividend paid to you generally will be subject to U.S. withholding tax either at a rate of 30% of the gross amount of the dividend or such lower rate as may be specified by an applicable income tax treaty. In order to receive a reduced treaty rate, you must provide us with an IRS Form W-8BEN, IRS Form W-8BEN-E or other appropriate version of IRS Form W-8, including any required attachments and your taxpayer identification number, if required, certifying qualification for the reduced rate; additionally, you will be required to update such forms and certifications from time to time as required by law. A non-U.S. holder eligible for a reduced rate of U.S. withholding tax pursuant to an income tax treaty may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. If the non-U.S. holder holds the stock through a financial institution or other agent acting on the non-U.S. holder's behalf, the non-U.S. holder will be required to provide appropriate documentation to the agent, which then will be required to provide certification to us or our paying agent, either directly or through other intermediaries. Non-U.S. holders should consult their tax advisors regarding their entitlement to benefits under an applicable income tax treaty.

Dividends received by you that are effectively connected with your conduct of a U.S. trade or business (and, if required by an applicable income tax treaty, attributable to a permanent establishment maintained by you in the United States) are generally exempt from such withholding tax. In order to obtain this exemption, you must provide us with an IRS Form W-8ECI or other applicable IRS Form W-8, including any required attachments and your taxpayer identification number; additionally, you will be required to update such forms and certifications from time to time as required by law. Such effectively connected dividends, although not subject to U.S. federal withholding tax, are includable on your U.S. income tax return and generally taxed to you at the same graduated rates applicable to U.S. persons, net of certain deductions and credits. If you are a corporate non-U.S. holder, dividends you receive that are effectively connected with your conduct of a U.S. trade or business may also be subject to a branch profits tax at a rate of 30% or such lower rate as may be specified by an applicable income tax treaty. You should consult your tax advisor regarding any applicable tax treaties that may provide for different rules.

Gain on Disposition of Our Class A Common Stock

Except as otherwise described below in the discussions of backup withholding and FATCA, you generally will not be subject to U.S. federal income tax on any gain realized upon the sale or other disposition of our Class A common stock unless:

- the gain is effectively connected with your conduct of a U.S. trade or business (and, if required by an applicable income tax treaty, the gain is attributable to a permanent establishment maintained by you in the United States);
- you are a non-resident alien individual who is present in the United States for a period or periods aggregating 183 days or more during the calendar year in which the sale or disposition occurs, and other conditions are met; or
- our Class A common stock constitutes a U.S. real property interest by reason of our status as a “U.S. real property holding corporation,” or USRPHC, for U.S. federal income tax purposes at any time within the shorter of the five-year period preceding your disposition of, or your holding period for, our Class A common stock, and, in the case where shares of our Class A common stock are “regularly traded” (as defined by the applicable Treasury Regulations) on an established securities market, you own, or are treated as owning, more than 5% of our Class A common stock at any time during the foregoing period.

Generally, a corporation is a USRPHC if the fair market value of its “U.S. real property interests” equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests and its other assets used or held for use in a trade or business (all as determined for U.S. federal income tax purposes). We believe that we are not currently and will not become a USRPHC for U.S. federal income tax purposes, and the remainder of this discussion assumes this is the case. However, because the determination of whether we are a USRPHC depends on the fair market value of our U.S. real property relative to the fair market value of our other business assets, there can be no assurance that we will not become a USRPHC in the future. Even if we become a USRPHC, however, as long as our Class A common stock is regularly traded on an established securities market, such common stock will be treated as U.S. real property interests only if you actually or constructively hold more than 5% of such regularly traded common stock at any time during the shorter of the five-year period preceding your disposition of, or your holding period for, our Class A common stock. If we are determined to be a USRPHC and the foregoing exception does not apply, you generally will be taxed on the net gain derived from the disposition of our Class A common stock at the graduated U.S. federal income tax rates applicable to U.S. persons and, in addition, a purchaser of our Class A common stock may be required to withhold tax with respect to that obligation. No assurance can be provided that our Class A common stock will be regularly traded on an established securities market at all times for purposes of the rules described above.

If you are a non-U.S. holder described in the first bullet above, you will generally be required to pay tax on the net gain derived from the sale under regular graduated U.S. federal income tax rates applicable to U.S. persons (and a corporate non-U.S. holder described in the first bullet above also may be subject to the branch profits tax at a 30% rate), unless otherwise provided by an applicable income tax treaty. If you are a non-U.S. holder described in the second bullet above, you will generally be required to pay a flat 30% tax (or such lower rate specified by an applicable income tax treaty) on the gain derived from the sale,

which gain may be offset by U.S. source capital losses for the year (provided you have timely filed U.S. federal income tax returns with respect to such losses). You should consult your tax advisor with respect to whether any applicable income tax or other treaties may provide for different rules.

Backup Withholding and Information Reporting

Generally, we must report annually to the IRS the amount of dividends paid to you, your name and address and the amount of tax withheld, if any. A similar report will be sent to you. Pursuant to applicable income tax treaties or other agreements, the IRS may make these reports available to tax authorities in your country of residence.

Payments of dividends or of proceeds on the disposition of stock made to you may be subject to information reporting and, depending on the circumstances, backup withholding (at a current rate of 24%) unless you establish an exemption, for example, by properly certifying your non-U.S. status on an IRS Form W-8BEN, IRS Form W-8BEN-E or another appropriate version of IRS Form W-8. Proceeds of a disposition of our Class A common stock conducted through a non-U.S. office of a non-U.S. broker that does not have certain enumerated relationships with the United States generally will not be subject to backup withholding or information reporting. Notwithstanding the foregoing, backup withholding and information reporting may apply if either we or our paying agent has actual knowledge, or reason to know, that you are a U.S. person as defined under the Code.

Backup withholding is not an additional tax; rather, the U.S. federal income tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund or credit may generally be obtained from the IRS, provided that the required information is furnished to the IRS in a timely manner.

FATCA

The Foreign Account Tax Compliance Act and the rules and regulations promulgated thereunder, collectively, FATCA, generally imposes withholding tax at a rate of 30% on and, dividends on, and, subject to the discussion of certain proposed Treasury Regulations below, gross proceeds from the sale or other disposition of our Class A common stock paid to "foreign financial institutions" (as specially defined under these rules), unless such institution enters into an agreement with the U.S. government to withhold on certain payments and to collect and provide to the U.S. tax authorities substantial information regarding the U.S. account holders of such institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners) or otherwise establishes an exemption. FACTA also generally imposes a U.S. federal withholding tax of 30% on dividends on and, subject to the discussion of certain proposed Treasury Regulations below, gross proceeds from the sale or other disposition of our Class A common stock paid to a "non-financial foreign entities" (as specifically defined under these rules) unless such entity provides the withholding agent with a certification identifying a certain substantial direct and indicated U.S. owners of the entity and provides certain information with respect to such U.S. owners, certifies that there are none or otherwise establishes and certifies to an exemption. The withholding provisions under FATCA generally apply to dividends on our Class A common stock. The U.S. Secretary of the Treasury has issued proposed regulations providing that the withholding provisions under FATCA do not apply with respect to the gross proceeds from the sale or other disposition of our Class A common stock, which may be relied upon by taxpayers until final regulations are issued. There can be no assurance that final Treasury Regulations would provide an exemption from withholding taxes under FATCA for gross proceeds. An intergovernmental agreement between the United States and your country of tax residence may modify the requirements described in this paragraph. If a dividend payment is both subject to withholding under FATCA and subject to the withholding tax discussed above under the section titled "—Distributions," the withholding under FATCA may be credited against, and therefore reduce, such other withholding tax. Non-U.S. holders should consult their own tax advisors regarding the possible implications of FATCA on their investment in our Class A common stock.

Each prospective investor should consult its own tax advisor regarding the particular U.S. federal, state and local and non-U.S. tax consequences of purchasing, holding and disposing of our Class A common stock, including the consequences of any proposed change in applicable laws.

UNDERWRITERS

We, the selling stockholders and the underwriters named below have entered into an underwriting agreement with respect to the shares being offered. Subject to certain conditions, each underwriter has severally agreed to purchase the number of shares of Class A common stock indicated in the following table. Goldman Sachs & Co. LLC and Morgan Stanley & Co. LLC are the representatives of the underwriters.

Underwriters	Number of Shares
Goldman Sachs & Co. LLC	
Morgan Stanley & Co. LLC	
Citigroup Global Markets Inc.	
Barclays Capital Inc.	
Robert W. Baird & Co. Incorporated	
Total	15,314,903

The underwriters are committed to take and pay for all of the shares being offered, if any are taken, other than the shares covered by the option described below unless and until this option is exercised.

The underwriters have an option to buy up to an additional 1,987,495 shares of Class A common stock from us and up to an additional 309,740 shares of Class A common stock from the selling stockholders to cover sales by the underwriters of a greater number of shares than the total number set forth in the table above. They may exercise that option for 30 days. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above.

The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters by us and the selling stockholders. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase 2,297,235 additional shares.

Per Share	No Exercise	Full Exercise
Per Share	$	$
Total	$	$

Paid by the selling stockholders	No Exercise	Full Exercise
Per Share	$	$
Total	$	$

Shares sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus. Any shares sold by the underwriters to securities dealers may be sold at a discount of up to $ per share from the initial public offering price. After the initial offering of the shares, the representatives may change the offering price and the other selling terms. The offering of the shares by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

We and our officers, directors and holders of substantially all of our common stock, including the selling stockholders, and securities convertible into or exchangeable for our common stock have agreed or will agree with the underwriters, for the 180 days after the date of this prospectus, or the restricted period, except with the prior written consent of Goldman Sachs & Co. LLC, not to:

- offer, sell, contract to sell, pledge, grant any option to purchase, lend, make any short sale or otherwise transfer for value or dispose for value, directly or indirectly, any shares of common stock, or any options or warrants to purchase any shares of common stock, or any securities convertible into, exchangeable for or that represent the right to receive shares of common stock, including without limitation any such shares or derivative instruments whether now owned or

acquired, owned directly by the signatory (including holding as a custodian) or with respect to which the individual or entity has beneficial ownership within the rules and regulations of the SEC; or

- engage in any hedging or other transaction or arrangement (including, without limitation, any short sale or the purchase or sale of, or entry into, any put or call option, or combination thereof, forward, swap or any other derivative transaction or instrument, however described or defined) which is designed to or which reasonably could be expected to lead to or result in a sale, loan, pledge or other disposition (whether by the signatory, or someone other than such signatory), or transfer of any of the economic consequences of ownership, in whole or in part, directly or indirectly, of shares of common stock or derivative instruments, whether any such transaction or arrangement (or instrument provided for thereunder) would be settled by deliver of common stock or other securities, in cash or otherwise.

The restrictions described in the immediately preceding paragraph do not apply to certain transfers, dispositions or transactions, including:

(i) as a bona fide gift or gifts, including charitable contributions, or for bona fide estate planning purposes;

(ii) to any member of the signatory's immediate family or to any trust for the direct or indirect benefit of the signatory, or the immediate family of the signatory, or if the signatory is a trust, to a trustor or beneficiary of the trust or to the estate of a beneficiary of such trust;

(iii) by will, testamentary document or the laws of intestate succession to the legal representative, heir, beneficiary or a member of the immediate family of the signatory upon the death of the signatory;

(iv) to a nominee or custodian of a person or entity to whom a disposition or transfer would be permissible under clauses (i) through (iii) above;

(v) if the signatory is not an officer or director of the company, in connection with the transfer of shares of common stock or other securities of the company acquired (A) from the underwriters in this offering or (B) in open market transactions after the date of the consummation of this prospectus;

(vi) if the signatory is a corporation, partnership, limited liability company, trust or other business entity, (A) to another corporation, partnership, limited liability company, trust or other business entity that is an affiliate (as defined in Rule 405 promulgated under the Securities Act) of the signatory, or to any investment fund or other entity controlling, controlled by, managing or managed by or under common control with the signatory or affiliates of the signatory (including, for the avoidance of doubt, where the signatory is a partnership, to its general partner or a successor partnership or fund, or any other funds managed by such partnership) including any transfer or restructuring for Petrus Holding Company, L.P. and Petrus P.C. LLC and any affiliates required to make a Section 16 filing under the Exchange Act for the company or (B) as part of a distribution, transfer or disposition without consideration by the signatory to its stockholders, partners, members or other equity holders;

(vii) (A) to the company for the purposes of exercising (including for the payment of tax withholdings or remittance payments due as a result of such exercise) on a “net exercise” basis options to purchase shares of common stock and (B) in connection with the vesting or settlement of shares of restricted stock or restricted stock units, including any transfer to the company for the payment of tax withholdings or remittance payments due as a result of the vesting or settlement of such shares of restricted stock or restricted stock units, as applicable, and any transfer necessary to generate such amount of cash needed for the payment of taxes, including estimated taxes, due as a result of the vesting or settlement of shares of restricted stock or restricted stock units, as applicable, whether by means of a “net settlement” or otherwise, provided that any such shares of common stock received upon such exercise, vesting or settlement shall be subject to the terms of the lock-up agreement, and provided further that any such options, shares of restricted stock and restricted stock units are held by the signatory as of the date of this prospectus and

were issued pursuant to equity awards granted under a stock incentive plan or agreement or other equity award plan or agreement, which plan is described in this prospectus;

(viii) to the company in connection with the repurchase of shares of common stock issued pursuant to equity awards granted under a stock incentive plan or other equity award plan, which plan is described in this prospectus, or pursuant to the agreements pursuant to which such shares were issued, as described in this prospectus, provided that such repurchase of shares of common stock is in connection with the termination of the signatory's employment or service provider relationship with the company;

(ix) pursuant to a bona fide third-party tender offer, merger, consolidation or other similar transaction that is approved by our board of directors and made to all holders of our capital stock involving a change of control of the company, provided that in the event that such tender offer, merger, consolidation or other similar transaction is not completed, the signatory's shares of common stock shall remain subject to the provisions of the lock-up agreement;

(x) in connection with the conversion or reclassification of the outstanding preferred stock or other classes of capital stock into shares of common stock, or any reclassification or conversion of the common stock, in connection with the closing of this offering, provided that any such shares of common stock including pursuant to the transactions described under the section titled "Corporate Reorganization" in this prospectus of the company received upon such conversion or reclassification shall be subject to the terms of the lock-up agreement;

(xi) by operation of law, such as pursuant to a final qualified domestic order, divorce settlement, divorce decree or separation agreement;

(xii) to the underwriters pursuant to the underwriting agreement;

(xiii) with the prior written consent of Goldman Sachs & Co. LLC on behalf of the underwriters; or

(xiv) the signatory may enter into a written plan meeting the requirements of Rule 10b5-1 under the Exchange Act after the date of the lock-up agreement relating to the transfer, sale or other disposition of securities of the signatory, if then permitted by the company, provided that the securities subject to such plan may not be transferred until after the expiration of the restricted period and no public announcement or filing under the Exchange Act shall be required or shall be voluntarily made by any person regarding the establishment of such plan during the restricted period.

Notwithstanding the foregoing, if after the Early Expiration Threshold Date, the company has filed at least one quarterly report on Form 10-Q or annual report on Form 10-K and the last reported closing price of the common stock on the Exchange is at least 33% greater than the price per share set forth on the cover of this prospectus for the Measurement Period, then 25% of the signatory's shares of common stock (including all outstanding shares and equity awards, rounded down to the nearest whole share) that are subject to the 180-day restricted period set forth in the lock-up agreement will be automatically released from such restrictions immediately prior to the opening of trading on the Exchange on the second trading day following the end of the Measurement Period, subject to certain conditions.

If at the time of such Early Lock-Up Expiration Date we are in a blackout period, the actual date of such Early Lock-Up Expiration shall be delayed until immediately prior to the opening of trading on the Extension Expiration Date, following the Extension Expiration Measurement Date that (i) we are no longer in a blackout period under our insider trading policy and (ii) the closing price on the Extension Expiration Measurement Date is at least greater than the price on the cover of this prospectus.

Prior to the offering, there has been no public market for our Class A common stock. The initial public offering price has been negotiated among us and the representatives. Among the factors to be considered in determining the initial public offering price of our Class A common stock, in addition to prevailing market conditions, will be our historical performance, estimates of the business potential and earnings prospects, an assessment of our management and the consideration of the above factors in relation to market valuation of companies in related businesses.

We expect that our Class A common stock will be approved for listing, subject to notice of issuance on the Exchange under the symbol “CRCT.”

In connection with the offering, the underwriters may purchase and sell shares of Class A common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering, and a short position represents the amount of such sales that have not been covered by subsequent purchases. A “covered short position” is a short position that is not greater than the amount of additional shares for which the underwriters’ option described above may be exercised. The underwriters may cover any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to cover the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase additional shares pursuant to the option described above. “Naked” short sales are any short sales that create a short position greater than the amount of additional shares for which the option described above may be exercised. The underwriters must cover any such naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the Class A common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of Class A common stock made by the underwriters in the open market prior to the completion of this offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the market price of our Class A common stock, and together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the Class A common stock. As a result, the price of the Class A common stock may be higher than the price that otherwise might exist in the open market. The underwriters are not required to engage in these activities and may end any of these activities at any time. These transactions may be effected on the Exchange, in the over-the-counter market or otherwise.

We estimate that our share of the total expenses of this offering, excluding underwriting discounts and commissions, will be approximately $4.5 million. The underwriters have agreed to reimburse us for certain expenses.

We, the selling stockholders and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to the issuer and to persons and entities with relationships with the issuer, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively traded securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the

issuer. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

Selling Restrictions

European Economic Area and United Kingdom

In relation to each member state of the EEA and the United Kingdom, each a Relevant State, no shares of our Class A common stock have been offered or will be offered pursuant to the offering to the public in that Relevant State prior to the publication of a prospectus in relation to the shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation (as defined below), except that offers of the shares may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

(a) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the representatives for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the shares shall require us or any representative to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “offer to the public” in relation to any shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase or subscribe for any shares, and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129.

This EEA and the United Kingdom selling restriction is in addition to any other selling restrictions set out below.

United Kingdom

Each underwriter has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended, or the FSMA), received by it in connection with the issue or sale of the shares in circumstances in which Section 21(1) of the FSMA does not apply to us or the selling stockholders; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares in, from or otherwise involving the United Kingdom.

Canada

The securities may be sold in Canada only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the securities must be made in accordance with an exemption form, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Hong Kong

The shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong), or Companies (Winding Up and Miscellaneous Provisions) Ordinance, or which do not constitute an invitation to the public within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), or Securities and Futures Ordinance, (ii) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made thereunder or (iii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance, and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" in Hong Kong as defined in the Securities and Futures Ordinance and any rules made thereunder.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined under Section 4A of the Securities and Futures Act, Chapter 289 of Singapore, or the SFA) under Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to conditions set forth in the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor, the securities (as defined in Section 239(1) of the SFA) of that corporation shall not be transferable for six months after that corporation has acquired the shares under Section 275 of the SFA except: (i) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (ii) where such transfer arises from an offer in that corporation's securities pursuant to Section 275(1A) of the SFA, (iii) where no consideration is or will be given for the transfer, (iv) where the transfer is by operation of law, (v) as specified in Section 276(7) of the SFA or (vi) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore, or Regulation 32.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is a trust (where the trustee is not an accredited investor (as defined in Section 4A of the SFA)) whose sole purpose is to hold investments and each beneficiary of the trust is an accredited investor, the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for six months after that trust has acquired the shares under Section 275 of the SFA except: (i) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (ii) where such transfer arises from an offer that is made on terms that such rights or interest are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction (whether such amount is to be paid for in cash or by exchange of securities or other assets), (iii) where no consideration is or will be given for the transfer, (vi) where the transfer is by operation of law, (v) as specified in Section 276(7) of the SFA or (vi) as specified in Regulation 32.

Japan

The securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended), or the FIEA. The securities may not be offered or sold, directly or indirectly, in Japan or to or for the benefit of any resident of Japan (including any person resident in Japan or any corporation or other entity organized under the laws of Japan) or to others for reoffering or resale, directly or indirectly, in Japan or to or for the benefit of any resident of Japan, except pursuant to an exemption from the registration requirements of the FIEA and otherwise in compliance with any relevant laws and regulations of Japan.

LEGAL MATTERS

The validity of the shares of our Class A common stock being offered by this prospectus will be passed upon for us by Wilson Sonsini Goodrich & Rosati, P.C., Palo Alto, California, which has acted as our counsel in connection with this offering. Gibson, Dunn & Crutcher LLP, Dallas, Texas, is counsel for the underwriters in connection with this offering.

EXPERTS

The consolidated financial statements as of December 31, 2019 and 2020 and for each of the three years in the period ended December 31, 2020 included in this prospectus and in the registration statement have been so included in reliance on the report of BDO USA, LLP, an independent registered public accounting firm, appearing elsewhere herein and in the registration statement, given on the authority of said firm as experts in auditing and accounting.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have submitted with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of our Class A common stock offered by this prospectus. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement, some of which is contained in exhibits to the registration statement as permitted by the rules and regulations of the SEC. For further information with respect to us and our Class A common stock, we refer you to the registration statement, including the exhibits filed as a part of the registration statement. Statements contained in this prospectus concerning the contents of any contract or any other document is not necessarily complete. If a contract or document has been filed as an exhibit to the registration statement, please see the copy of the contract document that has been filed. Each statement in this prospectus relating to a contract or document filed as an exhibit is qualified in all respects by the filed exhibit. The SEC maintains an internet website that contains reports, proxy statements and other information about issuers, like us, that file electronically with the SEC. The address of that website is www.sec.gov.

As a result of this offering, we will become subject to the information and reporting requirements of the Exchange Act and, in accordance with this law, will file periodic reports, proxy statements and other information with the SEC. These periodic reports, proxy statements and other information will be available for inspection and copying at the website for the SEC referred to above. We also maintain a website at www.cricut.com. Upon completion of this offering, you may access these materials free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. Information contained on our website is not a part of this prospectus, and the inclusion of our website address in this prospectus is an inactive textual reference only.

Cricut, Inc.
Index to Consolidated Financial Statements

Report of Independent Registered Public Accounting Firm

Stockholder and Board of Directors
Cricut, Inc.
South Jordan, Utah

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Cricut, Inc. (the "Company") as of December 31, 2019 and 2020, the related consolidated statements of operations and comprehensive income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2020, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2019 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020**,** in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ BDO USA, LLP

We have served as the Company's auditor since 2012.
Salt Lake City, Utah
March 4, 2021, except for the "Forward Stock Split" paragraph of Note 16, as to which the date is March 16, 2021

Cricut, Inc.
Consolidated Balance Sheets
(in thousands, except share and per share amounts)

	As of December 31,	
	2019	2020
Assets		
Current assets:		
Cash and cash equivalents	$ 6,653	$ 122,215
Accounts receivable, net	65,435	162,931
Inventories	213,190	248,745
Prepaid expenses and other current assets	1,909	4,916
Total current assets	287,187	538,807
Property and equipment, net	25,311	33,441
Intangible assets, net	3,040	2,280
Deferred tax assets	1,418	3,119
Other assets	689	3,753
Total assets	$ 317,645	$ 581,400
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 95,829	$ 251,658
Accrued expenses and other current liabilities	29,068	71,324
Deferred revenue, current portion	13,114	23,518
Revolving loan	32,593	—
Term loan, current portion	4,979	—
Total current liabilities	175,583	346,500
Term loan, net of current portion	17,843	—
Deferred revenue, net of current portion	1,452	2,758
Other non-current liabilities	863	3,217
Deferred tax liabilities	762	—
Total liabilities	196,503	352,475
Commitments and contingencies (Note 11)		
Stockholders' equity:		
Common Stock, par value $0.001 per share, 257,058,262 shares authorized, 208,116,104 shares issued and outstanding	208	208
Additional paid-in capital	459,573	412,741
Accumulated deficit	(338,611)	(184,033)
Accumulated other comprehensive income (loss)	(28)	9
Total stockholders' equity	121,142	228,925
Total liabilities and stockholders' equity	$ 317,645	$ 581,400

See accompanying notes to these consolidated financial statements.

Cricut, Inc.
Consolidated Statements of Operations and Comprehensive Income
(in thousands, except share and per share amounts)

	Year Ended December 31,		
	2018	2019	2020
Revenue:			
Connected machines	$ 147,081	$ 198,144	$ 416,714
Subscriptions	31,300	53,829	111,337
Accessories and materials	161,407	234,581	430,979
Total revenue	339,788	486,554	959,030
Cost of revenue:			
Connected machines	127,546	176,894	351,898
Subscriptions	5,027	8,827	13,125
Accessories and materials	96,119	158,483	261,633
Total cost of revenue	228,692	344,204	626,656
Gross profit	111,096	142,350	332,374
Operating expenses:			
Research and development	24,056	26,674	38,930
Sales and marketing	30,698	40,110	63,329
General and administrative	18,363	22,005	29,602
Total operating expenses	73,117	88,789	131,861
Income from operations	37,979	53,561	200,513
Other income (expense):			
Interest expense, net	(1,934)	(3,291)	(1,155)
Other income (expense), net	108	(2)	(165)
Total other income (expense), net	(1,826)	(3,293)	(1,320)
Income before provision for income taxes	36,153	50,268	199,193
Provision for income taxes	8,721	11,057	44,615
Net income	$ 27,432	$ 39,211	$ 154,578
Other comprehensive income (loss):			
Foreign currency translation adjustment	—	(28)	37
Comprehensive income	$ 27,432	$ 39,183	$ 154,615
Net income attributable to common stockholders	49,337	39,211	154,578
Earnings per share attributable to common stockholders, basic and diluted	$ 0.24	$ 0.19	$ 0.74
Weighted-average common shares outstanding used to compute earnings per share attributable to common stockholders, basic and diluted	208,116,104	208,116,104	208,116,104

See accompanying notes to these consolidated financial statements.

Cricut, Inc.
Consolidated Statements of Stockholders' Equity
(in thousands, except share amounts)

	Common Stock				Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Common stock		Class L					
	Shares	Amount	Shares	Amount				
Balance as of January 1, 2018	208,116,104	$ 208	333,639	$ 3	$ 444,233	$ (405,254)	$ —	$ 39,190
Net income	—	—	—	—	—	27,432	—	27,432
Capital contributions	—	—	—	—	2,675	—	—	2,675
Stock-based compensation	—	—	—	—	10,766	—	—	10,766
Compensatory units repurchased	—	—	—	—	(297)	—	—	(297)
Cancellation of Class L Common Stock	—	—	(333,639)	(3)	3	—	—	—
Balance as of December 31, 2018	208,116,104	$ 208	—	$ —	$ 457,380	$ (377,822)	$ —	$ 79,766
Net income	—	—	—	—	—	39,211	—	39,211
Capital contributions	—	—	—	—	1,296	—	—	1,296
Stock-based compensation	—	—	—	—	1,625	—	—	1,625
Compensatory units repurchased	—	—	—	—	(728)	—	—	(728)
Other comprehensive loss	—	—	—	—	—	—	(28)	(28)
Balance as of December 31, 2019	208,116,104	$ 208	—	$ —	$ 459,573	$ (338,611)	$ (28)	$ 121,142
Net income	—	—	—	—	—	154,578	—	154,578
Capital contributions	—	—	—	—	2,452	—	—	2,452
Stock-based compensation	—	—	—	—	4,956	—	—	4,956
Compensatory units repurchased	—	—	—	—	(3,038)	—	—	(3,038)
Cash dividend	—	—	—	—	(51,202)	—	—	(51,202)
Other comprehensive income	—	—	—	—	—	—	37	37
Balance as of December 31, 2020	208,116,104	$ 208	—	$ —	$ 412,741	$ (184,033)	$ 9	$ 228,925

See accompanying notes to these consolidated financial statements.

Cricut, Inc.
Consolidated Statements of Cash Flows
(in thousands)

	Year Ended December 31,		
	2018	2019	2020
Cash flows from operating activities:			
Net income	$ 27,432	$ 39,211	$ 154,578
Adjustments to reconcile net income to net cash and cash equivalents provided by (used in) operating activities:			
Depreciation and amortization (including amortization of debt issuance costs)	8,055	9,178	14,116
Impairment of trade name	1,453	747	—
Stock-based compensation	10,378	1,845	9,484
Deferred income tax	2,708	(1,257)	(2,463)
Loss on disposal of property and equipment	5	16	—
Provision for inventory obsolescence	1,405	5,193	2,802
Provision for doubtful accounts	6	699	128
Loss on extinguishment of debt	—	—	162
Changes in operating assets and liabilities:			
Accounts receivable	(15,023)	(4,876)	(97,625)
Inventories	(85,148)	(73,233)	(37,979)
Prepaid expenses and other current assets	(3,484)	4,550	(2,991)
Other assets	185	(79)	(450)
Accounts payable	30,059	10,340	157,023
Accrued expenses and other current liabilities and other non-current liabilities	9,849	7,454	39,732
Deferred revenue	3,816	4,073	11,710
Net cash and cash equivalents (used in) provided by operating activities	(8,304)	3,861	248,227
Cash flows from investing activities:			
Acquisitions of property and equipment, including costs capitalized for development of internal use software	(8,114)	(14,095)	(21,842)
Net cash and cash equivalents used in investing activities	(8,114)	(14,095)	(21,842)
Cash flows from financing activities:			
Proceeds from capital contributions	2,675	1,296	1,088
Repurchase of compensatory units	(297)	(728)	(3,038)
Payments on term loan	(4,000)	(4,417)	(22,917)
Drawdowns on revolving loan	356,826	502,730	228,269
Payments on revolving loan	(337,582)	(487,755)	(260,862)
Payments on capital leases	(180)	(127)	(81)
Payments for debt issuance costs	—	(103)	(854)
Payments for deferred offering costs	—	—	(1,318)
Cash dividend	—	—	(51,202)
Net cash provided by (used in) financing activities	17,442	10,896	(110,915)
Effect of exchange rate on changes on cash and cash equivalents	—	(25)	92
Net increase in cash and cash equivalents	1,024	637	115,562
Cash and cash equivalents at beginning of year	4,992	6,016	6,653
Cash and cash equivalents at end of year	$ 6,016	$ 6,653	$ 122,215
Supplemental disclosures of cash flow information:			
Cash paid during the year for interest	$ 1,945	$ 3,301	$ 1,306
Cash paid during the year for income taxes	$ 5,800	$ 6,652	$ 42,315
Supplemental disclosures of non-cash investing and financing activities:			
Property and equipment included in accounts payable and accrued expenses and other current liabilities	$ 776	$ 4,245	$ 2,585
Refinance of credit facility	$ —	$ 11,667	$ —
Stock-based compensation capitalized for software development costs	$ 413	$ 85	$ 253
Deferred offering costs in accounts payable and accrued expenses and other current liabilities	$ —	$ —	$ 623
Leasehold improvements acquired through tenant allowances	$ —	$ —	$ 936
Cricut Holdings' units issued in settlement of bonus	$ —	$ —	$ 1,364

See accompanying notes to these consolidated financial statements.

1. Description of Business and Basis of Presentation

Nature of Business

Cricut, Inc. ("Cricut" or the "Company") is a designer and marketer of a creativity platform that enables users to turn ideas into professional-looking handmade goods. Using the Company's versatile connected machines, design apps and accessories and materials, users create everything from personalized birthday cards, mugs and T-shirts to large-scale interior decorations. The Company's connected machines and related accessories and materials and subscription services are primarily marketed under the Cricut brand in the United States, as well as Europe and other countries of the world. Headquartered in South Jordan, Utah, the Company is an innovator in its industry, focused on bringing innovative technology (automation and consumerization of industrial tools) to the craft, DIY and home décor categories. The Company's consolidated financial statements include the operations of its wholly owned subsidiaries, which are located throughout Europe and in the Asia-Pacific region.

The Company designs, markets and distributes the Cricut family of products, including connected machines, design apps and accessories and materials. In addition, Cricut sells a broad line of images, fonts and projects for purchase à la carte.

On September 2, 2020, Cricut converted from a Utah corporation to a Delaware corporation. In connection with such conversion, each share of Class A common stock, par value $0.01, of the Utah corporation was exchanged for one share of common stock of the Delaware corporation, par value $0.001. All common stock and additional paid-in capital amounts have been adjusted to reflect this change in par value on a retroactive basis for all periods presented.

Cricut is wholly owned by Cricut Holdings, LLC ("Cricut Holdings").

The Company organizes its business into the following three reportable segments: Connected Machines, Subscriptions and Accessories and Materials. See Note 15, Segment Information, for further discussion of the Company's segment reporting structure.

Basis of Presentation

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States ("GAAP"). Certain prior year reported amounts have been reclassified to conform with the current period presentation.

Principles of Consolidation

The consolidated financial statements include the accounts of Cricut, Inc. and its wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. For revenue recognition, examples of estimates and judgments include: determining the nature and timing of satisfaction of performance obligations, determining the standalone selling price ("SSP") of performance obligations, estimating variable consideration such as sales incentives and product returns. Other estimates include the warranty reserve, allowance for doubtful accounts, inventory reserve, intangible assets and other long-lived assets valuation,

legal contingencies, stock-based compensation, income taxes, deferred tax assets valuation and internally developed software, among others. These estimates and assumptions are based on the Company's best estimates and judgment. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including any effects of the ongoing pandemic and the economic environment, which management believes to be reasonable under the circumstances. Management adjusts such estimates and assumptions when facts and circumstances dictate. Actual results could differ from these estimates.

Comprehensive Income

Comprehensive income consists of two components: net income and other comprehensive income (loss). Other comprehensive income (loss) refers to net gains and losses that are recorded as an element of stockholders' equity but are excluded from net income. The Company's other comprehensive income (loss) consists of foreign currency translation adjustments from those subsidiaries not using the U.S. dollar as their functional currency.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents include money market funds and are stated at fair value. The Company also classifies amounts in transit from payment processors for credit card and debit card transactions as cash equivalents.

Accounts Receivable

Accounts receivable are recorded at original invoice amounts less estimates for doubtful accounts. Management determines the allowance for doubtful accounts by specifically identifying troubled accounts and by using historical write off experience applied to an aging of all other accounts. Accounts receivable are written off when deemed uncollectible. Provisions for uncollectable accounts are recorded based upon historical data and estimates. Recoveries of accounts receivable previously written off are recorded when received. Accounts receivable consist of the following:

	December 31,	
	2019	2020
(in thousands)		
Trade accounts receivable	$ 65,197	$ 161,070
Other receivables	490	2,218
Less: Allowance for doubtful accounts	(252)	(357)
Total accounts receivable, net	$ 65,435	$ 162,931

The movements in the allowance for doubtful accounts were not material for any of the periods presented.

Concentration of Credit Risk

The Company maintains cash and cash equivalents in deposit accounts at financial institutions that, at times, may significantly exceed federally insured limits. Historically, the Company has not experienced any losses related to such accounts. The Company's non-interest bearing cash balances at December 31, 2019 and 2020 were fully insured up to $250,000 per depositor at each financial institution, and the Company's non-interest bearing cash balances may significantly exceed federally insured limits.

Financial instruments, which potentially subject the Company to concentrations of credit risk, consist primarily of trade receivables. In the normal course of business, the Company provides credit terms to its customers. Accordingly, the Company performs ongoing credit evaluations of its customers, generally does not require collateral and considers the credit risk profile of the customer from which the receivable is due in further evaluating collection risk. The Company maintains allowances for possible losses which, when realized, have been within the range of management's expectations. If one or more of the Company's significant customers were to become insolvent or were otherwise unable to pay for product purchased, it would have a material adverse effect on the Company's financial condition and results of consolidated operations. Customers that accounted for 10% or greater of accounts receivable, net as of December 31, 2019 and 2020 were as follows:

	December 31,	
	2019	2020
Customer A	27%	21%
Customer B	19%	16%
Customer C	17%	22%
Customer D	14%	10%

Customers with revenue equal to or greater than 10% of total revenue for the periods indicated were as follows:

	Year Ended December 31,		
	2018	2019	2020
Customer A	11%	12%	*
Customer B	14%	11%	11%
Customer C	*	*	14%
Customer D	22%	21%	14%

* Revenue was less than 10%.

The revenue from these customers is associated with the Connected Machines and Accessories and Materials segments.

Supplier Concentration

The Company relies on third parties for the supply and manufacture of its products, as well as third-party logistics providers. In instances where these parties fail to perform their obligations, the Company may be unable to find alternative suppliers or satisfactorily deliver its products to its customers on time, if at all.

We rely on single source, or a small number of suppliers. For the fiscal year ended December 31, 2018, the Company's top three vendors accounted for approximately 82% of total finished goods purchases. For the fiscal year ended December 31, 2019, the Company's top two vendors accounted for approximately 84% of total finished goods purchases. For the year ended December 31, 2020, the Company's top two vendors accounted for approximately 73% of total finished goods purchases.

Inventories

Inventories, which primarily consist of finished goods, are valued at the lower of average cost or net realizable value. Net realizable value is defined as estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. Assessments to value the inventory at the lower of the average cost to purchase the inventory, or the net realizable value of the inventory, are based upon assumptions about future demand, physical deterioration, changes in price

levels and market conditions. As a result of the Company's assessments, when the net realizable value of inventory is less than the carrying value, the inventory cost is written down to the net realizable value and the write down is recorded as a charge to cost of revenue. Inventories include indirect acquisition and production costs that are incurred to bring the inventories to their present condition and location. Inventories are recorded net of reserves for obsolescence. Once established, the original cost of the inventory less the related inventory reserve represents the new cost basis of such products.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation and amortization. Major additions and improvements are capitalized, while minor repairs and maintenance costs are expensed when incurred. Manufacturing tools include tools and molds used in the production process. Expenditures for tools and molds are capitalized and depreciated over the estimated useful lives of the assets. The Company capitalizes eligible costs to develop or acquire internal-use software and those capitalized costs are depreciated on a straight-line basis over the estimated useful lives of the assets. When assets are sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in the consolidated statements of operations. Depreciation and amortization are calculated using the straight-line method over the estimated useful lives of the related assets.

The Company uses the following estimated useful lives:

Computer software, internal-use software and equipment	3-5 years
Furniture and fixtures	5-7 years
Manufacturing tools and equipment	3-5 years
Vehicles	5 years
Leasehold improvements	Shorter of lease term or remaining life of the asset

Legal Contingencies

Liabilities for legal contingencies arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment can be reasonably estimated. If a loss is reasonably possible and the loss or range of loss can be reasonably estimated, the Company discloses the possible loss or states that such an estimate cannot be made. See Note 11.

Debt Issuance Costs

Third-party costs incurred to obtain debt financing are capitalized and amortized using the effective interest method over the life of the debt instruments.

Costs incurred by the lender and paid by the Company for term debt are recorded as a reduction of the debt proceeds (debt discount) and are amortized to interest expense (see Note 7). Costs incurred by the lender and paid by the Company for the revolver debt are recorded as other assets and amortized over the term of the revolver.

Deferred Offering Costs

The Company recorded deferred offering costs of $1.9 million as other assets on the consolidated balance sheet as of December 31, 2020 and consist of costs incurred in connection with the Company's planned IPO, including legal, accounting, printing and other IPO-related costs. Upon completion of the IPO, these deferred offering costs will be reclassified to stockholders' equity and recorded against the proceeds from the offering. If the Company terminates its planned IPO or if there is a significant delay, all deferred

offering costs will be immediately charged to operating expenses in the consolidated statements of operations. As of December 31, 2018 and 2019, the Company had no deferred offering costs.

Impairment of Long-lived Assets

The Company assesses potential impairments to its long-lived assets, including intangible assets subject to amortization, on an annual basis or when there is evidence that events or changes in circumstances indicate that the carrying amount of an asset may not be recovered. The Company regularly evaluates whether events or circumstances have occurred that indicate possible impairment and relies on a number of factors, including results of operations, business plans, economic projections and anticipated future cash flows. An impairment loss is recognized when the carrying amount of the long-lived asset is not recoverable and exceeds its fair value. The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. Any required impairment loss is measured as the amount by which the carrying amount of a long-lived asset exceeds its fair value and is recorded as a reduction in the carrying value of the related asset and a charge to the consolidated statement of operations. During the years ended December 31, 2018 and 2019, the Company recorded $1.5 million and $0.7 million in impairment relating to its amortized intangible assets, respectively (see Note 5). During the year ended December 31, 2020, the Company recorded no impairments relating to amortized intangible assets. During the years ended December 31, 2018, 2019 and 2020, the Company recorded no impairments for certain long-lived property and equipment (see Note 4).

Fair Value of Financial Instruments

The Company's financial instruments include cash, accounts receivable, accounts payable and loans. At December 31, 2019 and 2020, the carrying amounts of cash, accounts receivable, accounts payable and loans approximate fair values because of the short-term nature of these instruments or based on the contractual terms of the long-term debt instruments and market-based expectations.

Fair Value Measurement

The Company measures at fair value certain of its financial and non-financial assets and liabilities by using a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, essentially an exit price, based on the highest and best use of the asset or liability. Fair value is affected by a number of factors, including the type of asset or liability, the characteristics specific to the asset or liability and the state of the marketplace including the existence and transparency of transactions between market participants. The Company estimates fair value for the assets and liabilities measured and reported at fair value on a recurring or non-recurring basis by applying the following hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement.

- Level I – Quoted prices are available in active markets for identical assets and liabilities as of the reporting date.
- Level II – Significant other observable inputs (e.g., quoted prices for similar items in active markets, quoted prices for identical or similar items in markets that are not active, inputs other than quoted prices that are observable, such as interest rate and yield curves and market-corroborated inputs). Pricing inputs are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.
- Level III – Pricing inputs are unobservable for the assets and liabilities and includes situations where there is little, if any, market activity for the assets and liabilities. The inputs into the determination of fair value require significant management judgment or estimation.

The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

The Company's non-financial assets and liabilities, which include intangible assets and property and equipment, are not required to be carried at fair value on a recurring basis. However, if certain triggering events occur such that a non-financial instrument is required to be evaluated for impairment, based upon a comparison of the non-financial instrument's fair value to its carrying value, an impairment is recorded to reduce the carrying value to the fair value, if the carrying value exceeds the fair value. The inputs for fair value calculations of intangible assets and property and equipment, would be based on Level 3 inputs as data used for such fair value calculations would be based on discounted cash flows that are not observable from the market, directly or indirectly. The key variables that drive the discounted cash flow analysis are estimated revenue growth rates, levels of profitability, the terminal value growth rate assumptions and the weighted average cost of capital rate applied, among others.

No long-lived assets were measured at fair value on a recurring basis, and financial instruments measured at fair value on a recurring basis were not material at each of December 31, 2019 and 2020.

Money market funds are highly liquid investments and are actively traded. The pricing information for the Company's money market funds are readily available and can be independently validated as of the measurement date. This approach results in the classification of these securities as Level 1 of the fair value hierarchy. There were no transfers between Levels 1, 2 or 3 for any of the periods presented. As of December 31, 2019, the Company did not hold money market funds. As of December 31, 2020, the Company held $106.0 million in money market funds with no unrealized gains or losses.

Earnings Per Share

For 2018, the Company computed net income per share using the two-class method required for participating securities as its outstanding stock was comprised of both Class A common stock and Class L common stock prior to the cancellation of Class L common stock during the year ended December 31, 2018. The two-class method requires income available to common stockholders for the period to be allocated between common stock and participating securities based upon their respective rights to receive dividends as if all income for the period had been distributed. In calculating earnings per share, the Company's Class L common stock was considered preferred stock due to its cumulative dividend, liquidation preference and no voting rights. Shares of Class L common stock were participating securities as Class L common stockholders would have participated ratably in dividends paid to Class A common stockholders.

Basic earnings per share is computed using the weighted-average number of outstanding shares of common stock during the period. Diluted earnings per share is computed using the weighted-average number of outstanding shares of common stock and, when dilutive, potential shares of common stock outstanding during the period. Undistributed earnings allocated to participating securities, including undeclared current period cumulative dividends are subtracted from net income in determining net income attributable to common stockholders. During the fiscal year ended December 31, 2018, the Class L common stock was extinguished and the difference between the carrying value of Class L common stock at the time of cancellation and the consideration received by Class L common stockholders was treated as a deemed contribution and has been added to net income to arrive at net income attributable to Class A common stockholders.

Revenue Recognition

The Company derives the majority of its revenue from the sale of connected machines, digital content subscriptions and accessories and materials. The Company markets and sells its products to customers, which include brick-and-mortar and online retail partners as well as users that purchase from the Company's website at cricut.com.

The Company determines revenue recognition through the following steps:

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

Revenue is recognized when control of the promised goods or services is transferred to the Company's customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. Revenue is recorded at the net sales price, which includes estimates of variable consideration such as product returns, volume rebates and other incentive adjustments or discounts. The estimates of variable consideration are based on historical return experience, historical and projected sales data and current contract terms.

Taxes collected from customers relating to product sales and remitted to governmental authorities are excluded from revenue. The Company accounts for shipping and handling activities performed after a customer obtains control of the goods as activities to fulfill the promise to transfer the good. The Company does not incur significant costs to obtain contracts with customers.

The following describes the nature of the Company's primary types of revenue and the revenue recognition policies and significant payment terms as they pertain to the types of transactions with its customers.

Connected Machines

Connected machines include Cricut Joy, Cricut Explore and Cricut Maker. Payment for sale of products online through the online channel at cricut.com is collected at point of sale in advance of shipping the products. Payment by traditional brick-and-mortar retail partners, including their online channels, is due under customary fixed payment terms. The Company's contracts with customers for a connected machine contain multiple promises that include hardware, software, unspecified future upgrades and enhancements related to the software and access to the Company's cloud-based services. Determining whether products and services are considered distinct performance obligations that should be accounted for separately requires significant judgment. The Company's software used to design, cut and complete projects can be accessed offline or with the cloud-based services at no charge. When accessed with the cloud-based services, users are also able to sync projects across various devices. The connected machines are not able to function without the software, inclusive of firmware and the downloadable software. Together the hardware and software are inputs into providing the essential functionality of the connected machines and are accounted for as a single performance obligation. Revenue is recognized for the single performance obligation of hardware with essential software at a point-in-time when control is transferred, which is either upon shipment or delivery of goods, in accordance with the terms of each contract with the customer.

The promise to provide the customer with unspecified future upgrades and enhancements related to the essential software and the promise to provide access to the Company's cloud-based services are both distinct performance obligations that provide incremental benefits to the connected machines and are recognized using a time-based output measure over the service period as the customer consumes the benefit of the service each day. The Company estimates the service period since it is not contractually stated. In developing the estimated period of providing future services, the Company considers past history, plans to continue to provide services, expected technological developments, obsolescence, competition and other factors. The estimated service period may change in the future in response to competition, technology developments and the Company's business strategy.

Judgment is required to determine the SSP for each distinct performance obligation. The Company allocates revenue to each performance obligation based on their relative SSP. The Company estimates

SSP for items that are not sold separately, which include the connected machines and related software, unspecified software upgrades and cloud-based services using information that may include the range of prices for the bundle of products and services and the cost of providing the products or services plus a reasonable margin. In developing SSP estimates, the Company also considers the nature of the products and services and the expected level of future services. SSP of the hardware and essential software reflects the Company's best estimate of the selling price if it was sold regularly on a standalone basis and comprises the majority of the contract value.

Subscriptions

The Company's paid subscription services relate to Cricut Access and Cricut Access Premium which provide users access to images, fonts and projects, which is in addition to the free service of unspecified future upgrades and enhancements related to the essential software and access to the Company's cloud-based services noted above. The paid subscription services are offered on a month-to-month or annual basis. Payments for subscription services are due month-to-month or annually in advance. Cricut Access and Cricut Access Premium are generally sold in standalone contracts and reallocations are not required. Revenue related to subscriptions is recognized ratably over the length of the subscription using a time-based output measure as the customer consumes the benefit of the service each day.

Accessories and Materials

The Company also sells accessories and materials (both physical and digital) which generally consist of a single performance obligation and reallocations are not required. Revenue from accessories and materials is recognized at a point-in-time when control is transferred, either upon shipment or delivery of goods, in accordance with the terms of each contract with the customer, or in the case of digital goods, at a point-in-time when the goods are made available to the customer. Payment for sale of accessories and materials through the online channel at cricut.com is collected at point of sale in advance of shipping the products. Payment by traditional brick-and-mortar retail partners, including their online channels, is due under customary fixed payment terms.

Cost of Revenue

Connected Machines

Cost of revenue related to Connected Machines consists of product costs, including costs of contract manufacturers for production, inspecting and packaging, shipping, receiving, handling, warehousing and fulfillment, duties and other applicable importing costs, warranty replacement, excess and obsolete inventory write-downs, tooling and equipment depreciation and royalties.

Subscriptions

Cost of revenue related to Subscriptions consists primarily of hosting fees, digital content costs, amortization of capitalized software development costs and software maintenance costs.

Accessories and Materials

Costs of revenue related to Accessories and Materials consists of product costs, including costs of components, costs of contract manufacturers for production, inspecting and packaging, shipping, receiving, handling, warehousing and fulfillment, duties and other applicable importing costs, warranty replacement, excess and obsolete inventory write-downs, tooling and equipment depreciation and royalties.

Customer Rebates

The Company participates in promotional and rebate programs with our key brick-and-mortar and online retail partners to enhance the sale of its products. These promotional programs consist of incentives to the Company's customers, such as advertising allowances, volume and growth incentives, business

development, product damage allowances and point-of-sale support. Sales incentives are considered to be variable consideration, which the Company estimates using the expected value method or most likely amount, based upon the nature of the incentive. Sales are reduced by the cost of these promotional and rebate programs and the Company records a related customer rebate liability in its consolidated balance sheets at the date of the transaction.

In limited cases where the customer rebate is specifically for co-operative marketing or advertising campaigns, the Company classifies these expenditures as selling and marketing expenses only if they meet the criteria of being a distinct good or service, are distinct within the context of the contract and the fair value is readily estimable.

Sales Refund Liability

The Company provides its customers a limited right of return with the sale of its products. The Company estimates sales returns and records reserves at the time the related sales are recorded based on historical data and current economic trends. Actual sales returns could differ from these estimates. The Company regularly assesses and adjusts the estimate of accrued sales returns by updating the return rates for actual trends and projected costs. The Company classifies the estimated sales returns as a current liability as they are expected to be paid out in less than one year using the expected-value method. The estimated sales returns are recorded as a reduction of revenue at the time of sale and recorded as a liability on the consolidated balance sheets. At the same time this is recorded, a right of recovery asset is also recorded within inventory. The movements in the sales refund liability were not material for any of the periods presented.

Warranty Reserves

The Company provides an assurance-type limited warranty on most of the products sold. The estimated warranty costs, which are expensed at the time of sale and included in cost of revenue, are based on the results of product testing, industry and historical trends and warranty claim rates incurred and are adjusted for any current or expected trends as appropriate. Actual warranty claim costs could differ from these estimates. The Company regularly assesses and adjusts the estimate of accrued warranty claims by updating claims rates for actual trends and projected claim costs.

Changes in the reserve for product warranties were as follows:

	December 31,	
	2019	2020
(in thousands)		
Warranty reserve, beginning of period	$ 510	$ 633
Additions charged to cost of revenue	1,014	2,683
Repairs and replacements	(891)	(2,032)
Warranty reserve, end of period	$ 633	$ 1,284

Income Taxes

The Company uses the asset and liability method of accounting for income taxes. The Company recognizes deferred tax liabilities and assets for the expected future income tax consequences of events that have been recognized in the Company's consolidated financial statements. As such, deferred tax assets and liabilities are determined based on temporary differences between the financial carrying amounts and the tax basis of assets and liabilities using enacted tax rates in effect in the years in which the temporary differences are expected to reverse. On a periodic basis, the Company assesses the probability that its deferred tax assets, if any, will be recovered. If after evaluating all of the positive and negative evidence, a conclusion is made that it is more likely than not that some portion or all of the deferred tax assets will not be recovered, a valuation allowance is provided by a charge to tax expense to reserve the portion of the deferred tax assets which are not expected to be realized.

Under literature related to uncertain tax provisions, the Company reviews its filing positions for all open tax years in all U.S. federal and state jurisdictions where the Company is required to file. The Company recognizes a liability for each uncertain tax position at the amount estimated to be required to settle the issues.

The Company's practice is to recognize interest and/or penalties related to income tax matters in income tax expense. For the years ended December 31, 2018, 2019 and 2020, interest or penalties related to income tax matters included in the provision for income taxes have not been material.

Sales Taxes

South Dakota v. Wayfair is a U.S. Supreme Court case that was decided on June 21, 2018 that nullified the physical presence precedent established by *Quill Corp. v North Dakota* in 1992. The overarching effect of the Wayfair case was that state governments were given the power to impose sales tax on the shipment of goods to customers located within their state boundary even if the seller did not have a physical presence within the state. As such, the Company is required by certain governmental authorities to collect sales taxes on certain transactions. The Company currently collects and reports on sales tax in all states in which it does business. However, the application of existing, new or revised taxes on our business, in particular, sales taxes, VAT and similar taxes would likely increase the cost of doing business online and decrease the attractiveness of selling products over the Internet. The application of these taxes on our business could also create significant increases in internal costs necessary to capture data and collect and remit taxes. There have been, and will continue to be, substantial ongoing costs associated with complying with the various indirect tax requirements in the numerous markets in which we conduct or will conduct business. The Company conducts ongoing analysis on state sales tax nexus regulations to determine where collection is necessary. The Company accounts for sales taxes as part of accrued expenses and excludes them from revenue.

Stock-Based and Stock-Equivalent Compensation

Cricut Holdings has granted to certain of the Company's employees common incentive units, which include incentive units with a participation threshold and zero strike price incentive units ("CIUs"). Cricut Holdings has also granted employees of the Company options to purchase zero strike price incentive units. CIUs entitle recipients certain interests in Cricut Holdings upon satisfaction of service, performance or market conditions. The awards are equity classified awards. As of December 31, 2020, all outstanding equity-based awards are in the parent company, Cricut Holdings. As the awards are issued by Cricut Holdings, the Company records a capital contribution from Cricut Holdings commensurate with the amount of compensation expense recorded by the Company. The Company records compensation expense for all stock-based awards granted based on the fair value of the award at the time of the grant. Stock-based compensation costs are recognized as expense over the requisite service period, which is generally the vesting period, on a straight-line basis for awards with only a service condition. The graded vesting method is used for awards that have service and other conditions. Forfeitures are accounted for as they occur.

Cricut Holdings has granted to certain of the Company's employees incentive unit equivalents (phantom units) which entitle the recipient to receive future compensation based upon satisfaction of service conditions. The amount of compensation is determined by the change in the underlying value of Cricut Holdings common units. The awards are liability classified awards. Since the awards also have a market condition, the Company records stock-based compensation expense over the requisite service period using the graded vesting method. The stock-based equivalent awards are recorded at fair value and are required to be re-measured at fair value at each reporting period during the period from the date of grant through the settlement date. Fair value re-measurement increases and decreases will be recognized as compensation cost over the requisite service period.

The Company estimates the fair value of awards with time-based or performance-based vesting provisions using the Black-Scholes method. The fair value of awards subject to market conditions is estimated using a Geometric Brownian Motion Stock Path Monte Carlo Simulation ("Monte Carlo Simulation"). The determination of the grant date fair value of the awards issued is affected by a number of

variables, including the fair value of Cricut Holdings' units, the expected unit price volatility over the expected life of the awards, the expected term of the award, risk-free interest rates, the expected dividend yield of Cricut Holdings' units and the likelihood of termination. The Company derives its volatility from the average historical stock volatilities of peer public companies over a period equivalent to the expected term of the awards. The Company estimates the expected term based on the expected time to a liquidation event or other transaction that would result in settlement of the award. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant. Expected dividend yield is 0.0% as Cricut Holdings has not paid and does not anticipate paying dividends on its common units other than a one-time dividend paid in 2020. Likelihood of termination for the Monte Carlo Simulation is estimated based upon both historical turnover and anticipated turnover based upon Company or market pressures.

Common Unit Valuations

Fair value of the underlying common units of Cricut Holdings has historically been determined by Cricut Holdings' Board of Managers ("Board of Managers") on the date of grant for all awards granted. In the absence of a public trading market, the Board of Managers, with input from management, exercises significant judgment and consider numerous objective and subjective factors to determine the fair value of Cricut Holdings' common units as of the date of each award grant, including:

- relevant precedent transactions involving Cricut Holdings' capital units;
- Cricut Holdings' actual consolidated operating and financial performance;
- current business conditions and projections;
- Cricut Holdings' stage of development;
- the likelihood and timing of achieving a liquidity event, such as an initial public offering, given prevailing market conditions;
- any adjustment necessary to recognize a lack of marketability of the common units;
- the market performance of comparable publicly traded companies; and
- U.S. and global capital market conditions.

In addition, Cricut Holdings' Board of Managers considers the independent valuations completed by a third-party valuation consultant. The valuations of Cricut Holdings' common units are determined in accordance with the guidelines outlined in the American Institute of Certified Public Accountants Practice Aid, Valuation of Privately-Held-Company Equity Securities Issued as Compensation.

Shipping and Handling Revenue and Expenses

Shipping and handling revenue for orders placed by customers is recognized at the time of the sale. Shipping and handling expenses incurred by the Company related to these sales are considered fulfilment costs and reported as costs of revenue at the time of the sale.

Advertising Costs

The Company incurs advertising costs associated with print, digital and other related broadcast advertisements. Advertising costs are expensed as incurred. Advertising expense for the years ended December 31, 2018, 2019 and 2020 was $2.7 million, $4.2 million and $15.5 million, respectively. Advertising costs include expenditures for shared advertising costs that the Company incurs under its co-operative advertising programs to the extent the fair value of the distinct good or service can reasonably be estimated.

Research and Development ("R&D")

R&D expense consists of costs associated primarily with engineering, product development, quality assurance, service fees incurred by contracting with vendors and allocated overhead costs. R&D costs are expensed as incurred.

Recently Issued Accounting Standards

Recent accounting standards not yet adopted

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

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02, "Leases" (Topic 842). The core principle of Topic 842 is that a lessee should recognize the assets and liabilities that arise from leases, including operating leases. Under the new requirements, a lessee will recognize in the statement of financial position a liability to make lease payments (the lease liability) and the right-of-use asset representing the right to the underlying asset for the lease term. For leases with a term of 12 months or less, the lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. The recognition, measurement and presentation of expenses and cash flows arising from a lease by a lessee have not significantly changed from previous GAAP. The standard is effective for fiscal years beginning after December 15, 2021, and to interim periods within fiscal years beginning after December 15, 2022. The Company is currently evaluating the standard and the impact on its consolidated financial statements and footnote disclosures.

In June 2016, the FASB issued ASU No. 2016-13, "Financial Instruments – Credit Losses" (Topic 326). ASU 2016-13 modifies the measurement of expected credit losses of certain financial instruments, requiring entities to estimate an expected lifetime credit loss on financial assets. This update is effective for fiscal years and interim periods within those years beginning after December 15, 2022, with early adoption permitted. The Company is currently evaluating the impact this update will have on the Company's consolidated financial statements and footnote disclosures.

In December 2019, the FASB issued ASU No. 2019-12, "Income Taxes" (Topic 740). ASU 2019-12 removes certain exceptions for investments, intraperiod allocations and interim calculations and adds guidance to reduce complexity in accounting for income taxes. ASU 2019-12 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2021, with early adoption is permitted. The Company is currently evaluating the impact this update will have on the Company's consolidated financial statements and footnote disclosures.

In March 2020, the FASB issued ASU No. 2020-04, "Reference Rate Reform" (Topic 848). This guidance provides temporary optional expedients and exceptions to accounting guidance on contract modifications and hedge accounting to ease entities' financial reporting burdens as the market transitions from the London Interbank Offered Rate ("LIBOR") and other interbank offered rates to alternative reference rates. The guidance was effective upon issuance and generally can be applied through December 31, 2022. The Company is currently evaluating the potential impact of adopting this new accounting guidance but does not expect the adoption of the standard to have a material impact on its consolidated financial statements.

3. Revenue and Deferred Revenue

Deferred revenue relates to performance obligations for which payments have been received by the customer prior to revenue recognition. Deferred revenue primarily consists of deferred subscription-based services. Deferred revenue also includes amounts allocated to the unspecified upgrades and enhancements and the Company's cloud-based services. The Company had no material contract assets.

The following table summarizes the changes in the deferred revenue balance (in thousands):

	December 31,	
	2019	2020
(in thousands)		
Deferred revenue, beginning of period	$ 10,494	$ 14,566
Recognition of revenue included in beginning of period deferred revenue	(9,424)	(13,188)
Revenue deferred, net of revenue recognized on contracts in the respective period	13,496	24,898
Deferred revenue, end of period	$ 14,566	$ 26,276

As of December 31, 2020, the aggregate amount of the transaction price allocated to remaining performance obligations was equal to the deferred revenue balance.

The Company expected the following recognition of deferred revenue as of December 31, 2020:

	Year Ending December 31,			
	2021	2022	2023	Total
(in thousands)				
Revenue expected to be recognized	$ 23,518	$ 1,907	$ 851	$ 26,276

The Company's revenue from contracts with customers disaggregated by major product lines, excluding sales-based taxes, are included in Note 15 under the heading "Segment Information."

Revenue recognized during the year ended December 31, 2020 related to performance obligations satisfied or partially satisfied in prior periods was $1.6 million. Revenue recognized during the years ended December 31, 2018 and 2019 related to performance obligations satisfied or partially satisfied in prior periods were not material.

The following table presents the total revenue by geography based on the ship-to address for the periods indicated:

	Year Ended December 31,		
	2018	2019	2020
(in thousands)			
North America*	$ 330,050	$ 469,110	$ 888,266
International	9,738	17,444	70,764
Total revenue	$ 339,788	$ 486,554	$ 959,030

*Consists of United States and Canada

4. Property and Equipment

The composition of property and equipment is as follows:

(in thousands)	Year Ended December 31, 2019	2020
Computer software, internal-use software and equipment	$ 39,436	$ 50,242
Furniture and fixtures	4,825	5,184
Leasehold improvements	1,932	3,587
Manufacturing tools and equipment	11,486	15,563
Vehicles	22	22
Assets under construction	3,366	7,702
Total cost of property and equipment	61,067	82,300
Less: accumulated depreciation	(35,756)	(48,859)
Property and equipment, net	$ 25,311	$ 33,441

Depreciation expense for the years ended December 31, 2018, 2019 and 2020 was $5.0 million, $8.3 million and $13.2 million, respectively. The cost of assets held under capital leases was $1.8 million at December 31, 2019 and 2020, and the related accumulated depreciation for capital lease assets at December 31, 2019 and 2020 was $1.6 million and $1.7 million, respectively. Property and equipment, along with all other Company assets, including inventory, are pledged as collateral on the revolving credit facility (see Note 7).

5. Intangible Assets, net

The following is a summary of the Company's intangible assets:

(in thousands)	December 31, 2019 Gross Carrying Amount	Accumulated Amortization and Impairment	Net
Trade names and trademarks	$ 42,301	$ (39,261)	$ 3,040
Total intangible assets	$ 42,301	$ (39,261)	$ 3,040

(in thousands)	December 31, 2020 Gross Carrying Amount	Accumulated Amortization and Impairment	Net
Trade names and trademarks	$ 42,301	$ (40,021)	$ 2,280
Total intangible assets	$ 42,301	$ (40,021)	$ 2,280

The Company's trade names and trademarks have useful lives ranging from 11 to 15 years. Amortization is expensed on a straight-line basis for all intangible assets, as this is the Company's best estimate of the period of economic benefit to be received.

The Company performed an evaluation of its intangible assets and determined there was an impairment of $1.5 million and $0.7 million during the years ended December 31, 2018 and 2019, respectively, associated with the Company's former trade name and a product trade name which are no longer in use. These impairment charges were recognized within sales and marketing expense on the Company's consolidated statements of operations. Amortization expense of intangible assets totaled $3.0 million, $0.8 million and $0.8 million for the years ended December 31, 2018, 2019 and 2020, respectively.

As of December 31, 2020, estimated future amortization of intangible assets is as follows:

Year Ending December 31,	Amount (in thousands)
2021	$ 760
2022	760
2023	760
Total	$ 2,280

6. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consist of the following:

	Year Ended December 31,	
	2019	2020
(in thousands)		
Customer rebates	$ 16,512	$ 30,295
Other accrued liabilities and other current liabilities	12,556	41,029
Total accrued expenses	$ 29,068	$ 71,324

7. Term and Revolving Loan

Historical Term and Revolving Loan

During October 2017, the Company entered into a syndicated Credit Agreement with Origin Bank to provide a Revolving Credit Loan and Term Loan. The amount that could be borrowed under the Revolving Credit Loan was $30.0 million and the amount that could be borrowed under the Term Loan was $20.0 million for a total credit facility of $50.0 million. The Company borrowed $20.0 million under the Term Loan in order to repay and cancel loans to a related party, as well as to its previous lender, Sterling National Bank.

The Term Loan with Origin Bank bore interest at an annual rate equal to the lesser of LIBOR plus 3.0%, or the maximum rate of interest permitted from day-to-day by any applicable state or federal law, with required monthly principal amortization payments of $0.3 million, commencing on December 1, 2017, maturing on October 26, 2022.

On September 7, 2018, the Company amended the Revolving Credit Loan and Term Loan with Origin Bank to increase the amount that could be borrowed under the Revolving Credit Loan from $30.0 million to $50.0 million.

On April 17, 2019, the Company further amended the Credit Agreement with Origin Bank to remove the seasonality restriction on the amount that could be borrowed under the Revolving Credit Loan.

On July 12, 2019, the Company further amended the Credit Agreement with Origin Bank (the “Third Amendment”) to increase the amount that could be borrowed under the Revolving Credit Loan to $80.0 million and the Term Loan commitment to $25.0 million and to amend the interest rates on the Revolving Credit Loan and Term Loan to be LIBOR plus 2.0% to 2.4% and LIBOR plus 2.25%, respectively. The Term Loan has required monthly principal amortization payments of $0.4 million and matures on July 12, 2024. During the years ended December 31, 2018 and 2019 and prior to termination in 2020, the effective interest rate approximated the stated interest rate.

Additionally, as part of the Third Amendment, the Company wrote off to interest expense $32,000 in debt issuance costs related to a single lender no longer part of the syndicated loan and third-party fees paid to modify the Term Loan on July 12, 2019. On this date, $0.1 million in new debt issuance costs were also added to the balance. Following the Third Amendment, total debt issuance costs were $0.2 million, of which $0.1 million related to the term loan and $0.1 million related to the Revolving Credit Loan.

The Company's borrowing capacity on the Revolving Credit Loan is limited to the sum of (a) 85% of eligible accounts receivable as defined by the agreement, (b) 60% of eligible inventory as defined by the agreement and (c) a $7.5 million credit for property and equipment which decreases by $1.0 million annually. The Revolving Credit Loan is subject to availability limitations based on outstanding accounts receivable and inventory balances as reported to Origin Bank and is due on July 12, 2022. The Revolving Credit Loan bears interest at an annual rate equal to the lesser of LIBOR plus a range of 2.0% to 2.4%, or the maximum rate of interest permitted from day-to-day by any applicable state or federal law, and is subject to certain fees including an unused commitment fee of 0.25% which is assessed quarterly. There is no minimum LIBOR rate that may be used for interest calculation purposes. As of December 31, 2018 and 2019, the Company had drawn down $29.3 million and $32.6 million, respectively, on the Revolving Credit Loan. As of December 31, 2019, the Company had $47.4 million available for borrowing under the Revolving Credit Loan.

The Credit Agreement includes several financial and non-financial debt covenants. Management has determined that the Company was in compliance with all financial and non-financial debt covenants as of December 31, 2019.

In September 2020, the Term Loan was paid in full, and no borrowings were outstanding on the Revolving Credit Loan. Following repayment of the Term Loan, both agreements were terminated and replaced with the 2020 Credit Agreement.

2020 Credit Agreement

In September 2020, the Company entered into the New Credit Agreement with JPMorgan Chase Bank, N.A., Citibank, N.A. and Origin Bank. The New Credit Agreement replaces the prior amended Credit Agreement with Origin Bank. The New Credit Agreement provides for a three-year asset-based senior secured revolving credit facility of up to $150.0 million, maturing on September 4, 2023. During the term of the New Credit Agreement, the Company may increase the aggregate amount of the New Credit Facility by up to an additional $200.0 million, (for maximum aggregate lender commitments of up to $350.0 million), subject to the satisfaction of certain conditions under the New Credit Agreement, including obtaining the consent of the administrative agent and an increased commitment from existing or new lenders. The New Credit Facility may be used to issue letters of credit, and for other business purposes, including working capital needs.

The amount that can be borrowed under the New Credit Facility is limited to the lesser of (a) the borrowing base minus the aggregate revolving exposure or (b) aggregate lender commitments at any given time. The borrowing base is determined according to certain percentages of eligible accounts receivable and eligible inventory (which may be valued at average cost, market value or net orderly liquidation value), subject to reserves determined by the administrative agent. At any time that the Company's borrowing base is less than the aggregate lender commitments, the Company can only borrow revolving loans up to the amount of the Company's borrowing base and not in the full amount of the aggregate lender commitments. As of December 31, 2020, no amount was outstanding under the New Credit Agreement and available borrowings were $150.0 million.

Generally, borrowings under the New Credit Agreement bear interest at a rate based on LIBOR ("Adjusted LIBO rate") or an alternative base rate ("ABR"), plus, in each case, an applicable margin. The applicable margin will range from (a) with respect to borrowings bearing interest at the ABR, 1.50% to 2.00%, and (b) with respect to borrowings bearing interest at the ABR (i) if the "REVLIBOR30 Screen Rate" (as defined in the New Credit Agreement) is available for such period, 1.50% to 2.00%, or (ii) otherwise, 0.0% to 0.50%, in each case for the previous clauses (a) and (b), based on our "Fixed Charge Coverage Ratio" as defined in the New Credit Agreement.

The New Credit Agreement contains financial covenants during the initial year of the agreement, requiring the Company to maintain a fixed charge coverage ratio of at least 1.0 to 1.0, measured monthly on a trailing 12-month basis. The Company is also subject to this covenant in future periods if the available commitments is less than the greater of $15.0 million and 10% of total commitment made by all lenders. Management has determined that the Company was in compliance with all financial and non-financial debt covenants as of December 31, 2020.

As of December 31, 2018, 2019 and 2020 unamortized debt issuance costs were $0.1 million, $0.2 million and $0.8 million, respectively.

8. Income Taxes

Differences between the Company's effective tax rate and the statutory tax rate relate primarily to state income taxes, non-deductible expenses, tax credits, changes in unrecognized tax benefits and changes in tax estimates recorded during the period. A reconciliation from the U.S. statutory federal income tax rate to the effective income tax rate is as follows for the periods indicated:

	Year Ended December 31,		
(in thousands)	2018	2019	2020
Income tax provision at statutory rate	21.0%	21.0%	21.0%
State taxes, net	3.2	2.4	2.2
Stock-based compensation	6.0	0.7	0.8
Foreign derived intangible income deduction	—	—	(0.7)
Tax credits	(2.5)	(2.8)	(1.1)
Rate impact from tax reform	(2.2)	—	—
Return to provision adjustments	(2.4)	0.3	(0.1)
Other	1.0	0.4	0.3
Total provision for income taxes	24.1%	22.0%	22.4%

Deferred taxes reflect the net tax effects of the temporary differences between the carrying amount of assets and liabilities for financial reporting and the amount used for income tax purposes. Significant components of the Company's net deferred tax assets are comprised of the following:

	December 31,	
	2019	2020
(in thousands)		
Noncurrent deferred tax assets:		
Inventories	$ 2,903	$ 4,092
Deferred rent	207	370
Accounts receivable	59	83
Sales refund liability	219	816
Deferred revenue	—	640
Stock-based compensation	—	394
Amortization	263	182
Net operating loss carryforwards	442	171
Tax credits	1,162	1,064
Other	433	1,449
Total noncurrent deferred tax assets	5,688	9,261
Noncurrent deferred tax liabilities:		
Depreciation and amortization	(5,032)	(6,142)
Total noncurrent deferred tax liabilities	(5,032)	(6,142)
Net noncurrent deferred tax assets	$ 656	$ 3,119

The provision for income tax consists of the following:

	Year Ended December 31,		
	2018	2019	2020
(in thousands)			
Current:			
Federal	$ 5,282	$ 11,070	$ 41,900
State	730	1,244	5,132
Foreign	—	—	(125)
Total current	6,012	12,314	46,907
Deferred:			
Federal	2,129	(1,535)	(2,492)
State	580	278	200
Foreign	—	—	—
Total deferred	2,709	(1,257)	(2,292)
Income tax provision	$ 8,721	$ 11,057	$ 44,615

Foreign net operating loss carryforwards of $0.2 million expire in 2025. The Company reviews its deferred tax assets for realization based upon historical taxable income, prudent and feasible tax planning strategies, the expected timing of the reversals of existing temporary differences and expected future taxable income. The Company has concluded that it is more likely than not that the net operating loss deferred tax asset and other net deferred tax assets will be realized. Accordingly, the Company has not recorded a valuation allowance against net deferred tax assets for the years ended December 31, 2018, 2019 and 2020.

The total balance of unrecognized gross tax benefits for the years ended December 31, 2019 and 2020 resulting primarily from fixed asset and inventory basis differences were as follows:

	Year Ended December 31,	
	2019	2020
(in thousands)		
Unrecognized tax benefits at beginning of year	$ 881	$ 3,989
Reductions based on prior year tax positions	—	(1,481)
Additions based on prior year tax provisions	2,780	132
Additions based on current year tax provisions	328	678
Unrecognized tax benefits at end of year	$ 3,989	$ 3,318

As of December 31, 2019 and 2020, $1.8 million, and $1.4 million, respectively, of unrecognized tax benefits would affect our effective tax rate if recognized.

The Company's practice is to recognize interest and/or penalties related to income tax matters in income tax expense. For the years ended December 31, 2018, 2019 and 2020, interest or penalties related to income tax matters included in the provision for income taxes have not been material.

In January 2021, the IRS completed its examination of the Company's 2017 tax year. No material adjustments resulted from this examination. The Company is subject to U.S. federal and state income tax examination for tax years 2016 and forward.

Impact of Federal Tax Changes

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the "Tax Act"). The Tax Act, which is generally effective for tax years beginning on January 1, 2018, makes broad and complex changes to the U.S. tax code, including, but not limited to, (i) reducing the U.S. federal corporate tax rate from 35 percent to 21 percent, (ii) eliminating the corporate alternative minimum tax ("AMT"), (iii) bonus depreciation that will allow for full expensing of qualified property, (iv) creating a new limitation on deductible interest expense and (v) changing rules related to uses and limitation of net operating loss carryforwards created in tax years beginning after December 31, 2017, including limiting utilization of net operating loss carryforwards to 80% of taxable income.

Pursuant to the relief provided by accounting standards, given the amount and complexity of the changes in the tax law resulting from the Tax Act, the Company had not finalized the accounting for the income tax effects of the Tax Act as of December 31, 2017.

In 2018, the Company completed its accounting for the impacts of the Tax Act and as a result the Company recorded an additional $0.7 million tax benefit to correct the provisional amounts recorded in 2017.

9. Capital Structure

As of December 31, 2019, the Company had 257,058,262 shares of Class A common stock authorized and 208,116,104 shares of Class A common stock outstanding. The holders of shares of Class A common stock have one vote on all matters submitted to the stockholders for each share held. Prior to its cancellation in 2018, the Company also had an additional class of common stock, Class L. Class L common stock included cumulative dividends (if declared and authorized) and a return of invested capital prior to distributions to Class A stockholders. Additionally, Class L stockholders participated equally with Class A stockholders in any remaining distributions and had no voting rights. In 2018, the Company and the Class L stockholders reached an agreement in which the Class L stock was cancelled for no consideration as Cricut Holdings was the sole holder of the Company's Class A shares and Class L shares. At the time of cancelation, there were no deemed or declared distributions authorized or announced.

On September 2, 2020, each share of Class A common stock of the Utah corporation was exchanged for one share of common stock of the Delaware corporation. As of December 31, 2020, the Company had 257,058,262 shares of common stock authorized and 208,116,104 shares of common stock outstanding.

In September 2020, the Company declared and paid a cash dividend of $51.2 million or $0.25 per share.

10. Stock-Based Compensation

On February 2, 2016, the Company's parent, Cricut Holdings, authorized an Incentive Unit Compensation Plan (the "IU Plan") that allows for issuances of CIUs. The IU Plan was authorized to award 104,003,706 and 123,770,127 CIUs at December 31, 2019 and 2020, respectively. The participation threshold of the awards granted under the IU Plan is typically equal to the fair market value of Cricut Holdings' membership units at the date of the grant, except zero strike price incentive unit awards which have no participation threshold. Each grant made prior to June 22, 2018 contained a performance condition for a portion of the award and a service condition for the remaining portion of the award that impacted vesting.

On June 22, 2018, the Board of Managers approved an amendment to the IU Plan amending the vesting conditions for all awards previously issued under the IU Plan. The amendment resulted in changing the performance condition to a service-based condition. The change in vesting conditions under the June 22, 2018 amendment was accounted for as a Type III modification under ASC 718 wherein, for accounting purposes, the portion of the award previously subject to the performance condition was effectively cancelled and a new award was granted subject to service-based conditions. The fair value of the new awards issued as a result of the modification was determined on the modification date. The stock-based compensation cost from these new awards was $10.6 million for the year ended December 31, 2018. Except as noted below, all awards issued after the amendment to the IU Plan only have service-based conditions.

On January 25, 2020, the Board of Managers approved an amendment to the IU Plan amending the vesting conditions for all awards granted under the IU Plan prior to May 6, 2019 which previously vested over a period of five years. The amendment resulted in a change in the vesting schedule of the awards such that the awards vest in equal annual installments of 25% over a period of four years. The change in vesting conditions under the January 25, 2020 amendment was accounted for as a Type I modification under ASC 718. This modification did not result in incremental fair value as the terms effecting the estimated fair value were not modified.

Stock-based Compensation Cost

The following table shows the stock-based compensation cost related to the equity incentive plans by award type for the periods indicated:

	Year Ended December 31,		
(in thousands)	2018	2019	2020
Equity classified awards	$ 10,766	$ 1,625	$ 4,956
Liability classified incentive unit equivalents	25	305	5,161
Total stock-based compensation	$ 10,791	$ 1,930	$ 10,117

The following table sets forth the total stock-based compensation expense included in the Company's consolidated statements of operations and comprehensive income for the periods indicated:

	Year Ended December 31,		
	2018	2019	2020
(in thousands)			
Cost of revenue			
Connected machines	$ 11	$ 2	$ 7
Subscriptions	51	11	31
Accessories and materials	—	—	—
Total cost of revenue	62	13	38
Research and development	5,467	881	3,332
Sales and marketing	2,843	623	4,794
General and administrative	2,006	328	1,320
Total stock-based compensation expense	$ 10,378	$ 1,845	$ 9,484

For the years ended December 31, 2018 and 2019 stock-based compensation capitalized to inventories was not material. During the year ended December 31, 2020, the Company capitalized $0.4 million of stock-based compensation to inventories.

As of December 31, 2020, there was $27.1 million of unrecognized stock-based compensation cost related to equity awards which is expected to be recognized over a weighted-average period of 3.2 years.

As of December 31, 2020, there was $7.9 million of unrecognized stock-based compensation cost related to liability classified incentive unit equivalents which is expected to be recognized over a weighted-average period of 2.1 years.

Equity Classified Units

The Company's parent, Cricut Holdings, has granted CIUs to employees of the Company. During the years ended, December 31, 2018 and 2019, these awards generally vested 12.5% annually for each of the first four years of service and 50% after the fifth year of service. Following the amendment of these awards in January 2020, these awards vest 25% annually over four years of service. The Company has also granted a performance-based incentive unit, which is discussed later. These awards are collectively referred to as equity classified incentive units. All equity classified incentive units have indefinite contract terms and, once vested, will remain outstanding until liquidation of Cricut Holdings or until repurchased by Cricut Holdings.

A summary of the equity classified incentive units activity for the year ended December 31, 2020 is as follows:

	Equity Incentive Units	Weighted-Average Participation Threshold	Aggregate Intrinsic Value
			(in thousands)
Outstanding at December 31, 2019	77,146,311	$ 0.57	$ 109,281
Granted	18,725,624	$ 2.55	
Exercised	(1,543,861)	$ 0.18	
Forfeited / Cancelled	(956,750)	$ 0.77	
Outstanding at December 31, 2020	93,371,324	$ 0.97	$ 600,316
Vested at December 31, 2020	56,259,299	$ 0.38	$ 395,130

The following table summarizes the unvested equity classified incentive units activity for the year ended December 31, 2020:

	Number of Awards	Weighted-Average Grant Date Fair Value Per Unit
Unvested at December 31, 2019	34,366,320	$ 0.20
Granted	18,725,624	$ 1.27
Vested	(15,084,794)	$ 0.20
Forfeited	(891,125)	$ 0.34
Unvested at December 31, 2020	37,116,025	$ 0.74

The weighted-average grant date fair value of equity classified incentive units granted during 2018, 2019 and 2020 was $0.13, $0.28 and $1.27, respectively. The total intrinsic value of equity classified incentive units exercised during 2018, 2019 and 2020 was $0.2 million, $0.3 million and $2.8 million, respectively. The total fair value of equity classified incentive units vested during 2018, 2019 and 2020 was $3.0 million, $0.4 million and $3.1 million, respectively.

The fair value of CIUs was estimated using the Black-Scholes option-pricing model with the following weighted-average assumptions for the periods indicated:

	Year Ended December 31,		
	2018	2019	2020
Fair value of common unit	$ 0.48	$ 0.80	$ 2.77
Expected life (in years)	3.7	3.5	3.2
Expected volatility	38.1%	42.9%	50.0%
Risk-free rate	2.5%	2.3%	0.6%
Expected dividend yield	0.0%	0.0%	0.0%

During the year ended December 31, 2018, the Company issued service and market-based incentive units to an employee under the Plan. The recipient was awarded nine million incentive equity units comprised of three distinct tranches each containing three million units. The first tranche is subject to service conditions only. During the years ended, December 31, 2018 and 2019, the first tranche vested 12.5% annually for each of the first four years of service and 50% after the fifth year of service. Following the amendment of these awards in January 2020, these awards vest 25% annually over four years of service. The second and third tranches are subject to the same service vesting conditions as tranche one; however, they are also subject to a market vesting condition wherein the fair value of the Cricut Holdings common units must exceed a determined price threshold. In the absence of a public trading market, the fair value of a common unit is derived through a valuation technique allowed under ASC 718. The fair value of the common unit must exceed the determined price threshold for two consecutive board meetings. If the Company becomes publicly traded, the fair market value of the common unit (or stock equivalent) must exceed the fair value threshold for 100 out of 120 consecutive trading days. The determined price thresholds are $3.00 and $4.00 for the second and third tranches.

In the event of a change in control, all unvested units would immediately vest subject to the recipient being employed through the date of the event and any applicable price thresholds being met at the time of the change in control. In the event the recipient was terminated for cause, all incentive units, whether unvested or vested are immediately forfeited.

The incentive units represent a net profits interest and only pay out upon the occurrence of a liquidation event such as a change in control transaction. In addition, the units do not participate until the sum of distributions and capital appreciation of the common units from the date of grant of the incentive units equals $2.00 per unit.

On the date of grant, the Company determined the fair value of this award to be $0.3 million based upon a Monte Carlo Simulation. The significant assumptions used in the Monte Carlo Simulation were as follows:

Fair value of common unit	$	0.58
Participation threshold	$	2.00
Risk-free rate		2.96%
Volatility		46.3%
Fair value thresholds	$	3.00 - 4.00
Timing of liquidity event		3-5 years
Likelihood of termination		10.0%

During the year ended December 31, 2020, the Company issued service and market-based incentive units to an employee under the Plan. The recipient was awarded three million incentive equity units comprised of three distinct tranches each containing one million units. The first tranche is subject to service conditions wherein vesting of the award is ratable over four years. The second and third tranches are subject to the same service vesting conditions as tranche one; however, they are also subject to a market vesting condition wherein the fair value of the Cricut Holdings common units must exceed a determined price threshold. In the absence of a public trading market, the fair value of a common unit is derived through a valuation technique allowed under ASC 718. The fair value of the common unit must exceed the determined price threshold for two consecutive board meetings. If the Company becomes publicly traded, the fair market value of the common unit (or stock equivalent) must exceed the fair value threshold for 100 out of 120 consecutive trading days. The determined price thresholds are $6.00 and $7.00 for the second and third tranches, respectively.

In the event of a change in control, all unvested units would immediately vest subject to the recipient being employed through the date of the event and any applicable price thresholds being met at the time of the change in control. In the event the recipient was terminated for cause, all incentive units, whether unvested or vested are immediately forfeited.

The incentive units represent a net profits interest and only pay out upon the occurrence of a liquidation event such as a change in control transaction. In addition, the units do not participate until the sum of distributions and capital appreciation of the common units from the date of grant of the incentive units equals $5.00 per unit.

On the date of grant, the Company determined the fair value of this award to be $2.3 million based upon a Monte Carlo Simulation. The significant assumptions used in the Monte Carlo Simulation were as follows:

Fair value of common unit	$	2.95
Participation threshold	$	5.00
Risk-free rate		0.24%
Volatility		51.12%
Fair value thresholds	$	6.00 - 7.00
Timing of liquidity event		2 - 6 years
Likelihood of termination		10.0%

Equity Classified Options

During the year ended December 31, 2020, the Company's parent, Cricut Holdings, granted employees of the Company options to purchase zero strike price incentive units. These options generally vest on a cliff basis upon completion of the service period specified for each award. A summary of option activity for the year ended December 31, 2020 is as follows:

	Number of Options	Weighted-Average Exercise Price	Aggregate Intrinsic Value
			(in thousands)
Outstanding at December 31, 2019	—	$ —	$ —
Granted	1,172,000	$ 4.52	
Forfeited / Cancelled	(32,000)	$ 4.52	
Outstanding at December 31, 2020	1,140,000	$ 4.52	$ 3,283
Vested at December 31, 2020	4,000	$ 4.52	$ 12

The following table summarizes the unvested option activity for the year ended December 31, 2020:

	Number of Awards	Weighted-Average Grant Date Fair Value Per Unit
Unvested at December 31, 2019	—	$ —
Granted	1,172,000	$ 3.01
Vested	(4,000)	$ 2.98
Forfeited	(32,000)	$ 3.04
Unvested at December 31, 2020	1,136,000	$ 3.01

The grant date fair value of options was estimated using the Black-Scholes option-pricing model with the following weighted-average assumptions for the periods indicated:

	Year Ended December 31, 2020
Fair value of common unit	$ 6.24
Expected life (in years)	3.5
Expected volatility	52.5%
Risk-free rate	0.3%
Expected dividend yield	0.0%

Liability Classified Incentive Unit Equivalents

The Company has issued incentive unit equivalents (phantom units) to various employees under the Plan. The incentive unit equivalents pay out upon the occurrence of a liquidation event such as a change in control transaction. In addition, the units do not participate until the sum of distributions and capital appreciation of the common units from the date of grant of the incentive units equals a specified participation threshold per unit. The incentive unit equivalents do not represent any kind of legal equity interest in the Company or the parent Company and require cash settlement. Accordingly, the incentive unit equivalent awards are accounted for as liability classified awards and require initial and subsequent measurement at fair value.

During the years ended, December 31, 2018 and 2019, these awards generally vested 12.5% annually for each of the first four years of service and 50% after the fifth year of service. Following the amendment of these awards in January 2020, these awards vest 25% annually over four years of service. All liability classified incentive units have indefinite contract terms and, once vested, will remain outstanding until liquidation of Cricut Holdings or until repurchased by Cricut Holdings.

A summary of the liability classified incentive unit equivalents activity for the year ended December 31, 2020 is as follows:

	Liability Incentive Equivalents	Weighted-Average Participation Threshold	Aggregate Intrinsic Value
			(in thousands)
Outstanding at December 31, 2019	858,961	$ 0.68	$ 1,006
Granted	2,002,555	$ 2.75	
Forfeited	(10,000)	$ 0.77	
Outstanding at December 31, 2020	2,851,516	$ 2.13	$ 15,017
Exercisable at December 31, 2020	—	$ —	$ —
Vested and expected to vest at December 31, 2020	2,851,516	$ 2.13	$ 15,017

The following table summarizes the unvested liability classified incentive unit equivalents activity for the year ended December 31, 2020:

	Number of Awards	Weighted-Average Grant Date Fair Value Per Unit
Unvested at December 31, 2019	858,961	$ 1.11
Granted	2,002,555	$ 2.01
Forfeited	(10,000)	$ 1.17
Unvested at December 31, 2020	2,851,516	$ 1.74

The weighted-average fair value of liability classified incentive unit equivalents granted during 2018, 2019 and 2020 was $1.17, $1.01 and $2.01, respectively.

The Company estimates the fair value of liability classified incentive unit equivalents at each reporting date using the Monte Carlo Simulation. The significant assumptions used in the Monte Carlo Simulation for the periods indicated were as follows:

	Year Ended December 31,		
	2018	2019	2020
Fair value of common unit	$ 0.77	$ 1.85	$ 7.40
Expected life (in years)	3 - 5	3 - 5	0.3 - 5
Expected volatility	46.8%	40.2%	51.1%
Risk-free rate	2.5%	1.6%	0.2%
Expected dividend yield	0.0%	0.0%	0.0%
Likelihood of termination	10.0%	10.0%	10.0%

Liability classified incentive unit equivalents are included in accrued expenses per the Company's consolidated balance sheets and the rollforward of this liability is as follows (in thousands):

Balance at December 31, 2017	$ —
Stock-based compensation during year	25
Balance at December 31, 2018	25
Stock-based compensation during year	305
Purchased unit equivalents during year	30
Balance at December 31, 2019	$ 360
Stock-based compensation during year	5,161
Purchased unit equivalents during year	181
Balance at December 31, 2020	$ 5,702

11. Commitments and Contingencies

Lease commitments

The Company leases certain equipment and furniture under capital leases. These capital leases generally contain a discounted buyout option at the end of the initial lease terms, which range between 36 and 60 months.

Operating lease payments primarily relate to the Company's lease of office and warehousing space and leases of computer equipment under operating leases. The leases provide for monthly payments with expirations through July 31, 2025. Certain of these arrangements include free rent, landlord incentives, escalating lease payments, renewal provisions and other provisions which require the Company to pay taxes, insurance, maintenance costs or defined rent increases.

The Company's operating lease for its corporate headquarters in South Jordan, Utah originally commenced in 2015 and extends through July 2025 and may be renewed for an additional five-year period.

In October 2019, the Company entered into an operating lease for Cricut Member Care facilities in Provo, Utah which commenced in January 2020 and extends through July 2025 with a renewal option for an additional five years.

Amortization expense for the assets under capital lease is computed using the straight-line method over the shorter of the estimated useful life or term of each lease and is included in depreciation expense. Accumulated amortization is included in property and equipment, net, on the consolidated balance sheets.

The future minimum lease payments under non-cancellable capital and operating leases at December 31, 2020 were as follows:

Year Ending December 31,	Capital Leases	Operating Leases
	(in thousands)	
2021	$ 43	$ 4,290
2022	—	3,963
2023	—	3,955
2024	—	3,850
2025	—	2,228
Thereafter	—	—
Total minimum lease payments, net	43	18,286
Less: amount representing interest (at 15%)	(5)	
Present value of future minimum lease payments	38	
Less: current portion	(38)	
Non-current portion	$ —	

Rent expense totaled $3.3 million, $4.2 million and $4.0 million for the years ended December 31, 2018, 2019 and 2020, respectively. Sublease rental income was $0.8 million, $0.9 million and $0.3 million for the years ended December 31, 2018, 2019 and 2020, respectively.

Royalties

As of December 31, 2020, the Company has minimum royalty commitments with three companies for a total of $0.3 million that will expire at various dates during 2021 and 2022.

Litigation

The Company is subject to certain outside claims and litigation arising in the ordinary course of business. Management is not aware of any contingencies which it believes will have a material effect on its financial position, results of operations or liquidity.

12. Related Party Transactions

During 2018, 2019 and 2020, the Company received $2.7 million, $1.3 million, and $2.5 million, respectively, of capital contributions from its parent company, Cricut Holdings, as a result of additional common units issued by Cricut Holdings at the estimated fair value of the underlying units. The equity offering was purchased by a subset of current common unitholders of Cricut Holdings and new common unitholders employed by the Company and includes units issued as partial settlement of accrued bonuses in 2020.

13. Employee Benefit Plan

The Company sponsors a 401(k) plan for the benefit of its employees who have attained at least 18 years of age. The Company matches 50% of the first 12% of an employee's salary contributed to the plan on the first day of the month following their hire date. The Company contributed $0.7 million, $1.0 million and $1.1 million for the years ended December 31, 2018, 2019 and 2020, respectively.

14. Net Income Per Share

The computation of net income per share is as follows:

	Year Ended December 31,		
(in thousands)	2018	2019	2020
Basic and diluted earnings per share			
Net income	$ 27,432	$ 39,211	$ 154,578
Less: Earnings allocated to participating securities	(5,120)	—	—
Plus: Deemed contribution on cancellation of Class L shares	27,025	—	—
Net income attributable to common stockholders, basic and diluted	$ 49,337	$ 39,211	$ 154,578
Weighted-average common shares outstanding used to compute earnings per share attributable to common stockholders, basic and diluted	208,116,104	208,116,104	208,116,104
Earnings per share attributable to common stockholders, basic and diluted	$ 0.24	$ 0.19	$ 0.74

During the year ended December 31, 2018, the Company cancelled all outstanding shares of Class L common stock. In calculating earnings per share, Class L common stock is considered preferred stock

due its cumulative dividend, liquidation preference and no voting rights. Therefore, the carrying value of Class L common stock was considered a deemed contribution and added to net income in arriving at earnings available to Class A common stockholders, since Class L common stockholders received no consideration in exchange for the shares.

15. Segment Information

The Company applies ASC Topic 280, Segment Reporting, in determining reportable segments for its financial statement disclosure. The Company's operating segments are generally organized by the type of product or service offered. Similar operating segments have been aggregated into three reportable segments: Connected Machines, Subscriptions and Accessories and Materials. Segment information is presented in the same manner that the Company's Chief Operating Decision Maker ("CODM") reviews the results of operations in assessing performance and allocating resources. The CODM reviews revenue and gross profit for each of the reportable segments. Gross profit is defined as revenue less cost of revenue incurred by the segment. The Company does not allocate assets at the reportable segment level as these are managed on an entity wide group basis. As of December 31, 2019 and 2020, long-lived assets located outside the United States, primarily located in Malaysia and China, were $6.9 million and $11.7 million, respectively.

The Connected Machines segment derives revenue from the sale of its connected machine hardware and related essential software. The Subscriptions segment derives revenue primarily from monthly and annual subscription fees and a minimal amount of revenue allocated to the unspecified future upgrades and enhancements related to the essential software and access to the Company's cloud-based services. The Accessories and Materials segment primarily consists of craft, DIY and home décor products. There are no internal revenue transactions between the Company's segments.

Key financial performance measures of the segments including revenue, cost of revenue and gross profit are as follows:

	Year Ended December 31,		
(in thousands)	2018	2019	2020
Connected Machines:			
Revenue	$ 147,081	$ 198,144	$ 416,714
Cost of revenue	127,546	176,894	351,898
Gross profit	$ 19,535	$ 21,250	$ 64,816
Subscriptions:			
Revenue	$ 31,300	$ 53,829	$ 111,337
Cost of revenue	5,027	8,827	13,125
Gross profit	$ 26,273	$ 45,002	$ 98,212
Accessories and Materials:			
Revenue	$ 161,407	$ 234,581	$ 430,979
Cost of revenue	96,119	158,483	261,633
Gross profit	$ 65,288	$ 76,098	$ 169,346
Consolidated:			
Revenue	$ 339,788	$ 486,554	$ 959,030
Cost of revenue	228,692	344,204	626,656
Gross profit	$ 111,096	$ 142,350	$ 332,374

16. Subsequent Events

Management has evaluated subsequent events through March 4, 2021 for the annual consolidated financial statements, which is the date they were available to be issued, and through March 16, 2021, solely as it relates to the forward stock split described below.

Forward Stock Split

On March 11, 2021, the Company filed an Amended and Restated Certificate of Incorporation to effect a 64.2645654:1 forward stock split of its outstanding common stock. The par value per share was not adjusted as a result of the forward stock split. All authorized, issued and outstanding shares of common stock and the related per share amounts contained in the consolidated financial statements have been retroactively adjusted to reflect the forward stock split for all periods presented.

15,314,903 Shares

Cricut, Inc.

Class A Common Stock

Goldman Sachs & Co. LLC

Morgan Stanley

Citigroup

Barclays

Baird

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth all expenses to be paid by us, other than underwriting discounts and commissions, upon completion of this offering. All amounts shown are estimates except for the SEC registration fee, the Financial Industry Regulatory Authority, Inc., or FINRA, filing fee and the Exchange listing fee.

	Amount to be Paid
SEC registration fee	$ 42,273
FINRA filing fee	58,620
Exchange listing fee	25,000
Printing and engraving expenses	375,000
Legal fees and expenses	2,625,000
Accounting fees and expenses	1,175,000
Transfer agent and registrar fees	15,500
Miscellaneous	183,607
Total	$ 4,500,000

Item 14. Indemnification of Directors and Officers.

Section 145 of the DGCL authorizes a corporation's board of directors to grant, and authorizes a court to award, indemnity to officers, directors and other corporate agents.

We have adopted an amended and restated certificate of incorporation, which will become effective on the Effectiveness Date, and which will contain provisions that limit the liability of our directors for monetary damages to the fullest extent permitted by Delaware law. Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for the following:

- any breach of their duty of loyalty to our company or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the DGCL; or
- any transaction from which they derived an improper personal benefit.

Any amendment to, or repeal of, these provisions will not eliminate or reduce the effect of these provisions in respect of any act, omission or claim that occurred or arose prior to that amendment or repeal. If the DGCL is amended to provide for further limitations on the personal liability of directors of corporations, then the personal liability of our directors will be further limited to the greatest extent permitted by the DGCL.

In addition, we have adopted amended and restated bylaws, effective on the Effectiveness Date, which provide that we will indemnify, to the fullest extent permitted by law, any person who is or was a party or is threatened to be made a party to any action, suit or proceeding by reason of the fact that he or she is or was one of our directors or officers or is or was serving at our request as a director or officer of another corporation, partnership, joint venture, trust or other enterprise. Our amended and restated bylaws provide that we may indemnify to the fullest extent permitted by law any person who is or was a party or is threatened to be made a party to any action, suit or proceeding by reason of the fact that he or she is or

was one of our employees or agents or is or was serving at our request as an employee or agent of another corporation, partnership, joint venture, trust or other enterprise. Our amended and restated bylaws also provide that we must advance expenses incurred by or on behalf of a director or officer in advance of the final disposition of any action or proceeding, subject to limited exceptions.

Further, we have entered into or will enter into indemnification agreements with each of our directors and executive officers that may be broader than the specific indemnification provisions contained in the DGCL. These indemnification agreements require us, among other things, to indemnify our directors and executive officers against liabilities that may arise by reason of their status or service. These indemnification agreements also require us to advance all expenses incurred by the directors and executive officers in investigating or defending any such action, suit or proceeding. We believe that these agreements are necessary to attract and retain qualified individuals to serve as directors and executive officers.

The limitation of liability and indemnification provisions that are included in our amended and restated certificate of incorporation, amended and restated bylaws, and the indemnification agreements that we have entered into or will enter into with our directors and executive officers may discourage stockholders from bringing a lawsuit against our directors and executive officers for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against our directors and executive officers, even though an action, if successful, might benefit us and other stockholders. Further, a stockholder's investment may be adversely affected to the extent that we pay the costs of settlement and damage awards against directors and executive officers as required by these indemnification provisions. At present, we are not aware of any pending litigation or proceeding involving any person who is or was one of our directors, officers, employees or other agents or is or was serving at our request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, for which indemnification is sought, and we are not aware of any threatened litigation that may result in claims for indemnification.

We have obtained insurance policies under which, subject to the limitations of the policies, coverage is provided to our directors and executive officers against loss arising from claims made by reason of breach of fiduciary duty or other wrongful acts as a director or executive officer, including claims relating to public securities matters, and to us with respect to payments that may be made by us to these directors and executive officers pursuant to our indemnification obligations or otherwise as a matter of law.

Certain of our non-employee directors may, through their relationships with their employers, be insured and/or indemnified against certain liabilities incurred in their capacity as members of our board of directors.

The underwriting agreement that is filed as Exhibit 1.1 to this registration statement provides for indemnification by the underwriters of us and our officers and directors for certain liabilities arising under the Securities Act or otherwise.

Item 15. Recent Sales of Unregistered Securities.

Since January 1, 2018, we have issued the following unregistered securities:

Incentive Unit Issuances

From January 1, 2018 through March 16, 2021, we issued to our officers, directors, employees, consultants and other service providers an aggregate of 52,567,386 incentive units of Cricut Holdings with participation thresholds ranging from $0.00 to $7.00 per unit, for a weighted-average participation threshold of $1.68 per unit.

Purchased Unit Issuances

From January 1, 2018 through March 16, 2021, we issued and sold to our officers, directors, employees, consultants and other service providers an aggregate of 10,140,781 purchased units of Cricut Holdings with participation thresholds ranging from $0.35 to $4.52 per unit, for a weighted-average purchase price of $0.63 per unit.

Option Issuances

From January 1, 2018 through March 16, 2021, we issued to our employees, consultants and other service providers an aggregate of 1,199,027 options to purchase zero strike price incentive units of Cricut Holdings at a weighted-average exercise price of $4.58 per unit.

None of the foregoing transactions involved any underwriters, underwriting discounts or commissions or any public offering. We believe the offers, sales and issuances of the above securities were exempt from registration under the Securities Act including by virtue of Section 4(a)(2) of the Securities Act (or Regulation D or Regulation S promulgated thereunder) because the issuance of securities to the recipients did not involve a public offering, or in reliance on Rule 701 because the transactions were pursuant to compensatory benefit plans or contracts relating to compensation as provided under such rule. The recipients of the securities in each of these transactions represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were placed upon the share certificates issued in these transactions. All recipients had adequate access, through their relationships with us, to information about us. The sales of these securities were made without any general solicitation or advertising.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits.

See the Exhibit Index immediately before the signature page hereto for a list of exhibits filed as part of this registration statement on Form S-1, which Exhibit Index is incorporated herein by reference.

(b) Financial Statement Schedules.

All financial statement schedules are omitted because the information called for is not required or is shown either in the consolidated financial statements or in the notes thereto.

Item 17. Undertakings.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(i) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(ii) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

EXHIBIT INDEX

Exhibit Number	Description
1.1	Form of Underwriting Agreement.
3.1	Amended and Restated Certificate of Incorporation of the registrant, as currently in effect.
3.2	Form of Amended and Restated Certificate of Incorporation of the registrant, to be in effect on the date of effectiveness of the registration statement for this offering.
3.3#	Bylaws of the registrant, as currently in effect.
3.4	Form of Amended and Restated Bylaws of the registrant, to be in effect on the date of effectiveness of the registration statement for this offering.
4.1	Form of Class A common stock certificate of the registrant.
5.1	Opinion of Wilson Sonsini Goodrich & Rosati, P.C.
10.1+	Form of Indemnification Agreement between the registrant and each of its directors and executive officers.
10.2+	Outside Director Compensation Policy.
10.3+	Form of Incentive Unit Award Agreement.
10.4+	Form of Zero Strike Incentive Unit Award Agreement.
10.5+	Form of Incentive Unit Subscription Agreement.
10.6+	Form of Zero Strike Incentive Unit Subscription Agreement.
10.7+	Form of Announcement of Bonus Award and Bonus Award Agreement.
10.8+	Form of Announcement of Bonus Purchase and Bonus Purchase Agreement.
10.9+	Cricut, Inc. 2021 Equity Incentive Plan and related form agreements.
10.10+	Executive Employment Agreement between the registrant and Ashish Arora, dated as of March 14, 2021.
10.11+	Confirmatory Employment Letter between the registrant and Martin F. Petersen, dated as of March 13, 2021.
10.12+	Confirmatory Employment Letter between the registrant and Donald B. Olsen, dated as of March 13, 2021.
10.13+	Confirmatory Employment Letter between the registrant and Gregory Rowberry, dated as of March 13, 2021.
10.14#	Office Lease, dated as of November 20, 2014, between the registrant and Riverpark Five, LLC.
10.15#	First Amendment to Office Lease, dated as of January 6, 2017, between the registrant and Riverpark Five, LLC.
10.16#	Second Amendment to Office Lease, dated as of January 18, 2018, between the registrant and Riverpark Five, LLC.
10.17#	Amended and Restated Third Amendment to Office Lease, dated as of March 16, 2018, between the registrant and Riverpark Five, LLC.
10.18#	Credit Agreement dated as of September 4, 2020, among the registrant, the other loan parties party thereto, the lenders party thereto and JPMorgan Chase Bank, N.A., Citibank, N.A. and Origin Bank.

Exhibit Number	Description
10.19#	Supply Agreement between the registrant and Xiamen Intretech, Inc., dated August 19, 2018.
10.20+	Cricut, Inc. 2021 Employee Stock Purchase Plan and related form agreements.
10.21+	Executive Incentive Compensation Plan.
10.22+	Form of Option Agreement.
10.23+	Executive Change in Control and Severance Plan.
21.1#	List of subsidiaries of the registrant.
23.1	Consent of BDO USA, LLP, Independent Registered Public Accounting Firm, as to the registrant.
23.2	Consent of Wilson Sonsini Goodrich & Rosati, P.C. (included in Exhibit 5.1).
24.1#	Power of Attorney (included on page II-8 of the original filing of this registration statement on Form S-1).
99.1#	Consent of YouGov America.

+ Indicates management contract or compensatory plan.
# Previously filed.

SIGNATURES

Pursuant to the requirements of the Securities Act, the registrant has duly caused this Amendment No. 2 to the registration statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in South Jordan, Utah, on the 16th day of March, 2021.

CRICUT, INC.
By: /s/ Ashish Arora
Ashish Arora
Chief Executive Officer

Pursuant to the requirements of the Securities Act, this registration statement on Form S-1 has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Ashish Arora Ashish Arora	Chief Executive Officer and Director *(Principal Executive Officer)*	March 16, 2021
/s/ Martin F. Petersen Martin F. Petersen	Chief Financial Officer *(Principal Financial Officer)*	March 16, 2021
/s/ Ryan Harmer Ryan Harmer	Controller *(Principal Accounting Officer)*	March 16, 2021
* Len Blackwell	Director	March 16, 2021
* Steven Blasnik	Director	March 16, 2021
* Russell Freeman	Director	March 16, 2021
* Jason Makler	Director and Chair of Board of Directors	March 16, 2021
* Melissa Reiff	Director	March 16, 2021
* Billie Williamson	Director	March 16, 2021

*By: /s/ Ashish Arora
Ashish Arora
Attorney-in-Fact

Exhibit 1.1

Cricut, Inc.

[●] Shares of Class A Common Stock, par value $0.001 per share

Underwriting Agreement

_____, 2021

Goldman Sachs & Co. LLC
Morgan Stanley & Co. LLC,
As representatives of the several Underwriters
named in Schedule I hereto,

c/o Goldman Sachs & Co. LLC
200 West Street,
New York, New York 10282-2198

c/o Morgan Stanley & Co. LLC
1585 Broadway
New York, New York 10036

Ladies and Gentlemen:

Cricut, Inc., a Delaware corporation (the "Company"), proposes, subject to the terms and conditions stated in this underwriting agreement (this "Agreement"), to issue and sell to the Underwriters named in Schedule I hereto (the "Underwriters"), for whom Goldman Sachs & Co. LLC and Morgan Stanley & Co. LLC are acting as representatives (the "Representatives"), an aggregate of [●] shares and, at the election of the Underwriters, up to [●] additional shares of Class A Common Stock, par value $0.001 per share ("Stock"), of the Company and the stockholders of the Company named in Schedule II hereto (the "Selling Stockholders") propose, subject to the terms and conditions stated in this Agreement, to sell to the Underwriters an aggregate of [●] shares and, at the election of the Underwriters, up to [●] additional shares of Stock. The aggregate of [●] shares to be sold by the Company and the Selling Stockholders is herein called the "Firm Shares" and the aggregate of [●] additional shares to be sold by the Company and the Selling Stockholders at the election of the Underwriters is herein called the "Optional Shares." The Firm Shares and the Optional Shares that the Underwriters elect to purchase pursuant to Section 2 hereof are herein collectively called the "Shares".

Any reference in this Agreement, to the extent context requires, to the "Corporate Reorganization" shall have the meaning ascribed to the term "Corporate Reorganization" in the Prospectus (as defined below).

1. (a) The Company represents and warrants to, and agrees with, each of the Underwriters that:

(i) A registration statement on Form S-1 (File No. 333-253134) (the "Initial Registration Statement") in respect of the Shares has been filed with the Securities and Exchange Commission (the "Commission"); the Initial Registration Statement and any post-effective amendment thereto, each in the form heretofore delivered to the Representatives, excluding the exhibits thereto, have been declared effective by the Commission in such form; other than a registration statement, if any, increasing the size of the offering (a "Rule 462(b) Registration Statement"), filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended (the "Act"), which became effective upon filing, no other document with respect to the Initial Registration Statement has been filed with the Commission; and no stop order suspending the effectiveness of the Initial Registration Statement, any post-effective amendment thereto or the Rule 462(b) Registration Statement, if any, has been issued and no proceeding for that purpose or under Section 8A of the Act has been initiated or, to the Company's knowledge, threatened by the Commission (any preliminary prospectus included in the Initial Registration Statement or filed with the Commission pursuant to Rule 424(a) of the rules and regulations of the Commission under the Act is hereinafter called a "Preliminary Prospectus"; the various parts of the Initial Registration Statement and the Rule 462(b) Registration Statement, if any, including all exhibits thereto and including the information contained in the form of final prospectus filed with the Commission pursuant to Rule 424(b) under the Act in accordance with Section 5(a) hereof and deemed by virtue of Rule 430A under the Act to be part of the Initial Registration Statement at the time it was declared effective, each as amended at the time such part of the Initial Registration Statement became effective or such part of the Rule 462(b) Registration Statement, if any, became or hereafter becomes effective, are hereinafter collectively called the "Registration Statement"; the Preliminary Prospectus relating to the Shares that was included in the Registration Statement immediately prior to the Applicable Time (as defined in Section 1(a)(iii) hereof) is hereinafter called the "Pricing Prospectus"; such final prospectus, in the form first filed pursuant to Rule 424(b) under the Act, is hereinafter called the "Prospectus"; any oral or written communication with potential investors undertaken in reliance on Rule 163B under the Act is hereinafter called a "Testing-the-Waters Communication"; and any Testing-the-Waters Communication that is a written communication within the meaning of Rule 405 under the Act is hereinafter called a "Written Testing-the-Waters Communication"; and any "issuer free writing prospectus" as defined in Rule 433 under the Act relating to the Shares is hereinafter called an "Issuer Free Writing Prospectus");

(ii) (A) No order preventing or suspending the use of any Preliminary Prospectus or any Issuer Free Writing Prospectus has been issued by the Commission, and (B) each Preliminary Prospectus, at the time of filing thereof, conformed in all material respects to the requirements of the Act and the rules and regulations of the Commission thereunder, and did not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided*, *however*, that this

representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with the Underwriter Information (as defined in Section 9(b) of this Agreement);

(iii) For the purposes of this Agreement, the "Applicable Time" is [___:___ __m (Eastern time)] on the date of this Agreement. The Pricing Prospectus, as supplemented by the information listed on Schedule III(b) hereto, taken together (collectively, the "Pricing Disclosure Package"), as of the Applicable Time, did not, and as of each Time of Delivery (as defined in Section 4(a) of this Agreement) will not, include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and each Issuer Free Writing Prospectus listed on Schedule III(a) hereto and each Written Testing-the-Waters Communication listed on Schedule III(c) hereto does not conflict with the information contained in the Registration Statement, the Pricing Prospectus or the Prospectus and each Issuer Free Writing Prospectus listed on Schedule III(a) hereto and each Written Testing-the-Waters Communication listed on Schedule III(c) hereto, as supplemented by and taken together with the Pricing Disclosure Package, as of the Applicable Time, did not, and as of each Time of Delivery will not, include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided*, *however*, that this representation and warranty shall not apply to statements or omissions made in reliance upon and in conformity with the Underwriter Information;

(iv) The Registration Statement conforms, and the Prospectus and any further amendments or supplements to the Registration Statement and the Prospectus will conform, in all material respects to the applicable requirements of the Act and the rules and regulations of the Commission thereunder and do not and will not, as of the applicable effective date as to each part of the Registration Statement, as of the applicable filing date as to the Prospectus and any amendment or supplement thereto, and as of each Time of Delivery, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; *provided*, *however*, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with the Underwriter Information;

(v) Neither the Company nor any of its subsidiaries has, since the date of the latest audited financial statements included in the Pricing Prospectus, (i) sustained any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, or (ii) entered into any transaction or agreement (whether or not in the ordinary course of business) that is material to the Company and its subsidiaries taken as a whole or incurred any liability or obligation, direct or contingent, that is material to the Company and its subsidiaries taken as a whole, in each case otherwise than as set forth or contemplated in the Pricing Prospectus; and, since the respective dates as of which information is given in the Registration Statement and the Pricing Prospectus, there has not been (x) any change in the capital stock (other than as a result of (A) the grant, vesting or

exercise or settlement (including any "net" or "cashless" exercises or settlements) of stock options, restricted stock units or other equity incentives or the award, if any, of stock options, restricted stock units or other equity incentives in the ordinary course of business, in each case pursuant to the Company's equity incentive plans that are described in the Pricing Prospectus and the Prospectus, (B) the repurchase of shares of capital stock upon termination of the holder's employment or service with the Company pursuant to agreements providing for an option to repurchase or a right of first refusal on behalf of the Company or (C) the issuance, if any, of Stock upon conversion or exchange of Company securities, or otherwise in connection with the Corporate Reorganization as described in the Pricing Prospectus and the Prospectus) or long-term debt of the Company or any of its subsidiaries (other than borrowings under any Company credit facility described in the Pricing Prospectus) or (y) any Material Adverse Effect (as defined below); as used in this Agreement, "Material Adverse Effect" shall mean any material adverse change or effect, or any development involving a prospective material adverse change or effect, in or affecting (i) the business, management, financial position, stockholders' equity or consolidated results of operations of the Company and its subsidiaries, taken as a whole, except as set forth or contemplated in the Pricing Prospectus, or (ii) the ability of the Company to perform its obligations under this Agreement, including the issuance and sale of the Shares, or to consummate the transactions contemplated in the Pricing Prospectus and the Prospectus;

(vi) The Company and its subsidiaries do not own any real property. Except as would not reasonably be expected to have a Material Adverse Effect, the Company and its subsidiaries have good and marketable title to all personal property owned by them (other than with respect to Intellectual Property (as defined below), title to which is addressed exclusively in subsection (xxix)), in each case free and clear of all liens, encumbrances and defects; and any real property and buildings held under lease by the Company and its subsidiaries are, to the Company's knowledge, held by them under valid, subsisting and enforceable leases (subject to the effects of (i) bankruptcy, insolvency, fraudulent conveyance, fraudulent transfer, reorganization, moratorium or other similar laws relating to or affecting the rights or remedies of creditors generally; (ii) the application of general principles of equity (including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing, regardless of whether enforcement is considered in proceedings at law or in equity); and (iii) applicable law and public policy with respect to rights to indemnity and contribution) with such exceptions as are not material and do not materially interfere with the use made and proposed to be made of such property and buildings by the Company and its subsidiaries;

(vii) The Company and each of its significant subsidiaries (as such term is defined in Rule 1-02 of Regulation S-X) (the "Significant Subsidiaries") has been (i) duly incorporated or organized and is validly existing and in good standing under the laws of its jurisdiction of organization, with power and authority (corporate and other) to own its properties and conduct its business as described in the Pricing Prospectus, and (ii) duly qualified as a foreign corporation for the transaction of business and is in good standing (where such concept exists) under the laws of each other jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification, except, in the

case of this clause (ii), where the failure to be so qualified or in good standing (where such concept exists) would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, and each Significant Subsidiary of the Company has been listed in the Registration Statement;

(viii) The Company has an authorized capitalization as set forth in the Pricing Prospectus and all of the issued shares of capital stock of the Company, including the Shares to be sold by the Selling Stockholders, have been duly and validly authorized and issued and are fully paid and non-assessable and conform in all material respects to the description of Stock contained in the Pricing Prospectus and the Prospectus; and all of the issued shares of capital stock of each Significant Subsidiary of the Company have been duly and validly authorized and issued, are fully paid and non-assessable and (except, in the case of any foreign subsidiary, for directors' qualifying shares) are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims, except for such liens or encumbrances described in the Pricing Prospectus and the Prospectus;

(ix) The Shares to be issued and sold by the Company to the Underwriters hereunder have been duly and validly authorized and, when issued and delivered against payment therefor as provided herein, will be duly and validly issued and fully paid and non-assessable and will conform in all material respects to the description of Stock contained in the Pricing Prospectus and the Prospectus; and the issuance of the Shares is not subject to any preemptive, registration or similar rights, in each case other than rights which have been complied with or waived in writing as of the date of this Agreement;

(x) The issue and sale of the Shares and the compliance by the Company with this Agreement and the consummation of the transactions contemplated in this Agreement and the Pricing Prospectus will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, (A) any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any of the property or assets of the Company or any of its subsidiaries is subject, except, in the case of this clause (A) for such defaults, breaches, or violations that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, (B) the certificate of incorporation or by-laws (or other applicable organizational document) of (1) the Company or (2) any of its subsidiaries or (C) any statute or any judgment, order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries or any of their properties, except in the case of clauses (A) and (C) for such violations that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the issue and sale of the Shares or the consummation by the Company of the transactions contemplated by this Agreement, except such as have been obtained under the Act, the approval by the Financial Industry Regulatory Authority ("FINRA") of the underwriting terms and arrangements, the approval for listing on the Nasdaq Global Select Market (the "Exchange") and such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or

Blue Sky laws in connection with the purchase and distribution of the Shares by the Underwriters;

(xi) Neither the Company nor any of its subsidiaries is (i) in violation of its certificate of incorporation or by-laws or other applicable organizational document, (ii) in violation of any statute or any judgement, order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries or any of their properties, or (iii) in default in the performance or observance of any obligation, agreement, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which it is a party or by which it or any of its properties may be bound, except, in the case of the foregoing clauses (ii) and (iii) for such defaults as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect;

(xii) The statements set forth in the Pricing Prospectus and the Prospectus under the caption "Description of Capital Stock", insofar as they purport to constitute a summary of the terms of the Stock, and under the captions "Material U.S. Federal Income Tax Considerations for Non-U.S. Holders of our Common Stock" and "Underwriting", insofar as they purport to describe the provisions of the laws and documents referred to therein, are accurate, complete and fair in all material respects; *provided, however,* that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with the Underwriter Information;

(xiii) Other than as set forth in the Pricing Prospectus, there are no legal or governmental proceedings pending to which the Company or any of its subsidiaries or, to the Company's knowledge, any officer or director of the Company, is a party or of which any property of the Company or any of its subsidiaries, or to the Company's knowledge, any officer or director of the Company is the subject which, if determined adversely to the Company or any of its subsidiaries, would individually or in the aggregate reasonably be expected to have a Material Adverse Effect; and, to the Company's knowledge, no such proceedings are threatened or contemplated by governmental authorities or others;

(xiv) The Company is not and, immediately after giving effect to the offering and sale of the Shares and the application of the proceeds thereof, as described in the Pricing Prospectus and the Prospectus, will not be an "investment company", as such term is defined in the Investment Company Act of 1940, as amended (the "Investment Company Act");

(xv) At the time of filing the Initial Registration Statement and any post effective amendment thereto, at the earliest time thereafter that the Company or any offering participant made a bona fide offer (within the meaning of Rule 164(h)(2) under the Act) of the Shares, and at the date hereof, the Company was not and is not an "ineligible issuer," as defined under Rule 405 under the Act;

(xvi) BDO USA, LLP, ("BDO"), who has certified certain financial statements of the Company and its subsidiaries, is an independent public accounting firm as required by the Act and the rules and regulations of the Commission thereunder;

(xvii) The Company maintains a system of internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) that (i) complies with the requirements of the Exchange Act applicable to the Company, (ii) has been designed by the Company's principal executive officer and principal financial officer, or under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles ("GAAP") and (iii) is sufficient to provide reasonable assurance that (A) transactions are executed in accordance with management's general or specific authorization, (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain accountability for assets, (C) access to assets is permitted only in accordance with management's general or specific authorization and (D) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences; and the Company's internal control over financial reporting is effective (it being understood that this subsection shall not require the Company to comply with Section 404 of the Sarbanes-Oxley Act of 2002, as amended and the rules and regulations promulgated in connection therewith (the "Sarbanes-Oxley Act"), as of an earlier date than it would otherwise be required to so comply under applicable law), and the Company is not aware of any material weaknesses in its internal control over financial reporting;

(xviii) Since the date of the latest audited financial statements included in the Pricing Prospectus, there has been no change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially and adversely affect, the Company's internal control over financial reporting;

(xix) The Company maintains disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the Exchange Act) that comply with the requirements of the Exchange Act applicable to the Company; such disclosure controls and procedures have been designed to ensure that material information relating to the Company and its subsidiaries is made known to the Company's principal executive officer and principal financial officer by others within those entities; and such disclosure controls and procedures are effective;

(xx) The Company has taken all reasonable actions to ensure that, upon the first public filing of the Registration Statement, it will be in compliance in all material respects with all applicable provisions of the Sarbanes-Oxley Act with which the Company is required to comply as of the effectiveness of the Registration Statement;

(xxi) The Company and each of its subsidiaries have filed all United States federal tax returns and state tax returns required to be filed through the date of this Agreement or have requested extensions thereof (except where the failure to file would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the Company and its subsidiaries, taken as a whole) and have paid all taxes required to be paid thereon (except for cases in which the failure to pay would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the Company and

its subsidiaries, taken as a whole, or, except as currently being contested in good faith and for which reserves required by GAAP have been created in the financial statements of the Company), and no tax deficiency has been determined adversely to the Company or any of its subsidiaries which, individually or in the aggregate, has had (nor does the Company nor any of its subsidiaries have any notice or knowledge of any tax deficiency which could reasonably be expected to be determined adversely to the Company or its subsidiaries and which could reasonably be expected to have) a Material Adverse Effect on the Company and its subsidiaries, taken as a whole;

(xxii) There are no contracts, agreements or understandings between the Company or its subsidiaries and any person granting such person the right to require the Company to file a registration statement under the Act with respect to any securities of the Company owned or to be owned by such person or to require the Company to include such securities in the securities registered pursuant to the Registration Statement or in any securities being registered pursuant to any other registration statement filed by the Company under the Act;

(xxiii) This Agreement has been duly authorized, executed and delivered by the Company;

(xxiv) None of the Company or any of its subsidiaries or controlled affiliates, or any director, officer, or employee thereof, or, to the knowledge of the Company, any agent or representative of the Company or any of its subsidiaries or controlled affiliates has violated the Foreign Corrupt Practices Act, the UK Bribery Act 2010, or any other applicable anti-bribery or anti-corruption law ("Anti-Corruption Laws"). In addition, none of the Company or any of its subsidiaries or controlled affiliates, or any director, officer, or employee thereof, or, to the knowledge of the Company, any agent or representative of the Company or any of its subsidiaries or controlled affiliates has (i) taken or will take any action in furtherance of an offer, payment, promise to pay, or authorization or approval of the unlawful payment, giving or receipt of money, property, gifts or anything else of value; (ii) made, offered, promised or authorized any unlawful contribution, gift, entertainment or other unlawful expense or taken any act in furtherance thereof; (iii) made, offered, promised or authorized any direct or indirect unlawful payment; each of (i)-(iii) above, directly or indirectly, to any government official (including any officer or employee of a government or government-owned or controlled entity or of a public international organization, or any person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for political office) ("Government Official") in order to influence official action, or to any other person in violation of Anti-Corruption Laws (as defined above). Neither the Company nor any of its subsidiaries will use, directly or indirectly, the proceeds of the offering in furtherance of an offer, payment, promise to pay, or authorization of the unlawful payment or giving of money, or anything else of value, to any person in violation of any Anti-Corruption Laws. The Company maintains a system of internal accounting controls, including, but not limited to, accounting systems, purchasing systems, billing systems and other systems, designed to monitor different expenditures to ensure compliance with Anti-Corruption Laws;

(xxv) To the knowledge of the Company, the operations of the Company and its subsidiaries are and have been conducted at all times in compliance with all applicable financial recordkeeping and reporting requirements and the requirements of applicable anti-money laundering laws, including, but not limited to, the Bank Secrecy Act of 1970, as amended by the USA PATRIOT ACT of 2001, and the rules and regulations promulgated thereunder, and the anti-money laundering laws of the various jurisdictions in which the Company and its subsidiaries conduct business (collectively, the "Money Laundering Laws") and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of the Company, threatened;

(xxvi) None of the Company or any of its subsidiaries, or any director, officer, or employee thereof, or, to the knowledge of the Company, any agent, affiliate or representative of the Company or any of its subsidiaries, is an individual or entity ("Person") that is, or is owned or controlled by one or more Persons that are currently the subject or target of any trade and economic sanctions administered or enforced by the U.S. Government, including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury ("OFAC"), or the U.S. Department of State and including, without limitation, the designation as a "specially designated national" or "blocked person," the European Union, Her Majesty's Treasury, the United Nations Security Council, or other relevant sanctions authority (collectively, "Sanctions"), or is located, organized or resident in a country or territory that is the subject or target of Sanctions (including, without limitation, Crimea, Cuba, Iran, North Korea and Syria), and the Company will not directly or indirectly use the proceeds of the offering of the Shares hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person or entity (i) to fund or facilitate any prohibited activities or business with any Person, or in any country or territory, that, at the time of such business or facilitation, is the subject of Sanctions or (ii) in any other manner that will result in a violation by any Person (including any Person participating in the offering, whether as underwriter, advisor, investor or otherwise) of Sanctions. Except as disclosed in the Registration Statement, Pricing Prospectus or Prospectus, the Company and its subsidiaries have not knowingly engaged in and are not now knowingly engaged in, and will not knowingly engage in, any dealings or transactions with any Person, or in any country or territory, that at the time of the dealing or transaction is or was the subject of Sanctions;

(xxvii) The financial statements, together with the related schedules and notes, included in the Registration Statement, the Pricing Prospectus and the Prospectus, present fairly in all material respects the financial position of the Company and its subsidiaries at the dates indicated and the statement of operations, stockholders' equity and cash flows of the Company and its subsidiaries for the periods specified; said financial statements have been prepared in conformity with GAAP applied on a consistent basis throughout the periods involved. The supporting schedules, if any, included in the Registration Statement, the Pricing Prospectus and the Prospectus present fairly in all material respects the information required to be stated therein in accordance with GAAP. The selected financial

data and the summary financial information included in the Registration Statement, the Pricing Prospectus and the Prospectus present fairly the information shown therein and have been compiled on a basis consistent with that of the audited financial statements included therein. Except as included therein, no historical or pro forma financial statements or supporting schedules are required to be included in the Registration Statement, the Pricing Prospectus or the Prospectus under the Act or the rules and regulations promulgated thereunder. All disclosures contained in the Registration Statement, the Pricing Prospectus and the Prospectus regarding "non-GAAP financial measures" (as such term is defined by the rules and regulations of the Commission) comply in all material respects with Regulation G of the Exchange Act and Item 10 of Regulation S-K of the Act, to the extent applicable;

(xxviii) From the time of initial confidential submission of a registration statement relating to the Shares with the Commission through the date hereof, the Company has been and is an "emerging growth company" as defined in Section 2(a)(19) of the Act (an "Emerging Growth Company");

(xxix) The Company and its subsidiaries own, have valid and enforceable license to, or otherwise have the right to use or can acquire on reasonable terms the right to use, all patents, trademarks, service marks, trade names, domain names and other source indicators, copyrights, copyrightable works, know-how, trade secrets, proprietary or confidential information, and all other similar intellectual property and proprietary rights (collectively, "Intellectual Property") (i) which are necessary for or material to the conduct of their respective businesses as currently conducted, or (ii) which are otherwise described in the Registration Statement, the Pricing Prospectus or the Prospectus as being owned or licensed by them (collectively, "Company Intellectual Property"). Other than as set forth in the Registration Statement, the Pricing Prospectus or the Prospectus or as would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, (i) neither the Company nor any of its subsidiaries has received any written notice or claim of any infringement, misappropriation or other violation of, or conflict with, asserted rights of others with respect to any Intellectual Property, and (ii) to the Company's knowledge, there is no threatened action, suit, proceeding or claim by others: (A) challenging the Company's or its subsidiaries' rights in or to any Company Intellectual Property; (B) challenging the validity, enforceability or scope of any Company Intellectual Property; or (C) asserting that the Company or any of its subsidiaries infringes or otherwise violates, or would, upon the commercialization of any product or service described in the Registration Statement, the Pricing Prospectus or the Prospectus as under development, infringe or violate, any Intellectual Property of third parties, and the Company and its subsidiaries have not received any written notice of any such action, suit, proceeding or claim. To the Company's knowledge and except as disclosed in the Registration Statement, the Pricing Prospectus or the Prospectus (or as would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect), (x) there is no material infringement, misappropriation or other violation by third parties of any Company Intellectual Property owned by the Company or its subsidiaries, (y) the Company and its subsidiaries have complied in all material respects with the terms of each agreement pursuant to which Company Intellectual Property has been licensed to the Company or any

subsidiary and all such agreements are in full force and effect, and (z) no technology employed by the Company or its subsidiaries has been obtained or is being used by the Company or its subsidiaries in violation of any contractual or legal obligation binding on the Company, its subsidiaries or any of their officers, directors, employees or contractors, which violation relates to the breach of a confidentiality obligation, an obligation to assign Intellectual Property to a previous employer or an obligation otherwise not to use the Intellectual Property of any third party;

(xxx) Except as disclosed in the Pricing Prospectus, (A) neither the Company nor its subsidiaries are subject to any order or action, and, to the Company's knowledge, none have been threatened with any action by any federal, state or foreign regulatory authority concerning its compliance with applicable laws and regulations ("Regulatory Laws"), including, but not limited to, the failure to obtain any permit, license or approval, or to comply with the terms thereof, except for any such order, action or noncompliance that is not material to the Company or its subsidiaries; there are no Regulatory Laws required to be described in the Pricing Prospectus or the Registration Statement that are not described as required; and (B) the Company and its subsidiaries (i) have received all federal, state and foreign permits, licenses and other approvals required of them under applicable Regulatory Laws to conduct their respective businesses and (ii) are in compliance with all terms and conditions of any such permit, license or approval that is material to the Company or its subsidiaries;

(xxxi) Except as set forth in the Pricing Prospectus or as would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect: (i) the Company, its subsidiaries and their operations and facilities are in compliance with, and not subject to any known liabilities under, any and all applicable foreign, federal, state and local laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic substances, wastes, or materials, pollutants or contaminants ("Environmental Laws"); (ii) neither the Company, nor any of its subsidiaries, has received any written communication, whether from a governmental authority, citizens group, employee or otherwise, that alleges that the Company or any of its subsidiaries are in violation of any Environmental Law; (iii) there is no claim, action or cause of action filed with a court or governmental authority, no investigation with respect to which the Company or one of its subsidiaries has received written notice, and no written notice by any person or entity alleging actual or potential liability on the part of the Company or any of its subsidiaries based on or pursuant to any Environmental Law pending or, to the Company's knowledge, threatened against the Company or any of its subsidiaries or any person or entity whose liability under or pursuant to any Environmental Law, the Company or any of its subsidiaries has retained or assumed either contractually or by operation of law; and (iv) the Company and its subsidiaries have received all permits, licenses, or other approvals required of them under applicable Environmental Laws to conduct their respective businesses and are in compliance with all terms and conditions of any such permit, license or approval that is material to the Company or its subsidiaries;

(xxxii) (A) The Company and its subsidiaries and each "employee benefit plan" (as defined under the Employee Retirement Income Security Act of 1974 (as amended,

"ERISA," which term, as used herein, includes the regulations and published interpretations thereunder)) established or maintained by the Company and their respective subsidiaries or their ERISA Affiliates (as defined below) are in compliance with ERISA, and (B) to the knowledge of the Company, each "multiemployer plan" (as defined in Section 4001 of ERISA) to which the Company and its subsidiaries or an ERISA Affiliate contributes (a "Multiemployer Plan") is in compliance with ERISA except in the case of clause (A) and (B) for any noncompliance that would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. "ERISA Affiliate" means, with respect to the Company or a subsidiary, any member of any group of organizations described in Section 414 of the Internal Revenue Code of 1986 (as amended, the "Code," which term, as used herein, includes the regulations and published interpretations thereunder) of which the Company or any of its subsidiaries is a member. No "reportable event" (as defined under ERISA) has occurred or is reasonably expected to occur with respect to any "employee benefit plan" established or maintained by the Company, any of its subsidiaries or any of their ERISA Affiliates. No "single employer plan" (as defined by Section 4001 of ERISA) established or maintained by the Company, any of its subsidiaries or any of their ERISA Affiliates, if such "employee benefit plan" were terminated, would have any "amount of unfunded benefit liabilities" (as defined under ERISA) that is material to the Company and its subsidiaries, considered as one entity. Neither the Company nor its subsidiaries nor any of their ERISA Affiliates has incurred or reasonably expects to incur any material liability under (i) Title IV of ERISA with respect to termination of, or withdrawal from, any "employee benefit plan" or (ii) Sections 412, 4971, 4975 or 4980B of the Code. Each "employee benefit plan" established or maintained by the Company and its subsidiaries or any of their ERISA Affiliates that is intended to be qualified under Section 401 of the Code is so qualified and nothing has occurred, whether by action or failure to act, which would cause the loss of such qualification;

(xxxiii) Except as would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, (i) there is (A) no unfair labor practice complaint pending or, to the Company's knowledge, threatened against the Company before the National Labor Relations Board, and no grievance or arbitration proceeding arising out of or under collective bargaining agreements pending or, to the Company's knowledge, threatened against the Company, (B) no strike, labor dispute, slowdown or stoppage pending or, to the Company's knowledge, threatened against the Company and (C) no union representation question existing with respect to the employees of the Company, and to the Company's knowledge, no union organizing activities taking place and (ii) there has been no violation of any federal, state or local law relating to discrimination in hiring, promotion or pay of employees or of any applicable wage or hour laws;

(xxxiv) The Company and its subsidiaries possess and are in compliance with all certificates, authorizations and permits necessary to conduct their businesses except where the failure to obtain, possess or be in compliance with such certificates, authorizations and permits would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect; and neither the Company nor any of its subsidiaries has received any notice of proceedings relating to the revocation or modification of any such certificate,

authorization or permit which, if the subject of an unfavorable decision, ruling or finding, would reasonably be expected to have a Material Adverse Effect;

(xxxv) The Company and its subsidiaries, taken as a whole, are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are, in the Company's reasonable judgment, prudent and customary in the business in which it is engaged; and neither the Company nor any of its subsidiaries has (i) received notice from any insurer or agent of such insurer that capital improvements or other expenditures are required or necessary to be made in order to continue such insurance, except as would not individually or in the aggregate, reasonably be expected to have a Material Adverse Effect or (ii) any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect;

(xxxvi) The information technology systems, equipment and software used by the Company or any of its subsidiaries in their respective businesses (the "IT Assets") (i) operate and perform in accordance with their documentation and functional specifications and otherwise as required by the Company's and its subsidiaries' respective businesses as currently conducted, except as would not reasonably be expected to have a Material Adverse Effect, (ii) except as described in the Pricing Prospectus and the Prospectus, have not malfunctioned or failed in the past five years, except as would not reasonably be expected to have a Material Adverse Effect, and, (iii) are free of any viruses, "back doors," "Trojan horses," "time bombs," "worms," "drop dead devices" or other undisclosed software or hardware components that are designed to interrupt use of, permit unauthorized access to, or disable, damage or erase, any software material to the business of the Company or any of its subsidiaries, except as would not reasonably be expected to have a Material Adverse Effect. The Company and its subsidiaries use reasonable efforts to implement and maintain commercially reasonable backup and disaster recovery technology processes consistent with standard industry practices. Except as described in the Pricing Prospectus and the Prospectus, in the past five years, no person has gained unauthorized access to any IT Asset since the Company's inception in a manner that has resulted or could reasonably be expected to result in a Material Adverse Effect;

(xxxvii) Except as would not reasonably be expected to have a Material Adverse Effect, the Company and its subsidiaries (A) have operated and currently operate their respective businesses in a manner compliant with all privacy, data security and data protection laws and regulations ("Privacy Laws") applicable to the Company's and its subsidiaries' receipt, collection, handling, processing, sharing, transfer, usage, disclosure or storage of all user data and all other information that identifies or relates to a distinct identified or identifiable individual, including, as applicable, personally identifiable information, financial data, and IP addresses, mobile device identifiers and website usage activity ("Personal and Device Data"), (B) have implemented and maintain in accordance with reputable industry practice and Privacy Laws, and are in compliance with, policies and procedures designed to ensure the privacy, integrity, security and confidentiality of all Personal and Device Data handled, processed, collected, shared, transferred, used, disclosed

and/or stored by the Company or its subsidiaries in connection with the Company's and its subsidiaries' operation of their respective businesses, (C) have required and do require all third parties to which they provide any Personal and Device Data to use reasonable efforts to maintain the privacy and security of such Personal and Device Data and (D) have not experienced any security incident that has resulted in any unauthorized access to, or unauthorized acquisition or disclosure of, any Personal and Device Data; and

(xxxviii) The statistical, industry-related and market-related data included in the Pricing Prospectus and the Prospectus are based on or derived from sources that the Company believes are reliable and accurate in all material respects.

(b) Each of the Selling Stockholders severally and not jointly represents and warrants to, and agrees with, each of the Underwriters and the Company that:

(i) All consents, approvals, authorizations and orders necessary for the execution and delivery by such Selling Stockholder of this Agreement and the Power of Attorney and the Custody Agreement referred to below, and for the sale and delivery of the Shares to be sold by such Selling Stockholder hereunder, have been obtained except for the registration under the Act of the Shares and such consents, approvals, authorizations and orders as may be required under state securities or Blue Sky laws, the rules and regulations of FINRA or the approval for listing on the Exchange or such consents, approvals, authorizations and orders that have been obtained or, if not obtained, would not individually or in the aggregate, affect the validity of the Shares to be sold by such Selling Stockholder or reasonably be expected to materially impair the ability of such Selling Stockholder to consummate the transactions contemplated by this Agreement; and such Selling Stockholder has full right, power and authority to enter into this Agreement, the Power of Attorney and the Custody Agreement and to sell, assign, transfer and deliver the Shares to be sold by such Selling Stockholder hereunder;

(ii) The sale of the Shares to be sold by such Selling Stockholder hereunder and the compliance by such Selling Stockholder with this Agreement, the Power of Attorney and the Custody Agreement and the consummation of the transactions herein and therein contemplated will not (A) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any statute, indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which such Selling Stockholder is a party or by which such Selling Stockholder is bound or to which any of the property or assets of such Selling Stockholder is subject, or (B) result in any violation of (i) the provisions of the Certificate of Incorporation or Bylaws of such Selling Stockholder if such Selling Stockholder is a corporation, the Partnership Agreement of such Selling Stockholder if such Selling Stockholder is a partnership (or similar applicable organizational document) or (ii) any statute or any judgment, order, rule or regulation of any court or governmental agency or body having jurisdiction over such Selling Stockholder or any of its subsidiaries or any property or assets of such Selling Stockholder, except, in the case of clauses (A) or (B)(ii), as would not, individually or in the aggregate, materially impair the ability of such Selling Stockholder to consummate the transactions contemplated by this Agreement (a "Seller Material Adverse Effect");

(iii) Such Selling Stockholder has, and immediately prior to each Time of Delivery (as defined in Section 4 hereof) such Selling Stockholder will have, good and valid title to, or a valid "security entitlement" within the meaning of Section 8-501 of the New York Uniform Commercial Code in respect of, the Shares to be sold by such Selling Stockholder hereunder at such Time of Delivery, free and clear of all liens, encumbrances, equities or claims other than those set forth in the Custody Agreement; and, upon delivery of such Shares and payment therefor pursuant hereto, good and valid title to such Shares, free and clear of all liens, encumbrances, equities or claims, will pass to the several Underwriters;

(iv) On or prior to the date of the Pricing Prospectus, such Selling Stockholder has executed and delivered to the Underwriters an agreement substantially in the form of Annex II hereto.

(v) Such Selling Stockholder has not taken and will not take, directly or indirectly, any action that is designed to or that has constituted or might reasonably be expected to cause or result in stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares;

(vi) To the extent that any statements or omissions made in the Registration Statement, any Preliminary Prospectus, the Prospectus or any amendment or supplement thereto are made in reliance upon and in conformity with written information furnished to the Company by such Selling Stockholder pursuant to Items 7 and 11(m) of Form S–1 expressly for use therein, it being understood and agreed that the only information furnished by such Selling Stockholder to the Company consists of (i) the legal name of such Selling Stockholder, (ii) the number of Shares beneficially owned by such Selling Stockholder before and after the offering, and (iii) the address and other information with respect to such Selling Stockholder (excluding percentages) which appears in the Registration Statement, the Pricing Disclosure Package and the Pricing Prospectus or any amendment or supplement thereto in the table (and corresponding footnote) under the caption "Principal and Selling Stockholders" (with respect to such Selling Stockholder, the "Selling Stockholder Information"), such Registration Statement and Preliminary Prospectus did, and the Prospectus and any further amendments or supplements to the Registration Statement and the Prospectus will, when they become effective or are filed with the Commission, as the case may be, and not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading;

(vii) In order to document the Underwriters' compliance with the reporting and withholding provisions of the Tax Equity and Fiscal Responsibility Act of 1982 with respect to the transactions herein contemplated, such Selling Stockholder will deliver to you prior to or at the First Time of Delivery a properly completed and executed United States Treasury Department Form W-9 (or other applicable form or statement specified by Treasury Department regulations in lieu thereof);

(viii) Certificates in negotiable form or book-entry securities entitlements representing all of the Shares to be sold by such Selling Stockholder hereunder have been placed in custody under a Custody Agreement, in the form heretofore furnished to you (the

"Custody Agreement"), duly executed and delivered by such Selling Stockholder to Computershare Trust Company, N.A., as custodian (the "Custodian"), and such Selling Stockholder has duly executed and delivered a Power of Attorney, in the form heretofore furnished to you (the "Power of Attorney"), appointing the persons indicated in Schedule II hereto, and each of them, as such Selling Stockholder's attorneys-in-fact (the "Attorneys-in-Fact") with authority to execute and deliver this Agreement on behalf of such Selling Stockholder, to determine the purchase price to be paid by the Underwriters to the Selling Stockholders as provided in Section 2 hereof, to authorize the delivery of the Shares to be sold by such Selling Stockholder hereunder and otherwise to act on behalf of such Selling Stockholder in connection with the transactions contemplated by this Agreement and the Custody Agreement;

(ix) The Shares held in custody for such Selling Stockholder under the Custody Agreement are subject to the interests of the Underwriters hereunder; the arrangements made by such Selling Stockholder for such custody, and the appointment by such Selling Stockholder of the Attorneys-in-Fact by the Power of Attorney, are to that extent irrevocable; the obligations of the Selling Stockholders hereunder shall not be terminated by operation of law, whether by the death or incapacity of any individual Selling Stockholder or, in the case of an estate or trust, by the death or incapacity of any executor or trustee or the termination of such estate or trust, or in the case of a partnership or corporation, by the dissolution of such partnership, limited liability company or corporation, or by the occurrence of any other event; if any individual Selling Stockholder or any such executor or trustee should die or become incapacitated, or if any such estate or trust should be terminated, or if any such partnership, limited liability company or corporation should be dissolved, or if any other such event should occur, before the delivery of the Shares to be sold by such Selling Stockholder hereunder, certificates representing the Shares to be sold by such Selling Stockholder hereunder shall be delivered by or on behalf of the Selling Stockholders in accordance with the terms and conditions of this Agreement and of the Custody Agreements; and actions taken by the Attorneys-in-Fact pursuant to the Powers of Attorney shall be as valid as if such death, incapacity, termination, dissolution or other event had not occurred, regardless of whether or not the Custodian, the Attorneys-in-Fact, or any of them, shall have received notice of such death, incapacity, termination, dissolution or other event;

(x) Such Selling Stockholder will not directly or indirectly use the proceeds of the offering of the Shares hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity, (i) to fund or facilitate any activities of or business with any person, or in any country or territory, that, at the time of such funding, is the subject or the target of Sanctions, or in any other manner that will result in a violation by any person (including any person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions, or (ii) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any person in violation of any Money Laundering Laws or any applicable anti-bribery or anti-corruption laws; and

(xi) Such Selling Stockholder is not prompted by any material non-public information concerning the Company or any of its subsidiaries that is not disclosed in the Pricing Prospectus to sell its Shares pursuant to this Agreement.

2. Subject to the terms and conditions herein set forth, (a) the Company and the Selling Stockholders agree, severally and not jointly, to issue and sell to each of the Underwriters, and each of the Underwriters agrees, severally and not jointly, to purchase from the Company and each of the Selling Stockholders, at a purchase price per share of $[●], the number of Firm Shares set forth opposite the name of such Underwriter in Schedule I hereto and (b) in the event and to the extent that the Underwriters shall exercise the election to purchase Optional Shares as provided below, the Company and the Selling Stockholders, as and to the extent indicated in Schedule II hereto, agree, severally and not jointly, to issue and sell to each of the Underwriters, and each of the Underwriters agrees, severally and not jointly, to purchase from the Company and each of the Selling Stockholders, at the purchase price per share set forth in clause (a) of this Section 2 (provided that the purchase price per Optional Share shall be reduced by an amount per share equal to any dividends or distributions declared by the Company and payable on the Firm Shares but not payable on the Optional Shares), that portion of the number of Optional Shares as to which such election shall have been exercised (to be adjusted by the Representatives so as to eliminate fractional shares) determined by multiplying such number of Optional Shares by a fraction, the numerator of which is the maximum number of Optional Shares which such Underwriter is entitled to purchase as set forth opposite the name of such Underwriter in Schedule I hereto and the denominator of which is the maximum number of Optional Shares that all of the Underwriters are entitled to purchase hereunder.

The Company and the Selling Stockholders, as and to the extent indicated in Schedule II hereto, hereby grant, severally and not jointly, to the Underwriters the right to purchase at their election up to [●] Optional Shares, at the purchase price per share set forth in the paragraph above, for the sole purpose of covering sales of shares in excess of the number of Firm Shares, *provided* that the purchase price per Optional Share shall be reduced by an amount per share equal to any dividends or distributions declared by the Company and payable on the Firm Shares but not payable on the Optional Shares. Any such election to purchase Optional Shares shall be made in proportion to the maximum number of Optional Shares to be sold by the Company and all Selling Stockholders as set forth in Schedule II. Any such election to purchase Optional Shares may be exercised only by written notice from the Representatives to the Company and the Attorneys-in-Fact, given within a period of 30 calendar days after the date of this Agreement, setting forth the aggregate number of Optional Shares to be purchased and the date on which such Optional Shares are to be delivered, as determined by the Representatives but in no event earlier than the First Time of Delivery (as defined in Section 4 hereof) or, unless the Representatives and the Company and the Attorneys-in-Fact otherwise agree in writing, earlier than two or later than ten business days after the date of such notice.

3. Upon the authorization by the Representatives of the release of the Firm Shares, the several Underwriters propose to offer the Firm Shares for sale upon the terms and conditions set forth in the Pricing Prospectus and the Prospectus.

4. (a) The Shares to be purchased by each Underwriter hereunder, in definitive or book-entry form, and in such authorized denominations and registered in such names as the Representatives may request upon at least forty-eight hours' prior notice to the Company shall be delivered by or on behalf of the Company and the Selling Stockholders to the Representatives, through the facilities of the Depository Trust Company, for the account of such Underwriter, against payment by or on behalf of such Underwriter of the purchase price therefor by wire transfer of Federal (same-day) funds to the accounts specified by the Company and the Custodian to the Representatives at least forty-eight hours in advance. The time and date of such delivery and payment shall be, with respect to the Firm Shares, 9:30 a.m., New York City time, on [●], 2021 or such other time and date as the Representatives, the Company, and the Attorneys-in-Fact may agree upon in writing, and, with respect to the Optional Shares, 9:30 a.m., New York City time, on the date specified by the Representatives in the written notice given by the Representatives of the Underwriters' election to purchase such Optional Shares, or such other time and date as the Representatives, the Company, and the Attorneys-in-Fact may agree upon in writing. Such time and date for delivery of the Firm Shares is herein called the "First Time of Delivery," such time and date for delivery of the Optional Shares, if not the First Time of Delivery, is herein called the "Second Time of Delivery," and each such time and date for delivery is herein called a "Time of Delivery."

(b) The documents to be delivered at each Time of Delivery by or on behalf of the parties hereto pursuant to Section 8 hereof, including the cross receipt for the Shares and any additional documents requested by the Underwriters pursuant to Section 8(j) hereof, will be delivered at the offices of Gibson, Dunn & Crutcher, LLP, 555 Mission Street, San Francisco, California 94105 (the "Closing Location"), and following receipt of payment for the Shares in accordance with Section 4(a) above, the Shares will be issued and delivered at the Designated Office, all at such Time of Delivery. A meeting will be held at the Closing Location at [●] p.m., New York City time, on the New York Business Day next preceding such Time of Delivery, at which meeting the final drafts of the documents to be delivered pursuant to the preceding sentence will be available for review by the parties hereto. For the purposes of this Section 4, "New York Business Day" shall mean each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in New York City are generally authorized or obligated by law or executive order to close.

5. The Company agrees with each of the Underwriters:

(a) To prepare the Prospectus in a form approved by the Representatives and to file such Prospectus pursuant to Rule 424(b) under the Act not later than the Commission's close of business on the second business day following the execution and delivery of this Agreement, or, if applicable, such earlier time as may be required by Rule 430A(a)(3) under the Act; to make no further amendment or any supplement to the Registration Statement or the Prospectus prior to the Second Time of Delivery which shall be disapproved by the

Representatives promptly after reasonable notice thereof; to advise the Representatives, promptly after it receives notice thereof, of the time when any amendment to the Registration Statement has been filed or becomes effective or any amendment or supplement to the Prospectus has been filed and to furnish the Representatives with copies thereof; to file promptly all materials required to be filed by the Company with the Commission pursuant to Rule 433(d) under the Act; to advise the Representatives, promptly after it receives notice thereof, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or other prospectus in respect of the Shares, of the suspension of the qualification of the Shares for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding for any such purpose, or of any request by the Commission for the amending or supplementing of the Registration Statement or the Prospectus or for additional information; and, in the event of the issuance of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or other prospectus or suspending any such qualification, to promptly use its best efforts to obtain the withdrawal of such order;

(b) Promptly from time to time to take such action as the Representatives may reasonably request to qualify the Shares for offering and sale under the securities laws of such jurisdictions as the Representatives may reasonably request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution of the Shares, *provided* that in connection therewith the Company shall not be required to qualify as a foreign corporation (where not otherwise required) or to file a general consent to service of process in any jurisdiction (where not otherwise required) or to subject itself to taxation for doing business in any jurisdiction in which it was not otherwise subject to taxation or to file a general consent to service of process in any jurisdiction (where not otherwise required);

(c) Prior to 10:00 a.m., New York City time, on the New York Business Day next succeeding the date of this Agreement (or such later time as may be agreed to by the Company and the Representatives) and from time to time, to furnish the Underwriters with written and electronic copies of the Prospectus in New York City in such quantities as the Representatives may reasonably request, and, if the delivery of a prospectus (or in lieu thereof, the notice referred to in Rule 173(a) under the Act) is required at any time prior to the expiration of nine months after the time of issue of the Prospectus in connection with the offering or sale of the Shares and if at such time any event shall have occurred as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Prospectus (or in lieu thereof, the notice referred to in Rule 173(a) under the Act) is delivered, not misleading, or, if for any other reason it shall be necessary during such same period to amend or supplement the Prospectus in order to comply with the Act, to notify the Representatives and upon the Representatives' request to prepare and furnish without charge to each Underwriter and to any dealer (whose name and address the Underwriters shall furnish to the Company) in securities as many written and electronic copies as the Representatives may from time to time reasonably request of an amended Prospectus or a

supplement to the Prospectus which will correct such statement or omission or effect such compliance; and in case any Underwriter is required to deliver a prospectus (or in lieu thereof, the notice referred to in Rule 173(a) under the Act) in connection with sales of any of the Shares at any time nine months or more after the time of issue of the Prospectus, upon the Representatives' request but at the expense of such Underwriter, to prepare and deliver to such Underwriter as many written and electronic copies as the Representatives may request of an amended or supplemented Prospectus complying with Section 10(a)(3) of the Act;

(d) To make generally available to its securityholders as soon as practicable (which may be satisfied by filing the Commission's Electronic Data Gathering, Analysis and Retrieval System ("EDGAR")), but in any event not later than sixteen months after the effective date of the Registration Statement (as defined in Rule 158(c) under the Act), an earnings statement of the Company and its subsidiaries (which need not be audited) complying with Section 11(a) of the Act and the rules and regulations of the Commission thereunder (including, at the option of the Company, Rule 158);

(e) (1) During the period beginning from the date hereof and continuing to and including the date 180 days after the date of the Prospectus (the "Lock-Up Period"), not to (i) offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise transfer or dispose of, directly or indirectly, or file with or confidentially submit to the Commission a registration statement under the Act relating to, any securities of the Company that are substantially similar to the Shares (except for any Registration Statement on Form S-8, or any amendment thereto, to register shares issuable upon exercise of awards granted pursuant to the terms of any employee equity incentive plan), including but not limited to any options or warrants to purchase shares of Stock or any securities that are convertible into or exchangeable for, or that represent the right to receive, Stock or any such substantially similar securities, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing; (ii) enter into any swap or other agreement that transfers, or publicly disclose the intention to enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of Stock or any such other securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Stock or such other securities, in cash or otherwise (other than (u) the Shares to be sold hereunder or securities issued, transferred, redeemed or exchanged in connection with the Corporate Reorganization), without the prior written consent of the Representatives; *provided*, *however*, that the foregoing restrictions shall not apply to (A) the Shares to be sold hereunder, (B) the issuance by the Company of Stock upon the exercise of an option or warrant or the conversion or vesting of a security outstanding as of the date of this Agreement or issued after the date of this Agreement pursuant to the Company's equity incentive plans described in the Pricing Prospectus, (C) the issuance by the Company of Stock or securities convertible into, exchangeable for or that represent the right to receive Stock, in each case pursuant to the Company's equity incentive plans described in the Pricing Prospectus, (D), the issuance by the Company of shares of Stock or securities convertible into, exchangeable for or that represent the right to receive Stock in connection with (x) the acquisition by the Company or any of its subsidiaries of the securities, business,

technology, property or other assets of another person or entity or pursuant to an employee benefit plan assumed by the Company in connection with such acquisition, and the issuance of any such securities pursuant to any such agreement or (y) the Company's joint ventures, equipment leasing arrangements, debt financings, commercial relationships and other strategic transactions, so long as the purpose of such transactions described in clauses (x) and (y) is not primarily for capital raising, (E) the filing by the Company of any registration statement on Form S-8 relating to securities granted or to be granted pursuant to the Company's equity incentive plans that are described in the Pricing Prospectus or any assumed employee benefit plan contemplated by clause (C); or (F) the issuance by the Company of shares of Stock or securities convertible into, exchangeable for or that represent the right to receive Stock in connection with the Corporate Reorganization, *provided*, *further*, that the aggregate number of securities that the Company may sell or issue or agree to sell or issue pursuant to clause (C) and, with respect to securities to be granted pursuant to any assumed employee benefit plan, pursuant to clause (D) shall not exceed 10% of the total number of shares of Stock outstanding immediately following the offering of the Shares contemplated by this Agreement determined on a fully diluted basis; and *provided*, *further*, that in the case of clauses (B) through (D), the Company shall (1) cause each recipient of such securities that is a member of the Company's board of directors, an executive officer or a beneficial holder of 1% of the fully diluted capital stock of the Company to execute and deliver to the Representatives, on or prior to the issuance of such securities, a lock-up agreement substantially to the effect set forth in Annex II hereto to the extent not already executed and delivered by such recipients as of the date hereof and (2) enter stop transfer instructions with the Company's transfer agent and registrar on such securities with respect to all recipients of such securities, which the Company agrees it will not waive or amend without the Representatives' prior written consent.

(e) (2) If Goldman Sachs & Co. LLC, in its sole discretion, agrees to release or waive the restrictions set forth in a lock-up letter described in Section 8(i) hereof for an officer or director of the Company and provides the Company with notice of the impending release or waiver at least three business days before the effective date of the release or waiver, the Company agrees to announce the impending release or waiver by a press release substantially in the form of Annex I hereto through a major news service at least two business days before the effective date of the release or waiver;

(f) During a period of three years from the effective date of the Registration Statement, so long as the Company is subject to the reporting requirements of either Section 13 or Section 15(d) of the Exchange Act, to make available to its stockholders as soon as practicable after the end of each fiscal year an annual report (including a balance sheet and statements of income, stockholders' equity and cash flows of the Company and its consolidated subsidiaries certified by independent public accountants) and, as soon as practicable after the end of each of the first three quarters of each fiscal year (beginning with the fiscal quarter ending after the effective date of the Registration Statement), to make available to its stockholders consolidated summary financial information of the Company and its subsidiaries for such quarter in reasonable detail; *provided*, *however*, that no reports documents or other information need to be furnished pursuant to this Section 5(f) to the

extent that they are available on EDGAR or the provision of which would require disclosure by the Company under Regulation FD;

(g) During a period of three years from the effective date of the Registration Statement, so long as the Company is subject to the reporting requirements of either Section 13 or Section 15(d) of the Exchange Act, to make available to the Representatives copies of all reports or other communications (financial or other) furnished to stockholders, and to deliver to the Representatives as soon as they are available, copies of any reports and financial statements furnished to or filed with the Commission or any national securities exchange on which any class of securities of the Company is listed (such financial statements to be on a consolidated basis to the extent the accounts of the Company and its subsidiaries are consolidated in reports furnished to its stockholders generally or to the Commission); *provided*, that no reports documents or other information need to be furnished pursuant to this Section 5(g) to the extent that they are available on EDGAR or to the extent such provision of such reports, documents or other information would require public disclosure by the Company under Regulation FD;

(h) To use the net proceeds received by it from the sale of the Shares pursuant to this Agreement in the manner specified in the Pricing Prospectus under the caption "Use of Proceeds";

(i) To use its reasonable best efforts to list for trading, subject to notice of issuance, the Shares on the Exchange;

(j) To file with the Commission such information on Form 10-Q or Form 10-K as may be required by Rule 463 under the Act;

(k) If the Company elects to rely upon Rule 462(b), the Company shall file a Rule 462(b) Registration Statement with the Commission in compliance with Rule 462(b) by 10:00 p.m., Washington, D.C. time, on the date of this Agreement, and the Company shall at the time of filing either pay to the Commission the filing fee for the Rule 462(b) Registration Statement or give irrevocable instructions for the payment of such fee pursuant to Rule 111(b) under the Act;

(l) Upon request of any Underwriter, to furnish, or cause to be furnished, to such Underwriter an electronic version of the Company's trademarks, servicemarks and corporate logo for use on the website, if any, operated by such Underwriter for the purpose of facilitating the on-line offering of the Shares (the "License"); *provided*, *however*, that the License shall be used solely for the purpose described above, is granted without any fee and may not be assigned or transferred; and

(m) To promptly notify the Representatives if the Company ceases to be an Emerging Growth Company at any time prior to the later of (i) completion of the distribution of the Shares within the meaning of the Act and (ii) the Second Time of Delivery.

6. (a) The Company represents and agrees that, without the prior consent of the Representatives, it has not made and will not make any offer relating to the Shares that would constitute a "free writing prospectus" as defined in Rule 405 under the Act; each

Selling Stockholder represents and agrees that, without the prior consent of the Company and the Representatives, it has not made and will not make any offer relating to the Shares that would constitute a free writing prospectus; and each Underwriter represents and agrees that, without the prior consent of the Company and the Representatives, it has not made and will not make any offer relating to the Shares that would constitute a free writing prospectus required to be filed with the Commission; any such free writing prospectus the use of which has been consented to by the Company and the Representatives is listed on Schedule III(a) hereto;

(b) The Company has complied and will comply with the requirements of Rule 433 under the Act applicable to any Issuer Free Writing Prospectus, including timely filing with the Commission or retention where required and legending; and the Company represents that it has satisfied and agrees that it will satisfy the conditions under Rule 433 under the Act to avoid a requirement to file with the Commission any electronic roadshow (as defined below);

(c) The Company agrees that if at any time following issuance of an Issuer Free Writing Prospectus or Written Testing-the-Waters Communication prepared or authorized by it, any event occurred or occurs as a result of which such Issuer Free Writing Prospectus or Written Testing-the-Waters Communication prepared or authorized by it would conflict with the information in the Registration Statement, the Pricing Prospectus or the Prospectus or would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances then prevailing, not misleading, the Company will give prompt notice thereof to the Representatives and, if requested by the Representatives, will prepare and furnish without charge to each Underwriter an Issuer Free Writing Prospectus, Written Testing-the-Waters Communication or other document which will correct such conflict, statement or omission; *provided*, *however*, that this covenant shall not apply to any statements or omissions in an Issuer Free Writing Prospectus made in reliance upon and in conformity with the Underwriter Information;

(d) The Company represents and agrees that (i) it has not engaged in, or authorized any other person to engage in, any Testing-the-Waters Communications, other than Testing-the-Waters Communications with the prior consent of the Representatives with entities that the Company reasonably believes are qualified institutional buyers as defined in Rule 144A under the Act or institutions that are accredited investors as defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) under the Act; and (ii) it has not distributed, or authorized any other person to distribute, any Written Testing-the-Waters Communications, other than those distributed with the prior consent of the Representatives that are listed on Schedule III(c) hereto; and the Company reconfirms that the Representatives have been authorized to act on its behalf in engaging in Testing-the-Waters Communications; and

(e) Each Underwriter represents and agrees that (i) any Testing-the-Waters Communications undertaken by it were with entities that such Underwriter reasonably believes are qualified institutional buyers as defined in Rule 144A under the Act or institutions that are accredited investors as defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7)

or (a)(8) under the Act and (ii) it will not distribute, or authorize any other person to distribute, any Written Testing-the-Waters Communication, other than those distributed with the prior written authorization of the Company.

7. The Company covenants and agrees with the several Underwriters that the Company will pay or cause to be paid the following: (i) the fees, disbursements and expenses of the Company's counsel and accountants in connection with the registration of the Shares under the Act and all other expenses in connection with the preparation, printing, reproduction and filing of the Registration Statement, any Preliminary Prospectus, any Written Testing-the-Waters Communication, any Issuer Free Writing Prospectus and the Prospectus and amendments and supplements thereto and the mailing and delivering of copies thereof to the Underwriters and dealers; (ii) the cost of printing or producing any agreement among Underwriters, this Agreement, the Blue Sky Memorandum, closing documents (including any compilations thereof) and any other documents in connection with the offering, purchase, sale and delivery of the Shares; (iii) all expenses incurred in connection with the qualification of the Shares for offering and sale under state securities laws as provided in Section 5(b) hereof, including the reasonable and documented fees and disbursements of counsel for the Underwriters in connection with such qualification and in connection with the Blue Sky survey; (iv) all fees and expenses in connection with listing the Shares on the Exchange; (v) the filing fees incident to, and the reasonable and documented fees and disbursements of counsel for the Underwriters in connection with, any required review by FINRA of the terms of the sale of the Shares; (vi) the cost of preparing stock certificates, if applicable; (vii) the cost and charges of any transfer agent or registrar; and (viii) all other costs and expenses incident to the performance of its obligations hereunder which are not otherwise specifically provided for in this Section, provided, however, that the amount payable by the Company pursuant to subsection (iii) and the reasonable fees and disbursements of counsel to the Underwriters described in subsection (v) shall not exceed $35,000 in the aggregate. It is understood, however, that, except as provided in this Section, and Sections 9 and 12 hereof, the Underwriters will pay all of their own costs and expenses, including their own lodging, travel and meal expenses (including meal expenses for potential investors), in connection with any roadshow, the fees of their counsel, stock transfer taxes on resale of any of the Shares by them and any advertising expenses connected with any offers they may make, and the Underwriters will be responsible for 50% of the cost of any chartered plane, jet, private aircraft, other aircraft or other transportation chartered in connection with any "roadshow" presentation to investors undertaken in connection with the offering of the Shares hereunder. The Selling Stockholders will pay the costs and expenses incident to the performance of their obligations hereunder with respect to fees and expenses of counsel and advisors for such Selling Stockholders and all taxes incident to the sale and delivery of the Shares to be sold by such Selling Stockholders to the Underwriters hereunder.

8. The obligations of the Underwriters hereunder, as to the Shares to be delivered at each Time of Delivery, shall be subject, in their discretion, to the condition that all representations and warranties and other statements of the Company and the Selling

Stockholders herein are, at and as of the Applicable Time and such Time of Delivery, true and correct, the condition that the Company and the Selling Stockholders shall have performed all of its obligations hereunder theretofore to be performed, and the following additional conditions:

(a) The Prospectus shall have been filed with the Commission pursuant to Rule 424(b) under the Act within the applicable time period prescribed for such filing by the rules and regulations under the Act and in accordance with Section 5(a) hereof; all material required to be filed by the Company pursuant to Rule 433(d) under the Act shall have been filed with the Commission within the applicable time period prescribed for such filing by Rule 433; if the Company has elected to rely upon Rule 462(b) under the Act, the Rule 462(b) Registration Statement shall have become effective by 10:00 p.m., Washington, D.C. time, on the date of this Agreement; no stop order suspending the effectiveness of the Registration Statement or any part thereof shall have been issued and no proceeding for that purpose or under Section 8A of the Act shall have been initiated or threatened by the Commission; no stop order suspending or preventing the use of the Pricing Prospectus, Prospectus or any Issuer Free Writing Prospectus shall have been initiated or threatened by the Commission; and all requests for additional information on the part of the Commission shall have been complied with to the Representatives' reasonable satisfaction;

(b) Gibson, Dunn & Crutcher, LLP, counsel for the Underwriters, shall have furnished to the Representatives such written opinion or opinions dated such Time of Delivery, in form and substance satisfactory to the Representatives, with respect to such matters as the Representatives may reasonably request, and such counsel shall have received such papers and information as they may reasonably request to enable them to pass upon such matters;

(c) Wilson Sonsini Goodrich & Rosati, Professional Corporation, counsel for the Company, shall have furnished to the Representatives their negative assurance letter and written opinion (in form and substance reasonably satisfactory to the Representatives), each dated as of such Time of Delivery.

(d) Whalen LLP, counsel for the Selling Stockholders, shall have furnished to the Representatives their negative assurance letter and written opinion (in form and substance reasonably satisfactory to the Representatives), each dated as of such Time of Delivery.

(e) (A) On the date of the Prospectus at a time prior to the execution of this Agreement, at 9:30 a.m., New York City time, on the effective date of any post-effective amendment to the Registration Statement filed subsequent to the date of this Agreement and also at each Time of Delivery, BDO shall have furnished to the Representatives a letter or letters, dated the respective dates of delivery thereof, in form and substance reasonably satisfactory to the Representatives and (B) the Chief Financial Officer of the Company shall have furnished to the Representatives a certificate dated the date of this Agreement and each Time of Delivery, in form and substance satisfactory to the Representatives;

(f) (i) Neither the Company nor any of its subsidiaries, taken as a whole, shall have sustained since the date of the latest audited financial statements included in the Pricing Prospectus any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Pricing Prospectus, and (ii) since the respective dates as of which information is given in the Pricing Prospectus there shall not have been any change in the capital stock (other than (A) as a result of the grant, exercise, vesting or settlement (including any "net" or "cashless" exercises or settlements) of stock options, restricted stock units or other equity incentives or the award of stock options, restricted stock units or other equity incentives in the ordinary course of business, in each case pursuant to the Company's equity incentive plans that are described in the Pricing Prospectus, (B) the repurchase of shares of capital stock upon termination of a holder's employment or service with the Company pursuant to agreements providing for an option to repurchase or a right of first refusal on behalf of the Company, (C) the issuance, if any, of capital stock upon exercise or conversion or exchange of Company securities or otherwise in connection with the Corporate Reorganization as described in the Pricing Prospectus) or material issuance or incurrence of or long-term debt of the Company or any of its subsidiaries (other than borrowings under any Company credit facility described in the Pricing Prospectus) or any change or effect, or any development involving a prospective change or effect, in or affecting the (x) business, management, consolidated financial position, consolidated stockholders' equity or consolidated results of operations of the Company and its subsidiaries, taken as a whole, except as set forth or contemplated in the Pricing Prospectus, or (y) the ability of the Company to perform its obligations under this Agreement, including the issuance and sale of the Shares, or to consummate the transactions contemplated in the Pricing Prospectus and the Prospectus, the effect of which, in any such case described in clause (i) or (ii), is in the Representatives' reasonable judgment so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Shares being delivered at such Time of Delivery on the terms and in the manner contemplated in the Pricing Prospectus and the Prospectus;

(g) On or after the Applicable Time there shall not have occurred any of the following: (i) a suspension or material limitation in trading in securities generally on the Exchange; (ii) a suspension or material limitation in trading in the Company's securities on the New York Stock Exchange or The Nasdaq Global Select Market; (iii) a general moratorium on commercial banking activities declared by either Federal or New York or State authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States; (iv) the outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war; or (v) the occurrence of any other calamity or crisis or any change in financial, political or economic conditions in the United States or elsewhere, if the effect of any such event specified in clause (iv) or (v) in the Representatives' reasonable judgment makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Shares

being delivered at such Time of Delivery on the terms and in the manner contemplated in the Pricing Prospectus and the Prospectus;

(h) The Shares to be sold at such Time of Delivery shall have been duly listed, subject to notice of issuance, on the Exchange;

(i) The Company shall have obtained and delivered to the Underwriters executed copies of an agreement from the officers, directors and stockholders of the Company's capital stock (inclusive of stock held by the officers, directors and their respective affiliates), substantially to the effect set forth in Annex II hereof, in form and substance reasonably satisfactory to the Representatives;

(j) The Company shall have complied with the provisions of Section 5(c) hereof with respect to the furnishing of prospectuses on the New York Business Day next succeeding the date of this Agreement; and

(k) The Company and the Selling Stockholders shall have furnished or caused to be furnished to the Representatives at such Time of Delivery certificates of officers of the Company and the Selling Stockholders, respectively and as applicable, satisfactory to the Representatives as to the accuracy of the representations and warranties of the Company and the Selling Stockholders herein at and as of such Time of Delivery, and as to the performance by the Company and the Selling Stockholders of all of its obligations hereunder to be performed at or prior to such Time of Delivery, as to the matters set forth in subsections (a) and (f) of this Section and as to such other matters as you may reasonably request;

9. (a) The Company will indemnify and hold harmless each Underwriter and each Selling Stockholder against any losses, claims, damages or liabilities, joint or several, to which such Underwriter or Selling Stockholder may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, or any amendment or supplement thereto, any Issuer Free Writing Prospectus, any "roadshow" as defined in Rule 433(h) under the Act (a "roadshow"), or any "issuer information" filed or required to be filed pursuant to Rule 433(d) under the Act or any Testing-the-Waters Communication prepared or authorized by the Company, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse each Underwriter and Selling Stockholder for any documented legal or other expenses reasonably incurred by such Underwriter or Selling Stockholder in connection with investigating or defending any such action or claim as such expenses are incurred; *provided*, *however*, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in the Registration Statement, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, or any amendment or supplement thereto, or any Issuer Free Writing Prospectus, any roadshow or any Testing-the-Waters Communication, in reliance upon and in conformity with the Underwriter Information.

(b) Each Selling Stockholder, severally and not jointly, will indemnify and hold harmless each Underwriter and the Company against any losses, claims, damages or liabilities, joint or several, to which such Underwriter or the Company may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, or any amendment or supplement thereto, any Issuer Free Writing Prospectus, any "roadshow" as defined in Rule 433(h) under the Act (a "roadshow"), or any "issuer information" filed or required to be filed pursuant to Rule 433(d) under the Act or any Testing-the-Waters Communication prepared or authorized by the Company, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in the Registration Statement, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, or any amendment or supplement thereto or any Issuer Free Writing Prospectus, or any roadshow or any Testing-the-Waters Communication, in reliance upon and in conformity with the Selling Stockholder Information, and will reimburse each Underwriter and the Company for any documented legal or other expenses reasonably incurred by such Underwriter or the Company in connection with investigating or defending any such action or claim as such expenses are incurred; *provided*, *however*, that such Selling Stockholder shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in the Registration Statement, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, or any amendment or supplement thereto, or any Issuer Free Writing Prospectus, any roadshow or any Testing-the-Waters Communication, in reliance upon and in conformity with the Underwriter Information; and provided, further, that the liability of a Selling Stockholder pursuant to this subsection (b) shall not exceed the product of the number of shares sold by such Selling Stockholder and the initial public offering price of the Shares as set forth in the Prospectus (net of any underwriting discounts and commissions but before deducting expenses) (the "Selling Stockholder Proceeds").

(c) Each Underwriter, severally and not jointly, will indemnify and hold harmless the Company and each Selling Stockholder against any losses, claims, damages or liabilities to which the Company or such Selling Stockholder may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, or any amendment or supplement thereto, or any Issuer Free Writing Prospectus, or any roadshow or any Testing-the-Waters Communication, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in the Registration Statement, any

Preliminary Prospectus, the Pricing Prospectus or the Prospectus, or any amendment or supplement thereto, or any Issuer Free Writing Prospectus, or any roadshow or any Testing-the-Waters Communication, in reliance upon and in conformity with the Underwriter Information; and will reimburse the Company and each Selling Stockholder for any legal or other expenses reasonably incurred by the Company in connection with investigating or defending any such action or claim as such expenses are incurred. As used in this Agreement with respect to an Underwriter and an applicable document, "Underwriter Information" shall mean the written information furnished to the Company by such Underwriter through the Representatives expressly for use therein; it being understood and agreed upon that the only such information furnished by any Underwriter consists of the following information in the Prospectus furnished on behalf of each Underwriter: the concession and reallowance figures appearing in the second sentence in the fifth paragraph under the caption "Underwriters", and the information contained in the twelfth, thirteenth and fourteenth paragraphs under the caption "Underwriters".

(d) Promptly after receipt by an indemnified party under subsection (a) or (b) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; *provided* that the failure to notify the indemnifying party shall not relieve it from any liability that it may have under the preceding paragraphs of this Section 9 except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and *provided*, *further*, that the failure to notify the indemnifying party shall not relieve it from any liability that it may have to an indemnified party otherwise than under the preceding paragraphs of this Section 9. In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation unless (i) such indemnified party shall have reasonably concluded that there may be legal defenses available to it that are different from or in addition to those available to the indemnifying party, (ii) the indemnifying party has failed within a reasonable time to retain counsel reasonably satisfactory to the indemnified party, or (iii) the named parties in any such proceeding (including any impleaded parties) include both the indemnifying person and the indemnified person and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interest between them. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel as contemplated by this

paragraph, the indemnifying party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by such indemnifying party of the aforesaid request and (ii) such indemnifying party shall not have reimbursed the indemnified party in accordance with such request prior to the date of such settlement. No indemnifying party shall, without the written consent of the indemnified party, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release, in form and substance reasonably satisfactory to such indemnified party, of the indemnified party from all liability arising out of such action or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any indemnified party.

(e) If the indemnification provided for in this Section 9 is unavailable to or insufficient to hold harmless an indemnified party under subsection (a) or (b) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Company and the Selling Stockholders on the one hand and the Underwriters on the other from the offering of the Shares. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required under subsection (c) above, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company and the Selling Stockholders on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company and the Selling Stockholders on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company and the Selling Stockholders bear to the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table on the cover page of the Prospectus. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or the Selling Stockholders on the one hand or the Underwriters on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company, each of the Selling Stockholders and the Underwriters agree that it would not be just and equitable if contribution pursuant to this subsection (d) were determined by *pro rata* allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of

allocation which does not take account of the equitable considerations referred to above in this subsection (d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subsection (d) shall be deemed to include any reasonable documented out of pocket legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subsection (d), (i) no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Shares underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission, and (ii) the contribution by each Selling Stockholder pursuant to this subsection (e) shall not exceed its Selling Stockholder Proceeds (reduced by any amounts such Selling Stockholder is obligated to pay under subsection (b) above). No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations in this subsection (d) to contribute are several in proportion to their respective underwriting obligations and not joint and the Selling Stockholders' obligations in this subsection (e) to contribute are several in proportion to their Selling Stockholder Proceeds and not joint.

(f) The obligations of the Company and the Selling Stockholders under this Section 9 shall be in addition to any liability which the Company and the Selling Stockholders may otherwise have and shall extend, upon the same terms and conditions, to each employee, officer and director of each Underwriter and each person, if any, who controls any Underwriter within the meaning of the Act and each broker-dealer or other affiliate of any Underwriter; and the obligations of the Underwriters under this Section 9 shall be in addition to any liability which the respective Underwriters may otherwise have and shall extend, upon the same terms and conditions, to each officer and director of the Company (including any person who, with his or her consent, is named in the Registration Statement as about to become a director of the Company) and to each person, if any, who controls the Company or any selling Stockholder within the meaning of the Act.

10. (a) If any Underwriter shall default in its obligation to purchase the Shares which it has agreed to purchase hereunder at a Time of Delivery, the Representatives may in the Representatives' discretion arrange for the Representatives or another party or other parties to purchase such Shares on the terms contained herein. If within thirty-six hours after such default by any Underwriter the Representatives do not arrange for the purchase of such Shares, then the Company and the Selling Stockholders shall be entitled to a further period of thirty-six hours within which to procure another party or other parties satisfactory to the Representatives to purchase such Shares on such terms. In the event that, within the respective prescribed periods, the Representatives notify the Company and the Selling Stockholders that the Representatives have so arranged for the purchase of such Shares, or the Company or a Selling Stockholder notifies the Representatives that it has so arranged for the purchase of such Shares, the Representatives or the Company or a Selling Stockholder shall have the right to postpone such Time of Delivery for a period of not more

than seven days, in order to effect whatever changes may thereby be made necessary in the Registration Statement or the Prospectus, or in any other documents or arrangements, and the Company agrees to file promptly any amendments or supplements to the Registration Statement or the Prospectus which in the Representatives' opinion may thereby be made necessary. The term "Underwriter" as used in this Agreement shall include any person substituted under this Section with like effect as if such person had originally been a party to this Agreement with respect to such Shares.

(b) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by the Representatives, the Company and the Selling Stockholders as provided in subsection (a) above, the aggregate number of such Shares which remains unpurchased does not exceed one-eleventh of the aggregate number of all the Shares to be purchased at such Time of Delivery, then the Company and the Selling Stockholders shall have the right to require each non-defaulting Underwriter to purchase the number of Shares which such Underwriter agreed to purchase hereunder at such Time of Delivery and, in addition, to require each non-defaulting Underwriter to purchase its pro rata share (based on the number of Shares which such Underwriter agreed to purchase hereunder) of the Shares of such defaulting Underwriter or Underwriters for which such arrangements have not been made; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

(c) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by the Representatives, the Company and the Selling Stockholders as provided in subsection (a) above, the aggregate number of such Shares which remains unpurchased exceeds one-eleventh of the aggregate number of all the Shares to be purchased at such Time of Delivery, or if the Company and the Selling Stockholders shall not exercise the right described in subsection (b) above to require non-defaulting Underwriters to purchase Shares of a defaulting Underwriter or Underwriters, then this Agreement (or, with respect to the Second Time of Delivery, the obligations of the Underwriters to purchase and of the Company and the Selling Stockholders to sell the Optional Shares) shall thereupon terminate, without liability on the part of any non-defaulting Underwriter, the Company or the Selling Stockholders, except for the expenses to be borne by the Company, the Selling Stockholders and the Underwriters as provided in Section 7 hereof and the indemnity and contribution agreements in Section 9 hereof; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

11. The respective indemnities, agreements, representations, warranties and other statements of the Company, the Selling Stockholders and the several Underwriters, as set forth in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement, shall remain in full force and effect, regardless of any investigation (or any statement as to the results thereof) made by or on behalf of any Underwriter or any controlling person of any Underwriter, or the Company, or any of the Selling Stockholders, or any officer or director or controlling person of the Company, or any controlling person of any Selling Stockholder, and shall survive delivery of and payment for the Shares.

12. If this Agreement shall be terminated pursuant to Section 10 hereof, the Company nor the Selling Stockholders shall not then be under any liability to any Underwriter except as provided in Sections 7 and 9 hereof; but, if for any other reason, any Shares are not delivered by or on behalf of the Company and the Selling Stockholders as provided herein or the Underwriters decline to purchase the Shares for any reason permitted under this Agreement, the Company will reimburse the Underwriters through the Representatives for all reasonable and documented out-of-pocket expenses approved in writing by the Representatives, including fees and disbursements of counsel, reasonably incurred by the Underwriters in making preparations for the purchase, sale and delivery of the Shares, but the Company and the Selling Stockholders shall then be under no further liability to any Underwriter except as provided in Sections 7 and 9 hereof.

13. In all dealings hereunder, the Representatives shall act on behalf of each of the Underwriters, and the parties hereto shall be entitled to act and rely upon any statement, request, notice or agreement on behalf of any Underwriter made or given by the Representatives; and in all dealings with any Selling Stockholder hereunder, the Representatives and the Company shall be entitled to act and rely upon any statement, request, notice or agreement on behalf of such Selling Stockholder made or given by any or all of the Attorneys-in-Fact for such Selling Stockholder.

All statements, requests, notices and agreements hereunder shall be in writing, and if to the Underwriters shall be delivered or sent by mail, telex or facsimile transmission to the Representatives in care of Goldman Sachs & Co. LLC, 200 West Street, New York, New York 10282-2198, Attention: Registration Department, and Morgan Stanley & Co. LLC, 1585 Broadway, New York, New York 10036; if to any Selling Stockholder shall be delivered or sent by mail, telex or facsimile transmission to each of the Attorneys-in-Fact named in the Power of Attorney, c/o the Company at the address set forth on the cover of the Registration Statement, Attention: General Counsel with a copy, which shall not constitute notice, to Whalen LLP, 1601 Dove Street, Suite 270, Newport Beach, California 92660; and if to the Company shall be delivered or sent by mail, telex or facsimile transmission to the address of the Company set forth in the Registration Statement, Attention: Chief Financial Officer/General Counsel; *provided*, *however*, that any notice to an Underwriter pursuant to Section 9(c) hereof shall be delivered or sent by mail, telex or facsimile transmission to such Underwriter at its address set forth in its Underwriters' Questionnaire, or telex constituting such Underwriters' Questionnaire, which address will be supplied to the Company by the Representatives upon request; *provided*, *however*, that notices under Section 5(e)(2) shall be in writing, and if to the Underwriters shall be delivered or sent by mail, telex or facsimile transmission to the Representatives in care of Goldman Sachs & Co. LLC, 200 West Street, New York, New York 10282-2198, Attention: Control Room. Any such statements, requests, notices or agreements shall take effect upon receipt thereof.

In accordance with the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), the Underwriters are required to obtain, verify and record information that identifies their respective clients, including the Company, which

information may include the name and address of their respective clients, as well as other information that will allow the Underwriters to properly identify their respective clients.

14. This Agreement shall be binding upon, and inure solely to the benefit of, the Underwriters, the Company and the Selling Stockholders and, to the extent provided in Sections 9 and 11 hereof, the officers and directors of the Company and each person who controls the Company, any Selling Stockholder or any Underwriter, and their respective heirs, executors, administrators, successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement. No purchaser of any of the Shares from any Underwriter shall be deemed a successor or assign by reason merely of such purchase.

15. Time shall be of the essence of this Agreement. As used herein, the term "business day" shall mean any day when the Commission's office in Washington, D.C. is open for business.

16. The Company and the Selling Stockholders acknowledge and agree that (i) the purchase and sale of the Shares pursuant to this Agreement is an arm's-length commercial transaction between the Company and the Selling Stockholders, on the one hand, and the several Underwriters, on the other, (ii) in connection therewith and with the process leading to such transaction each Underwriter is acting solely as a principal and not the agent or fiduciary of the Company or any Selling Stockholder, (iii) no Underwriter has assumed an advisory or fiduciary responsibility in favor of the Company or any Selling Stockholder with respect to the offering contemplated hereby or the process leading thereto (irrespective of whether such Underwriter has advised or is currently advising the Company or any Selling Stockholder on other matters) or any other obligation to the Company or any Selling Stockholder except the obligations expressly set forth in this Agreement, (iv) the Company and each Selling Stockholder has consulted its own legal and financial advisors to the extent it deemed appropriate and (v) none of the activities of the Underwriters in connection with the transactions contemplated herein constitutes a recommendation, investment advice, or solicitation of any action by the Underwriters with respect to any entity or natural person. The Company and each Selling Stockholder agrees that it will not claim that the Underwriters, or any of them, has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Company or any Selling Stockholder, in connection with such transaction or the process leading thereto.

17. This Agreement supersedes all prior agreements and understandings (whether written or oral) between the Company, the Selling Stockholders and the Underwriters, or any of them, with respect to the subject matter hereof.

18. This Agreement and any transaction contemplated by this Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to principles of conflict of laws that would results in the application of any other law than the laws of the State of New York. The Company and each Selling Stockholder agrees that any suit or proceeding arising in respect of this Agreement or any transaction contemplated by this Agreement will be tried exclusively in the U.S. District Court for the Southern District of New York or, if that court does not have subject matter jurisdiction, in

any state court located in The City and County of New York and the Company and each Selling Stockholder agrees to submit to the jurisdiction of, and to venue in, such courts.

19. The Company, each Selling Stockholder and each of the Underwriters hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

20. This Agreement may be executed by any one or more of the parties hereto in any number of counterparts (which may include counterparts delivered by any standard form of telecommunication including any electronic signature covered by the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law, e.g., www.docusign.com), each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

21. Notwithstanding anything herein to the contrary, the Company and the Selling Stockholders are authorized to disclose to any persons the U.S. federal and state income tax treatment and tax structure of the potential transaction and all materials of any kind (including tax opinions and other tax analyses) provided to the Company and the Selling Stockholders relating to that treatment and structure, without the Underwriters imposing any limitation of any kind. However, any information relating to the tax treatment and tax structure shall remain confidential (and the foregoing sentence shall not apply) to the extent necessary to enable any person to comply with securities laws. For this purpose, "tax structure" is limited to any facts that may be relevant to that treatment.

22. Recognition of the U.S. Special Resolution Regimes.

(a) In the event that any Underwriter that is a Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer from such Underwriter of this Agreement, and any interest and obligation in or under this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.

(b) In the event that any Underwriter that is a Covered Entity or a BHC Act Affiliate of such Underwriter becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under this Agreement that may be exercised against such Underwriter are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

(c) As used in this section:

"BHC Act Affiliate" has the meaning assigned to the term "affiliate" in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k).

"Covered Entity" means any of the following:

(i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“U.S. Special Resolution Regime” means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

If the foregoing is in accordance with the Representatives' understanding, please sign and return to us counterparts hereof, and upon the acceptance hereof by the Representatives, on behalf of each of the Underwriters, this letter and such acceptance hereof shall constitute a binding agreement between each of the Underwriters, the Company and each of the Selling Stockholders. It is understood that the Representatives' acceptance of this letter on behalf of each of the Underwriters is pursuant to the authority set forth in a form of Agreement among Underwriters, the form of which shall be submitted to the Company and the Selling Stockholders for examination upon request, but without warranty on the Representatives' part as to the authority of the signers thereof.

Any person executing and delivering this Agreement as Attorney-in-Fact for a Selling Stockholder represents by so doing that he or she has been duly appointed as Attorney-in-Fact by such Selling Stockholder pursuant to a validly existing and binding Power of Attorney that authorizes such Attorney-in-Fact to take such action.

Very truly yours,

Cricut, Inc.

By:

Name:
Title:

Selling Stockholders, acting severally

By:

Name:
Title:
As Attorney-in-Fact acting on behalf of each of the Selling Stockholders named in Schedule II to this Agreement

Accepted as of the date hereof:

Goldman Sachs & Co. LLC

By: .....
Name:
Title:

Morgan Stanley & Co. LLC

By: .....
Name:
Title:

On behalf of each of the Underwriters

SCHEDULE I

Underwriter	**Total Number of Firm Shares to be Purchased**	**Number of Optional Shares to be Purchased if Maximum Option Exercised**
Goldman Sachs & Co. LLC	[●]	[●]
Morgan Stanley & Co. LLC	[●]	[●]
Citigroup Global Markets Inc.	[●]	[●]
Barclays Capital Inc.	[●]	[●]
Robert W. Baird & Co. Incorporated	[●]	[●]
Total	[●]	[●]

SCHEDULE II

Selling Stockholders	Total Number of Firm Shares to be Sold	Number of Optional Shares to be Sold if Maximum Option Exercised
[●]	[●]	[●]
[●]		
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]

SCHEDULE III

(a) Issuer Free Writing Prospectuses not included in the Pricing Disclosure Package:

Electronic roadshow dated [_____], 2021

(b) Additional Documents Incorporated by Reference:

[None]

(b) Information other than the Pricing Prospectus that comprise the Pricing Disclosure Package:

The initial public offering price per share for the Shares is $ . . . . . .
The number of Shares purchased by the Underwriters is [. . .].
[Add any other pricing disclosure.]

(c) Written Testing-the-Waters Communications:

[ ], dated [ ], 2021

ANNEX I

Form of Press Release

Cricut, Inc.
[Date]

Cricut, Inc. (the "Company") announced today that Goldman Sachs & Co. LLC, the lead book-running manager in the Company's recent public sale of shares of Class A common stock, is [waiving] [releasing] a lock-up restriction with respect to shares of the Company's Class A common stock held by [certain officers or directors] [an officer or director] of the Company. The [waiver] [release] will take effect on , 20 , and the shares may be sold on or after such date.

This press release is not an offer for sale of the securities in the United States or in any other jurisdiction where such offer is prohibited, and such securities may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933, as amended.

ANNEX II

Form of Lock-Up Agreement

Cricut, Inc.

Lock-Up Agreement

[●], 2021

Goldman Sachs & Co. LLC
Morgan Stanley & Co. LLC,
As the Representatives of the several Underwriters

c/o Goldman Sachs & Co. LLC
200 West Street,
New York, New York 10282

c/o Morgan Stanley & Co. LLC
1585 Broadway
New York, New York 10036

Re: *Cricut, Inc. - Lock-Up Agreement*

Ladies and Gentlemen:

The undersigned understands that you, as the representatives (the "**Representatives**"), propose to enter into an Underwriting Agreement (the "**Underwriting Agreement**") on behalf of the several Underwriters named in Schedule I to such agreement (collectively, the "**Underwriters**"), with Cricut, Inc., a Delaware corporation (the "**Company**"), providing for a public offering (the "**Offering**") of common stock, par value $0.001 per share (the "**Stock**") of the Company (the "**Shares**") pursuant to a Registration Statement on Form S-1 to be filed with the Securities and Exchange Commission (the "**SEC**").

In consideration of the agreement by the Underwriters to offer and sell the Shares, and of other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the undersigned agrees that, during the period beginning from the date of this Lock-Up Agreement (this "**Lock-Up Agreement**") and continuing to and including the date 180 days after the date (the "**Offering Date**") set forth on the cover of the final prospectus (the "**Prospectus**") used to sell the Shares (the "**Lock-Up Period**"), the undersigned will not (i) offer, sell, contract to sell, pledge, grant any option to purchase, lend, make any short sale or otherwise transfer for value or dispose for value, directly or indirectly, any shares of Stock of the Company, or any options or warrants to purchase any shares of Stock of the Company, or any securities convertible into, exchangeable for or that

represent the right to receive shares of Stock of the Company (such options, warrants or other securities, collectively, "**Derivative Instruments**"), including without limitation any such shares or Derivative Instruments whether now owned or hereinafter acquired, owned directly by the undersigned (including holding as a custodian) or with respect to which the undersigned has beneficial ownership within the rules and regulations of the SEC (collectively, the "**Undersigned's Shares**") or (ii) engage in any hedging or other transaction or arrangement (including, without limitation, any short sale or the purchase or sale of, or entry into, any put or call option, or combination thereof, forward, swap or any other derivative transaction or instrument, however described or defined) which is designed to or which reasonably could be expected to lead to or result in a sale, loan, pledge or other disposition (whether by the undersigned or someone other than the undersigned), or transfer of any of the economic consequences of ownership, in whole or in part, directly or indirectly, of shares of Stock of the Company or Derivative Instruments, whether any such transaction or arrangement (or instrument provided for thereunder) would be settled by delivery of Stock of the Company or other securities, in cash or otherwise (any such sale, disposition or transfer of economic consequences as described in this clause (ii), "**Prohibited Activity**"). The undersigned represents and warrants that the undersigned is not currently a party to any agreement or arrangement that provides for any Prohibited Activity during the Lock-Up Period.

If the undersigned is not a natural person, the undersigned represents and warrants that no single natural person, entity or "group" (within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**")), other than a natural person, entity or "group" (as described above) that has executed a Lock-Up Agreement in substantially the same form as this Lock-Up Agreement, beneficially owns, directly or indirectly, 50% or more of the common equity interests, or 50% or more of the voting power, in the undersigned.

The undersigned further confirms that it has furnished the Representatives with the details of any transaction the undersigned, or any of its direct or indirect affiliates, is a party to as of the date hereof, which transaction would have been restricted by this Lock-Up Agreement if it had been entered into by the undersigned during the Lock-Up Period.

If the undersigned is an officer or director of the Company, (1) the undersigned further agrees that the foregoing restrictions shall be equally applicable to any Company-directed Shares the undersigned may purchase in the Offering, (2) the Representatives agree that, at least three business days before the effective date of any release or waiver of the foregoing restrictions in connection with a transfer of Stock, the Representatives will notify the Company of the impending release or waiver, and (3) the Company will agree or has agreed in the Underwriting Agreement to announce the impending release or waiver by press release through a major news service at least two business days before the effective date of the release or waiver. Any release or waiver granted by the Representatives hereunder to any such officer or director shall only be effective two business days after the publication date of such press release. The provisions of this paragraph will not apply if (a) the release or waiver is effected solely to permit a transfer not for consideration and (b) the transferee has agreed in writing to be bound by the same terms described in this Lock-

Up Agreement to the extent and for the duration that such terms remain in effect at the time of the transfer.

Notwithstanding the foregoing, the undersigned may:

(a) transfer the Undersigned's Shares:

(i) as a *bona fide* gift or gifts, including charitable contributions, or for *bona fide* estate planning purposes,

(ii) to any member of the undersigned's immediate family or to any trust for the direct or indirect benefit of the undersigned or the immediate family of the undersigned, or if the undersigned is a trust, to a trustor or beneficiary of the trust or to the estate of a beneficiary of such trust,

(iii) by will, testamentary document or the laws of intestate succession to the legal representative, heir, beneficiary or a member of the immediate family of the undersigned upon the death of the undersigned,

(iv) to a nominee or custodian of a person or entity to whom a disposition or transfer would be permissible under clauses (i) through (iii) above,

(v) if the undersigned is not an officer or director of the Company, in connection with the transfer of shares of Common Stock or other securities of the Company acquired (A) from the Underwriters in the Offering or (B) in open market transactions after the Offering Date,

(vi) if the undersigned is a corporation, partnership, limited liability company, trust or other business entity, (A) to another corporation, partnership, limited liability company, trust or other business entity that is an affiliate (as defined in Rule 405 promulgated under the Securities Act of 1933, as amended) of the undersigned, or to any investment fund or other entity controlling, controlled by, managing or managed by or under common control with the undersigned or affiliates of the undersigned (including, for the avoidance of doubt, where the undersigned is a partnership, to its general partner or a successor partnership or fund, or any other funds managed by such partnership) including any transfer or restructuring for Petrus Holding Company, L.P. and Petrus P.C. LLC and any affiliates required to make a Section 16 filing under the Exchange Act for the Company (collectively, "**Petrus**") or (B) as part of a distribution, transfer or disposition without consideration by the undersigned to its stockholders, partners, members or other equity holders,

(vii) (A) to the Company for the purposes of exercising (including for the payment of tax withholdings or remittance payments due as a result of such exercise) on a "net exercise" basis options to purchase shares of Stock of the Company and (B) in connection with the vesting or settlement of shares of restricted stock or restricted stock units, including any transfer to the

Company for the payment of tax withholdings or remittance payments due as a result of the vesting or settlement of such shares of restricted stock or restricted stock units, as applicable, and any transfer necessary to generate such amount of cash needed for the payment of taxes, including estimated taxes, due as a result of the vesting or settlement of shares of restricted stock or restricted stock units, as applicable, whether by means of a "net settlement" or otherwise, *provided* that any such shares of Stock of the Company received upon such exercise, vesting or settlement shall be subject to the terms of this Lock-Up Agreement, and *provided further* that any such options, shares of restricted stock and restricted stock units are held by the undersigned as of the Offering Date and were issued pursuant to equity awards granted under a stock incentive plan or agreement or other equity award plan or agreement, which plan is described in the Prospectus,

(viii) to the Company in connection with the repurchase of shares of Stock of the Company issued pursuant to equity awards granted under a stock incentive plan or other equity award plan, which plan is described in the Prospectus, or pursuant to the agreements pursuant to which such shares were issued, as described in the Prospectus, *provided* that such repurchase of shares of Stock of the Company is in connection with the termination of the undersigned's employment or service provider relationship with the Company,

(ix) pursuant to a *bona fide* third-party tender offer, merger, consolidation or other similar transaction that is approved by the Board of Directors of the Company and made to all holders of the Company's capital stock involving a change of control of the Company, *provided* that in the event that such tender offer, merger, consolidation or other similar transaction is not completed, the Undersigned's Shares shall remain subject to the provisions of this Lock-Up Agreement,

(x) in connection with the conversion or reclassification of the outstanding preferred stock or other classes of capital stock into shares of Stock of the Company, or any reclassification or conversion of the Stock, in connection with the closing of the Offering, *provided* that any such shares of Stock including pursuant to the transactions described in "Corporate Reorganization" in the Prospectus of the Company received upon such conversion or reclassification shall be subject to the terms of this Lock-Up Agreement,

(xi) by operation of law, such as pursuant to a final qualified domestic order, divorce settlement, divorce decree or separation agreement,

(xii) to the Underwriters pursuant to the Underwriting Agreement, or

(xiii) with the prior written consent of Goldman Sachs & Co. LLC on behalf of the Underwriters;

provided, *however*, that:

(A) in the case of clauses (i), (ii), (iii), (iv), (vi) and (xi) above, it shall be a condition to the transfer or distribution that the donee, devisee, transferee or distributee, as the case may be, agrees in writing to be bound by the restrictions set forth herein, and there shall be no further transfer of such shares of Stock of the Company except in accordance with this Lock-Up Agreement,

(B) in the case of clauses (i), (ii), (iii), (iv) and (vi) above, such transfer shall not involve a disposition for value,

(C) in the case of clauses (i), (ii), (iii), (iv) and (v) above, no filing by any party under the Exchange Act, or other public filing, report or announcement reporting a reduction in beneficial ownership of shares of Stock of the Company shall be required or shall be voluntarily made during the Lock-Up Period (other than a filing on a Form 5 made after the expiration of the Lock-Up Period), and

(D) in the case of clause (vi) above, no filing under Section 16 of the Exchange Act, or other public filing, report or announcement shall be required or shall be voluntarily made during the Lock-Up Period in connection with such transfer or distribution, *provided however* that Petrus shall be permitted to make any filings necessary to effectuate any ownership restructuring contemplated in advance of the Offering, *provided further*, that any such necessary filings shall clearly indicate that no shares of Stock of the Company are being sold; and

(E) in the case of clauses (vii), (viii) and (xi) above, it shall be a condition to such transfer that if any filing under Section 16(a) of the Exchange Act, or other public filing, report or announcement reporting a reduction in beneficial ownership of shares of Stock of the Company in connection with such transfer or distribution shall be legally required during the Lock-Up Period, such filing, report or announcement shall clearly indicate in the footnotes thereto the nature and conditions of such transfer; or

(b) enter into a written plan meeting the requirements of Rule 10b5-1 under the Exchange Act after the date of this Lock-Up Agreement relating to the transfer, sale or other disposition of securities of the undersigned, if then permitted by the Company, *provided* that the securities subject to such plan may not be transferred until after the expiration of the Lock-Up Period and no public announcement or filing under the Exchange Act shall be required or shall be voluntarily made by any person regarding the establishment of such plan during the Lock-Up Period.

For purposes of this Lock-Up Agreement, "**immediate family**" shall mean any relationship by blood, marriage or adoption, not more remote than first cousin. In addition, notwithstanding the foregoing, if the undersigned is a corporation, the

corporation may transfer the capital stock of the Company to any wholly-owned subsidiary of such corporation; provided, however, that in any such case, it shall be a condition to the transfer that the transferee execute an agreement stating that the transferee is receiving and holding such capital stock subject to the provisions of this Lock-Up Agreement, and provided further that any such transfer shall not involve a disposition for value. "**Change of control**" shall mean the transfer (whether by tender offer, merger, consolidation or other similar transaction), in one transaction or a series of related transactions, to a person or group of affiliated persons, of the Company's voting securities if, after such transfer, such person or group of affiliated persons would hold more than 50% of the outstanding voting securities of the Company (or the surviving entity).

In addition, notwithstanding the foregoing, if at any time beginning 90 days after the date of the Prospectus (the "**Early Expiration Threshold Date**") (i) the Company has filed at least one quarterly report on Form 10-Q or annual report on Form 10-K and (ii) the last reported closing price of the Stock on the exchange on which the Stock is listed (the "**Closing Price**") is at least 33% greater than the initial public offering price per share set forth on the cover page of the Prospectus (the "**IPO Price**") for 10 out of any 15 consecutive Trading Days (as defined below) ending on or after the Early Expiration Threshold Date (which 15 Trading Day period may begin prior to the Early Expiration Threshold Date), including the last day of such 15 Trading Day period (any such 15 Trading Day period during which such condition is satisfied, the "**Measurement Period**"), then 25% of the Undersigned's Shares (including all outstanding shares and equity awards, rounded down to the nearest whole share) that are subject to the 180-day Lock-Up Period set forth in this Lock-Up Agreement, which percentage shall be calculated based on the number of the Undersigned's Shares subject to the 180-day Lock-Up Period as of the last day of the Measurement Period, will be automatically released from such restrictions (the "**Early Lock-Up Expiration**") immediately prior to the opening of trading on the exchange on which the Stock is listed on the second Trading Day following the end of the Measurement Period (the "**Early Lock-Up Expiration Date**"); *provided*, *however*, that if, at the time of such Early Lock-Up Expiration Date, the Company is in a Blackout Period (as defined below), the actual date of such Early Lock-Up Expiration shall be delayed (the "**Early Lock-Up Expiration Extension**") until immediately prior to the opening of trading on the second Trading Day (the "**Extension Expiration Date**") following the first date (such first date, the "**Extension Expiration Measurement Date**") that (i) the Company is no longer in a Blackout Period under its insider trading policy and (ii) the Closing Price on the Extension Expiration Measurement Date is at least greater than the IPO Price; *provided*, *further*, that, in the case of any of an Early Lock-Up Expiration or an Early Lock-Up Expiration Extension, the Company shall announce through a major news service, or on a Form 8-K, the Early Lock-Up Expiration and the Early Lock-Up Expiration Date, or the Early Lock-Up Expiration Extension and the Extension Expiration Date, as the case may be, at least one full Trading Day prior to the opening of trading on the Early Lock-Up Expiration Date or the Extension Expiration Date, as applicable. For the avoidance of doubt, in the event that this paragraph conflicts with the second paragraph of this Lock-Up Agreement, the undersigned will be entitled to the earliest release date for the maximum number of shares available under this Lock-Up Agreement.

For purposes of this Lock-Up Agreement, a "**Trading Day**" is a day on which the New York Stock Exchange and the Nasdaq Stock Market are open for the buying and selling of securities. For purposes of this Lock-Up Agreement, "**Blackout Period**" shall mean a broadly applicable and regularly scheduled period during which trading in the Company's securities would not be permitted under the Company's insider trading policy.

The undersigned now has, and, except as contemplated above, for the duration of this Lock-Up Agreement will have, good and marketable title to the Undersigned's Shares, free and clear of all liens, encumbrances, and claims whatsoever. The undersigned also agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of the Undersigned's Shares except in compliance with the foregoing restrictions.

The undersigned acknowledges and agrees that the Underwriters have not provided any recommendation or investment advice nor have the Underwriters solicited any action from the undersigned with respect to the Offering of the Shares and the undersigned has consulted their own legal, accounting, financial, regulatory and tax advisors to the extent deemed appropriate. The undersigned further acknowledges and agrees that, although the Underwriters may provide certain Regulation Best Interest and Form CRS disclosures or other related documentation to you in connection with the Offering, the Underwriters are not making a recommendation to you to participate in the Offering or sell any Shares at the price determined in the Offering, and nothing set forth in such disclosures or documentation is intended to suggest that any Underwriter is making such a recommendation.

The undersigned hereby consents to receipt of this Lock-Up Agreement in electronic form and understands and agrees that this Lock-Up Agreement may be signed electronically. In the event that any signature is delivered by facsimile transmission, electronic mail or otherwise by electronic transmission evidencing an intent to sign this Lock-Up Agreement, such facsimile transmission, electronic mail or other electronic transmission shall create a valid and binding obligation of the undersigned with the same force and effect as if such signature were an original. Execution and delivery of this Lock-Up Agreement by facsimile transmission, electronic mail or other electronic transmission is legal, valid and binding for all purposes.

The undersigned understands that the Company and the Underwriters are relying upon this Lock-Up Agreement in proceeding toward consummation of the Offering. The undersigned further understands that this Lock-Up Agreement is irrevocable and shall be binding upon the undersigned's heirs, legal representatives, successors and assigns.

This Lock-Up Agreement will automatically terminate and the undersigned will be released from all obligations hereunder upon the earliest to occur, if any, of (a) the date that the Company advises Goldman Sachs & Co. LLC, in writing, prior to the execution of the Underwriting Agreement, that it has determined not to proceed with the Offering, (b) the date that Goldman Sachs & Co. LLC advises the Company, in writing, prior to the execution of the Underwriting Agreement, that the Underwriters have determined not to proceed with the Offering, (c) the date of termination of the Underwriting Agreement if prior to the closing of the Offering or (d) September 30, 2021, in the event that the Underwriting Agreement has

not been executed by such date, *provided however* that the Company may, by written notice to the undersigned prior to such date, extend such date for a period of up to three additional months.

This Lock-Up Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to the conflict of laws principles thereof.

[*signature page follows*]

Very truly yours,

Exact Name of Shareholder

Authorized Signature

Title

Exhibit 3.1

AMENDED AND RESTATED

CERTIFICATE OF INCORPORATION OF

CRICUT, INC.

Cricut, Inc., a corporation organized and existing under the laws of the State of Delaware (the "**Corporation**"), certifies that:

1. The name of the Corporation is Cricut, Inc. The Corporation's original Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on September 2, 2020.

2. This Amended and Restated Certificate of Incorporation was duly adopted in accordance with Sections 242 and 245 of the General Corporation Law of the State of Delaware, and has been duly approved by the written consent of the stockholders of the Corporation in accordance with Section 228 of the General Corporation Law of the State of Delaware.

3. The text of the Certificate of Incorporation is amended and restated to read as set forth in EXHIBIT A attached hereto.

IN WITNESS WHEREOF, Cricut, Inc. has caused this Amended and Restated Certificate of Incorporation to be signed by Donald B. Olsen, a duly authorized officer of the Corporation, on March 11, 2021.

/s/ Donald B. Olsen
Donald B. Olsen
Executive Vice President & General Counsel

EXHIBIT A

ARTICLE I

The name of the corporation is Cricut, Inc. (the "**Company**").

ARTICLE II

The address of the Company's registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801. The name of its registered agent at such address is The Corporation Trust Company.

ARTICLE III

The purpose of the Company is to engage in any lawful act or activity for which corporations may be organized under the Delaware General Corporation Law (the "**DGCL**"), as the same exists or as may hereafter be amended from time to time.

ARTICLE IV

A. **Stock Split**. Effective immediately upon the filing of this Amended and Restated Certificate of Incorporation, each one (1) outstanding share of Common Stock shall, without further action, be automatically split and converted into 64.2645654 fully paid and nonassessable shares of Common Stock (the "**Stock Split**"). All share and per share amounts set forth in this Amended and Restated Certificate of Incorporation, including, without limitation, the authorized share numbers set forth in this Article IV, and all other rights, preferences and privileges of the Company's Common Stock reflect the Stock Split and no further adjustment to the terms of this Amended and Restated Certificate of Incorporation shall be necessary in connection with the Stock Split.

B. **Authorized Capital.** The Company is authorized to issue one class of shares to be designated Common Stock. The total number of shares of Common Stock the Company has authority to issue is 250,000,000 with par value of $0.001 per share.

ARTICLE V

In furtherance and not in limitation of the powers conferred by statute, the board of directors of the Company is expressly authorized to make, alter, amend or repeal the bylaws of the Company.

ARTICLE VI

Elections of directors need not be by written ballot unless otherwise provided in the bylaws of the Company.

ARTICLE VII

To the fullest extent permitted by the DGCL, as the same exists or as may hereafter be amended from time to time, a director of the Company shall not be personally liable to the Company or its stockholders for monetary damages for breach of fiduciary duty as a director. If the DGCL is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Company shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended.

Neither any amendment, elimination nor repeal of this Article VII, nor the adoption of any provision of this Amended and Restated Certificate of Incorporation inconsistent with this Article VII, shall eliminate or reduce the effect of this Article VII in respect of any matter occurring, or any cause of action, suit or claim accruing or arising or that, but for this Article VII, would accrue or arise, prior to such amendment, elimination, repeal or adoption of an inconsistent provision.

ARTICLE VIII

Subject to any provisions in the bylaws of the Company related to indemnification of directors or officers of the Company, the Company shall indemnify, to the fullest extent permitted by applicable law, any director or officer of the Company who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (a "**Proceeding**") by reason of the fact that he or she is or was a director, officer, employee or agent of the Company or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any such Proceeding. The Company shall be required to indemnify a person in connection with a Proceeding (or part thereof) initiated by such person only if the Proceeding (or part thereof) was authorized by the board of directors.

The Company shall have the power to indemnify, to the extent permitted by the DGCL, as it presently exists or may hereafter be amended from time to time, any employee or agent of the Company who was or is a party or is threatened to be made a party to any Proceeding by reason of the fact that he or she is or was a director, officer, employee or agent of the Company or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any such Proceeding.

A right to indemnification or to advancement of expenses arising under a provision of this Amended and Restated Certificate of Incorporation or a bylaw of the Company shall not be eliminated or impaired by an amendment to this Amended and Restated Certificate of Incorporation or the bylaws of the Company after the occurrence of the act or omission that is the subject of the civil, criminal, administrative or investigative action, suit or proceeding for which indemnification or advancement

of expenses is sought, unless the provision in effect at the time of such act or omission explicitly authorizes such elimination or impairment after such action or omission has occurred.

ARTICLE IX

Except as provided in **Article VII** and **Article VIII** above, the Company reserves the right to amend, alter, change or repeal any provision contained in this Amended and Restated Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

Exhibit 3.2

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

OF

CRICUT, INC.

Cricut, Inc., a corporation organized and existing under the laws of the State of Delaware (the "**Company**"), certifies that:

1. The name of the Company is Cricut, Inc. The Company's original Certificate of Incorporation was filed with the Secretary of State of the State of Delaware on September 2, 2020.

2. This Amended and Restated Certificate of Incorporation was duly adopted in accordance with Sections 242 and 245 of the General Corporation Law of the State of Delaware, and has been duly approved by the written consent of the stockholders of the Company in accordance with Section 228 of the General Corporation Law of the State of Delaware.

3. The text of the certificate of incorporation of the Company is amended and restated to read as set forth in EXHIBIT A attached hereto.

4. This Amended and Restated Certificate of Incorporation shall be effective as of [_:__] [_.m.] Eastern Time on [_____] __, 2021.

IN WITNESS WHEREOF, Cricut, Inc. has caused this Amended and Restated Certificate of Incorporation to be signed by Donald B. Olsen, a duly authorized officer of the Company, on [_____] [__], 2021.

Donald B. Olsen
Executive Vice President & General Counsel

EXHIBIT A

ARTICLE I

The name of the corporation is Cricut, Inc. (the "***Company***").

ARTICLE II

The address of the Company's registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801. The name of its registered agent at such address is The Corporation Trust Company.

ARTICLE III

The purpose of the Company is to engage in any lawful act or activity for which corporations may be organized under the Delaware General Corporation Law (the "***DGCL***"), as the same exists or as may hereafter be amended from time to time.

ARTICLE IV

Effective immediately upon the filing and effectiveness of this Amended and Restated Certificate of Incorporation (the "***Effective Time***"), each one (1) share of common stock of the Company, par value $0.001 per share, issued and outstanding or held in treasury immediately prior to the Effective Time shall, without further action, be automatically reclassified, subdivided and changed into one (1) fully paid and nonassessable share of Class B Common Stock of the Company, par value $0.001 per share (the "***Reclassification***"). All share and per share amounts set forth in this Amended and Restated Certificate of Incorporation, including, without limitation, the authorized share numbers set forth in this Article IV, and all other rights, preferences and privileges of the Company's Common Stock, reflect the Reclassification and no further adjustment to the terms of this Amended and Restated Certificate of Incorporation shall be necessary in connection with the Reclassification. After giving effect to the Reclassification described above, the total number of shares of stock that the Company shall have authority to issue is set forth below.

The Corporation is authorized to issue two classes of stock to be designated, respectively, Common Stock and Preferred Stock. The total number of shares of Common Stock authorized to be issued is 1,250,000,000 shares, par value $0.001 per share, which shall be divided into two series. 1,000,000,000 shares of the authorized Common Stock are designated as Class A Common Stock and 250,000,000 shares of the authorized Common Stock are designated as Class B Common Stock. The total number of shares of Preferred Stock authorized to be issued is 100,000,000 shares, par value $0.001 per share.

ARTICLE V

The rights, powers, preferences, privileges, restrictions and other matters relating to the Common Stock are as follows:

1. Definitions. For purposes of this Amended and Restated Certificate, the following definitions apply:

1.1 "***Acquisition***" means (A) any consolidation or merger of the Company with or into any other corporation or other entity or person, or any other corporate reorganization, other than any such consolidation, merger or reorganization in which the shares of capital stock of the Company immediately prior to such consolidation, merger or reorganization continue to represent a majority of the voting power of the surviving entity (or, if the surviving entity is a wholly owned subsidiary, its Parent) immediately after such consolidation, merger or reorganization (*provided* that, for the purpose of this Section V.1.1, all stock, options, warrants, purchase rights or other securities exercisable for or convertible into Common Stock outstanding immediately prior to such merger or consolidation shall be deemed to be outstanding immediately prior to such merger or consolidation and, if applicable, converted or exchanged in such merger or consolidation on the same terms as the actual outstanding shares of capital stock are converted or exchanged); or (B) any transaction or series of related transactions to which the Company is a party in which shares of the Company are transferred such that in excess of fifty percent (50%) of the Company's voting power is transferred; *provided* that an Acquisition shall not include any transaction or series of transactions principally for bona fide equity financing purposes in which cash is received by the Company or any successor or indebtedness of the Company is cancelled or converted or a combination thereof.

1.2 "***Amended and Restated Certificate***" means this Amended and Restated Certificate of Incorporation of the Company, as may be further amended and restated from time to time.

1.3 "***Asset Transfer***" means a sale, lease, exclusive license or other disposition of all or substantially all of the assets of the Company.

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

1.5 "***Entity***" means any corporation, partnership, limited liability company, trust or other legal entity.

1.6 "***Effective Date***" means the date of the effectiveness of the filing of this Amended and Restated Certificate with the Secretary of State of the State of Delaware.

1.7 "***Exchange Act***" means the U.S. Securities Exchange Act of 1934, as amended.

1.8 "***Family Member***" means, with respect to a natural person, each of (a) such natural person's parents and grandparents; (b) the lineal descendants of a person identified in clause (a); and (c) a spouse or domestic partner of a person identified in clause (a) or in clause (b).

1.9 "***Final Conversion Date***" means the earliest of:

(a) The time (including a time determined by the happening of a future event) specified by affirmative vote or written election of the holders of at least sixty-six and two-thirds percent (66 2/3%) of the outstanding shares of Class B Common Stock, voting as a single class (which election may be revoked by such holders prior to the time at which the automatic conversion would otherwise occur unless otherwise specified by such holders);

(b) 5:00 p.m. Eastern Time on the first date after 11:59 p.m. Eastern Time on the Effective Date when the number of Threshold Shares held by Petrus Affiliates plus the number of Threshold Shares held by Permitted Entities of Petrus Affiliates is less than 50% of the number of shares of Class B Common Stock held by Petrus Affiliates plus the number of shares of Class B Common Stock held by Permitted Entities of Petrus Affiliates as of 11:59 p.m. Eastern Time on the Effective Date; and

(c) 5:00 p.m. Eastern Time on the first date after 11:59 p.m. Eastern Time on the Effective Date when the outstanding shares of Class B Common Stock represent less than a majority of the total voting power of the then outstanding shares of capital stock of the Company entitled to vote generally in the election of directors.

1.10 "***Independent Directors***" means the members of the Board designated as independent directors in accordance with the Listing Standards.

1.11 "***Liquidation Event***" means any liquidation, dissolution, or winding up of the Company, whether voluntary or involuntary, or any Acquisition or Asset Transfer.

1.12 "***Listing Standards***" means (i) the requirements of any national stock exchange under which the Company's equity securities are listed for trading that are generally applicable to companies with common equity securities listed thereon or (ii) if the Company's equity securities are not listed for trading on a national stock exchange, the requirements of the Nasdaq Stock Market generally applicable to companies with equity securities listed thereon.

1.13 "***Parent***" of an entity means any entity that directly or indirectly owns or controls a majority of the voting power of the voting securities of such entity.

1.14 "***Petrus Affiliate***" means each of: (a) an Entity controlled by Petrus Trust Company, LTA; (b) Henry Ross Perot and Family Members of Henry Ross Perot;

(c) a trust principally for the benefit of one or more persons identified in clause (b) or an entity identified in clause (d); (d) a charitable trust or foundation formed by one or more of the persons or entities identified in clause (b) or clause (c) a majority of the governing board members of which are persons identified in clause (b); and (e) an entity (other than the Company) majority owned (directly or indirectly) by one or more persons or entities identified in clause (b) or clause (c) or clause (d). For the avoidance of doubt, for purposes of this Amended and Restated Certificate, control of an Entity includes but is not limited to the power, directly or indirectly, to elect the managers of the Entity or of its general partner or other governing authority.

1.15 "***Permitted Entity***" means, with respect to a Petrus Affiliate, any other Petrus Affiliate, and with respect to any Qualified Stockholder, any Entity in which such Qualified Stockholder directly, or indirectly through one or more Permitted Transferees, has sole dispositive power and exclusive Voting Control with respect to all shares of Class B Common Stock held of record by such Entity.

1.16 "***Permitted Transfer***" means (a) any Transfer of a share of Class B Common Stock to any Qualified Stockholder, to any Family Member of any Qualified Stockholder who is a natural person, or to any Permitted Entity of any Qualified Stockholder; and (b) any Transfer of a share of Class B Common Stock from a holder to such holder's affiliate with the prior written approval of the Board (including a majority of the Independent Directors then in office) to qualify as a Permitted Transfer.

1.17 "***Permitted Transferee***" means a transferee of shares of Class B Common Stock, or rights or interests therein, received in a Transfer that constitutes a Permitted Transfer.

1.18 "***Qualified Stockholder***" means (i) each Petrus Affiliate; (ii) the registered holder of a share of Class B Common Stock as of 11:59 p.m. on the Effective Date; (iii) the initial registered holder of any shares of Class B Common Stock that are originally issued by the Company (including, without limitation upon exercise of options or warrants); and (iv) a Permitted Transferee of any of the foregoing.

1.19 "***Securities Exchange***" means the New York Stock Exchange, the Nasdaq Stock Market or any successor markets or exchanges.

1.20 "***Threshold Shares***" means, with respect to any person or Entity as of any time, the sum of (without duplication): (a) any shares of capital stock of the Company, including Class A Common Stock and Class B Common Stock, held by such person or Entity as of such time and (b) any shares of capital stock of the Company, including Class A Common Stock and Class B Common Stock, underlying any securities (including restricted stock units, options, or other convertible instruments) held by such person or Entity as of such time, whether such securities are vested or unvested, earned or unearned, convertible into or exchangeable or exercisable as of such time or in the future.

1.21 "***Transfer***" of a share of Class B Common Stock means any sale, assignment, transfer, conveyance, hypothecation or other transfer or disposition of such share or any legal or beneficial interest in such share, whether or not for value and whether voluntary or involuntary or by operation of law (including by merger, consolidation or otherwise) after 11:59 p.m. Eastern Time on the Effective Date, or the transfer of, or entering into a binding agreement with respect to the transfer of, Voting Control (as defined below) over such share by proxy or otherwise after such time. Notwithstanding the foregoing, the following will not be considered a "***Transfer***":

(a) entering into a support, voting, tender or similar agreement, arrangement or understanding (with or without granting a proxy), and taking any action contemplated thereunder, in connection with a Liquidation Event that has been approved by the Board, including a majority of the Independent Directors then in office;

(b) the grant of a proxy to officers or directors of the Company at the request of the Board in connection with actions to be taken at an annual or special meeting of stockholders or the grant of a revocable proxy given to any other person in response to a public proxy or consent solicitation made pursuant to, and in accordance with, the applicable provisions of the General Rules and Regulations promulgated under the Exchange Act;

(c) any pledge of shares of Class B Common Stock by a stockholder that creates a mere security interest in such shares pursuant to a bona fide loan or indebtedness transaction for so long as such stockholder continues to exercise Voting Control over such pledged shares; *provided*, *however*, that a foreclosure on such shares or other similar action by the pledgee will constitute a "Transfer" unless such foreclosure or similar action qualifies as a "Permitted Transfer" at such time;

(d) any entry into a trading plan pursuant to Rule 10b5-1 under the Exchange Act with a broker or other nominee; *provided*, *however*, that a sale of such shares of Class B Common Stock pursuant to such plan shall constitute a "Transfer" at the time of such sale;

(e) the fact that, as of 11:59 p.m. Eastern Time on the Effective Date or at any time after such time, the spouse of any Qualified Stockholder possesses or obtains an interests in such holder's shares of Class B Common Stock arising solely by reason of the application of the community property laws of any jurisdiction (excluding in connection with a divorce proceeding, domestic relations order or similar legal requirement, all of which shall constitute "Transfers" unless such action qualifies as a "Permitted Transfer" at such time), so long as no other event or circumstance shall exist or have occurred that constitutes a "Transfer" of such share of Class B Common Stock; and

(f) any issuance or reissuance by the Company of a share of Class B Common Stock or any redemption, purchase or acquisition by the Company of a share of Class B Common Stock.

1.22 "***Voting Control***" means, with respect to a share of capital stock or other security, the power (whether exclusive or shared) to vote or direct the voting of such security, including by proxy, voting agreement or otherwise.

1.23 "***Whole Board***" means the total number of authorized directors whether or not there exist any vacancies or unfilled seats in previously authorized directorships.

2. Identical Rights. Except as otherwise provided in this Amended and Restated Certificate or required by applicable law, shares of Common Stock shall have the same rights and powers, rank equally (including as to dividends and distributions, and any liquidation, dissolution or winding up of the Company but excluding voting and other matters as described in Section V.3 below), share ratably and be identical in all respects as to all matters, including:

2.1 Subject to the prior rights of holders of all classes and series of stock at the time outstanding having prior rights as to dividends, the holders of the Common Stock shall be entitled to receive, when, as and if declared by the Board, out of any assets of the Company legally available therefor, such dividends as may be declared from time to time by the Board. Any dividends paid to the holders of shares of Common Stock shall be paid pro rata, on an equal priority, pari passu basis, unless different treatment of the shares of any such class or series is contemplated in this Amended and Restated Certificate or approved by the affirmative vote of the holders of a majority of the voting power of the outstanding shares of such applicable class or series of Common Stock treated adversely, voting separately as a class.

2.2 The Company shall not declare or pay any dividend or make any other distribution to the holders of Common Stock payable in securities of the Company unless the same dividend or distribution with the same record date and payment date shall be declared and paid on all shares of Common Stock; *provided*, *however*, that (i) dividends or other distributions payable in shares of Class A Common Stock or rights to acquire shares of Class A Common Stock may be declared and paid to the holders of Class A Common Stock without the same dividend or distribution being declared and paid to the holders of the Class B Common Stock if, and only if, a dividend payable in shares of Class B Common Stock or rights to acquire shares of Class B Common Stock are declared and paid to the holders of Class B Common Stock at the same rate and with the same record date and payment date, and (ii) dividends or other distributions payable in shares of Class B Common Stock or rights to acquire shares Class B Common Stock may be declared and paid to the holders of Class B Common Stock without the same dividend or distribution being declared and paid to the holders of the Class A Common Stock if, and only if, a dividend payable in shares of Class A Common Stock or rights to acquire shares of Class A Common Stock are declared and paid to the holders of Class A Common Stock at the same rate and with the same record date and payment date; and *provided*, *further*, that nothing in the foregoing shall prevent the Company from declaring and paying dividends

or other distributions payable in shares of one series of Common Stock or rights to acquire one series of Common Stock to holders of all series of Common Stock, or, with the approval of holders of a majority of the outstanding shares of each of the Class A Common Stock and Class B Common Stock, each voting separately as a class, from providing for different treatment of the shares of Class A Common Stock and Class B Common Stock.

2.3 If the Company in any manner subdivides or combines the outstanding shares of Class A Common Stock or Class B Common Stock, then the outstanding shares of all Common Stock will be subdivided or combined in the same proportion and manner, unless different treatment of the shares of Class A Common Stock and Class B Common Stock is approved by the affirmative vote of the holders of a majority of the outstanding shares of the Class A Common Stock and the Class B Common Stock, each voting separately as a class.

3. Voting Rights.

3.1 Common Stock.

(a) Class A Common Stock. Each holder of shares of Class A Common Stock will be entitled to one (1) vote for each share thereof held at the record date for the determination of the stockholders entitled to vote on a matter.

(b) Class B Common Stock. Each holder of shares of Class B Common Stock will be entitled to five (5) votes for each share thereof held at the record date for the determination of the stockholders entitled to vote on a matter.

3.2 General. Except as otherwise expressly provided herein or as required by law, the holders of Class A Common Stock and Class B Common Stock will vote together and not as separate series or classes.

3.3 Authorized Shares. For the avoidance of doubt, the number of authorized shares of the Class A Common Stock may be increased or decreased (but not below (i) the number of shares of Class A Common Stock then outstanding plus (ii) the number of shares reserved for issuance pursuant to Section V.8) by the affirmative vote of the holders of a majority of the voting power of the Class A Common Stock and Class B Common Stock, voting together as a single class, irrespective of the provisions of Section 242(b)(2) of the DGCL.

3.4 Election of Directors. Subject to any rights of the holders of any series of Preferred Stock to elect directors under specified circumstances, the holders of Class A Common Stock and Class B Common Stock, voting together as a single class, shall be entitled to elect and remove all directors of the Company.

4. Liquidation Rights. In the event of a Liquidation Event in connection with which the Board has determined to effect a distribution of assets of the Company to any holder or holders of Common Stock, then, subject to the rights of any holders of any series of Preferred Stock that may then be outstanding, the assets of the Company legally available for distribution to stockholders shall be distributed on an equal priority, pro rata basis to the holders of Common Stock, unless different treatment of the shares of each such class is approved by the affirmative vote of the holders of a majority of the outstanding shares of Class A Common Stock and Class B Common Stock, each voting separately as a class; *provided*, *however*, that for the avoidance of doubt, consideration to be paid or received by a holder of Common Stock in connection with any Liquidation Event pursuant to any employment, consulting, severance or similar services arrangement shall not be deemed to be a "distribution to stockholders" for the purpose of this Section V.4; *provided*, *further, however*, that holders of shares of such classes may receive, or have the right to elect to receive, different or disproportionate consideration in connection with such consolidation, merger or other transaction if the only difference in the per share consideration to the holders of the Class A Common Stock and Class B Common Stock is that any securities distributed to the holder of a share of Class B Common Stock have five (5) times the voting power of any securities distributed to the holder of a share of Class A Common Stock.

5. Conversion of the Class B Common Stock. The Class B Common Stock will convert into Class A Common Stock as follows:

5.1 Each share of Class B Common Stock will automatically convert into one fully paid and nonassessable share of Class A Common Stock on the Final Conversion Date.

5.2 A share of Class B Common Stock will automatically convert into one fully paid and nonassessable share of Class A Common Stock, as follows:

(a) on the affirmative written election of the holder of such share of Class B Common Stock or, if later, at the time or the happening of a future event specified in such written election (which election may be revoked by such holder prior to the date on which the automatic conversion would otherwise occur unless otherwise specified by such holder);

(b) if the holder of such share of Class B Common Stock is a natural person, upon the death of such person; and

(c) on the occurrence of a Transfer of such share of Class B Common Stock to any person or Entity that is not a Permitted Transferee.

6. Procedures. The Company may, from time to time, establish such policies and procedures relating to the conversion of the Class B Common Stock to Class A Common Stock and the general administration of this multi-class stock structure, including the issuance of stock certificates with respect thereto, as it may deem necessary or advisable, and

may from time to time request that holders of shares of Class B Common Stock furnish certifications, affidavits or other proof to the Company as it deems necessary to verify the ownership of Class B Common Stock and to confirm that a conversion to Class A Common Stock has not occurred. A determination by the Company as to whether or not a Transfer has occurred and results in a conversion to Class A Common Stock shall be conclusive and binding.

7. Immediate Effect. In the event of and upon a conversion of shares of Class B Common Stock to shares of Class A Common Stock pursuant to Section V.5, such conversion shall be deemed to have been made at the time that the Transfer of shares or death, as applicable, occurred or immediately upon the Final Conversion Date or election to convert (or happening of a future event specified in such election), as applicable. Upon any conversion of Class B Common Stock to Class A Common Stock in accordance with this Amended and Restated Certificate, all rights of the holder of such shares of Class B Common Stock shall cease and the person or persons in whose name or names the certificate or certificates representing the shares of Class A Common Stock are to be issued shall be treated for all purposes as having become the record holder or holders of such shares of Class A Common Stock.

8. Reservation of Stock Issuable Upon Conversion. The Company will at all times reserve and keep available out of its authorized but unissued shares of Class A Common Stock, solely for the purpose of effecting the conversion of the shares of the Class B Common Stock such number of its shares of Class A Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Class B Common Stock; and if at any time the number of authorized but unissued shares of Class A Common Stock will not be sufficient to effect the conversion of all then-outstanding shares of Class B Common Stock, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Class A Common Stock to such number of shares as will be sufficient for such purpose.

9. Preemptive Rights. No stockholder of the Company shall have a right to purchase shares of capital stock of the Company sold or issued by the Company except to the extent that such a right may from time to time be set forth in a written agreement between the Company and a stockholder.

10. Class B Protective Provisions. Prior to the Final Conversion Date, the Company shall not, without the prior affirmative vote (either at a meeting or by written election) of or waiver by the holders of a majority of the outstanding shares of Class B Common Stock, voting as a separate class, in addition to any other vote required by applicable law or this Amended and Restated Certificate:

10.1 reclassify any outstanding shares of Class A Common Stock into shares having rights as to dividends or liquidation that are senior to the Class B Common Stock or the right to have more than one (1) vote for each share thereof; or

10.2 issue any shares of Preferred Stock authorized pursuant to a Preferred Stock Designation (defined below).

ARTICLE VI

1. Rights of Preferred Stock. The Board is authorized, subject to any limitations prescribed by law and this Amended and Restated Certificate, to provide for the issuance of shares of Preferred Stock in series, and by filing a certificate pursuant to the applicable law of the State of Delaware (such certificate being hereinafter referred to as a "***Preferred Stock Designation***"), to establish from time to time the number of shares to be included in each such series, and to fix the designations, powers, preferences, and rights of the shares of each such series and any qualifications, limitations or restrictions thereof, including, without limitation, authority to fix by resolution or resolutions the dividend rights, dividend rate, conversion rights, voting rights, rights and terms of redemption (including sinking fund provisions), redemption price or prices, and liquidation preferences of any such series, and the number of shares constituting any such series and the designation thereof, or any of the foregoing. The Board is further authorized to increase (but not above the total number of authorized shares of the class) or decrease (but not below the number of shares of any such series then outstanding) the number of shares of any series, subject to the powers, preferences and rights, and the qualifications, limitations and restrictions thereof stated in this Amended and Restated Certificate or the resolution of the Board originally fixing the number of shares of such series. Except as may be otherwise specified by the terms of any series of Preferred Stock, if the number of shares of any series of Preferred Stock is so decreased, then the Company shall take all such steps as are necessary to cause the shares constituting such decrease to resume the status which they had prior to the adoption of the resolution originally fixing the number of shares of such series.

2. Vote to Increase or Decrease Authorized Shares. The number of authorized shares of Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the voting power of all of the outstanding shares of stock of the Company entitled to vote thereon, without a vote of the holders of the Preferred Stock, or of any series thereof, unless a vote of any such holders is required pursuant to the terms of any Preferred Stock Designation, irrespective of the provisions of Section 242(b)(2) of the DGCL.

ARTICLE VII

1. Board Size. Subject to the rights of the holders of any series of Preferred Stock to elect additional directors under specified circumstances, the number of directors that constitutes the Whole Board shall be fixed solely by resolution of the Board acting pursuant to a resolution adopted by a majority of the Whole Board. At each annual meeting of stockholders, directors of the Company whose terms are expiring at such meeting shall be elected to hold office until the expiration of the term for which they are elected and until their successors have been duly elected and qualified or until their earlier death, resignation or

removal; except that if any such election shall not be so held, such election shall take place at a stockholders' meeting called and held in accordance with the DGCL.

2. Removal; Vacancies. Any director may be removed from office by the stockholders of the Company as provided in Section 141(k) of the DGCL. Subject to the rights of the holders of any series of Preferred Stock to elect directors and fill vacancies under specified circumstances, vacancies occurring on the Board for any reason and newly created directorships resulting from an increase in the authorized number of directors may be filled only by vote of a majority of the remaining members of the Board, although less than a quorum, or by a sole remaining director, and not by stockholders.

ARTICLE VIII

The following provisions are inserted for the management of the business and the conduct of the affairs of the Company, and for further definition, limitation and regulation of the powers of the Company and of its directors and stockholders:

1. Board Power. The business and affairs of the Company shall be managed by or under the direction of the Board. In addition to the powers and authority expressly conferred by statute or by this Amended and Restated Certificate or the Bylaws of the Company, the Board is hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Company.

2. Written Ballot. Elections of directors need not be by written ballot unless otherwise provided in the Bylaws of the Company.

3. Amendment of Bylaws. In furtherance and not in limitation of the powers conferred by the DGCL, the Board is expressly authorized to adopt, amend or repeal the Bylaws of the Company. The Bylaws may also be adopted, amended, altered or repealed by the stockholders of the Company; *provided* that prior to the Final Conversion Date, the affirmative vote of the holders of at least a majority of the total voting power of outstanding voting securities of the Company, voting together as a single class, shall be required for the stockholders of the Company to alter, amend or repeal, or adopt any provision of the Bylaws and following the Final Conversion Date, the affirmative vote of the holders of at least sixty-six and two-thirds percent (66 2/3%) of the total voting power of outstanding voting securities of the Company, voting together as a single class, shall be required for the stockholders of the Company to alter, amend or repeal, or adopt any provision of the Bylaws.

4. Special Meetings. Special meetings of the stockholders may be called only by (i) the Board pursuant to a resolution adopted by a majority of the Whole Board; (ii) the chairperson of the Board; (iii) the chief executive officer of the Company; or (iv) the president of the Company, but a special meeting may not be called by any other person or Entity or persons or Entities and any power of stockholders to call a special meeting of stockholders is specifically denied.

5. Availability of Stockholder Action by Written Consent. Subject to the rights of the holders of any series of Preferred Stock, from and after the Final Conversion Date, any action required or permitted to be taken by the stockholders of the Company must be effected at a duly called annual or special meeting of stockholders of the Company and may not be effected by any consent in writing by such stockholders. Subject to the rights of the holders of any series of Preferred Stock, before the Final Conversion Date, any action required or permitted to be taken by the stockholders of the Company may be taken without a meeting only if the action is first recommended or approved by the Board.

6. No Cumulative Voting. No stockholder will be permitted to cumulate votes at any election of directors.

7. Advance Notice. Advance notice of stockholder nominations for the election of directors and of business to be brought by stockholders before any meeting of the stockholders of the Company shall be given in the manner provided in the Bylaws of the Corporation.

ARTICLE IX

The Company hereby elects not to be subject to or governed by Section 203 of the DGCL.

ARTICLE X

To the extent permitted by law, the Company renounces any expectancy that a Covered Person offer the Company an opportunity to participate in a Specified Opportunity and waives any claim that the Specified Opportunity constitutes a corporate opportunity that should have been presented by the Covered Person to the Company; *provided*, *however*, that the Covered Person acts in good faith. A "***Covered Person***" is any officer, member of the Board or stockholder (or affiliate thereof) who is not an employee of the Company or any of its subsidiaries. A "***Specified Opportunity***" is any transaction or other business opportunity that is not presented to the Covered Person solely in his or her capacity as an officer, member of the Board or stockholder (or affiliate thereof).

ARTICLE XI

To the fullest extent permitted by law, no director of the Company shall be personally liable for monetary damages for breach of fiduciary duty as a director. Without limiting the effect of the preceding sentence, if the DGCL is hereafter amended to authorize the further elimination or limitation of the liability of a director, then the liability of a director of the Company shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended.

Neither any amendment, repeal, nor elimination of this Article XI, nor the adoption of any provision of this Amended and Restated Certificate inconsistent with this Article XI, shall eliminate, reduce or otherwise adversely affect any limitation on the personal liability of a director of the

Company existing at the time of such amendment, repeal, elimination or adoption of such an inconsistent provision.

ARTICLE XII

If any provision of this Amended and Restated Certificate becomes or is declared on any ground by a court of competent jurisdiction to be illegal, unenforceable or void, portions of such provision, or such provision in its entirety, to the extent necessary, shall be severed from this Amended and Restated Certificate, and the court will replace such illegal, void or unenforceable provision of this Amended and Restated Certificate with a valid and enforceable provision that most accurately reflects the Company's intent, in order to achieve, to the maximum extent possible, the same economic, business and other purposes of the illegal, void or unenforceable provision. The balance of this Amended and Restated Certificate shall be enforceable in accordance with its terms.

Except as provided in Article XI above, the Company reserves the right to amend, alter, change or repeal any provision contained in this Amended and Restated Certificate, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation. Any amendment to this Amended and Restated Certificate that requires stockholder approval pursuant to the DGCL shall require the affirmative vote of the holders of at least a majority of the voting power of the outstanding shares of stock of the Company entitled to vote generally in the election of directors, voting together as a single class; *provided*, *however*, that following the Final Conversion Date, the affirmative vote of holders of at least sixty-six and two-thirds percent (66 2/3%) of the voting power of all outstanding shares of capital stock of the Company, voting together as a single class, shall be required for the amendment, alteration, repeal or modification of the provisions of ARTICLE VII, ARTICLE VIII, ARTICLE XI or this ARTICLE XII of this Amended and Restated Certificate.

Exhibit 3.4

AMENDED AND RESTATED BYLAWS OF

CRICUT, INC.

(Adopted on [*bylaw adoption date*], 2021)

(Effective upon the closing of the Company's initial public offering)

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BYLAWS OF CRICUT, INC.

ARTICLE I - CORPORATE OFFICES

1.1 REGISTERED OFFICE

The registered office of Cricut, Inc. (the "**Company**") shall be fixed in the Company's certificate of incorporation, as the same may be amended from time to time.

1.2 OTHER OFFICES

The Company may at any time establish other offices.

ARTICLE II - MEETINGS OF STOCKHOLDERS

2.1 PLACE OF MEETINGS

Meetings of stockholders shall be held at a place, if any, within or outside the State of Delaware, determined by the board of directors of the Company (the "**Board of Directors**"). The Board of Directors may, in its sole discretion, determine that a meeting of stockholders shall not be held at any place, but may instead be held solely by means of remote communication as authorized by Section 211(a)(2) of the Delaware General Corporation Law (the "**DGCL**"). In the absence of any such designation or determination, stockholders' meetings shall be held at the Company's principal executive office.

2.2 ANNUAL MEETING

The annual meeting of stockholders shall be held each year. The Board of Directors shall designate the date and time of the annual meeting. At the annual meeting, directors shall be elected and any other proper business, brought in accordance with Section 2.4 of these bylaws, may be transacted. The Board of Directors acting pursuant to a resolution adopted by a majority of the Whole Board may cancel, postpone or reschedule any previously scheduled annual meeting at any time, before or after the notice for such meeting has been sent to the stockholders. For the purposes of these bylaws, the term "**Whole Board**" shall mean the total number of authorized directorships whether or not there exist any vacancies or other unfilled seats in previously authorized directorships.

2.3 SPECIAL MEETING

(a) A special meeting of the stockholders, other than as required by statute, may only be called in the manner provided in the certificate of incorporation. The Board of Directors acting pursuant to a resolution adopted by a majority of the Whole Board may cancel, postpone or reschedule any previously scheduled special meeting at any time, before or after the notice for such meeting has been sent to the stockholders.

(b) The notice of a special meeting shall include the purpose for which the meeting is called. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting by or at the direction of a majority of the Whole Board, the chairperson of the Board of Directors, the chief executive officer or the president. Nothing contained in this Section 2.3(b)

shall be construed as limiting, fixing or affecting the time when a meeting of stockholders called by action of the Board of Directors may be held.

2.4 ADVANCE NOTICE PROCEDURES

(a) *Annual Meetings of Stockholders.*

(i) Nominations of persons for election to the Board of Directors or the proposal of other business to be transacted by the stockholders at an annual meeting of stockholders may be made only (1) pursuant to the Company's notice of meeting (or any supplement thereto); (2) by or at the direction of the Board of Directors; (3) as may be provided in the certificate of designations for any class or series of preferred stock; or (4) by any stockholder of the Company who (A) is a stockholder of record at the time of giving of the notice contemplated by Section 2.4(a)(ii); (B) is a stockholder of record on the record date for the determination of stockholders entitled to notice of the annual meeting; (C) is a stockholder of record on the record date for the determination of stockholders entitled to vote at the annual meeting; (D) is a stockholder of record at the time of the annual meeting; and (E) complies with the procedures set forth in this Section 2.4(a).

(ii) For nominations or other business to be properly brought before an annual meeting of stockholders by a stockholder pursuant to clause (4) of Section 2.4(a)(i), the stockholder must have given timely notice in writing to the secretary and any such nomination or proposed business must constitute a proper matter for stockholder action. To be timely, a stockholder's notice must be received by the secretary at the principal executive offices of the Company no earlier than 8:00 a.m., local time, on the 120th day and no later than 5:00 p.m., local time, on the 90th day prior to the day of the first anniversary of the preceding year's annual meeting of stockholders. However, if no annual meeting of stockholders was held in the preceding year, or if the date of the applicable annual meeting has been changed by more than 25 days from the first anniversary of the preceding year's annual meeting, then to be timely such notice must be received by the secretary at the principal executive offices of the Company no earlier than 8:00 a.m., local time, on the 120th day prior to the day of the annual meeting and no later than 5:00 p.m., local time, on the 10th day following the day on which public announcement of the date of the annual meeting was first made by the Company. In no event will the adjournment, rescheduling or postponement of any annual meeting, or any announcement thereof, commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. If the number of directors to be elected to the Board of Directors is increased and there is no public announcement naming all of the nominees for director or specifying the size of the increased Board of Directors at least 10 days before the last day that a stockholder may deliver a notice of nomination pursuant to the foregoing provisions, then a stockholder's notice required by this Section 2.4(a)(ii) will also be considered timely, but only with respect to nominees for any new positions created by such increase, if it is received by the secretary at the principal executive offices of the Company no later than 5:00 p.m., local time, on the 10th day following the day on which such public announcement is first made. "**Public announcement**" means disclosure in a press release reported by a national news service or in a document publicly filed by the Company with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Securities Exchange Act of 1934 (as amended and inclusive of rules and regulations thereunder, the "**1934 Act**").

(iii) A stockholder's notice to the secretary must set forth:

(1) as to each person whom the stockholder proposes to nominate for election as a director:

(A) such person's name, age, business address, residence address and principal occupation or employment; the class and number of shares of the Company that are held of record or are beneficially owned by such person and a description of any Derivative Instruments (defined below) held or beneficially owned thereby or of any other agreement, arrangement or understanding (including any short position or any borrowing or lending of shares), the effect or intent of which is to mitigate loss to, or to manage the risk or benefit of share price changes for, or to increase or decrease the voting power of such person; and all information relating to such person that is required to be disclosed in solicitations of proxies for the contested election of directors, or is otherwise required, in each case pursuant to the Section 14 of the 1934 Act;

(B) such person's written consent to being named in such stockholder's proxy statement as a nominee of such stockholder and to serving as a director of the Company if elected;

(C) a reasonably detailed description of any direct or indirect compensatory, payment, indemnification or other financial agreement, arrangement or understanding that such person has, or has had within the past three years, with any person or entity other than the Company (including the amount of any payment or payments received or receivable thereunder), in each case in connection with candidacy or service as a director of the Company (a "**Third-Party Compensation Arrangement**"); and

(D) a description of any other material relationships between such person and such person's respective affiliates and associates, or others acting in concert with them, on the one hand, and such stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination is made, and their respective affiliates and associates, or others acting in concert with them, on the other hand;

(2) as to any other business that the stockholder proposes to bring before the annual meeting:

(A) a brief description of the business desired to be brought before the annual meeting;

(B) the text of the proposal or business (including the text of any resolutions proposed for consideration and, if applicable, the text of any proposed amendment to these bylaws or the Company's certificate of incorporation);

(C) the reasons for conducting such business at the annual meeting;

(D) any material interest in such business of such stockholder giving the notice and the beneficial owner, if any, on whose behalf the proposal is made, and their respective affiliates and associates, or others acting in concert with them; and

(E) a description of all agreements, arrangements and understandings between such stockholder and the beneficial owner, if any, on whose behalf the proposal is made, and their respective affiliates or associates or others acting in concert with them, and any other person or persons (including their names) in connection with the proposal of such business by such stockholder; and

(3) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made:

(A) the name and address of such stockholder (as they appear on the Company's books), of such beneficial owner and of their respective affiliates or associates or others acting in concert with them;

(B) for each class or series, the number of shares of stock of the Company that are, directly or indirectly, held of record or are beneficially owned by such stockholder, such beneficial owner or their respective affiliates or associates or others acting in concert with them;

(C) a description of any agreement, arrangement or understanding between such stockholder, such beneficial owner or their respective affiliates or associates or others acting in concert with them, and any other person or persons (including, in each case, their names) in connection with the proposal of such nomination or other business;

(D) a description of any agreement, arrangement or understanding (including, regardless of the form of settlement, any derivative, long or short positions, profit interests, forwards, futures, swaps, options, warrants, convertible securities, stock appreciation or similar rights, hedging transactions and borrowed or loaned shares) that has been entered into by or on behalf of such stockholder, such beneficial owner or their respective affiliates or associates or others acting in concert with them, with respect to the Company's securities (any of the foregoing, a "**Derivative Instrument**"), or any other agreement, arrangement or understanding that has been made the effect or intent of which is to create or mitigate loss to, manage risk or benefit of share price changes for or increase or decrease the voting power of such stockholder, such beneficial owner or their respective affiliates or associates or others acting in concert with them, with respect to the Company's securities;

(E) any rights to dividends on the Company's securities owned beneficially by such stockholder, such beneficial owner or their respective affiliates or associates or others acting in concert with them, that are separated or separable from the underlying security;

(F) any proportionate interest in the Company's securities or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such stockholder, such beneficial owner or their respective affiliates or associates or others acting in concert with them, is a general partner or, directly or indirectly, beneficially owns an interest in a general partner of such general or limited partnership;

(G) any performance-related fees (other than an asset-based fee) that such stockholder, such beneficial owner or their respective affiliates or associates or others acting in concert with them, is entitled to based on any increase or decrease in the value of the Company's securities or Derivative Instruments, including, without limitation, any such interests held by members of the immediate family of such persons sharing the same household;

(H) any significant equity interests or any Derivative Instruments in any principal competitor of the Company that are held by such stockholder, such beneficial owner or their respective affiliates or associates or others acting in concert with them;

(I) any direct or indirect interest of such stockholder, such beneficial owner or their respective affiliates or associates or others acting in concert with them, in any contract with the Company, any affiliate of the Company or any principal competitor of the Company (in each case, including any employment agreement, collective bargaining agreement or consulting agreement);

(J) a representation and undertaking that the stockholder is a holder of record of stock of the Company as of the date of submission of the stockholder's notice and intends to appear in person or by proxy at the meeting to bring such nomination or other business before the meeting;

(K) a representation and undertaking that such stockholder or any such beneficial owner intends, or is part of a group that intends, to (x) deliver a proxy statement or form of proxy to holders of at least the percentage of the voting power of the Company's then-outstanding stock required to approve or adopt the proposal or to elect each such nominee; or (y) otherwise solicit proxies from stockholders in support of such proposal or nomination;

(L) any other information relating to such stockholder, such beneficial owner, or their respective affiliates or associates or others acting in concert with them, or director nominee or proposed business that, in each case, would be required to be disclosed in a proxy statement or other filing required to be made in connection with the solicitation of proxies in support of such nominee (in a contested election of directors) or proposal pursuant to Section 14 of the 1934 Act; and

(M) such other information relating to any proposed item of business as the Company may reasonably require to determine whether such proposed item of business is a proper matter for stockholder action.

(iv) In addition to the requirements of this Section 2.4, to be timely, a stockholder's notice (and any additional information submitted to the Company in connection therewith) must further be updated and supplemented (1) if necessary, so that the information provided or required to be provided in such notice is true and correct as of the record date(s) for determining the stockholders entitled to notice of, and to vote at, the meeting and as of the date that is 10 business days prior to the meeting or any adjournment, rescheduling or postponement thereof and (2) to provide any additional information that the Company may reasonably request. Such update and supplement or additional information, if applicable, must be received by the secretary at the principal executive offices of the Company, in the case of a request for additional information, promptly following a request therefor, which response must be delivered not later than such reasonable time as is specified in any such request from the Company or, in the case of any other update or supplement of any information, not later than five business days after the record date(s) for the meeting (in the case of any update and supplement required to be made as of the record date(s)), and not later than eight business days prior to the date for the meeting or any adjournment, rescheduling or postponement thereof (in the case of the update and supplement required to be made as of 10 business days prior to the meeting or any adjournment, rescheduling or postponement thereof). The failure to timely provide such update, supplement or additional information shall result in the nomination or proposal no longer being eligible for consideration at the meeting.

(b) *Special Meetings of Stockholders*. Except to the extent required by the DGCL, and subject to Section 2.3(a), special meetings of stockholders may be called only in accordance with the Company's certificate of incorporation and these bylaws. Only such business will be conducted at a special meeting of stockholders as has been brought before the special meeting pursuant to the Company's notice of meeting. If the election of directors is included as business to be brought before a special meeting in the Company's notice of meeting, then nominations of persons for election to the Board of Directors at such special meeting may be made by any stockholder who (i) is a stockholder of record at the time of giving of the notice contemplated by this Section 2.4(b); (ii) is a stockholder of record on the record date for the determination of stockholders entitled to notice of the special meeting; (iii) is a stockholder of record on the record date for the determination of stockholders entitled to vote at the special meeting; (iv) is a stockholder of record at the time of the special meeting; and (v) complies with the procedures set forth in this Section 2.4(b). For nominations to be properly brought by a stockholder before a special meeting pursuant to this Section 2.4(b), the stockholder's notice must be received by the secretary at the principal executive offices of the Company no earlier than 8:00 a.m., local time, on the 120th day prior to the day of the special meeting and no later than 5:00 p.m., local time, on the 10th day following the day on which public announcement of the date of the special meeting was first made. In no event will any adjournment, rescheduling or postponement of a special meeting or the announcement thereof commence a new time period (or extend any time period) for the giving of a stockholder's notice. A stockholder's notice to the Secretary must comply with the applicable notice requirements of Section 2.4(a)(iii).

(c) *Other Requirements.*

(i) To be eligible to be a nominee by any stockholder for election as a director of the Company, the proposed nominee must provide to the secretary, in accordance with the applicable time periods prescribed for delivery of notice under Section 2.4(a)(ii) or Section 2.4(b):

(1) a signed and completed written questionnaire (in the form provided by the secretary at the written request of the nominating stockholder, which form will be provided by the secretary within 10 days of receiving such request) containing information regarding such nominee's background and qualifications and such other information as may reasonably be required by the Company to determine the eligibility of such nominee to serve as a director of the Company or to serve as an independent director of the Company;

(2) a written representation and undertaking that, unless previously disclosed to the Company, such nominee is not, and will not become, a party to any voting agreement, arrangement, commitment, assurance or understanding with any person or entity as to how such nominee, if elected as a director, will vote on any issue;

(3) a written representation and undertaking that, unless previously disclosed to the Company, such nominee is not, and will not become, a party to any Third-Party Compensation Arrangement;

(4) a written representation and undertaking that, if elected as a director, such nominee would be in compliance, and will continue to comply, with the Company's corporate governance guidelines as disclosed on the Company's website, as amended from time to time; and

(5) a written representation and undertaking that such nominee, if elected, intends to serve a full term on the Board of Directors.

(ii) At the request of the Board of Directors, any person nominated by the Board of Directors for election as a director must furnish to the secretary the information that is required to be set forth in a stockholder's notice of nomination that pertains to such nominee.

(iii) No person will be eligible to be nominated by a stockholder for election as a director of the Company unless nominated in accordance with the procedures set forth in this Section 2.4. No business proposed by a stockholder will be conducted at a stockholder meeting except in accordance with this Section 2.4.

(iv) The chairperson of the applicable meeting of stockholders will, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the procedures prescribed by these bylaws or that business was not properly brought before the meeting. If the chairperson of the meeting should so determine, then the chairperson of the meeting will so declare to the meeting and the defective nomination will be disregarded or such business will not be transacted, as the case may be.

(v) Notwithstanding anything to the contrary in this Section 2.4, unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear in person at the meeting to present a nomination or other proposed business, such nomination will be disregarded or such proposed business will not be transacted, as the case may be, notwithstanding that proxies in respect of such nomination or business may have been received by the Company and counted for purposes of determining a quorum. For purposes of this Section 2.4, to be considered a qualified representative of the stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting, and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting.

(vi) Without limiting this Section 2.4, a stockholder must also comply with all applicable requirements of the 1934 Act with respect to the matters set forth in this Section 2.4, it being understood that (1) any references in these bylaws to the 1934 Act are not intended to, and will not, limit any requirements applicable to nominations or proposals as to any other business to be considered pursuant to this Section 2.4; and (2) compliance with clause (4) of Section 2.4(a)(i) and with Section 2.4(b) are the exclusive means for a stockholder to make nominations or submit other business (other than as provided in Section 2.4(c)(vii)).

(vii) Notwithstanding anything to the contrary in this Section 2.4, the notice requirements set forth in these bylaws with respect to the proposal of any business pursuant to this Section 2.4 will be deemed to be satisfied by a stockholder if (1) such stockholder has submitted a proposal to the Company in compliance with Rule 14a-8 under the 1934 Act; and (2) such stockholder's proposal has been included in a proxy statement that has been prepared by the Company to solicit proxies for the meeting of stockholders. Subject to Rule 14a-8 and other applicable rules and regulations under the 1934 Act, nothing in these bylaws will be construed to permit any stockholder, or give any stockholder the right, to include or have disseminated or described in the Company's proxy statement any nomination of a director or any other business proposal.

2.5 NOTICE OF STOCKHOLDERS' MEETINGS

Whenever stockholders are required or permitted to take any action at a meeting, a notice of the meeting shall be given which shall state the place, if any, date and hour of the meeting, the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, the record date for determining the stockholders entitled to vote at the meeting, if such date is different from the record date for determining stockholders entitled to notice of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Except as otherwise provided in the DGCL, the certificate of incorporation or these bylaws, the notice of any meeting of stockholders shall be given not less than 10 nor more than 60 days before the date of the meeting to each stockholder entitled to vote at such meeting as of the record date for determining the stockholders entitled to notice of the meeting.

2.6 QUORUM

The holders of a majority of the voting power of the capital stock of the Company issued and outstanding and entitled to vote, present in person or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of the stockholders. Where a separate vote by a class or series or classes or series is required, a majority of the voting power of the outstanding shares of such class or series or classes or series, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to that vote on that matter, except as otherwise provided by law, the certificate of incorporation or these bylaws.

If, however, such quorum is not present or represented at any meeting of the stockholders, then either (a) the chairperson of the meeting, or (b) the stockholders entitled to vote at the meeting, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present or represented. At such adjourned meeting at which a quorum is present or represented, any business may be transacted that might have been transacted at the original meeting.

2.7 ADJOURNED MEETING; NOTICE

When a meeting is adjourned to another time or place, unless these bylaws otherwise require, notice need not be given of the adjourned meeting if the time, place, if any, thereof, and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Company may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 30 days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for stockholders entitled to vote is fixed for the adjourned meeting, the Board of Directors shall fix a new record date for notice of such adjourned meeting in accordance with Section 213(a) of the DGCL and Section 2.11 of these bylaws, and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date fixed for notice of such adjourned meeting.

2.8 CONDUCT OF BUSINESS

The chairperson of any meeting of stockholders shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of business

and discussion as seem to the chairperson in order. The chairperson of any meeting of stockholders shall be designated by the Board of Directors; in the absence of such designation, the chairperson of the Board of Directors, if any, or the chief executive officer (in the absence of the chairperson of the Board of Directors) or the president (in the absence of the chairperson of the Board of Directors and the chief executive officer), or in their absence any other executive officer of the Company, shall serve as chairperson of the stockholder meeting. The chairperson of any meeting of stockholders shall have the power to adjourn the meeting to another place, if any, date or time, whether or not a quorum is present.

2.9 VOTING

The stockholders entitled to vote at any meeting of stockholders shall be determined in accordance with the provisions of Section 2.11 of these bylaws, subject to Section 217 (relating to voting rights of fiduciaries, pledgors and joint owners of stock) and Section 218 (relating to voting trusts and other voting agreements) of the DGCL.

Except as otherwise provided by law, the certificate of incorporation, these bylaws or the rules of the stock exchange on which the Company's securities are listed, in all matters other than the election of directors, the affirmative vote of a majority of the voting power of the shares cast, affirmatively or negatively, shall be the act of the stockholders and broker non-votes and abstentions will be considered for purposes of establishing a quorum, but will not be considered as votes cast for or against a proposal. Except as otherwise required by law, the certificate of incorporation or these bylaws, directors shall be elected by a plurality of the voting power of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors. Where a separate vote by a class or series or classes or series is required, in all matters other than the election of directors, the affirmative vote of the majority of the voting power of the shares of such class or series or classes or series cast, affirmatively or negatively, at the meeting and entitled to vote on the subject matter shall be the act of such class or series or classes or series (and broker non-votes and abstentions will not be considered as votes cast for or against a proposal), except as otherwise provided by law, the certificate of incorporation, these bylaws or the rules of the stock exchange on which the securities of the Company are listed.

2.10 STOCKHOLDER ACTION BY WRITTEN CONSENT WITHOUT A MEETING

Subject to the restrictions provided by the certificate of incorporation, any action required or permitted to be taken at any annual or special meeting of the stockholders may be taken without a meeting, without prior notice and without a vote, if a consent or consents setting forth the action so taken shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. A consent must be set forth in writing or in an electronic transmission. No consent shall be effective to take the corporate action referred to therein unless valid consents signed by a sufficient number of stockholders to take such action are delivered to the Corporation in the manner prescribed in this Section 2.10 and applicable law within 60 days of the first date on which a consent is so delivered to the Corporation. All references to a consent in this Section 2.10 mean a consent permitted by this Section 2.10 and contemplated by Section 228 of the DGCL.

A consent permitted by this Section 2.10 and the certificate of incorporation shall be delivered (i) to the principal place of business of the Company; (ii) to an officer or agent of the Company having custody of the book in which proceedings of meetings of stockholders are recorded; (iii) to the registered office of the Company in the State of Delaware by hand or by certified or registered mail, return receipt requested;

or (iv) subject to the next sentence, in accordance with Section 116 of the DGCL, to an information processing system, if any, designated by the Company for receiving such consents. In the case of delivery pursuant to the foregoing clause (iv), such consent must set forth or be delivered with information that enables the Company to determine the date of delivery of such consent and the identity of the person giving such consent, and, if such consent is given by a person authorized to act for a stockholder as proxy, such consent must comply with the applicable provisions of Sections 212(c)(2) and (3) of the DGCL. A consent may be documented and signed in accordance with Section 116 of the DGCL, and when so documented or signed shall be deemed to be in writing for purposes of the DGCL; provided that if such consent is delivered pursuant to clause (i), (ii) or (iii) of the first sentence of this paragraph, such consent must be reproduced and delivered in paper form.

2.11 RECORD DATES

In order that the Company may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors and which record date shall not be more than 60 nor less than 10 days before the date of such meeting. If the Board of Directors so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board of Directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of and to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided, however*, that the Board of Directors may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance with the provisions of Section 213 of the DGCL and this Section 2.11 at the adjourned meeting.

In order that the Company may determine the stockholders entitled to consent to corporate action without a meeting in accordance with Section 228 of the DGCL, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which date shall not be more than 10 days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. If no record date has been fixed by the Board of Directors, the record date for determining stockholders entitled to consent to corporate action without a meeting, when no prior action by the Board of Directors is required by the DGCL, shall be the first date on which a signed consent setting forth the action taken or proposed to be taken is delivered to the Company in accordance with Section 228(d) of the DGCL. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by the DGCL, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

In order that the Company may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action,

the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

2.12 PROXIES

Each stockholder entitled to vote at a meeting of stockholders, or such stockholder's authorized officer, director, employee or agent, may authorize another person or persons to act for such stockholder by proxy authorized by a document or by a transmission permitted by law filed in accordance with the procedure established for the meeting, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the provisions of Section 212 of the DGCL.

2.13 LIST OF STOCKHOLDERS ENTITLED TO VOTE

The Company shall prepare, at least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting; *provided, however*, if the record date for determining the stockholders entitled to vote is less than 10 days before the meeting date, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. The Company shall not be required to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder for any purpose germane to the meeting for a period of at least 10 days prior to the meeting: (a) on a reasonably accessible electronic network, *provided* that the information required to gain access to such list is provided with the notice of the meeting, or (b) during ordinary business hours, at the Company's principal place of business. In the event that the Company determines to make the list available on an electronic network, the Company may take reasonable steps to ensure that such information is available only to stockholders of the Company. If the meeting is to be held at a place, then a list of stockholders entitled to vote at the meeting shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be examined by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then such list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting.

2.14 INSPECTORS OF ELECTION

Before any meeting of stockholders, the Company shall appoint an inspector or inspectors of election to act at the meeting or its adjournment. The Company may designate one or more persons as alternate inspectors to replace any inspector who fails to act.

Such inspectors shall:

(a) ascertain the number of shares outstanding and the voting power of each;

(b) determine the shares represented at the meeting and the validity of proxies and ballots;

(c) count all votes and ballots;

(d) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors; and

(e) certify their determination of the number of shares represented at the meeting, and their count of all votes and ballots.

The inspectors of election shall perform their duties impartially, in good faith, to the best of their ability and as expeditiously as is practical. If there are multiple inspectors of election, the decision, act or certificate of a majority is effective in all respects as the decision, act or certificate of all. Any report or certificate made by the inspectors of election is *prima facie* evidence of the facts stated therein.

ARTICLE III - DIRECTORS

3.1 POWERS

The business and affairs of the Company shall be managed by or under the direction of the Board of Directors, except as may be otherwise provided in the DGCL or the certificate of incorporation.

3.2 NUMBER OF DIRECTORS

The Board of Directors shall consist of one or more members, each of whom shall be a natural person. Unless the certificate of incorporation fixes the number of directors, the number of directors shall be determined from time to time by resolution of a majority of the Whole Board. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

3.3 ELECTION, QUALIFICATION AND TERM OF OFFICE OF DIRECTORS

Except as provided in Section 3.4 of these bylaws, each director, including a director elected to fill a vacancy, shall hold office until the expiration of the term for which elected and until such director's successor is elected and qualified or until such director's earlier death, resignation or removal. Directors need not be stockholders unless so required by the certificate of incorporation or these bylaws. The certificate of incorporation or these bylaws may prescribe other qualifications for directors.

3.4 RESIGNATION AND VACANCIES

Any director may resign at any time upon notice given in writing or by electronic transmission to the Company. A resignation is effective when the resignation is delivered unless the resignation specifies a later effective date or an effective date determined upon the happening of an event or events. A resignation which is conditioned upon the director failing to receive a specified vote for reelection as a director may provide that it is irrevocable. Unless otherwise provided in the certificate of incorporation or these bylaws, when one or more directors resign from the Board of Directors, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective.

Unless otherwise provided in the certificate of incorporation or these bylaws or permitted in the specific case by resolution of the Board of Directors, and subject to the rights of holders of preferred stock, vacancies and newly created directorships resulting from any increase in the authorized number of directors elected by all of the stockholders having the right to vote as a single class may be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director, and not by stockholders.

3.5 PLACE OF MEETINGS; MEETINGS BY TELEPHONE

The Board of Directors may hold meetings, both regular and special, either within or outside the State of Delaware.

Unless otherwise restricted by the certificate of incorporation or these bylaws, members of the Board of Directors may participate in a meeting of the Board of Directors by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

3.6 REGULAR MEETINGS

Regular meetings of the Board of Directors may be held without notice at such time and at such place as shall from time to time be determined by the Board of Directors.

3.7 SPECIAL MEETINGS; NOTICE

Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the chairperson of the Board of Directors, the chief executive officer, the president, the secretary or a majority of the Whole Board.

Notice of the time and place of special meetings shall be:

(a) delivered personally by hand, by courier or by telephone;

(b) sent by United States first-class mail, postage prepaid;

(c) sent by facsimile;

(d) sent by electronic mail; or

(e) otherwise given by electronic transmission (as defined in Section 232 of the DGCL),

directed to each director at that director’s address, telephone number, facsimile number, electronic mail address or other contact for notice by electronic transmission, as the case may be, as shown on the Company’s records.

If the notice is (i) delivered personally by hand, by courier or by telephone, (ii) sent by facsimile, (iii) sent by electronic mail or (iv) otherwise given by electronic transmission, it shall be delivered, sent or otherwise directed to each director, as applicable, at least 24 hours before the time of the holding of the

meeting. If the notice is sent by United States mail, it shall be deposited in the United States mail at least four days before the time of the holding of the meeting. Any oral notice may be communicated to the director. The notice need not specify the place of the meeting (if the meeting is to be held at the Company's principal executive office) nor the purpose of the meeting, unless required by statute.

3.8 QUORUM; VOTING

At all meetings of the Board of Directors, a majority of the Whole Board shall constitute a quorum for the transaction of business. If a quorum is not present at any meeting of the Board of Directors, then the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

The affirmative vote of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute, the certificate of incorporation or these bylaws.

If the certificate of incorporation provides that one or more directors shall have more or less than one vote per director on any matter, except as may otherwise be expressly provided herein or therein and denoted with the phrase "notwithstanding the final paragraph of Section 3.8 of the bylaws" or language to similar effect, every reference in these bylaws to a majority or other proportion of the directors shall refer to a majority or other proportion of the votes of the directors.

3.9 BOARD ACTION BY WRITTEN CONSENT WITHOUT A MEETING

Unless otherwise restricted by the certificate of incorporation or these bylaws, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board of Directors or committee, as the case may be, consent thereto in writing or by electronic transmission. Any person (whether or not then a director) may provide, whether through instruction to an agent or otherwise, that a consent to action will be effective at a future time (including a time determined upon the happening of an event), no later than 60 days after such instruction is given or such provision is made and such consent shall be deemed to have been given for purposes of this Section 3.9 at such effective time so long as such person is then a director and did not revoke the consent prior to such time. Any such consent shall be revocable prior to its becoming effective.

3.10 FEES AND COMPENSATION OF DIRECTORS

Unless otherwise restricted by the certificate of incorporation or these bylaws, the Board of Directors shall have the authority to fix the compensation of directors.

3.11 REMOVAL OF DIRECTORS

Any director or the entire Board of Directors may be removed from office by stockholders of the Company in the manner that may be specified in the certificate of incorporation and applicable law. No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of such director's term of office.

ARTICLE IV - COMMITTEES

4.1 COMMITTEES OF DIRECTORS

The Board of Directors may, by resolution passed by a majority of the Whole Board, designate one or more committees, each committee to consist of one or more of the directors of the Company. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board of Directors or in these bylaws, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Company, and may authorize the seal of the Company to be affixed to all papers that may require it; but no such committee shall have the power or authority to (a) approve or adopt, or recommend to the stockholders, any action or matter (other than the election or removal of directors) expressly required by the DGCL to be submitted to stockholders for approval, or (b) adopt, amend or repeal any bylaw of the Company.

4.2 COMMITTEE MINUTES

Each committee and subcommittee shall keep regular minutes of its meetings.

4.3 MEETINGS AND ACTION OF COMMITTEES

Meetings and actions of committees and subcommittees shall be governed by, and held and taken in accordance with, the provisions of:

(a) Section 3.5 (place of meetings and meetings by telephone);

(b) Section 3.6 (regular meetings);

(c) Section 3.7 (special meetings and notice);

(d) Section 3.8 (quorum; voting);

(e) Section 3.9 (action without a meeting); and

(f) Section 7.4 (waiver of notice)

with such changes in the context of those bylaws as are necessary to substitute the committee or subcommittee and its members for the Board of Directors and its members. *However*, (i) the time and place of regular meetings of committees or subcommittees may be determined either by resolution of the Board of Directors or by resolution of the committee or subcommittee; (ii) special meetings of committees or subcommittees may also be called by resolution of the Board of Directors or the committee or the subcommittee; and (iii) notice of special meetings of committees and subcommittees shall also be given to all alternate members who shall have the right to attend all meetings of the committee or subcommittee.

The Board of Directors may adopt rules for the government of any committee not inconsistent with the provisions of these bylaws.

Any provision in the certificate of incorporation providing that one or more directors shall have more or less than one vote per director on any matter shall apply to voting in any committee or subcommittee, unless otherwise provided in the certificate of incorporation or these bylaws.

4.4 SUBCOMMITTEES

Unless otherwise provided in the certificate of incorporation, these bylaws or the resolutions of the Board of Directors designating the committee, a committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee, and delegate to a subcommittee any or all of the powers and authority of the committee.

ARTICLE V - OFFICERS

5.1 OFFICERS

The officers of the Company shall be a president and a secretary. The Company may also have, at the discretion of the Board of Directors, a chairperson of the Board of Directors, a vice chairperson of the Board of Directors, a chief executive officer, a chief financial officer or treasurer, one or more vice presidents, one or more assistant vice presidents, one or more assistant treasurers, one or more assistant secretaries and any such other officers as may be appointed in accordance with the provisions of these bylaws. Any number of offices may be held by the same person.

5.2 APPOINTMENT OF OFFICERS

The Board of Directors shall appoint the officers of the Company, except such officers as may be appointed in accordance with the provisions of Section 5.3 of these bylaws, subject to the rights, if any, of an officer under any contract of employment.

5.3 SUBORDINATE OFFICERS

The Board of Directors may appoint, or empower the chief executive officer or, in the absence of a chief executive officer, the president, to appoint, such other officers as the business of the Company may require. Each of such officers shall hold office for such period, have such authority, and perform such duties as are provided in these bylaws or as the Board of Directors may from time to time determine.

5.4 REMOVAL AND RESIGNATION OF OFFICERS

Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, either with or without cause, by the Board of Directors or, for the avoidance of doubt, any duly authorized committee or subcommittee thereof or by any officer who has been conferred such power of removal.

Any officer may resign at any time by giving notice, in writing or by electronic transmission, to the Company. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice. Unless otherwise specified in the notice of resignation, the acceptance of the

resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Company under any contract to which the officer is a party.

5.5 VACANCIES IN OFFICES

Any vacancy occurring in any office of the Company shall be filled by the Board of Directors or as provided in Section 5.3.

5.6 REPRESENTATION OF SECURITIES OF OTHER ENTITIES

The chairperson of the Board of Directors, the chief executive officer, the president, any vice president, the treasurer, the secretary or assistant secretary of this Company or any other person authorized by the Board of Directors or the chief executive officer, the president or a vice president, is authorized to vote, represent and exercise on behalf of this Company all rights incident to any and all shares or other securities of any other entity or entities, and all rights incident to any management authority conferred on the Company in accordance with the governing documents of any entity or entities, standing in the name of this Company, including the right to act by written consent. The authority granted herein may be exercised either by such person directly or by any other person authorized to do so by proxy or power of attorney duly executed by such person having the authority.

5.7 AUTHORITY AND DUTIES OF OFFICERS

All officers of the Company shall respectively have such authority and perform such duties in the management of the business of the Company as may be designated from time to time by the Board of Directors and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the Board of Directors.

ARTICLE VI - STOCK

6.1 STOCK CERTIFICATES; PARTLY PAID SHARES

The shares of the Company shall be represented by certificates, provided that the Board of Directors may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Company. Unless otherwise provided by resolution of the Board of Directors, every holder of stock represented by certificates shall be entitled to have a certificate signed by, or in the name of, the Company by any two officers of the Company representing the number of shares registered in certificate form. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Company with the same effect as if such person were such officer, transfer agent or registrar at the date of issue. The Company shall not have power to issue a certificate in bearer form.

The Company may issue the whole or any part of its shares as partly paid and subject to call for the remainder of the consideration to be paid therefor. Upon the face or back of each stock certificate issued to represent any such partly-paid shares, or upon the books and records of the Company in the case of uncertificated partly-paid shares, the total amount of the consideration to be paid therefor and the amount paid thereon shall be stated. Upon the declaration of any dividend on fully-paid shares, the Company shall

declare a dividend upon partly-paid shares of the same class, but only upon the basis of the percentage of the consideration actually paid thereon.

6.2 SPECIAL DESIGNATION ON CERTIFICATES

If the Company is authorized to issue more than one class of stock or more than one series of any class, then the powers, the designations, the preferences and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate that the Company shall issue to represent such class or series of stock; *provided*, *however*, that, except as otherwise provided in Section 202 of the DGCL, in lieu of the foregoing requirements, there may be set forth on the face or back of the certificate that the Company shall issue to represent such class or series of stock, a statement that the Company will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Within a reasonable time after the issuance or transfer of uncertificated stock, the registered owner thereof shall be given a notice, in writing or by electronic transmission, containing the information required to be set forth or stated on certificates pursuant to this Section 6.2 or Sections 156, 202(a), 218(a) or 364 of the DGCL or with respect to this Section 6.2 a statement that the Company will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Except as otherwise expressly provided by law, the rights and obligations of the holders of uncertificated stock and the rights and obligations of the holders of certificates representing stock of the same class and series shall be identical.

6.3 LOST CERTIFICATES

Except as provided in this Section 6.3, no new certificates for shares shall be issued to replace a previously issued certificate unless the latter is surrendered to the Company and cancelled at the same time. The Company may issue a new certificate of stock or uncertificated shares in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Company may require the owner of the lost, stolen or destroyed certificate, or such owner's legal representative, to give the Company a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares.

6.4 DIVIDENDS

The Board of Directors, subject to any restrictions contained in the certificate of incorporation or applicable law, may declare and pay dividends upon the shares of the Company's capital stock. Dividends may be paid in cash, in property, or in shares of the Company's capital stock, subject to the provisions of the certificate of incorporation. The Board of Directors may set apart out of any of the funds of the Company available for dividends a reserve or reserves for any proper purpose and may abolish any such reserve.

6.5 TRANSFER OF STOCK

Transfers of record of shares of stock of the Company shall be made only upon its books by the holders thereof, in person or by an attorney duly authorized, and, if such stock is certificated, upon the

surrender of a certificate or certificates for a like number of shares, properly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer.

6.6 STOCK TRANSFER AGREEMENTS

The Company shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes of stock of the Company to restrict the transfer of shares of stock of the Company of any one or more classes owned by such stockholders in any manner not prohibited by the DGCL.

6.7 REGISTERED STOCKHOLDERS

The Company:

(a) shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends and notices and to vote as such owner; and

(b) shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of another person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VII - MANNER OF GIVING NOTICE AND WAIVER

7.1 STOCKHOLDER NOTICES

Notice of any meeting of stockholders, and any other notice to be given to stockholders, shall be given in the manner set forth in the DGCL.

7.2 NOTICE TO STOCKHOLDERS SHARING AN ADDRESS

Except as otherwise prohibited under the DGCL, without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders given by the Company under the provisions of the DGCL, the certificate of incorporation or these bylaws shall be effective if given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given. Any such consent shall be revocable by the stockholder by written notice to the Company. Any stockholder who fails to object in writing to the Company, within 60 days of having been given written notice by the Company of its intention to send the single notice, shall be deemed to have consented to receiving such single written notice. This Section 7.2 shall not apply to Sections 164, 296, 311, 312 or 324 of the DGCL.

7.3 NOTICE TO PERSON WITH WHOM COMMUNICATION IS UNLAWFUL

Whenever notice is required to be given, under the DGCL, the certificate of incorporation or these bylaws, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting which shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the Company is such as to require the filing

of a certificate under the DGCL, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.

7.4 WAIVER OF NOTICE

Whenever notice is required to be given under any provision of the DGCL, the certificate of incorporation or these bylaws, a written waiver, signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time of the event for which notice is to be given, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders need be specified in any written waiver of notice or any waiver by electronic transmission unless so required by the certificate of incorporation or these bylaws.

ARTICLE VIII - INDEMNIFICATION

8.1 INDEMNIFICATION OF DIRECTORS AND OFFICERS IN THIRD PARTY PROCEEDINGS

Subject to the other provisions of this Article VIII, the Company shall indemnify, to the fullest extent permitted by the DGCL, as now or hereinafter in effect, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (a "**Proceeding**") (other than an action by or in the right of the Company) by reason of the fact that such person is or was a director or officer of the Company, or is or was a director or officer of the Company serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such Proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. The termination of any Proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such person's conduct was unlawful.

8.2 INDEMNIFICATION OF DIRECTORS AND OFFICERS IN ACTIONS BY OR IN THE RIGHT OF THE COMPANY

Subject to the other provisions of this Article VIII, the Company shall indemnify, to the fullest extent permitted by the DGCL, as now or hereinafter in effect, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed Proceeding by or in the right of the Company to procure a judgment in its favor by reason of the fact that such person is or was a director or officer of the Company, or is or was a director or officer of the Company serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by such

person in connection with the defense or settlement of such Proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Company; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Company unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

8.3 SUCCESSFUL DEFENSE

To the extent that a present or former director or officer (for purposes of this Section 8.3 only, as such term is defined in Section 145(c)(1) of the DGCL) of the Company has been successful on the merits or otherwise in defense of any action, suit or proceeding described in Section 8.1 or Section 8.2, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith. The Company may indemnify any other person who is not a present or former director or officer of the Company against expenses (including attorneys' fees) actually and reasonably incurred by such person to the extent he or she has been successful on the merits or otherwise in defense of any suit or proceeding described in Section 8.1 or Section 8.2, or in defense of any claim, issue or matter therein.

8.4 INDEMNIFICATION OF OTHERS

Subject to the other provisions of this Article VIII, the Company shall have power to indemnify its employees and agents, or any other persons, to the extent not prohibited by the DGCL or other applicable law. The Board of Directors shall have the power to delegate to any person or persons identified in subsections (1) through (4) of Section 145(d) of the DGCL the determination of whether employees or agents shall be indemnified.

8.5 ADVANCED PAYMENT OF EXPENSES

Expenses (including attorneys' fees) actually and reasonably incurred by an officer or director of the Company in defending any Proceeding shall be paid by the Company in advance of the final disposition of such Proceeding upon receipt of a written request therefor (together with documentation reasonably evidencing such expenses) and an undertaking by or on behalf of the person to repay such amounts if it shall ultimately be determined that the person is not entitled to be indemnified under this Article VIII or the DGCL. Such expenses (including attorneys' fees) actually and reasonably incurred by former directors and officers or other employees and agents of the Company or by persons serving at the request of the Company as directors, officers, employees or agents of another corporation, partnership, joint venture, trust or other enterprise may be so paid upon such terms and conditions, if any, as the Company deems appropriate. The right to advancement of expenses shall not apply to any Proceeding (or any part of any Proceeding) for which indemnity is excluded pursuant to these bylaws, but shall apply to any Proceeding (or any part of any Proceeding) referenced in Section 8.6(b) or 8.6(c) prior to a determination that the person is not entitled to be indemnified by the Company.

Notwithstanding the foregoing, unless otherwise determined pursuant to Section 8.8, no advance shall be made by the Company to an officer of the Company (except by reason of the fact that such officer is or was a director of the Company, in which event this paragraph shall not apply) in any Proceeding if a

determination is reasonably and promptly made (a) by a vote of the directors who are not parties to such Proceeding, even though less than a quorum, or (b) by a committee of such directors designated by the vote of the majority of such directors, even though less than a quorum, or (c) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, that facts known to the decision-making party at the time such determination is made demonstrate clearly and convincingly that such person acted in bad faith or in a manner that such person did not believe to be in or not opposed to the best interests of the Company.

8.6 LIMITATION ON INDEMNIFICATION

Subject to the requirements in Section 8.3 and the DGCL, the Company shall not be obligated to indemnify any person pursuant to this Article VIII in connection with any Proceeding (or any part of any Proceeding):

(a) for which payment has actually been made to or on behalf of such person under any statute, insurance policy, indemnity provision, vote or otherwise, except with respect to any excess beyond the amount paid;

(b) for an accounting or disgorgement of profits pursuant to Section 16(b) of the 1934 Act, or similar provisions of federal, state or local statutory law or common law, if such person is held liable therefor (including pursuant to any settlement arrangements);

(c) for any reimbursement of the Company by such person of any bonus or other incentive-based or equity-based compensation or of any profits realized by such person from the sale of securities of the Company, as required in each case under the 1934 Act (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "**Sarbanes-Oxley Act**"), or the payment to the Company of profits arising from the purchase and sale by such person of securities in violation of Section 306 of the Sarbanes-Oxley Act), if such person is held liable therefor (including pursuant to any settlement arrangements);

(d) initiated by such person, including any Proceeding (or any part of any Proceeding) initiated by such person against the Company or its directors, officers, employees, agents or other indemnitees, unless (i) the Board of Directors authorized the Proceeding (or the relevant part of the Proceeding) prior to its initiation, (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law, (iii) otherwise required to be made under Section 8.7 or (iv) otherwise required by applicable law; or

(e) if prohibited by applicable law.

8.7 DETERMINATION; CLAIM

If a claim for indemnification or advancement of expenses under this Article VIII is not paid in full within 90 days after receipt by the Company of the written request therefor, the claimant shall be entitled to an adjudication by a court of competent jurisdiction of his or her entitlement to such indemnification or advancement of expenses. The Company shall indemnify such person against any and all expenses that are actually and reasonably incurred by such person in connection with any action for indemnification or advancement of expenses from the Company under this Article VIII, to the extent such person is successful in such action, and to the extent not prohibited by law. In any such suit, the Company shall, to the fullest

extent not prohibited by law, have the burden of proving that the claimant is not entitled to the requested indemnification or advancement of expenses.

8.8 NON-EXCLUSIVITY OF RIGHTS

The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VIII shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under the certificate of incorporation or any statute, bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office. The Company is specifically authorized to enter into individual contracts with any or all of its directors, officers, employees or agents respecting indemnification and advancement of expenses, to the fullest extent not prohibited by the DGCL or other applicable law.

8.9 INSURANCE

The Company may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Company would have the power to indemnify such person against such liability under the provisions of the DGCL.

8.10 SURVIVAL

The rights to indemnification and advancement of expenses conferred by this Article VIII shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

8.11 EFFECT OF REPEAL OR MODIFICATION

A right to indemnification or to advancement of expenses arising under a provision of the certificate of incorporation or a bylaw shall not be eliminated or impaired by an amendment to or repeal or elimination of the certificate of incorporation or these bylaws after the occurrence of the act or omission that is the subject of the civil, criminal, administrative or investigative action, suit or proceeding for which indemnification or advancement of expenses is sought, unless the provision in effect at the time of such act or omission explicitly authorizes such elimination or impairment after such action or omission has occurred.

8.12 CERTAIN DEFINITIONS

For purposes of this Article VIII, references to the "**Company**" shall include, in addition to the resulting company, any constituent company (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent company, or is or was serving at the request of such constituent company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article VIII with respect to the resulting or surviving company as such person would have with respect to such constituent company if

its separate existence had continued. For purposes of this Article VIII, references to "**other enterprises**" shall include employee benefit plans; references to "**fines**" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "**serving at the request of the Company**" shall include any service as a director, officer, employee or agent of the Company which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "**not opposed to the best interests of the Company**" as referred to in this Article VIII.

ARTICLE IX - GENERAL MATTERS

9.1 EXECUTION OF CORPORATE CONTRACTS AND INSTRUMENTS

Except as otherwise provided by law, the certificate of incorporation or these bylaws, the Board of Directors may authorize any officer or officers, or agent or agents, to enter into any contract or execute any document or instrument in the name of and on behalf of the Company; such authority may be general or confined to specific instances. Unless so authorized or ratified by the Board of Directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the Company by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

9.2 FISCAL YEAR

The fiscal year of the Company shall be fixed by resolution of the Board of Directors and may be changed by the Board of Directors.

9.3 SEAL

The Company may adopt a corporate seal, which shall be adopted and which may be altered by the Board of Directors. The Company may use the corporate seal by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced.

9.4 CONSTRUCTION; DEFINITIONS

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the DGCL shall govern the construction of these bylaws. Without limiting the generality of this provision, the singular number includes the plural, the plural number includes the singular, and the term "**person**" includes a corporation, partnership, limited liability company, joint venture, trust or other enterprise, and a natural person. Any reference in these bylaws to a section of the DGCL shall be deemed to refer to such section as amended from time to time and any successor provisions thereto.

9.5 FORUM SELECTION

Unless the Company consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, another State court in Delaware or the federal district court for the District of Delaware) shall, to the fullest extent permitted by law, be the sole and exclusive forum for (a) any derivative action or proceeding brought on

behalf of the Company, (b) any action asserting a claim of breach of a fiduciary duty owed by any director, stockholder, officer or other employee of the Company to the Company or the Company's stockholders, (c) any action arising pursuant to any provision of the DGCL or the certificate of incorporation or these bylaws (as either may be amended from time to time) or (d) any action asserting a claim governed by the internal affairs doctrine, except for, as to each of (a) through (d) above, any claim as to which such court determines that there is an indispensable party not subject to the jurisdiction of such court (and the indispensable party does not consent to the personal jurisdiction of such court within 10 days following such determination), which is vested in the exclusive jurisdiction of a court or forum other than such court or for which such court does not have subject matter jurisdiction.

Unless the Company consents in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended.

Any person or entity purchasing or otherwise acquiring any interest in any security of the Company shall be deemed to have notice of and consented to the provisions of this Section 9.5. For the avoidance of doubt, nothing contained in this Section 9.5 shall apply to any action brought to enforce a duty or liability created by the 1934 Act or any successor thereto.

ARTICLE X - AMENDMENTS

These bylaws may be adopted, amended or repealed by the stockholders entitled to vote; provided, however, that following the Final Conversion Date (as such term is defined in the certificate of incorporation) the affirmative vote of the holders of at least 66 2/3% of the total voting power of outstanding voting securities, voting together as a single class, shall be required for the stockholders of the Company to alter, amend or repeal the Bylaws. The Board of Directors shall also have the power to adopt, amend or repeal bylaws; provided, however, that a bylaw amendment adopted by stockholders which specifies the votes that shall be necessary for the election of directors shall not be further amended or repealed by the Board of Directors.

ZQ|CERT#|COY|CLS|RGSTRY|ACCT#|TRANSTYPE|RUN#|TRANS#

cricut®

PO BOX 505006, Louisville, KY 40233-5006

MR A SAMPLE
DESIGNATION (IF ANY)
ADD 1
ADD 2
ADD 3
ADD 4

CUSIP/IDENTIFIER	XXXXXX XX X
Holder ID	XXXXXXXXXX
Insurance Value	1,000,000.00
Number of Shares	123456
DTC	12345678 12345678912345

Certificate Numbers	Num/No.	Denom.	Total
1234567890/1234567890	1	1	1
1234567890/1234567890	2	2	2
1234567890/1234567890	3	3	3
1234567890/1234567890	4	4	4
1234567890/1234567890	5	5	5
1234567890/1234567890	6	6	6
Total Transaction			7

CLASS A COMMON STOCK

PAR VALUE $0.001

CLASS A COMMON STOCK

Certificate Number
ZQ00000000

cricut®

CRICUT, INC.

INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE

Shares

THIS CERTIFIES THAT

MR. SAMPLE & MRS. SAMPLE &
MR. SAMPLE & MRS. SAMPLE

SEE REVERSE FOR CERTAIN DEFINITIONS

CUSIP 22658D 10 0

is the owner of

ZERO HUNDRED THOUSAND
ZERO HUNDRED AND ZERO

THIS CERTIFICATE IS TRANSFERABLE IN CITIES DESIGNATED BY THE TRANSFER AGENT, AVAILABLE ONLINE AT www.computershare.com

FULLY-PAID AND NON-ASSESSABLE SHARES OF CLASS A COMMON STOCK OF

Cricut, Inc. (hereinafter called the "Company"), transferable on the books of the Company in person or by duly authorized attorney, upon surrender of this Certificate properly endorsed. This Certificate and the shares represented hereby, are issued and shall be held subject to all of the provisions of the Certificate of Incorporation, as amended, and the By-Laws, as amended, of the Company (copies of which are on file with the Company and with the Transfer Agent), to all of which each holder, by acceptance hereof, assents. This Certificate is not valid unless countersigned and registered by the Transfer Agent and Registrar.

Witness the facsimile seal of the Company and the facsimile signatures of its duly authorized officers.

Chief Executive Officer

Secretary

CRICUT, INC. CORPORATE SEAL 9/2/2020 DELAWARE

DATED DD-MMM-YYYY

COUNTERSIGNED AND REGISTERED:
COMPUTERSHARE TRUST COMPANY, N.A.
TRANSFER AGENT AND REGISTRAR,

By _____
AUTHORIZED SIGNATURE

SECURITY INSTRUCTIONS ON REVERSE

1234567

CRICUT, INC.

THE COMPANY WILL FURNISH WITHOUT CHARGE TO EACH SHAREHOLDER WHO SO REQUESTS, A SUMMARY OF THE POWERS, DESIGNATIONS, PREFERENCES AND RELATIVE, PARTICIPATING, OPTIONAL OR OTHER SPECIAL RIGHTS OF EACH CLASS OF STOCK OF THE COMPANY AND THE QUALIFICATIONS, LIMITATIONS OR RESTRICTIONS OF SUCH PREFERENCES AND RIGHTS, AND THE VARIATIONS IN RIGHTS, PREFERENCES AND LIMITATIONS DETERMINED FOR EACH SERIES, WHICH ARE FIXED BY THE CERTIFICATE OF INCORPORATION OF THE COMPANY, AS AMENDED, AND THE RESOLUTIONS OF THE BOARD OF DIRECTORS OF THE COMPANY, AND THE AUTHORITY OF THE BOARD OF DIRECTORS TO DETERMINE VARIATIONS FOR FUTURE SERIES. SUCH REQUEST MAY BE MADE TO THE OFFICE OF THE SECRETARY OF THE COMPANY OR TO THE TRANSFER AGENT. THE BOARD OF DIRECTORS MAY REQUIRE THE OWNER OF A LOST OR DESTROYED STOCK CERTIFICATE, OR HIS LEGAL REPRESENTATIVES, TO GIVE THE COMPANY A BOND TO INDEMNIFY IT AND ITS TRANSFER AGENTS AND REGISTRARS AGAINST ANY CLAIM THAT MAY BE MADE AGAINST THEM ON ACCOUNT OF THE ALLEGED LOSS OR DESTRUCTION OF ANY SUCH CERTIFICATE.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	- as tenants in common	UNIF GIFT MIN ACT	-.....(Cust).....Custodian.....(Minor).....
TEN ENT	- as tenants by the entireties		under Uniform Gifts to Minors Act.....(State).....
JT TEN	- as joint tenants with right of survivorship and not as tenants in common	UNIF TRF MIN ACT	-.....(Cust).....Custodian (until age.....)
			.....(Minor).....under Uniform Transfers to Minors Act.....(State).....

Additional abbreviations may also be used though not in the above list.

For value received, _____ hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

_____

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING POSTAL ZIP CODE, OF ASSIGNEE)

_____

_____

_____ Shares

of the Class A Common Stock represented by the within Certificate, and do hereby irrevocably constitute and appoint

_____ Attorney

to transfer the said stock on the books of the within-named Company with full power of substitution in the premises.

Dated: _____ 20____

Signature: _____

Signature: _____

Notice: The signature to this assignment must correspond with the name as written upon the face of the certificate, in every particular, without alteration or enlargement, or any change whatever.

Signature(s) Guaranteed: Medallion Guarantee Stamp

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (Banks, Stockbrokers, Savings and Loan Associations and Credit Unions) WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM, PURSUANT TO S.E.C. RULE 17Ad-15.

SECURITY INSTRUCTIONS

THIS IS WATERMARKED PAPER. DO NOT ACCEPT WITHOUT NOTING WATERMARK. HOLD TO LIGHT TO VERIFY WATERMARK.

The IRS requires that the named transfer agent ("we") report the cost basis of certain shares or units acquired after January 1, 2011. If your shares or units are covered by the legislation, and you requested to sell or transfer the shares or units using a specific cost basis calculation method, then we have processed as you requested. If you did not specify a cost basis calculation method, then we have defaulted to the first in, first out (FIFO) method. Please consult your tax advisor if you need additional information about cost basis.

If you do not keep in contact with the issuer or do not have any activity in your account for the time period specified by state law, your property may become subject to state unclaimed property laws and transferred to the appropriate state.

15345201

Exhibit 5.1

WILSON SONSINI

Wilson Sonsini Goodrich & Rosati
Professional Corporation
650 Page Mill Road
Palo Alto, California 94304-1050
O: 650.493.9300
F: 650.493.6811

March 16, 2021

Cricut, Inc.
10855 South River Front Parkway
South Jordan, Utah 84095

Re: Registration Statement on Form S-1

Ladies and Gentlemen:

This opinion is furnished to you in connection with the Registration Statement on Form S-1 (Registration No. 333-253134), as amended (the "***Registration Statement***"), filed by Cricut, Inc. (the "***Company***") with the Securities and Exchange Commission in connection with the registration under the Securities Act of 1933, as amended, of up to 17,612,138 shares of the Company's Class A common stock, $0.001 par value per share (the "***Shares***"), of which up to 15,237,495 shares (including up to 1,987,495 shares issuable upon exercise of an option granted to the underwriters by the Company) will be issued and sold by the Company and 2,374,643 shares will be sold by certain selling stockholders identified in such Registration Statement (the "***Selling Stockholders***") (including up to 309,740 shares to be sold by the Selling Stockholders upon exercise of an option granted to the underwriters by the Selling Stockholders). We understand that the Shares are to be sold to the underwriters for resale to the public as described in the Registration Statement and pursuant to an underwriting agreement, substantially in the form filed as an exhibit to the Registration Statement, to be entered into by and among the Company, the Selling Stockholders and the underwriters (the "***Underwriting Agreement***").

We are acting as counsel for the Company in connection with the sale of the Shares by the Company. In such capacity, we have examined originals or copies, certified or otherwise identified to our satisfaction, of such documents, corporate records, certificates of public officials and other instruments as we have deemed necessary for the purposes of rendering this opinion. In our examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity with the originals of all documents submitted to us as copies, the authenticity of the originals of such documents and the legal competence of all signatories to such documents.

We express no opinion herein as to the laws of any state or jurisdiction other than the General Corporation Law of the State of Delaware (including the statutory provisions and all applicable judicial decisions interpreting those laws) and the federal laws of the United States of America.

On the basis of the foregoing, we are of the opinion that upon the effectiveness of the Company's Amended and Restated Certificate of Incorporation, a form of which has been filed as Exhibit 3.2 to the Registration Statement, (i) the Shares to be issued and sold by the Company have been duly authorized and, when such Shares are issued and paid for in accordance with the terms of the Underwriting Agreement, will be validly issued, fully paid and nonassessable, and (ii) the Shares to be sold by the Selling Stockholders have been duly authorized and are validly issued, fully paid and nonassessable.

We consent to the use of this opinion as an exhibit to the Registration Statement, and we consent to the reference of our name under the caption “Legal Matters” in the prospectus forming part of the Registration Statement.

Very truly yours,

WILSON SONSINI GOODRICH & ROSATI
Professional Corporation

/s/ Wilson Sonsini Goodrich & Rosati, P.C.

Exhibit 10.1

CRICUT, INC.

INDEMNIFICATION AGREEMENT

This Indemnification Agreement (this "***Agreement***") is dated as of [*insert date*], and is between Cricut, Inc., a Delaware corporation (the "***Company***"), and [*insert name of indemnitee*] ("***Indemnitee***").

RECITALS

A. Indemnitee's service to the Company substantially benefits the Company.

B. Individuals are reluctant to serve as directors or officers of corporations or in certain other capacities unless they are provided with adequate protection through insurance or indemnification against the risks of claims and actions against them arising out of such service.

C. Indemnitee does not regard the protection currently provided by applicable law, the Company's governing documents and any insurance as adequate under the present circumstances, and Indemnitee may not be willing to serve as a director or officer without additional protection.

D. In order to induce Indemnitee to continue to provide services to the Company, it is reasonable, prudent and necessary for the Company to contractually obligate itself to indemnify, and to advance expenses on behalf of, Indemnitee as permitted by applicable law.

E. This Agreement is a supplement to and in furtherance of the indemnification provided in the Company's certificate of incorporation and bylaws, and any resolutions adopted pursuant thereto, and this Agreement shall not be deemed a substitute therefor, nor shall this Agreement be deemed to limit, diminish or abrogate any rights of Indemnitee thereunder.

The parties therefore agree as follows:

1. **Definitions.**

(a) A "***Change in Control***" shall be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following events:

(i) *Acquisition of Stock by Third Party.* Any Person (as defined below) becomes the Beneficial Owner (as defined below), directly or indirectly, of securities of the Company representing fifteen percent (15%) or more of the combined voting power of the Company's then outstanding securities;

(ii) *Change in Board Composition.* During any period of two consecutive years (not including any period prior to the execution of this Agreement), individuals who at the beginning of such period constitute the Company's board of directors, and any new directors (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in Sections 1(a)(i), 1(a)(iii) or 1(a)(iv)) whose election by the board of directors or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the members of the Company's board of directors;

(iii) *Corporate Transactions.* The effective date of a merger or consolidation of the Company with any other entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the surviving entity outstanding immediately after such merger or consolidation and with the power to elect at least a majority of the board of directors or other governing body of such surviving entity;

(iv) *Liquidation.* The approval by the stockholders of the Company of a complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets; and

(v) *Other Events.* Any other event of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or in response to any similar item on any similar schedule or form) promulgated under the Securities Exchange Act of 1934, as amended, whether or not the Company is then subject to such reporting requirement.

For purposes of this Section 1(a), the following terms shall have the following meanings:

(1) "***Person***" shall have the meaning as set forth in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended; *provided, however,* that "***Person***" shall exclude (i) the Company, (ii) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, and (iii) any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

(2) "***Beneficial Owner***" shall have the meaning given to such term in Rule 13d-3 under the Securities Exchange Act of 1934, as amended; *provided, however,* that "***Beneficial Owner***" shall exclude any Person otherwise becoming a Beneficial Owner by reason of (i) the stockholders of the Company approving a merger of the Company with another entity or (ii) the Company's board of directors approving a sale of securities by the Company to such Person.

(b) "***Corporate Status***" describes the status of a person who is or was a director, trustee, general partner, managing member, officer, employee, agent or fiduciary of the Company or any other Enterprise.

(c) "***DGCL***" means the General Corporation Law of the State of Delaware.

(d) "***Disinterested Director***" means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(e) "***Enterprise***" means the Company and any other corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise of which Indemnitee is or was serving at the request of the Company as a director, trustee, general partner, managing member, officer, employee, agent or fiduciary.

(f) "***Expenses***" include all reasonable and actually incurred attorneys' fees, retainers, court costs, transcript costs, fees and costs of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, a Proceeding. Expenses also include (i) Expenses incurred in connection with any appeal resulting from any

Proceeding, including without limitation the premium, security for, and other costs relating to any cost bond, supersedeas bond or other appeal bond or their equivalent, and (ii) for purposes of Section 12(d), Expenses incurred by Indemnitee in connection with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(g) "***Independent Counsel***" means a law firm, or a partner or member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent (i) the Company or Indemnitee in any matter material to either such party (other than as Independent Counsel with respect to matters concerning Indemnitee under this Agreement, or other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "***Independent Counsel***" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement.

(h) "***Proceeding***" means any threatened, pending or completed action, suit, arbitration, mediation, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or proceeding, whether brought in the right of the Company or otherwise and whether of a civil, criminal, administrative or investigative nature, including any appeal therefrom and including without limitation any such Proceeding pending as of the date of this Agreement, in which Indemnitee was, is or will be involved as a party, a potential party, a non-party witness or otherwise by reason of (i) the fact that Indemnitee is or was a director or officer of the Company, (ii) any action taken by Indemnitee or any action or inaction on Indemnitee's part while acting as a director or officer of the Company, or (iii) the fact that he or she is or was serving at the request of the Company as a director, trustee, general partner, managing member, officer, employee, agent or fiduciary of the Company or any other Enterprise, in each case whether or not serving in such capacity at the time any liability or Expense is incurred for which indemnification or advancement of expenses can be provided under this Agreement.

(i) Reference to "***other enterprises***" shall include employee benefit plans; references to "***fines***" shall include any excise taxes assessed on a person with respect to any employee benefit plan; references to "***serving at the request of the Company***" shall include any service as a director, officer, employee or agent of the Company which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner he or she reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "***not opposed to the best interests of the Company***" as referred to in this Agreement.

2. **Indemnity in Third-Party Proceedings.** The Company shall indemnify Indemnitee in accordance with the provisions of this Section 2 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 2, Indemnitee shall be indemnified to the fullest extent permitted by applicable law against all Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by Indemnitee or on his or her behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company and, with respect to any criminal action or proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

3. **Indemnity in Proceedings by or in the Right of the Company.** The Company shall indemnify Indemnitee in accordance with the provisions of this Section 3 if Indemnitee is, or is threatened

to be made, a party to or a participant in any Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 3, Indemnitee shall be indemnified to the fullest extent permitted by applicable law against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company. No indemnification for Expenses shall be made under this Section 3 in respect of any claim, issue or matter as to which Indemnitee shall have been adjudged by a court of competent jurisdiction to be liable to the Company, unless and only to the extent that the Delaware Court of Chancery or any court in which the Proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification for such expenses as the Delaware Court of Chancery or such other court shall deem proper.

4. **Indemnification for Expenses of a Party Who is Wholly or Partly Successful.** To the extent that Indemnitee is a party to or a participant in and is successful (on the merits or otherwise) in defense of any Proceeding or any claim, issue or matter therein, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith. For purposes of this section, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

5. **Indemnification for Expenses of a Witness.** To the extent that Indemnitee is, by reason of his or her Corporate Status, a witness in any Proceeding to which Indemnitee is not a party, Indemnitee shall be indemnified to the extent permitted by applicable law against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith.

6. **Additional Indemnification.**

(a) Notwithstanding any limitation in Sections 2, 3 or 4, the Company shall indemnify Indemnitee to the fullest extent permitted by applicable law if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding (including a Proceeding by or in the right of the Company to procure a judgment in its favor) against all Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by Indemnitee or on his or her behalf in connection with the Proceeding or any claim, issue or matter therein.

(b) For purposes of Section 6(a), the meaning of the phrase "***to the fullest extent permitted by applicable law***" shall include, but not be limited to:

(i) the fullest extent permitted by the provision of the DGCL that authorizes or contemplates additional indemnification by agreement, or the corresponding provision of any amendment to or replacement of the DGCL; and

(ii) the fullest extent authorized or permitted by any amendments to or replacements of the DGCL adopted after the date of this Agreement that increase the extent to which a corporation may indemnify its officers and directors.

7. **Exclusions.** Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to make any indemnity in connection with any Proceeding (or any part of any Proceeding):

(a) for which payment has actually been made to or on behalf of Indemnitee under any statute, insurance policy, indemnity provision, vote or otherwise, except with respect to any excess beyond the amount paid;

(b) for an accounting or disgorgement of profits pursuant to Section 16(b) of the Securities Exchange Act of 1934, as amended, or similar provisions of federal, state or local statutory law or common law, if Indemnitee is held liable therefor (including pursuant to any settlement arrangements);

(c) for any reimbursement of the Company by Indemnitee of any bonus or other incentive-based or equity-based compensation or of any profits realized by Indemnitee from the sale of securities of the Company, as required in each case under the Securities Exchange Act of 1934, as amended (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "***Sarbanes-Oxley Act***"), or the payment to the Company of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act), if Indemnitee is held liable therefor (including pursuant to any settlement arrangements);

(d) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees, agents or other indemnitees, unless (i) the Company's board of directors authorized the Proceeding (or the relevant part of the Proceeding) prior to its initiation, (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law, (iii) otherwise authorized in Section 12(d) or (iv) otherwise required by applicable law; or

(e) if prohibited by applicable law.

8. **Advances of Expenses.** The Company shall advance the Expenses incurred by Indemnitee in connection with any Proceeding prior to its final disposition, and such advancement shall be made as soon as reasonably practicable, but in any event no later than 60 days, after the receipt by the Company of a written statement or statements requesting such advances from time to time (which shall include invoices received by Indemnitee in connection with such Expenses but, in the case of invoices in connection with legal services, any references to legal work performed or to expenditure made that would cause Indemnitee to waive any privilege accorded by applicable law shall not be included with the invoice). Advances shall be unsecured and interest free and made without regard to Indemnitee's ability to repay such advances. Indemnitee hereby undertakes to repay any advance to the extent that it is ultimately determined that Indemnitee is not entitled to be indemnified by the Company. This Section 8 shall not apply to the extent advancement is prohibited by law and shall not apply to any Proceeding (or any part of any Proceeding) for which indemnity is not permitted under this Agreement, but shall apply to any Proceeding (or any part of any Proceeding) referenced in Section 7(b) or 7(c) prior to a determination that Indemnitee is not entitled to be indemnified by the Company.

9. **Procedures for Notification and Defense of Claim.**

(a) Indemnitee shall notify the Company in writing of any matter with respect to which Indemnitee intends to seek indemnification or advancement of Expenses as soon as reasonably practicable following the receipt by Indemnitee of notice thereof. The written notification to the Company shall include, in reasonable detail, a description of the nature of the Proceeding and the facts underlying the Proceeding. The failure by Indemnitee to notify the Company will not relieve the Company from any liability which it may have to Indemnitee hereunder or otherwise than under this Agreement, and any delay in so notifying the Company shall not constitute a waiver by Indemnitee of any rights, except to the extent that such failure or delay materially prejudices the Company.

(b) If, at the time of the receipt of a notice of a Proceeding pursuant to the terms hereof, the Company has directors' and officers' liability insurance in effect that may be applicable to the Proceeding, the Company shall give prompt notice of the commencement of the Proceeding to the insurers in accordance with the procedures set forth in the applicable policies. The Company shall thereafter take all commercially-reasonable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

(c) In the event the Company may be obligated to make any indemnity in connection with a Proceeding, the Company shall be entitled to assume the defense of such Proceeding with counsel approved by Indemnitee, which approval shall not be unreasonably withheld, conditioned or delayed, upon the delivery to Indemnitee of written notice of its election to do so. After delivery of such notice, approval of such counsel by Indemnitee and the retention of such counsel by the Company, the Company will not be liable to Indemnitee for any fees or expenses of counsel subsequently incurred by Indemnitee with respect to the same Proceeding. Notwithstanding the Company's assumption of the defense of any such Proceeding, the Company shall be obligated to pay the fees and expenses of Indemnitee's separate counsel to the extent (i) the employment of separate counsel by Indemnitee is authorized by the Company, (ii) counsel for the Company or Indemnitee shall have reasonably concluded that there is a conflict of interest between the Company and Indemnitee in the conduct of any such defense such that Indemnitee needs to be separately represented, (iii) the Company is not financially or legally able to perform its indemnification obligations or (iv) the Company shall not have retained, or shall not continue to retain, counsel to defend such Proceeding. The Company shall have the right to conduct such defense as it sees fit in its sole discretion. Regardless of any provision in this Agreement, Indemnitee shall have the right to employ counsel in any Proceeding at Indemnitee's personal expense. The Company shall not be entitled, without the consent of Indemnitee, to assume the defense of any claim brought by or in the right of the Company.

(d) Indemnitee shall give the Company such information and cooperation in connection with the Proceeding as may be reasonably appropriate.

(e) The Company shall not be liable to indemnify Indemnitee for any settlement of any Proceeding (or any part thereof) without the Company's prior written consent, which shall not be unreasonably withheld, conditioned or delayed.

(f) The Company shall not settle any Proceeding (or any part thereof) in a manner that imposes any penalty or liability on Indemnitee without Indemnitee's prior written consent, which shall not be unreasonably withheld, conditioned or delayed.

10. **Procedures upon Application for Indemnification.**

(a) To obtain indemnification, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and as is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification following the final disposition of the Proceeding. Any delay in providing the request will not relieve the Company from its obligations under this Agreement, except to the extent such failure is prejudicial.

(b) Upon written request by Indemnitee for indemnification pursuant to Section 10(a), a determination with respect to Indemnitee's entitlement thereto shall be made in the specific case (i) if a Change in Control shall have occurred, by Independent Counsel in a written opinion to the Company's board of directors, a copy of which shall be delivered to Indemnitee or (ii) if a Change in Control shall not have occurred, (A) by a majority vote of the Disinterested Directors, even though less than a quorum of the Company's board of directors, (B) by a committee of Disinterested Directors designated by a majority vote

of the Disinterested Directors, even though less than a quorum of the Company's board of directors, (C) if there are no such Disinterested Directors or, if such Disinterested Directors so direct, by Independent Counsel in a written opinion to the Company's board of directors, a copy of which shall be delivered to Indemnitee or (D) if so directed by the Company's board of directors, by the stockholders of the Company. If it is determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten days after such determination. Indemnitee shall cooperate with the person, persons or entity making the determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information that is not privileged or otherwise protected from disclosure and that is reasonably available to Indemnitee and reasonably necessary to such determination. Any costs or expenses (including attorneys' fees and disbursements) actually and reasonably incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company, to the extent permitted by applicable law.

(c) In the event the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 10(b), the Independent Counsel shall be selected as provided in this Section 10(c). If a Change in Control shall not have occurred, the Independent Counsel shall be selected by the Company's board of directors, and the Company shall give written notice to Indemnitee advising him or her of the identity of the Independent Counsel so selected. If a Change in Control shall have occurred, the Independent Counsel shall be selected by Indemnitee (unless Indemnitee shall request that such selection be made by the Company's board of directors, in which event the preceding sentence shall apply), and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either event, Indemnitee or the Company, as the case may be, may, within ten days after such written notice of selection shall have been given, deliver to the Company or to Indemnitee, as the case may be, a written objection to such selection; *provided*, *however*, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 1 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit. If, within 20 days after the later of (i) submission by Indemnitee of a written request for indemnification pursuant to Section 10(a) hereof and (ii) the final disposition of the Proceeding, the parties have not agreed upon an Independent Counsel, either the Company or Indemnitee may petition a court of competent jurisdiction for resolution of any objection which shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 10(b) hereof. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 12(a) of this Agreement, the Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

(d) The Company agrees to pay the reasonable fees and expenses of any Independent Counsel.

11. **Presumptions and Effect of Certain Proceedings.**

(a) In making a determination with respect to entitlement to indemnification hereunder, the person, persons or entity making such determination shall, to the fullest extent not prohibited by law, presume that Indemnitee is entitled to indemnification under this Agreement, and the Company shall, to the fullest extent not prohibited by law, have the burden of proof to overcome that presumption.

(b) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of *nolo contendere* or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself create a presumption that Indemnitee did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his or her conduct was unlawful.

(c) Neither the knowledge, actions nor failure to act of any other director, officer, agent or employee of the Enterprise shall be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

12. **Remedies of Indemnitee.**

(a) Subject to Section 12(e), in the event that (i) a determination is made pursuant to Section 10 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 8 or 12(d) of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 10 of this Agreement within 90 days after the later of the receipt by the Company of the request for indemnification or the final disposition of the Proceeding, (iv) payment of indemnification pursuant to this Agreement is not made (A) within ten days after a determination has been made that Indemnitee is entitled to indemnification or (B) with respect to indemnification pursuant to Sections 4, 5 and 12(d) of this Agreement, within 30 days after receipt by the Company of a written request therefor, or (v) the Company or any other person or entity takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or proceeding designed to deny, or to recover from, Indemnitee the benefits provided or intended to be provided to Indemnitee hereunder, Indemnitee shall be entitled to an adjudication by a court of competent jurisdiction of his or her entitlement to such indemnification or advancement of Expenses. Alternatively, Indemnitee, at his or her option, may seek an award in arbitration with respect to his or her entitlement to such indemnification or advancement of Expenses, to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Indemnitee shall commence such proceeding seeking an adjudication or an award in arbitration within 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 12(a); *provided*, *however*, that the foregoing clause shall not apply in respect of a proceeding brought by Indemnitee to enforce his or her rights under Section 4 of this Agreement. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration in accordance with this Agreement.

(b) Neither (i) the failure of the Company, its board of directors, any committee or subgroup of the board of directors, Independent Counsel or stockholders to have made a determination that indemnification of Indemnitee is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor (ii) an actual determination by the Company, its board of directors, any committee or subgroup of the board of directors, Independent Counsel or stockholders that Indemnitee has not met the applicable standard of conduct, shall create a presumption that Indemnitee has or has not met the applicable standard of conduct. In the event that a determination shall have been made pursuant to Section 10 of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 12 shall be conducted in all respects as a *de novo* trial, or arbitration, on the merits, and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 12, the Company shall, to the fullest extent not prohibited by law, have the burden of proving Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be.

(c) To the fullest extent not prohibited by law, the Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 12 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement. If a determination shall have been made pursuant to Section 10 of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 12, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statements not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) To the extent not prohibited by law, the Company shall indemnify Indemnitee against all Expenses that are incurred by Indemnitee in connection with any action for indemnification or advancement of Expenses from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company to the extent Indemnitee is successful in such action, and, if requested by Indemnitee, shall (as soon as reasonably practicable, but in any event no later than 60 days, after receipt by the Company of a written request therefor) advance such Expenses to Indemnitee, subject to the provisions of Section 8.

(e) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement to indemnification shall be required to be made prior to the final disposition of the Proceeding.

13. **Contribution.** To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amounts incurred by Indemnitee, whether for Expenses, judgments, fines or amounts paid or to be paid in settlement, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the events and transactions giving rise to such Proceeding; and (ii) the relative fault of Indemnitee and the Company (and its other directors, officers, employees and agents) in connection with such events and transactions.

14. **Non-exclusivity.** The rights of indemnification and to receive advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Company's certificate of incorporation or bylaws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. To the extent that a change in Delaware law, whether by statute or judicial decision, permits greater indemnification or advancement of Expenses than would be afforded currently under the Company's certificate of incorporation and bylaws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change, subject to the restrictions expressly set forth herein or therein. Except as expressly set forth herein, no right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. Except as expressly set forth herein, the assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

15. **Primary Responsibility.** [The Company acknowledges that Indemnitee has certain rights to indemnification and advancement of expenses provided by [*insert name of fund*] [and certain affiliates thereof] (collectively, the "***Secondary Indemnitor*[*s*]"). The Company agrees that, as between the Company and the Secondary Indemnitor[s], the Company is primarily responsible for amounts required to be

indemnified or advanced under the Company's certificate of incorporation or bylaws or this Agreement and any obligation of the Secondary Indemnitor[s] to provide indemnification or advancement for the same amounts is secondary to those Company obligations. To the extent not in contravention of any insurance policy or policies providing liability or other insurance for the Company or any director, trustee, general partner, managing member, officer, employee, agent or fiduciary of the Company or any other Enterprise, the Company waives any right of contribution or subrogation against the Secondary Indemnitor[s] with respect to the liabilities for which the Company is primarily responsible under this Section 15. In the event of any payment by the Secondary Indemnitor[s] of amounts otherwise required to be indemnified or advanced by the Company under the Company's certificate of incorporation or bylaws or this Agreement, the Secondary Indemnitor[s] shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee for indemnification or advancement of expenses under the Company's certificate of incorporation or bylaws or this Agreement or, to the extent such subrogation is unavailable and contribution is found to be the applicable remedy, shall have a right of contribution with respect to the amounts paid]; *provided*, *however*, that the foregoing sentence will be deemed void if and to the extent that it would violate any applicable insurance policy. The Secondary Indemnitor[s] [are][is an] express third-party [beneficiaries][beneficiary] of the terms of this Section 15.]

16. **No Duplication of Payments.** The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder (or for which advancement is provided hereunder) if and to the extent that Indemnitee has otherwise actually received payment for such amounts under any insurance policy, contract, agreement or otherwise[, except as may be contemplated in Section 15 hereof].

17. **Insurance.** To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, trustees, general partners, managing members, officers, employees, agents or fiduciaries of the Company or any other Enterprise, Indemnitee shall be covered by such policy or policies to the same extent as the most favorably-insured persons under such policy or policies in a comparable position.

18. **Subrogation.** In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

19. **Services to the Company.** Indemnitee agrees to serve as a director or officer of the Company or, at the request of the Company, as a director, trustee, general partner, managing member, officer, employee, agent or fiduciary of another Enterprise, for so long as Indemnitee is duly elected or appointed or until Indemnitee tenders his or her resignation or is removed from such position. Indemnitee may at any time and for any reason resign from such position (subject to any other contractual obligation or any obligation imposed by operation of law), in which event the Company shall have no obligation under this Agreement to continue Indemnitee in such position. This Agreement shall not be deemed an employment contract between the Company (or any of its subsidiaries or any Enterprise) and Indemnitee. Indemnitee specifically acknowledges that any employment with the Company (or any of its subsidiaries or any Enterprise) is at will, and Indemnitee may be discharged at any time for any reason, with or without cause, with or without notice, except as may be otherwise expressly provided in any executed, written employment contract between Indemnitee and the Company (or any of its subsidiaries or any Enterprise), any existing formal severance policies adopted by the Company's board of directors or, with respect to service as a director or officer of the Company, the Company's certificate of incorporation or bylaws or the DGCL. No such document shall be subject to any oral modification thereof.

20. **Duration.** This Agreement shall continue until and terminate upon the later of (a) ten years after the date that Indemnitee shall have ceased to serve as a director or officer of the Company or as a director, trustee, general partner, managing member, officer, employee, agent or fiduciary of any other Enterprise, as applicable; or (b) one year after the final termination of any Proceeding, including any appeal, then pending in respect of which Indemnitee is granted rights of indemnification or advancement of Expenses hereunder and of any proceeding commenced by Indemnitee pursuant to Section 12 of this Agreement relating thereto.

21. **Successors.** This Agreement shall be binding upon the Company and its successors and assigns, including any direct or indirect successor, by purchase, merger, consolidation or otherwise, to all or substantially all of the business or assets of the Company, and shall inure to the benefit of Indemnitee and Indemnitee's heirs, executors and administrators. The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company, by written agreement, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

22. **Severability.** Nothing in this Agreement is intended to require or shall be construed as requiring the Company to do or fail to do any act in violation of applicable law. The Company's inability, pursuant to court order or other applicable law, to perform its obligations under this Agreement shall not constitute a breach of this Agreement. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (i) the validity, legality and enforceability of the remaining provisions of this Agreement (including without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (ii) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (iii) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

23. **Enforcement.** The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve as a director or officer of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director or officer of the Company.

24. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof; *provided*, *however*, that this Agreement is a supplement to and in furtherance of the Company's certificate of incorporation and bylaws and applicable law.

25. **Modification and Waiver.** No supplement, modification or amendment to this Agreement shall be binding unless executed in writing by the parties hereto. No amendment, alteration or repeal of this Agreement shall adversely affect any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his or her Corporate Status prior to such amendment, alteration or repeal. No waiver of any of the provisions of this Agreement shall constitute or be deemed a waiver of any other provision of this Agreement nor shall any waiver constitute a continuing waiver.

26. **Notices.** All notices and other communications required or permitted hereunder shall be in writing and shall be mailed by registered or certified mail, postage prepaid, sent by facsimile or electronic mail or otherwise delivered by hand, messenger or courier service addressed:

(a) if to Indemnitee, to Indemnitee's address, facsimile number or electronic mail address as shown on the signature page of this Agreement or in the Company's records, as may be updated in accordance with the provisions hereof; or

(b) if to the Company, to the attention of the Chief Executive Officer or Chief Financial Officer of the Company at 10855 South River Front Parkway, South Jordan, UT 84095, or at such other current address as the Company shall have furnished to Indemnitee, with a copy (which shall not constitute notice) to Rezwan Pavri, Wilson Sonsini Goodrich & Rosati, P.C., 650 Page Mill Road, Palo Alto, CA 94304.

Each such notice or other communication shall for all purposes of this Agreement be treated as effective or having been given (i) if delivered by hand, messenger or courier service, when delivered (or if sent *via* a nationally-recognized overnight courier service, freight prepaid, specifying next-business-day delivery, one business day after deposit with the courier), (ii) if sent *via* mail, at the earlier of its receipt or five days after the same has been deposited in a regularly-maintained receptacle for the deposit of the United States mail, addressed and mailed as aforesaid, or (iii) if sent *via* facsimile, upon confirmation of facsimile transfer or, if sent *via* electronic mail, upon confirmation of delivery when directed to the relevant electronic mail address, if sent during normal business hours of the recipient, or if not sent during normal business hours of the recipient, then on the recipient's next business day.

27. **Applicable Law and Consent to Jurisdiction.** This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. Except with respect to any arbitration commenced by Indemnitee pursuant to Section 12(a) of this Agreement, the Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Delaware Court of Chancery, and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court of Chancery for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) appoint, to the extent such party is not otherwise subject to service of process in the State of Delaware, The Corporation Trust Company, 1209 Orange Street, in the City of Wilmington, County of New Castle, Delaware 19801, as its agent in the State of Delaware as such party's agent for acceptance of legal process in connection with any such action or proceeding against such party with the same legal force and validity as if served upon such party personally within the State of Delaware, (iv) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court of Chancery, and (v) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court of Chancery has been brought in an improper or inconvenient forum.

28. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. This Agreement may also be executed and delivered by facsimile signature and in counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

29. **Captions.** The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

(*signature page follows*)

The parties are signing this Indemnification Agreement as of the date stated in the introductory sentence.

CRICUT, INC.

_____

(*Signature*)

_____

(*Print name*)

_____

(*Title*)

[***INSERT INDEMNITEE NAME***]

_____

(*Signature*)

_____

(*Print name*)

_____

(*Street address*)

_____

(*City, State and ZIP*)

_____

(*Electronic mail address*)

_____

(*Fax number*)

Exhibit 10.2

CRICUT, INC.

OUTSIDE DIRECTOR COMPENSATION POLICY

Adopted and approved by the Company's Board of Directors on March 11, 2021
Approved by the Company's stockholders on March 11, 2021

Cricut, Inc. (the "Company") believes that providing cash and equity compensation to members of its Board of Directors (the "Board," and members of the Board, the "Directors") represents an effective tool to attract, retain and reward Directors who are not employees of the Company (the "Outside Directors"). This Outside Director Compensation Policy (the "Policy") is intended to formalize the Company's policy regarding the compensation to its Outside Directors. Unless defined in this Policy, capitalized terms used in this Policy will have the meaning given to such terms in the Company's 2021 Equity Incentive Plan (the "Plan"), or if the Plan is no longer in place, the meaning given to such terms or any similar terms in the equity plan then in place. Each Outside Director will be solely responsible for any tax obligations incurred by such Outside Director as a result of the equity and cash payments such Outside Director receives under this Policy.

Subject to Section 8 of this Policy, this Policy will be effective as of the effective date of the first registration statement that is filed by the Company and declared effective pursuant to Section 12(b) of the Exchange Act, with respect to any class of the Company's securities (the "Registration Statement") (such date, the "Effective Date").

1. Cash Compensation.

Committee Annual Cash Retainer

Effective as of the Effective Date, each Outside Director who serves as the chair or a member of a committee of the Board listed below will be eligible to earn annual cash retainers as follows:

Chair of Audit Committee:	$25,000
Member of Audit Committee:	$10,000
Chair of Compensation Committee:	$20,000
Member of Compensation Committee:	$10,000

For clarity, each Outside Director who serves as the chair of a committee will receive only the annual cash retainer as the chair of the committee, and not the annual cash retainer as a member of the committee.

Payment

Each annual cash retainer under this Policy will be paid quarterly in arrears on a prorated basis to each Outside Director who has served in the relevant capacity at any point during the fiscal

quarter, and such payment will be made on the last business day of such fiscal quarter (or as soon thereafter as practical, but in no event later than 30 days following the end of such fiscal quarter). For purposes of clarification, an Outside Director who has served as a member of an applicable committee (or chair thereof) during only a portion of the relevant Company fiscal quarter will receive a pro-rated payment of the quarterly payment of the applicable annual cash retainer(s), calculated based on the number of days during such fiscal quarter such Outside Director has served in the relevant capacities.

2. Equity Compensation.

Outside Directors will be eligible to receive all types of Awards (except Incentive Stock Options) under the Plan (or the applicable equity plan in place at the time of grant), including discretionary Awards not covered under this Policy. All grants of Awards to Outside Directors pursuant to Section 2 of this Policy will be automatic and nondiscretionary, except as otherwise provided herein, and will be made in accordance with the following provisions:

(a) No Discretion. No person will have any discretion to select which Outside Directors will be granted any Awards under this Policy or to determine the number of Shares to be covered by such Awards.

(b) Initial Award. Each individual who first becomes an Outside Director following the Effective Date will be granted an award of restricted stock units (an "Initial Award") covering a number of Shares having a grant date fair value (determined in accordance with U.S. generally accepted accounting principles) (the "Grant Value") equal to $450,000, rounded to the nearest whole Share. The Initial Award will be made on the first trading date on or after the date on which such individual first becomes an Outside Director, whether through election by the stockholders of the Company or appointment by the Board to fill a vacancy. If an individual was a member of the Board and also an employee, becoming an Outside Director due to termination of employment will not entitle the Outside Director to an Initial Award.

Subject to Section 3 of this Policy, each Initial Award will vest as to 1/5th of the Shares subject to the Initial Award on each of the first five anniversaries of the date the applicable Outside Director's service as an Outside Director commenced, subject to the Outside Director continuing to be a Service Provider through the applicable vesting date.

(c) Annual Award. On the date of each annual meeting of the Company's stockholders following the Effective Date (each, an "Annual Meeting"), each Outside Director will be automatically granted an award of restricted stock units (an "Annual Award") covering a number of Shares having a Grant Value of $125,000, rounded to the nearest whole Share.

Subject to Section 3 of this Policy, each Annual Award will vest on each of the first four Quarterly Vesting Dates occurring after the date the Annual Award is granted, except that the fourth quarterly vesting date of each Annual Award shall occur no later than the day prior to the date of the Annual Meeting next following the date the Annual Award was granted, in each case, subject to the Outside Director continuing to be a Service Provider through the applicable vesting

date. For the avoidance of doubt, in all events each Annual Award granted in accordance with this Policy will vest upon the earlier to occur of (i) the fourth Quarterly Vesting Date occurring after the date that the Annual Award was granted or (ii) the day prior to the date of the Annual Meeting next following the date the Annual Award was granted. "Quarterly Vesting Date" means February 15, May 15, August 15, and November 15 of each year.

3. Change in Control.

Immediately prior to a Change in Control, each Outside Director will fully vest in and have the right to exercise Options and/or Stock Appreciation Rights as to all of the Shares underlying such Award, including those Shares which would not be vested or exercisable, all restrictions on Restricted Stock and Restricted Stock Units will lapse, and, with respect to Awards with performance-based vesting, all performance goals or other vesting criteria will be deemed achieved at 100% of target levels and all other terms and conditions met, unless specifically provided otherwise under the applicable Award Agreement or other written agreement between the Outside Director and the Company or any of its Subsidiaries or Parents, as applicable.

4. Annual Compensation Limit.

No Outside Director may be paid, issued or granted, in any Fiscal Year, cash compensation and equity compensation (including any Awards) with an aggregate value greater than $600,000 for an Outside Director's first year of service or $$850,000 in any subsequent year. The value of each equity compensation award will be based on its Grant Value for purposes of the limitation under this Section 4). Any cash compensation paid or equity compensation award (including any Awards) granted to an individual for his or her services as an Employee, or for his or her services as a Consultant (other than as an Outside Director), will not count for purposes of the limitation under this Section 4.

5. Travel and Business Expenses.

Each Outside Director's reasonable, customary and documented travel expenses to Board or Board committee meetings or travel or other business expenses related to his or her Board service will be reimbursed by the Company.

6. Equity Ownership.

Each Outside Director's is expected to comply with the minimum equity ownership guidelines as set forth on Exhibit A.

7. Additional Provisions.

All provisions of the Plan not inconsistent with this Policy will apply to Awards granted to Outside Directors.

8. Section 409A.

In no event will cash compensation or expense reimbursement payments under this Policy be paid after the later of (i) 15th day of the 3rd month following the end of the Fiscal Year in which the compensation is earned or expenses are incurred, as applicable, or (ii) 15th day of the 3rd month following the end of the calendar year in which the compensation is earned or expenses are incurred, as applicable, in compliance with the "short-term deferral" exception under Section 409A of the Internal Revenue Code of 1986, as amended, and the final regulations and guidance thereunder, as may be amended from time to time (together, "Section 409A"). It is the intent of this Policy that this Policy and all payments hereunder be exempt from or otherwise comply with the requirements of Section 409A so that none of the compensation to be provided hereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities or ambiguous terms herein will be interpreted to be so exempt or comply. In no event will the Company have any liability or obligation to reimburse, indemnify, or hold harmless an Outside Director (or any other person) for any taxes or costs that may be imposed on or incurred by an Outside Director (or any other person) as a result of Section 409A.

9. Stockholder Approval.

The initial adoption of the Policy will be subject to approval by the Company's stockholders prior to the Effective Date. Unless otherwise required by applicable law, following such approval, the Policy will not be subject to approval by the Company's stockholders, including, for the avoidance of doubt, as a result of or in connection with an action taken with respect to this Policy as contemplated in Section 10 hereof.

10. Revisions.

The Board may amend, alter, suspend or terminate this Policy at any time and for any reason. No amendment, alteration, suspension or termination of this Policy will materially impair the rights of an Outside Director with respect to compensation that already has been paid or awarded, unless otherwise mutually agreed between the Outside Director and the Company. Termination of this Policy will not affect the Board's or the Compensation Committee's ability to exercise the powers granted to it under the Plan with respect to Awards granted under the Plan pursuant to this Policy prior to the date of such termination.

11. Compensation Waiver.

Notwithstanding anything in this Policy to the contrary, an Outside Director may, in his or her discretion, waive any cash compensation he or she would otherwise be entitled to receive under this Policy for service as a Director during any Fiscal Year and/or waive the grant of any Initial Award or Annual Award in any Fiscal Year. Any waiver must be provided in writing to the Company's General Counsel.

Each Director that is employed by Petrus or any of its Affiliates has agreed to waive his or her right to receive any cash or equity compensation for services as a Director for the 2021 Fiscal Year.

Exhibit A

Equity Ownership Guidelines (the "Guidelines")

Each Outside Director (a "Covered Person") must comply with the following minimum ownership guidelines:

Minimum Ownership Level	Timing of Compliance
Equity Interests (as defined below) of at least 25,000 Shares, as adjusted pursuant to Section 13(a) of the Plan.	By the second anniversary of the later of (i) the Effective Date or (ii) the date such individual becomes an Outside Director, and thereafter at all times during which the individual remains an Outside Directors.

"Equity Interests" means Shares: (1) directly owned by a Covered Person or his or her immediate family members residing in the same household; (2) beneficially owned by a Covered Person, but held in trust, limited partnerships, or similar entities for the sole benefit of the Outside Directors or his or her immediate family members residing in the same household; and (3) held in retirement or deferred compensation accounts for the benefit of a Covered Person or his or her immediate family members residing in the same household. For clarity, "Equity Interests" includes unvested or restricted Shares and unvested or unsettled Company equity awards (other than Company options) but excludes any Company options (whether vested or unvested) covering Shares.

Exceptions: The Compensation Committee may waive, at its discretion, these Guidelines for Directors joining the Board from government, academia, or similar professions. The Compensation Committee may also temporarily suspend, at its discretion, these Guidelines for one or more Outside Directors if compliance would create severe hardship or prevent such Outside Director from complying with a court order.

Amendments: The Board may amend these Guidelines from time to time.

Exhibit 10.3

Letter of Confidentiality

_____, _____

Dear [Insert Name],

As you now know, you are being awarded certain Incentive Units in Cricut Holdings, LLC. Your participation is subject to the terms outlined in the Award Agreement, and is subject to conditions including (but not limited to) the vesting schedule and a management equity participation threshold. The award of these units comes on the recommendation of management, but is a grant authorized by the Cricut Holdings LLC Board of Managers directly to you. Because these Awards are being made to a select group of employees, the existence of the Award and the amount, conditions, and vesting of your units, is a sensitive and confidential matter. We request that it is not to be discussed between yourself and your manager[1], or with any other employee or contractor of the Company, or to be disclosed in a way that makes the existence or details of the award likely to be known by other employees. Disclosure would constitute "cause" as defined in the Award Agreement. You are free to discuss the details of the Award with Ashish Arora, or with Don Olsen. In addition, you are, of course, free to discuss with a spouse and with other tax and financial advisors as needed.

On behalf of the Board of Managers and the Cricut Leadership Team, congratulations and we look forward to building great products and, a great Company with you.

Sincerely,

Don Olsen
EVP, General Counsel
Cricut, Inc.

Received and acknowledges _____

_____
(recipient signature)

THE AWARD MADE PURSUANT TO THE TERMS OF THIS AWARD AGREEMENT, AND THE INCENTIVE UNITS SUBJECT TO THE AWARD, HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD, PLEDGED, OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION THEREOF UNDER SUCH ACT.

THE TRANSFER OF THIS AGREEMENT AND THE INCENTIVE UNITS IT REPRESENTS ARE SUBJECT TO CERTAIN RESTRICTIONS, AS SET FORTH IN THE LLC AGREEMENT AND IN THIS AGREEMENT. NO TRANSFER OF THIS AGREEMENT OR THE INCENTIVE UNITS IT REPRESENTS SHALL BE MADE ON THE BOOKS OF THE COMPANY UNLESS AND UNTIL SUCH RESTRICTIONS SHALL HAVE BEEN COMPLIED WITH.

THIS INCENTIVE UNITS AWARD AGREEMENT (this "Agreement") dated as of _____, _____ (the "Date of Award") represents the grant of the number of Incentive Units set forth in Section 3 (subject to adjustment in accordance with this Agreement, the "Incentive Units") by Cricut Holdings, LLC, a Delaware limited liability company (the "Company"), to [Insert Name] (the "Participant"), pursuant to the provisions of the Company's Third Amended and Restated Limited Liability Company Agreement dated June 11, 2015, as it may be amended from time to time (the "LLC Agreement"). In consideration of the covenants and agreements herein contained, the parties hereto agree as follows:

1. Definitions.

(a) Capitalized terms used herein and not defined elsewhere in this Agreement shall have the meanings assigned to them in the LLC Agreement (a copy of which has been provided to the Participant).

(b) "Cause" means Participant (i) entering a plea of no-contest with respect to, or being convicted (including a plea of guilty) of a felony, whether or not related to Participant's employment with Cricut (as such term is defined below) or its Subsidiaries; (ii) committing any illegal conduct involving dishonesty, fraud or moral turpitude with respect to Cricut or any of its affiliates or any of their respective employees, customers or suppliers; (iii) willfully engaging in gross misconduct in the performance of Participant's duties; (iv) materially breaching any agreement with the Company or its Subsidiaries; (v) either failing or refusing to perform any of Participant's duties, and, after being given written notice by Cricut or its Subsidiaries of such failure or refusal, Participant fails to cure the same within ten (10) calendar days of the notice; (vi) repeatedly being absent from the workplace (other than for business travel) unless such absence is (1) in compliance with the policies of Cricut and its Subsidiaries or approved or excused by the board of directors of Cricut or (2) the result of Participant's illness or disability; (vii) making disparaging, derogatory or detrimental comments about Cricut or any of its affiliates; (viii) engaging in a pattern of conduct that is detrimental to the reputation of Cricut or any of its affiliates; or (ix) abusing alcohol, prescribed medication or illegal drugs (whether or not at the workplace).

11 Your department head/manager will be notified that the Award has been made and he/she may congratulate you regarding it.

(c) "Change in Control" shall mean any of the following events to first occur after the Date of Award:

(i) any independent third party (which shall exclude any affiliates of the Company), by merger or otherwise, becomes the direct beneficial owner of more than 65% of the combined voting power of the then-outstanding securities of the Company or Cricut, Inc., a Utah corporation ("Cricut"), or any other successor entity to either of the foregoing all or substantially all of whose assets consist of all the outstanding equity interests of the Company or Cricut, as applicable; provided that a Change in Control shall not include any merger or other transaction in which the equity holders of the Company immediately prior to the merger or other transaction after giving effect to such merger or other transaction own directly or indirectly a majority of the equity interests of the Company, Cricut or such successor entity;

(ii) the Company consummates the sale or disposition of all or substantially all of its assets; or

(iii) Cricut consummates the sale or disposition of all or substantially all of its assets.

(d) The "Fair Market Value" of an Incentive Unit means the fair value of each such Unit determined in good faith by the Board based on the portion of the Total Equity Value to which each such Unit would be entitled as of the date of valuation, taking into account all relevant factors determinative of value as the Board reasonably determines to be relevant.

2. Incorporation of Terms of LLC Agreement. This Agreement and the Incentive Units awarded hereunder shall be subject to the LLC Agreement, the terms of which are incorporated herein by reference. In the event of any conflict or inconsistency between the LLC Agreement and this Agreement, the LLC Agreement shall govern.

3. Award. Subject to the terms and conditions contained herein and in the LLC Agreement, the parties hereto agree that, for good and valuable consideration, on and as of the date hereof, the Company grants to the Participant _____ (_____) Incentive Units.

The Incentive Units granted hereunder are intended to be "Incentive Units" within the meaning of Section 3.3 of the LLC Agreement and are subject to all applicable limitations under the LLC Agreement, including, without limitation, no voting rights, no rights to current distributions (other than tax distributions) on unvested Incentive Units, and limitations on distributions on vested Incentive Units.

4. Vesting. The Participant shall vest in 25% of the Incentive Units on each of the four (4) anniversaries of _____, _____ (the "Start Date"); *provided* that the Participant remains continuously employed by the Company and its Subsidiaries from the Date of Award until the applicable vesting date. In the event of a Change in Control, if Participant remains continuously employed by the Company and its Subsidiaries from the Date of Award until the date of the Change in Control, all unvested Incentive Units held by the Participant shall vest immediately prior to the consummation of the Change in Control. Any separation from service due to a termination of the Participant by the Company or its Subsidiaries in connection with such Change in Control as a

result of any action of, or direction by, the acquirer of the Company and its Subsidiaries in such Change in Control shall not be taken into account for purposes of determining continuous employment through the date of the Change in Control.

5. Capital Account. Subject to the provisions of this Agreement, the Company shall establish or maintain a Capital Account on behalf of Participant in respect of the Incentive Units granted hereunder pursuant to the terms of Section 4.1 of the LLC Agreement, subject to the vesting provisions contained herein and the Participant shall be considered a Member of the Company.

6. Participation Threshold. For purposes of Section 3.3.2 of the LLC Agreement, the Participation Threshold of the Incentive Units granted hereunder is $XXX,XXX,XXX. This means that the Incentive Units granted hereunder will not be entitled to share in Distributions unless and until the currently outstanding Common Units and Incentive Units with a lower Participation Threshold are distributed an aggregate amount equal to $XXX,XXX,XXX; provided, however, that such Distributions must have been made after the issuance date of the Incentive Units. In addition, the Incentive Units must have vested before they receive any Distributions. The Participation Threshold when expressed on a per Unit basis is $X.XX.

7. No Transfer or Assignment of Award. The Incentive Units granted under this Agreement and all other rights and privileges conferred hereby shall not be sold, pledged or otherwise transferred (whether by operation of law or otherwise) and shall not be subject to sale under execution, attachment, levy or similar process, except to the extent permitted under the LLC Agreement; provided that, without the prior written consent of the Company, in no event shall the Participant be entitled to transfer any unvested Incentive Units.

8. Rights on Termination of Employment.

(a) Termination of Employment. If the Participant's employment with the Company and its Subsidiaries terminates for any reason, the Incentive Units that have not then vested shall terminate immediately and be of no further force or effect and the Participant shall have no further rights with respect to such Incentive Units. If the Participant's employment with the Company and its Subsidiaries is terminated for Cause, the vested portion of the Participant's Incentive Units shall also terminate immediately and be of no further force or effect and the Participant shall have no further rights with respect to such vested Incentive Units. If the Participant's employment with the Company and its Subsidiaries is terminated (i) by the Participant, (ii) on account of Participant's death or disability, or (iii) by the Company for any reason other than Cause, the vested portion of the Participant's Incentive Units shall be subject to redemption at the Company's discretion in accordance with Sections 8(b) and 8(c) of this Agreement.

(b) Company Option to Redeem Vested Units on Termination of Employment. The Company may, at its option, redeem all or any portion of the vested Incentive Units held by Participant at the time of termination of Participant's employment with the Company and its Subsidiaries so long as the Participant's employment with the Company and its Subsidiaries is terminated (i) by the Participant, (ii) on account of Participant's death or disability, or (iii) by the Company for any reason other than Cause. If the Company elects to exercise its option to redeem such vested Incentive Units under this Section 8(b), the redemption price (the "Redemption Price")

for such Incentive Units shall equal the Fair Market Value of such Incentive Units on the date of termination of the Participant's employment. The company will not exercise its repurchase right until at least six (6) months have elapsed following the last vesting date of a given Incentive Unit.

(c) Exercise of Redemption Option and Payment of Redemption Price. If the Company elects to exercise its option to redeem vested Incentive Units under Section 8(b), it must give notice of such exercise to the Participant within ninety (90) days after termination of the Participant's employment with the Company and its Subsidiaries, close such purchase within one-hundred eighty (180) days after such termination and at least six (6) months after the last vesting event. In the event of such timely exercise, the Company shall pay Participant the Redemption Price in a lump sum at the closing of such redemption. Alternatively, in the Company's discretion, in the event the Redemption Price is two hundred thousand dollars ($200,000.00) or more, the Company may instead pay one-quarter (1/4) of the Redemption Price on the date of the closing of such redemption, and the obligation of the Company to pay the balance of the Redemption Price shall be evidenced by a promissory note requiring equal installments of principal on each of the first three (3) anniversaries of such closing, together with interest, compounding annually, at the short-term applicable federal rate prescribed by the Internal Revenue Service as of the date of such closing. The Company may prepay the principal of, and interest on, any such note without penalty or premium.

(d) Restrictions on Redemption. Notwithstanding anything to the contrary contained in this Agreement, all redemptions of vested Incentive Units by the Company pursuant to this Section 8 shall be subject to applicable restrictions contained in applicable Delaware limited liability company laws or such other governing law, applicable securities laws, and in the Company's and any of its Subsidiaries' debt and equity financing agreements. If any such restrictions prohibit (i) the repurchase of vested Incentive Units hereunder that the Company is otherwise entitled to make or (ii) dividends or other transfers of funds from one or more Subsidiaries of the Company directly or indirectly to the Company to enable such redemptions, then the Company may make such redemptions as soon as it is permitted to make redemptions or receive funds from its Subsidiaries under such restrictions and all time periods set forth in this Section 8 shall be tolled accordingly.

9. Certain Tax Matters.

(a) Profits Interests. Consistent with Section 3.3.3 of the LLC Agreement, it is the intent of the parties that the Incentive Units granted hereunder qualify as profits interests under Internal Revenue Service Revenue Procedures 93-27 and 2001-43 and the provisions of this Incentive Units Award Agreement shall be interpreted and applied consistently therewith.

(b) Withholding. In the event that the Company determines that it is required to withhold any tax as a result of a distribution or an allocation of income made to the Participant, the Participant hereby agrees to make arrangements satisfactory to the Company to enable it to satisfy all withholding requirements. The Participant shall also make arrangements satisfactory to the Company to enable it to satisfy any withholding requirements that may arise in connection with the granting or vesting of Incentive Units. In the event the Company or any of its Subsidiaries do not make such withholdings, the Participant shall indemnify the Company and its Subsidiaries

for any amounts paid by the Company or any of its Subsidiaries for the benefit of the Participant with respect to any such taxes, together with any interest, penalties and related expenses thereto.

(c) Code Section 83(b) Election. The Participant shall make a timely Code Section 83(b) election with respect to the Incentive Units by filing the form attached hereto as Exhibit A with the Internal Revenue Service within thirty (30) days following the date that the Incentive Units are granted. The Participant shall provide the Company with a copy of the Code Section 83(b) election simultaneously with filing it with the Internal Revenue Service and shall attach a copy of such election to his or her federal income tax return for the year of issuance. THE PARTICIPANT ACKNOWLEDGES THAT IT IS THE PARTICIPANT'S SOLE RESPONSIBILITY, AND NOT THE COMPANY'S, TO TIMELY FILE THE CODE SECTION 83(b) ELECTION, EVEN IF THE PARTICIPANT REQUESTS THE COMPANY OR ITS REPRESENTATIVE TO MAKE THE FILING ON THE PARTICIPANT'S BEHALF.

(d) No Warranty of Tax Results. The Participant hereby acknowledges that the federal and state income and other tax consequences to the Participant resulting from the issuance, holding, vesting, forfeiture, sale or redemption of Incentive Units hereunder may depend on the Participant's particular situation and other facts and circumstances, and neither the Company, nor its managers, agents, owners or any other person will be responsible or liable for the federal or state income or other tax consequences to the Participant occurring by reason of any of such events. The Company does not represent, warrant, guaranty, affirm or advise the Participant that the Participant will achieve any particular federal or state income or other tax consequences or objectives with respect to the Incentive Units, and the Participant agrees to rely solely upon the Participant's own advisers with respect to all such tax consequences of the Incentive Units hereunder.

10. General Provisions.

(a) No Rights to Continued Employment. Nothing in this Agreement or any action taken or omitted to be taken hereunder shall be deemed to create or confer on the Participant any right to continued employment with the Company or any Subsidiary or other affiliate thereof, or to interfere with or to limit in any way the right of the Company or any Subsidiary or other affiliate thereof to terminate the employment of the Participant at any time.

(b) Restrictive Covenant Agreement. Notwithstanding any other provision of this Agreement, in the event of any breach by the Participant of the Employee Confidential Disclosure and Non-Confidential Agreement between Cricut and the Participant, all Incentive Units held by Participant (whether vested or unvested) shall immediately terminate and be of no further force or effect and the Participant shall have no further rights with respect to the Incentive Units.

(c) Restrictions. The Board of Managers of the Company (the "Board") shall have the right to impose restrictions on any Incentive Units as it deems necessary or advisable under applicable federal securities laws, the rules and regulations of any stock exchange or market upon which the Incentive Units are then listed or traded, and/or any "blue sky" or state securities laws applicable to such Incentive Units.

(d) Board Decisions Final. Any dispute or disagreement arising under, or in connection with, the interpretation or construction of the terms of this Agreement shall be determined by the Board in good faith, and any such determination and any other determination by the Board under this Agreement shall be final and binding on all persons affected thereby.

(e) Amendments. The Board shall have the power to alter or amend the terms of this Agreement from time to time, in any manner consistent with the LLC Agreement. Any alteration or amendment of the terms of this Agreement shall bind all persons affected thereby without the requirement of consent or other action by any person. The Board shall provide written notice to the Participant of any such alteration or amendment of this Agreement as promptly as practicable after the adoption thereof. Nothing in this Section 10(e) shall restrict the Participant and the Company by mutual consent from altering or amending the terms of this Agreement in any manner that is consistent with the LLC Agreement and the approval of the Board.

(f) Waiver. The waiver by either party of compliance with any provision of this Agreement by the other party shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such other party of a provision of this Agreement.

(g) Entire Agreement. This Agreement, the LLC Agreement and the other documents expressly referred to herein set forth the entire agreement and understanding between the parties hereto and supersede all prior agreements and understandings relating to the subject matter hereof.

(h) Counterparts. This Agreement may be executed in one or more counterparts (including by electronic signature or .pdf transmission), each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same agreement.

(i) Headings. The headings of sections and subsections herein are included solely for convenience of reference and shall not affect the meaning of any of the provisions of this Agreement.

(j) Governing Law. This Agreement and the rights of the parties hereunder shall be governed by and construed in accordance with the laws of the State of Delaware applied to contracts executed in and to be performed entirely in that state.

(k) Joinder to LLC Agreement. Simultaneously with the grant of the Incentive Units hereunder, the Participant shall execute a joinder agreement in the form attached hereto as Exhibit B by which the Participant will become a Member of the Company with respect to the Incentive Units and agrees that the Incentive Units are subject to all terms and conditions of the LLC Agreement.

(l) Spousal Consent. If, as of the Date of Award, the Participant is lawfully married and the Participant's address or the permanent residence of the Participant's spouse is located in a community property jurisdiction, the Participant and the Participant's spouse shall execute and deliver to the Company concurrently with the execution of this Agreement the spousal consent in the form attached hereto as Exhibit C.

(m) Unit Power. Concurrently with the execution of this Agreement, the Participant shall execute in blank one unit transfer power in the form attached hereto as Exhibit D (the "Unit Power") with respect to the Incentive Units and shall deliver such Unit Power to the Company. The Unit Power shall authorize the Company to assign, transfer and deliver the Incentive Units to the appropriate acquirer thereof pursuant to Section 8 of this Agreement or Section 11.3 of the LLC Agreement

[Signature Page Follows]

IN WITNESS WHEREOF, this Agreement has been signed by the Company by one of its duly authorized officers and by the Participant as of the Date of Award.

Cricut Holdings, LLC

By: _____
Name: Don Olsen
Title: Secretary

_____
[Insert Name]

EXHIBIT A

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

_____, _____

Department of the Treasury
Internal Revenue Service
Fresno, CA 93888-002

Re: IRC Section 83(b) Election

Dear Sir/Madam:

Enclosed please find the undersigned taxpayer's Protective Election to Include in Gross Income in Year of Transfer of Property Pursuant to Section 83(b) of the Internal Revenue Code. The transferred property, in respect of which the protective Section 83(b) election is made, is intended to constitute, for federal income tax purposes, a substantially nonvested profits interest in a partnership, for which a Section 83(b) election need not be made pursuant to Rev. Proc. 2001-43, 2001-2 CB 199 (August 3, 2001). The taxpayer is making the Section 83(b) election on a protective basis, however, in the event the property transferred inadvertently fails to qualify as a partnership profits interest that may be received without there being a taxable event for any reason.

Very Truly Yours,

[Insert Name]

Taxpayer ID No.: _____

cc: Cricut Holdings, LLC
Cricut, Inc.

Protective Election to Include in Gross Income in Year of Transfer of Property Pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended

_____, _____

The undersigned hereby elects pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended, with respect to the property described below and supplies the following information in accordance with the regulations promulgated thereunder:

1. ***The name, address and taxpayer identification number of the undersigned are as follows (if you live in a community property state (AZ, CA, ID, LA, NV, NM, TX, WA or WI) please provide requested information for your spouse and have your spouse sign):***

Name of Taxpayer: _____
Name of Spouse: _____
Address: _____
_____
Taxpayer I.D. No.: _____
Spouse I.D. No.: _____

2. ***Description of property with respect to which the election is being made:***

_____ Incentive Units (the "Units") of Cricut Holdings, LLC (the "Company").

3. ***The date on which property was transferred is _____, _____.***

The taxable year to which this election relates is calendar year _____.

4. ***The nature of the restriction(s) to which the property is subject is:***

The property is subject to transfer restrictions and will be forfeited if the taxpayer ceases to provide services to the Company and its subsidiaries within a prescribed vesting period following the transfer of the property. A portion of the property is also subject to forfeiture if there is no change in control of the Company and its subsidiaries.

5. ***Fair market value:***

The fair market value at time of transfer (determined without regard to any restrictions other than restrictions which by their terms will never lapse) of the property with respect to which this election is being made is $0.00 (zero dollars) per Unit.

6. ***Amount paid for property:***

The taxpayer did not pay any amount for said property.

7. ***Furnishing statement to [employer / service recipient]:***

A copy of this statement has been furnished to the Company and Cricut, Inc.

8. The Units are intended to constitute, for federal income tax purposes, a substantially nonvested profits interest in a partnership, for which a Section 83(b) election need not be made pursuant to Rev. Proc. 2001-43, 2001-2 CB 199 (August 3, 2001). The taxpayer is making this Section 83(b) election in the event the Units inadvertently fail to qualify as a partnership interest that may be received without being treated as a taxable event under Rev. Proc. 93-27 or Rev. Proc. 2001-43.

[Insert Name]

Spouse of Taxpayer (if applicable)

EXHIBIT B

JOINDER AGREEMENT

Effective upon the execution hereof, the undersigned hereby agrees to become a party to that certain Third Amended and Restated Limited Liability Company Agreement, dated as of June 11, 2015, of Cricut Holdings, LLC, a Delaware limited liability company, as the same may be amended, restated, modified, and supplemented from time to time (the "LLC Agreement"). The undersigned, by executing this counterpart signature page, shall be entitled to all of the rights and subject to all of the obligations of a Member holding Incentive Units under the LLC Agreement, and accepts and agrees to be bound by all terms and conditions of the LLC Agreement.

Dated: _____, _____

_____
[Insert Name]

ACCEPTED AND AGREED
as of the date first written above:

Cricut Holdings, LLC

By: _____
Name: Don Olsen
Title: Secretary

EXHIBIT C

SPOUSAL CONSENT

The undersigned spouse hereby acknowledges that I have read the Third Amended and Restated Limited Liability Company Agreement of Cricut Holdings, LLC, a Delaware limited liability company (the "Company"), to which my spouse is a party, and that I understand its contents. I am aware that such agreement provides for certain restrictions on my spouse's Common Units of the Company. I agree that my spouse's interest in the Common Units is subject to the agreement referred to above and the other agreements referred to therein (including the Incentive Units Award Agreement pursuant to which my spouse's Common Units were granted) and any interest I may have in such Common Units shall be irrevocably bound by such agreement and the other agreements referred to therein and further that my community property interest (if any) shall be similarly bound by such agreements.

The undersigned spouse irrevocably constitutes and appoints [Insert Name], who is the spouse of the undersigned spouse (the "Unitholder"), as the undersigned's true and lawful attorney and proxy in the undersigned's name, place and stead to sign, make, execute, acknowledge, deliver, file and record all documents which may be required, and to manage, vote, act and make all decisions with respect to (whether necessary, incidental, convenient or otherwise), any and all Common Units of the Company in which the undersigned now has or hereafter acquires any interest and in (including but not limited to the right, without further signature, consent or knowledge of the undersigned spouse, to exercise amendments and modifications of and to terminate the aforementioned agreements and to dispose of any and all such Common Units), with all powers the undersigned spouse would possess if personally present, it being expressly understood and intended by the undersigned that the foregoing power of attorney and proxy is coupled with an interest; and this power of attorney is a durable power of attorney and will not be affected by disability, incapacity or death of the Unitholder, or dissolution of marriage and this proxy will not terminate without consent of the Unitholder and the Company:

Unitholder:

Signature

Printed Name

Spouse of Unitholder:

Signature

Printed Name

EXHIBIT D

UNIT POWER

FOR VALUE RECEIVED, the undersigned does hereby sell, assign and transfer unto _____, a _____, _____ Common Units of Cricut Holdings, LLC, a Delaware limited liability company (the "Company"), standing in the undersigned's name on the books of the Company represented by Certificate No(s). _____ enclosed herewith and does hereby irrevocably constitute and appoint Don Olsen as attorney to transfer such Common Units on the books of the Company with full power of substitution in the premises, pursuant to the terms of the Incentive Units Award Agreement, dated _____, _____, between [Insert Name] and the Company, and the Third Amended and Restated Limited Liability Company Agreement of the Company, dated June 11, 2015, as each may be amended from time to time.

Dated: _____

_____
[Insert Name]

Exhibit 10.4

THE AWARD MADE PURSUANT TO THE TERMS OF THIS ZERO STRIKE INCENTIVE UNITS AWARD AGREEMENT, AND THE ZERO STRIKE INCENTIVE UNITS SUBJECT TO THE AWARD, HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD, PLEDGED, OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION THEREOF UNDER SUCH ACT.

THE TRANSFER OF THIS AGREEMENT AND THE ZERO STRIKE INCENTIVE UNITS IT REPRESENTS ARE SUBJECT TO CERTAIN RESTRICTIONS, AS SET FORTH IN THE LLC AGREEMENT AND IN THIS AGREEMENT. NO TRANSFER OF THIS AGREEMENT OR THE ZERO STRIKE INCENTIVE UNITS IT REPRESENTS SHALL BE MADE ON THE BOOKS OF THE COMPANY UNLESS AND UNTIL SUCH RESTRICTIONS SHALL HAVE BEEN COMPLIED WITH.

THIS ZERO STRIKE INCENTIVE UNITS AWARD AGREEMENT (this "Agreement") dated as of _____ __, _____ (the "Date of Award") represents the grant of the number of Zero Strike Incentive Units set forth in Section 3 (subject to adjustment in accordance with this Agreement, the "Zero Strike Incentive Units") by Cricut Holdings, LLC, a Delaware limited liability company (the "Company"), to [Name] (the "Participant"), pursuant to the provisions of the Company's Third Amended and Restated Limited Liability Company Agreement dated June 11, 2015, as it may be amended from time to time (the "LLC Agreement"). In consideration of the covenants and agreements herein contained, the parties hereto agree as follows:

1. Definitions.

(a) Capitalized terms used herein and not defined elsewhere in this Agreement shall have the meanings assigned to them in the LLC Agreement (a copy of which has been provided to the Participant).

(b) "Change in Control" shall mean any of the following events to first occur after the Date of Award:

(i) any independent third party (which shall exclude any affiliates of the Company), by merger or otherwise, becomes the direct beneficial owner of more than 65% of the combined voting power of the then-outstanding securities of the Company or Cricut, Inc., a Utah corporation ("Cricut"), or any other successor entity to either of the foregoing all or substantially all of whose assets consist of all the outstanding equity interests of the Company or Cricut, as applicable; provided that a Change in Control shall not include any merger or other transaction in which the equity holders of the Company immediately prior to the merger or other transaction after giving effect to such merger or other transaction own directly or indirectly a majority of the equity interests of the Company, Cricut or such successor entity;

(ii) the Company consummates the sale or disposition of all or substantially all of its assets; or

(iii) Cricut consummates the sale or disposition of all or substantially all of its assets.

(c) The "Fair Market Value" of an Incentive Unit means the fair value of each such Unit determined in good faith by the Board based on the portion of the Total Equity Value to which each such Unit would be entitled as of the date of valuation, taking into account all relevant factors determinative of value as the Board reasonably determines to be relevant.

(d) "Incapacity" shall mean the Participant's inability to perform Participant's employment duties with the Company and its Subsidiaries due to a physical or mental injury, infirmity or incapacity for at least one hundred twenty (120) days (including weekends and holidays), whether or not consecutive, in any 365-day period. Any dispute as to whether Incapacity has occurred will be determined by the Board, in its sole discretion.

2. Incorporation of Terms of LLC Agreement. This Agreement and the Zero Strike Incentive Units awarded hereunder shall be subject to the LLC Agreement, the terms of which are incorporated herein by reference. In the event of any conflict or inconsistency between the LLC Agreement and this Agreement, the LLC Agreement shall govern.

3. Award. Subject to the terms and conditions contained herein and in the LLC Agreement, the parties hereto agree that, for good and valuable consideration, on and as of the date hereof, the Company grants to the Participant _____ Zero Strike Incentive Units.

The Zero Strike Incentive Units granted hereunder are intended to be "Zero Strike Incentive Units" within the meaning of Section 3.3.4 of the LLC Agreement and subject to all applicable limitations under the LLC Agreement including, without limitation, no voting rights, no rights to current distributions (other than tax distributions) on unvested Zero Strike Incentive Units, and limitations on distributions on vested Zero Strike Incentive Units.

4. Vesting. The Participant shall vest in 25% of the Zero Strike Incentive Units on each of the four (4) anniversaries of _____ __, _____ (the "Start Date"); *provided* that the Participant remains continuously employed by the Company and its Subsidiaries from the Date of Award until the applicable vesting date. If the Participant's employment with the Company and its Subsidiaries is terminated (i) on account of the Participant's death or (ii) by the Company or any of its Subsidiaries on account of the Participant's Incapacity, all unvested Zero Strike Incentive Units held by the Participant shall vest immediately upon such termination. In the event of a Change in Control, any Zero Strike Incentive Units that are unvested as of immediately prior to the Change in Control shall be forfeited upon the Change in Control, unless otherwise determined by the Board in its sole discretion.

5. Capital Account. Subject to the provisions of this Agreement, the Company shall establish or maintain a Capital Account on behalf of Participant in respect of the Zero Strike Incentive Units granted hereunder pursuant to the terms of Section 4.1 of the LLC Agreement, subject to the vesting provisions contained herein and the Participant shall be considered a Member of the Company.

6. Participation Threshold. For purposes of Section 3.3.2 of the LLC Agreement, the Participation Threshold of the Zero Strike Incentive Units granted hereunder is $0.00. This means

that the Zero Strike Incentive Units granted hereunder will be entitled to share in any Distributions made after the date the Zero Strike Incentive Units have vested.

7. No Transfer or Assignment of Award. The Zero Strike Incentive Units granted under this Agreement and all other rights and privileges conferred hereby shall not be sold, pledged or otherwise transferred (whether by operation of law or otherwise) and shall not be subject to sale under execution, attachment, levy or similar process, except to the extent permitted under the LLC Agreement; provided that, without the prior written consent of the Company, in no event shall the Participant be entitled to transfer any unvested Zero Strike Incentive Units.

8. Rights on Termination of Employment.

(a) Termination of Employment. If the Participant's employment with the Company and its Subsidiaries terminates for any reason other than (i) on account of Participant's death or (ii) by the Company or any of its Subsidiaries on account of the Participant's Incapacity, the Zero Strike Incentive Units that have not then vested shall terminate immediately and be of no further force or effect and the Participant shall have no further rights with respect to such Zero Strike Incentive Units. If the Participant's employment with the Company and its Subsidiaries is terminated for any reason, the vested portion of the Participant's Zero Strike Incentive Units shall be subject to redemption at the Company's discretion in accordance with Sections 8(b) and 8(c) of this Agreement.

(b) Company Option to Redeem Vested Units on Termination of Employment. The Company may, at its option, redeem all or any portion of the vested Zero Strike Incentive Units held by Participant at the time of termination of Participant's employment with the Company and its Subsidiaries for any reason. If the Company elects to exercise its option to redeem such vested Zero Strike Incentive Units under this Section 8(b), the redemption price (the "Redemption Price") for such Zero Strike Incentive Units shall equal the Fair Market Value of such Zero Strike Incentive Units on the date of termination of the Participant's employment.

(c) Exercise of Redemption Option and Payment of Redemption Price. If the Company elects to exercise its option to redeem vested Zero Strike Incentive Units under Section 8(b), it must give notice of such exercise to the Participant within ninety (90) days after termination of the Participant's employment with the Company and its Subsidiaries and close such purchase within one-hundred eighty (180) days after such termination. In the event of such timely exercise, the Company shall pay Participant the Redemption Price in a lump sum at the closing of such redemption. Alternatively, in the Company's discretion, in the event the Redemption Price is two hundred thousand dollars ($200,000.00) or more, the Company may instead pay one-quarter (1/4) of the Redemption Price on the date of the closing of such redemption, and the obligation of the Company to pay the balance of the Redemption Price shall be evidenced by a promissory note requiring equal installments of principal on each of the first three (3) anniversaries of such closing, together with interest, compounding annually, at the short-term applicable federal rate prescribed by the Internal Revenue Service as of the date of such closing. The Company may prepay the principal of, and interest on, any such note without penalty or premium.

(d) Restrictions on Redemption. Notwithstanding anything to the contrary contained in this Agreement, all redemptions of vested Zero Strike Incentive Units by the Company pursuant

to this Section 8 shall be subject to applicable restrictions contained in applicable Delaware limited liability company laws or such other governing law, applicable securities laws, and in the Company's and any of its Subsidiaries' debt and equity financing agreements. If any such restrictions prohibit (i) the repurchase of vested Zero Strike Incentive Units hereunder that the Company is otherwise entitled to make or (ii) dividends or other transfers of funds from one or more Subsidiaries of the Company directly or indirectly to the Company to enable such redemptions, then the Company may make such redemptions as soon as it is permitted to make redemptions or receive funds from its Subsidiaries under such restrictions and all time periods set forth in this Section 8 shall be tolled accordingly.

9. Certain Tax Matters.

(a) Withholding. In the event that the Company determines that it is required to withhold any tax as a result of a distribution or an allocation of income made to the Participant, the Participant hereby agrees to make arrangements satisfactory to the Company to enable it to satisfy all withholding requirements. The Participant shall also make arrangements satisfactory to the Company to enable it to satisfy any withholding requirements that may arise in connection with the granting or vesting of Zero Strike Incentive Units. In the event the Company or any of its Subsidiaries do not make such withholdings, the Participant shall indemnify the Company and its Subsidiaries for any amounts paid by the Company or any of its Subsidiaries for the benefit of the Participant with respect to any such taxes, together with any interest, penalties and related expenses thereto.

(b) No Warranty of Tax Results. The Participant hereby acknowledges that the federal and state income and other tax consequences to the Participant resulting from the issuance, holding, vesting, forfeiture, sale or redemption of Zero Strike Incentive Units hereunder may depend on the Participant's particular situation and other facts and circumstances, and neither the Company, nor its managers, agents, owners or any other person will be responsible or liable for the federal or state income or other tax consequences to the Participant occurring by reason of any of such events. The Company does not represent, warrant, guaranty, affirm or advise the Participant that the Participant will achieve any particular federal or state income or other tax consequences or objectives with respect to the Zero Strike Incentive Units, and the Participant agrees to rely solely upon the Participant's own advisers with respect to all such tax consequences of the Zero Strike Incentive Units hereunder.

10. General Provisions.

(a) No Rights to Continued Employment. Nothing in this Agreement or any action taken or omitted to be taken hereunder shall be deemed to create or confer on the Participant any right to continued employment with the Company or any Subsidiary or other affiliate thereof, or to interfere with or to limit in any way the right of the Company or any Subsidiary or other affiliate thereof to terminate the employment of the Participant at any time.

(b) Restrictive Covenant Agreement. Notwithstanding any other provision of this Agreement, in the event of any breach by the Participant of the Employee Confidential Disclosure and Non-Confidential Agreement between Cricut and the Participant, all Zero Strike Incentive Units held by Participant (whether vested or unvested) shall immediately terminate and be of no

further force or effect and the Participant shall have no further rights with respect to the Zero Strike Incentive Units.

(c) Restrictions. The Board of Managers of the Company (the "Board") shall have the right to impose restrictions on any Zero Strike Incentive Units as it deems necessary or advisable under applicable federal securities laws, the rules and regulations of any stock exchange or market upon which the Zero Strike Incentive Units are then listed or traded, and/or any "blue sky" or state securities laws applicable to such Zero Strike Incentive Units.

(d) Board Decisions Final. Any dispute or disagreement arising under, or in connection with, the interpretation or construction of the terms of this Agreement shall be determined by the Board in good faith, and any such determination and any other determination by the Board under this Agreement shall be final and binding on all persons affected thereby.

(e) Amendments. The Board shall have the power to alter or amend the terms of this Agreement from time to time, in any manner consistent with the LLC Agreement. Any alteration or amendment of the terms of this Agreement shall bind all persons affected thereby without the requirement of consent or other action by any person. The Board shall provide written notice to the Participant of any such alteration or amendment of this Agreement as promptly as practicable after the adoption thereof. Nothing in this Section 10(e) shall restrict the Participant and the Company by mutual consent from altering or amending the terms of this Agreement in any manner that is consistent with the LLC Agreement and the approval of the Board.

(f) Waiver. The waiver by either party of compliance with any provision of this Agreement by the other party shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such other party of a provision of this Agreement.

(g) Entire Agreement. This Agreement, the LLC Agreement and the other documents expressly referred to herein set forth the entire agreement and understanding between the parties hereto and supersede all prior agreements and understandings relating to the subject matter hereof.

(h) Counterparts. This Agreement may be executed in one or more counterparts (including by electronic signature or .pdf transmission), each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same agreement.

(i) Headings. The headings of sections and subsections herein are included solely for convenience of reference and shall not affect the meaning of any of the provisions of this Agreement.

(j) Governing Law. This Agreement and the rights of the parties hereunder shall be governed by and construed in accordance with the laws of the State of Delaware applied to contracts executed in and to be performed entirely in that state.

(k) Joinder to LLC Agreement. Simultaneously with the grant of the Zero Strike Incentive Units hereunder, the Participant shall execute a joinder agreement in the form attached hereto as Exhibit A by which the Participant will become a Member of the Company with respect

to the Zero Strike Incentive Units and agrees that the Zero Strike Incentive Units are subject to all terms and conditions of the LLC Agreement.

(l) Spousal Consent. If, as of the Date of Award, the Participant is lawfully married and the Participant's address or the permanent residence of the Participant's spouse is located in a community property jurisdiction, the Participant and the Participant's spouse shall execute and deliver to the Company concurrently with the execution of this Agreement the spousal consent in the form attached hereto as Exhibit B.

(m) Unit Power. Concurrently with the execution of this Agreement, the Participant shall execute in blank one unit transfer power in the form attached hereto as Exhibit C (the "Unit Power") with respect to the Zero Strike Incentive Units and shall deliver such Unit Power to the Company. The Unit Power shall authorize the Company to assign, transfer and deliver the Zero Strike Incentive Units to the appropriate acquirer thereof pursuant to Section 8 of this Agreement or Section 11.3 of the LLC Agreement

[Signature Page Follows]

IN WITNESS WHEREOF, this Agreement has been signed by the Company by one of its duly authorized officers and by the Participant as of the Date of Award.

Cricut Holdings, LLC

By: _____
Name: Don Olsen
Title: Secretary

_____
[Name]

EXHIBIT A

JOINDER AGREEMENT

Effective upon the execution hereof, the undersigned hereby agrees to become a party to that certain Third Amended and Restated Limited Liability Company Agreement, dated as of August 11, 2015, of Cricut Holdings, LLC, a Delaware limited liability company, as the same may be amended, restated, modified, and supplemented from time to time (the "LLC Agreement"). The undersigned, by executing this counterpart signature page, shall be entitled to all of the rights and subject to all of the obligations of a Member holding Zero Strike Incentive Units under the LLC Agreement, and accepts and agrees to be bound by all terms and conditions of the LLC Agreement.

Dated: _____, _____

_____
[Name]

ACCEPTED AND AGREED
as of the date first written above:

Cricut Holdings, LLC

By: _____
Name: Don Olsen
Title: Secretary

EXHIBIT B

SPOUSAL CONSENT

The undersigned spouse hereby acknowledges that I have read the Third Amended and Restated Limited Liability Company Agreement of Cricut Holdings, LLC, a Delaware limited liability company (the "Company"), to which my spouse is a party, and that I understand its contents. I am aware that such agreement provides for certain restrictions on my spouse's Common Units of the Company. I agree that my spouse's interest in the Common Units is subject to the agreement referred to above and the other agreements referred to therein (including the Zero Strike Incentive Units Award Agreement pursuant to which my spouse's Common Units were granted) and any interest I may have in such Common Units shall be irrevocably bound by such agreement and the other agreements referred to therein and further that my community property interest (if any) shall be similarly bound by such agreements.

The undersigned spouse irrevocably constitutes and appoints [Name] who is the spouse of the undersigned spouse (the "Unitholder"), as the undersigned's true and lawful attorney and proxy in the undersigned's name, place and stead to sign, make, execute, acknowledge, deliver, file and record all documents which may be required, and to manage, vote, act and make all decisions with respect to (whether necessary, incidental, convenient or otherwise), any and all Common Units of the Company in which the undersigned now has or hereafter acquires any interest and in (including but not limited to the right, without further signature, consent or knowledge of the undersigned spouse, to exercise amendments and modifications of and to terminate the aforementioned agreements and to dispose of any and all such Common Units), with all powers the undersigned spouse would possess if personally present, it being expressly understood and intended by the undersigned that the foregoing power of attorney and proxy is coupled with an interest; and this power of attorney is a durable power of attorney and will not be affected by disability, incapacity or death of the Unitholder, or dissolution of marriage and this proxy will not terminate without consent of the Unitholder and the Company:

Unitholder:	Spouse of Unitholder:
_____	_____
Signature	Signature
_____	_____
Printed Name	Printed Name

EXHIBIT C

UNIT POWER

FOR VALUE RECEIVED, the undersigned does hereby sell, assign and transfer unto _____, a _____, _____ Common Units of Cricut Holdings, LLC, a Delaware limited liability company (the "Company"), standing in the undersigned's name on the books of the Company represented by Certificate No(s). _____ enclosed herewith and does hereby irrevocably constitute and appoint Don Olsen as attorney to transfer such Common Units on the books of the Company with full power of substitution in the premises, pursuant to the terms of the Zero Strike Incentive Units Award Agreement, dated _____ __, _____, between [Name] and the Company, and the Third Amended and Restated Limited Liability Company Agreement of the Company, dated June 11, 2015, as each may be amended from time to time.

Dated: _____

_____
[Name]

Exhibit 10.5

THE INCENTIVE UNITS PURCHASED PURSUANT TO THE TERMS OF THIS SUBSCRIPTION AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. AS AMENDED, AND MAY NOT BE SOLD, PLEDGED, OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION THEREOF UNDER SUCH ACT.

THE TRANSFER OF THIS AGREEMENT AND THE INCENTIVE UNITS PURCHASED HEREUNDER ARE SUBJECT TO CERTAIN RESTRICTIONS, AS SET FORTH IN THE LLC AGREEMENT AND IN THIS AGREEMENT. NO TRANSFER OF THIS AGREEMENT OR THE INCENTIVE UNITS PURCHASED HEREUNDER SHALL BE MADE ON THE BOOKS OF THE COMPANY UNLESS AND UNTIL SUCH RESTRICTIONS SHALL HAVE BEEN COMPLIED WITH.

PROVO CRAFT HOLDINGS, LLC
INCENTIVE UNIT SUBSCRIPTION AGREEMENT

This INCENTIVE UNIT SUBSCRIPTION AGREEMENT (this "Agreement") is dated effective as of _____ (the "Effective Date"), by and between Provo Craft Holdings, LLC, a Delaware limited liability company (the "Company") and the party whose signature appear on the signature page hereto (the "Buyer").

THE PARTIES HERETO AGREE AS FOLLOWS:

1. **Definitions**.

(a) Capitalized terms used herein and not defined elsewhere in this Agreement shall have the meanings assigned to them in the Company's Third Amended and Restated Limited Liability Company Agreement dated June 11, 2015, as it may be amended from time to time (the "LLC Agreement") (a copy of which has been provided to the Buyer).

(b) "Change in Control" shall mean any of the following events to first occur after the Effective Date:

(i) any independent third party (which shall exclude any affiliates of the Company), by merger or otherwise, becomes, after the Effective Date, the direct beneficial owner of more than 65% of the combined voting power of the then-outstanding securities of the Company or Provo Craft & Novelty, Inc. ("Provo Craft"), or any other successor entity to either of the foregoing all or substantially all of whose assets consist of all the outstanding equity interests of the Company or Provo Craft, as applicable; provided that a Change in Control shall not include any merger or other transaction in which the equity holders of the Company immediately prior to the merger or other transaction after giving effect to such merger or other transaction own directly or indirectly a majority of the equity interests of the Company, Provo Craft or such successor entity;

(ii) the Company consummates the sale or disposition of all or substantially all of its assets; or

(iii) Provo Craft consummates the sale or disposition of all or substantially all of its assets.

2. **Incorporation of Terms of LLC Agreement**. This Agreement and the Incentive Units issued hereunder shall be subject to the LLC Agreement, the terms of which are incorporated herein by reference. In the event of any conflict or inconsistency between the LLC Agreement and this Agreement, the LLC Agreement shall govern.

3. **Purchase of the Units**. Subject to the terms and conditions contained herein, the Company hereby sells, assigns, transfers, delivers and conveys the number of Incentive Units of the Company set forth on the signature page hereto (the "Purchased Units") to the Buyer for a purchase price of $[__] for each Unit purchased (the "Per Unit Purchase Price") for the aggregate purchase price set forth on the signature page hereto (the "Purchase Price"). The Purchase Price shall be paid by the Buyer to such account or accounts as the Company may specify to the Buyer.

The Purchased Units issued hereunder are intended to be "Incentive Units" within the meaning of Section 3.3 of the LLC Agreement and are subject to all applicable limitations under the LLC Agreement, including, without limitation, no voting rights, no rights to current distributions (other than tax distributions) on unvested Incentive Units, and limitations on distributions on vested Incentive Units.

4. **Time and Place of Closing**. The closing of the purchase and sale provided for in this Agreement (the "Closing") shall be held at the offices of Ballard Spahr LLP, located at 201 South Main Street, Suite 800, Salt Lake City, Utah 84111, or remotely by electronic exchange of documents and signatures, on the date of this Agreement, or such other place, date or time as may be fixed by mutual agreement of the parties (the "Closing Date").

5. **Record of Ownership**. On the Closing Date, the Company shall amend its books and records to reflect the purchase and ownership of the Purchased Units.

6. **Vesting**. The Buyer shall vest in the Purchased Units on _____, provided that the Buyer remains continuously employed by the Company and its Subsidiaries from the Effective Date until the applicable vesting date. In the event of a Change in Control, if the Buyer remains continuously employed by the Company and its Subsidiaries from the Effective Date until the date of the Change in Control, all unvested Purchased Units held by the Buyer shall vest immediately prior to the consummation of the Change in Control. Any separation from service due to a termination of the Buyer by the Company or its Subsidiaries in connection with such Change in Control as a result of any action of, or direction by, the acquirer of the Company and its Subsidiaries in such Change in Control shall not be taken into account for purposes of determining continuous employment through the date of the Change in Control.

7. **Capital Account**. Subject to the provisions of this Agreement, the Company shall establish or maintain a Capital Account on behalf of the Buyer in respect of the Purchased Units issued hereunder pursuant to the terms of Section 4.1 of the LLC Agreement, subject to the vesting provisions contained herein and the Buyer shall be considered a Member of the Company.

8. **Participation Threshold**. For purposes of Section 3.3.2 of the LLC Agreement, the Participation Threshold of the Incentive Units issued hereunder is $0.

9. **No Transfer or Assignment of Purchased Units**. The Purchased Units issued under this Agreement and all other rights and privileges conferred hereby shall not be sold, pledged or otherwise transferred (whether by operation of law or otherwise) and shall not be subject to sale under execution, attachment, levy or similar process, except to the extent permitted under the LLC Agreement; provided that, without the prior written consent of the Company, in no event shall the Buyer be entitled to transfer any unvested Purchased Units.

10. **Redemption Rights on Termination of Employment**.

(a) Company Option to Redeem Purchased Units on Termination of Employment. If the Buyer's employment with the Company or its Subsidiaries terminates for any reason, then the Company may, at its option, redeem all or any portion of the unvested Purchased Units held by the Buyer at the time of termination of the Buyer's employment with the Company or its Subsidiaries at a redemption price (the "Redemption Price") established as follows:

(i) if the Buyer's employment with the Company or its Subsidiaries terminates for any reason (other than permanent disability or death), then the Redemption Price (on a per Unit basis) of the unvested Purchased Units shall be the Per Unit Purchase Price; and

(ii) if the Buyer's employment with the Company or its Subsidiaries terminates because of permanent disability or death, then the Redemption Price of the unvested Purchased Units shall equal the Fair Market Value of the Purchased Units redeemed by the Company.

(b) Exercise of Redemption Option and Payment of Redemption Price. If the Company elects to exercise its option to redeem the Purchased Units, it must give notice of such exercise to the Buyer within one hundred eighty (180) days after termination of the Buyer's employment with the Company or its Subsidiaries and close such purchase within forty-five (45) days after such termination. In the event of such timely exercise, the Company shall pay the Buyer the Redemption Price in a lump sum at the closing of such redemption. Alternatively, in the Company's discretion, the Company may instead pay one-quarter (1/4) of the Redemption Price on the date of the closing of such redemption, and the obligation of the Company to pay the balance of the Redemption Price shall be evidenced by a promissory note requiring equal installments of principal on each of the first three (3) anniversaries of such closing, together with interest, compounding annually, at the short-term applicable federal rate prescribed by the Internal Revenue Service as of the date of such closing. The Company may prepay the principal of, and interest on, any such note without penalty or premium.

(c) Release of the Purchased Units from the Company's Redemption Option. If the Company declines or fails to exercise its option to redeem any Purchased Units within the 180-day period (subject to any tolling of such period as set forth in this Section 10) after the termination of the Buyer's employment with the Company, then any unvested Purchased Units shall be deemed to be fully vested and all the Purchased Units shall no longer be subject to the redemption right of the Company set forth in this Section 10.

(d) Restrictions on Redemption. Notwithstanding anything to the contrary contained in this Agreement, all redemptions of the Purchased Units by the Company pursuant to this Section 10 shall be subject to applicable restrictions contained in applicable Delaware limited liability

company laws or such other governing law, applicable securities laws, and in the Company's and any of its Subsidiaries' debt and equity financing agreements. If any such restrictions prohibit (i) the repurchase of Purchased Units hereunder that the Company is otherwise entitled to make or (ii) dividends or other transfers of funds from one or more Subsidiaries of the Company directly or indirectly to the Company to enable such redemptions, then the Company may make such redemptions as soon as it is permitted to make redemptions or receive funds from its Subsidiaries under such restrictions and all time periods set forth in this Section 10 shall be tolled accordingly.

11. **Representations and Warranties of the Company**. The Company represents warrants and agrees as follows:

(a) The Company is a validly existing limited liability company organized under the laws of Delaware and has all requisite entity power and lawful authority to own, lease and operate its assets, properties and business and to carry on its business as now being conducted.

(b) The Company has the legal right and power and all authority necessary to accept and execute this Agreement, to issue and deliver the Purchased Units, and to perform fully its obligations hereunder. This Agreement has been duly authorized and, upon proper acceptance and execution by the Company, will constitute a valid and binding agreement of the Company enforceable against it in accordance with its terms, except to the extent that its enforceability may be limited by applicable bankruptcy, insolvency, reorganization or other laws affecting the enforcement of creditors' rights generally and by principles of equity regarding the availability of remedies.

(c) The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby will not conflict with or result in a breach of any of the terms, conditions or provisions of (i) any contracts or agreements to which the Company is a party or by which the Company is bound, (ii) the LLC Agreement, (iii) any law, statute, rule or regulation of any governmental authority, or (iv) any judgment, order, injunction, decree or ruling of any court or arbitration tribunal or governmental authority to which the Company is subject.

12. **Representations and Warranties of each of the Buyer**. The Buyer hereby represents and warrants as follows:

(a) Buyer has full power and authority to execute, deliver and carry out the terms and provisions of this Agreement and to consummate the transactions contemplated hereby.

(b) Buyer understands that the Purchased Units have not been registered under the Act or any state securities laws and that the Purchased Units are "restricted securities" under applicable securities laws and that under such laws and applicable regulations, the Purchased Units may be resold without registration or qualification under the Act only in certain limited circumstances. Buyer acknowledges that the Purchased Units must be held indefinitely unless subsequently registered and/or qualified under the Act or an exemption from such registration and/or qualification is available.

(c) Buyer is acquiring the Purchased Units for investment for Buyer's own account, not as a nominee or agent, and not with a view to, or for resale in connection with, any distribution

thereof, and Buyer has no present intention of selling, granting any participation in, or otherwise distributing the same.

(d) Buyer has such knowledge and experience in financial and business matters and is capable of evaluating the merits and risks of the prospective investment in the Company.

(e) Buyer has had access to all information regarding the Company including, but not limited to, the Operating Agreement and its present and prospective business, assets, liabilities, and financial condition that Buyer reasonably considers relevant in making the decision to purchase the Purchased Units.

(f) The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby will not conflict with or result in a breach of any of the terms, conditions or provisions of (i) any contracts or agreements to which Buyer is a party or by which Buyer is bound, (ii) the Company's Operating Agreement, (iii) any law, statute, rule or regulation of any governmental authority, or (iv) any judgment, order, injunction, decree or ruling of any court or arbitration tribunal or governmental authority to which Buyer is subject.

(g) As a condition to Buyer purchasing the Purchased Units, Buyer shall execute (i) a joinder agreement to the LLC Agreement, if not already a party to the Operating Agreement, attached hereto as Exhibit A; and (ii) such other documents or instruments as may be required by the board of managers of the Company, in its sole discretion.

13. **Survival of Representations and Warranties**. All representations and warranties of the respective parties hereto contained herein shall survive the consummation of the transaction provided for hereunder.

14. **Instruments of Further Assurance**. The Company and the Buyer agree, upon the request of the other, from time-to-time to execute and deliver to the other all such instruments and documents of further assurance or otherwise as shall be reasonable under the circumstances, and to do any and all such acts and things as may reasonably be required to carry out the obligations of such requested party hereunder and to consummate the transactions provided for herein.

15. **Certain Tax Matters**.

(a) Withholding. In the event that the Company determines that it is required to withhold any tax as a result of a distribution or an allocation of income made to the Buyer, the Buyer hereby agrees to make arrangements satisfactory to the Company to enable it to satisfy all withholding requirements. The Buyer shall also make arrangements satisfactory to the Company to enable it to satisfy any withholding requirements that may arise in connection with the issuing or vesting of Incentive Units. In the event the Company or any of its Subsidiaries do not make such withholdings, the Buyer shall indemnify the Company and its Subsidiaries for any amounts paid by the Company or any of its Subsidiaries for the benefit of the Buyer with respect to any such taxes, together with any interest, penalties and related expenses thereto.

(b) Code Section 83(b) Election. The Buyer shall make a timely Code Section 83(b) election with respect to the Purchased Units by filing the form attached hereto as Exhibit B with

the Internal Revenue Service within thirty (30) days following the date that the Purchased Units are issued. The Buyer shall provide the Company with a copy of the Code Section 83(b) election simultaneously with filing it with the Internal Revenue Service and shall attach a copy of such election to his or her [*Insert Year*] federal income tax return. THE BUYER ACKNOWLEDGES THAT IT IS THE BUYER'S SOLE RESPONSIBILITY, AND NOT THE COMPANY'S, TO TIMELY FILE THE CODE SECTION 83(b) ELECTION, EVEN IF THE BUYER REQUESTS THE COMPANY OR ITS REPRESENTATIVE TO MAKE THE FILING ON THE BUYER'S BEHALF.

(c) No Warranty of Tax Results. The Buyer hereby acknowledges that the federal and state income and other tax consequences to the Buyer resulting from the issuance, holding, vesting, forfeiture, sale or redemption of Purchased Units hereunder may depend on the Buyer's particular situation and other facts and circumstances, and neither the Company, nor its managers, agents, owners or any other person will be responsible or liable for the federal or state income or other tax consequences to the Buyer occurring by reason of any of such events. The Company does not represent, warrant, guaranty, affirm or advise the Buyer that the Buyer will achieve any particular federal or state income or other tax consequences or objectives with respect to the Purchased Units, and the Buyer agrees to rely solely upon the Buyer's own advisers with respect to all such tax consequences of the Purchased Units hereunder.

16. **Miscellaneous**.

(a) No Rights to Continued Employment. Nothing in this Agreement or any action taken or omitted to be taken hereunder shall be deemed to create or confer on the Buyer any right to continued employment with the Company or any Subsidiary or other affiliate thereof, or to interfere with or to limit in any way the right of the Company or any Subsidiary or other affiliate thereof to terminate the employment of the Buyer at any time.

(b) Restrictions. The Board of Managers of the Company (the "Board") shall have the right to impose restrictions on any Purchased Units as it deems necessary or advisable under applicable federal securities laws, the rules and regulations of any stock exchange or market upon which the Purchased Units are then listed or traded, and/or any "blue sky" or state securities laws applicable to such Purchased Units.

(c) Board Decisions Final. Any dispute or disagreement arising under, or in connection with, the interpretation or construction of the terms of this Agreement shall be determined by the Board, and any such determination and any other determination by the Board under this Agreement shall be final and binding on all persons affected thereby.

(d) Spousal Consent. If, as of the Effective Date, the Buyer is lawfully married and the Buyer's address or the permanent residence of the Buyer's spouse is located in a community property jurisdiction, the Buyer and the Buyer's spouse shall execute and deliver to the Company concurrently with the execution of this Agreement the spousal consent in the form attached hereto as Exhibit C.

(e) Unit Power. Concurrently with the execution of this Agreement, the Buyer shall execute in blank one unit transfer power in the form attached hereto as Exhibit D (the "Unit

Power") with respect to the Purchased Units and shall deliver such Unit Power to the Company. The Unit Power shall authorize the Company to assign, transfer and deliver the Purchased Units to the appropriate acquirer thereof pursuant to Section 10 of this Agreement or Section 11.3 of the LLC Agreement.

(f) Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of, the parties hereto and their respective successors and assigns.

(g) Amendments or Modifications. No supplement, modification, waiver, or termination of this Agreement or any provisions hereof shall be binding unless executed in writing by all parties hereto. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

(h) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

(i) Governing Law. This Agreement shall be governed by and construed under the laws of the State of Delaware, without respect to the provisions concerning the conflict of laws which would otherwise result in the application of the substantive law of any other jurisdiction.

(j) Severability. If any provision of this Agreement, or the application thereof to any person, place, or circumstance, shall be held by a court of competent jurisdiction to be invalid, unenforceable or void, the remainder of this Agreement and such provision as applied to other persons, places and circumstances shall remain in full force and effect. Otherwise, the parties hereto agree to replace any invalid or unenforceable provision with a valid provision that most closely approximates the intent and economic effect of the invalid or unenforceable provision.

(k) WAIVER OF JURY TRIAL. TO THE EXTENT PERMITTED BY LAW, EACH PARTY HEREBY WAIVES ITS RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR PARTIES, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. EACH PARTY HEREBY AGREES THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR ANY PROVISION HEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT.

(l) Attorneys' Fees. The prevailing party in any arbitration, mediation, court action, or other adjudicative proceeding arising out of or relating to this Agreement or the transactions

contemplated hereby shall be reimbursed by the party who did not prevail for its reasonable attorneys', accountants', and experts' fees and for the costs of such proceeding. The provisions set forth in this Section 16(1) shall survive the merger of these provisions into any judgment.

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

IN WITNESS WHEREOF, the Company and each of the Buyers have executed this Subscription Agreement effective as of the Effective Date first above written.

THE COMPANY:

PROVO CRAFT HOLDINGS, LLC
a Delaware limited liability company

By: _____
Donald Olsen
Secretary

THE BUYER:

By: _____
Name:

Number of Purchased Units:_____

Purchase Price: $_____(at $[__] per Unit)

EXHIBIT A

JOINDER AGREEMENT

Effective upon the execution hereof, the undersigned hereby agrees to become a party to that certain Third Amended and Restated Limited Liability Company Agreement, dated as of June 11, 2015, of Provo Craft Holdings, LLC, a Delaware limited liability company, as the same may be amended, restated, modified, and supplemented from time to time (the "LLC Agreement"). The undersigned, by executing this counterpart signature page, shall be entitled to all of the rights and subject to all of the obligations of a Member holding Incentive Units under the LLC Agreement, and accepts and agrees to be bound by all terms and conditions of the LLC Agreement.

Dated: _____

By: _____
Name:

ACCEPTED AND AGREED
as of the date first written above:
Provo Craft Holdings, LLC

By: _____
Donald Olsen
Secretary

EXHIBIT B

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

[*Insert Date*]

Internal Revenue Service
[ADDRESS OF IRS CENTER]

Re: IRC Section 83(b) Election

Dear Sir/Madam:

Enclosed please find the undersigned taxpayer's Election to Include in Gross Income in Year of Transfer of Property Pursuant to Section 83(b) of the Internal Revenue Code.

Very Truly Yours,

_____
(Taxpayer Name)

Taxpayer ID No.: _____

cc: Provo Craft Holdings, LLC
Provo Craft & Novelty, Inc.

Protective Election to Include in Gross Income in Year of Transfer of Property Pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended

[*Insert Date*]

The undersigned hereby elects pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended, with respect to the property described below and supplies the following information in accordance with the regulations promulgated thereunder:

1. ***The name, address and taxpayer identification number of the undersigned are:***

Name: _____
Address: _____
_____
Taxpayer I.D. No.: _____

2. ***Description of property with respect to which the election is being made:***

_____ Incentive Units (the "Units") of Provo Craft Holdings, LLC (the "Company").

3. ***The date on which property was transferred is_____***.

The taxable year to which this election relates is calendar year ____.

4. ***The nature of the restriction(s) to which the property is subject is:***

The property is subject to transfer restrictions and will be forfeited if the taxpayer ceases to provide services to the Company and its subsidiaries within a prescribed vesting period following the transfer of the property unless there occurs a change in control of the Company and its subsidiaries and the taxpayer is providing services to the Company and its subsidiaries immediately prior to the change in control.

5. ***Fair market value:***

The fair market value at time of transfer (determined without regard to any restrictions other than restrictions which by their terms will never lapse) of the property with respect to which this election is being made is $[__] (zero dollars) per Unit.

6. ***Amount paid for property:***

The taxpayer paid $[__] per Unit for said property.

7. ***Furnishing statement to [employer/service recipient]:***

A copy of this statement has been furnished to the Company and Provo Craft & Novelty. Inc.

[Signature Page Follows]

By: _____
Name:

EXHIBIT C

SPOUSAL CONSENT

The undersigned spouse hereby acknowledges that I have read the Third Amended and Restated Limited Liability Company Agreement of Provo Craft Holdings, LLC, a Delaware limited liability company (the "Company"), to which my spouse is a party, and that I understand its contents. I am aware that such agreement provides for certain restrictions on my spouse's Incentive Units of the Company. I agree that my spouse's interest in the Incentive Units is subject to the agreement referred to above and the other agreements referred to therein (including the Subscription Agreement pursuant to which my spouse's Incentive Units were issued) and any interest I may have in such Incentive Units shall be irrevocably bound by such agreement and the other agreements referred to therein and further that my community property interest (if any) shall be similarly bound by such agreements.

The undersigned spouse irrevocably constitutes and appoints the undersigned Unitholder, who is the spouse of the undersigned spouse (the "Unitholder"), as the undersigned's true and lawful attorney and proxy in the undersigned's name, place and stead to sign, make, execute, acknowledge, deliver, file and record all documents which may be required, and to manage, vote, act and make all decisions with respect to (whether necessary, incidental, convenient or otherwise), any and all Incentive Units of the Company in which the undersigned now has or hereafter acquires any interest and in (including but not limited to the right, without further signature, consent or knowledge of the undersigned spouse, to exercise amendments and modifications of and to terminate the aforementioned agreements and to dispose of any and all such Incentive Units), with all powers the undersigned spouse would possess if personally present, it being expressly understood and intended by the undersigned that the foregoing power of attorney and proxy is coupled with an interest; and this power of attorney is a durable power of attorney and will not be affected by disability, incapacity or death of the Unitholder, or dissolution of marriage and this proxy will not terminate without consent of the Unitholder and the Company:

Unitholder:	Spouse of Unitholder:
_____	_____
Signature	Signature
_____	_____
Printed Name	Printed Name

EXHIBIT D

UNIT POWER

FOR VALUE RECEIVED, the undersigned does hereby sell, assign and transfer unto _____, a _____, _____Common Units of Provo Craft Holdings, LLC, a Delaware limited liability company (the "Company"), standing in the undersigned's name on the books of the Company represented by Certificate No(s). _____ enclosed herewith and does hereby irrevocably constitute and appoint _____ as attorney to transfer such Common Units on the books of the Company with full power of substitution in the premises, pursuant to the terms of the Incentive Units Subscription Agreement, dated _____, between the undersigned and the Company, and the Third Amended and Restated Limited Liability Company Agreement of the Company, dated June 11, 2015, as each may be amended from time to time.

Dated: _____ By: _____
Name:

THE ZERO STRIKE INCENTIVE UNITS PURCHASED PURSUANT TO THE TERMS OF THIS SUBSCRIPTION AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD, PLEDGED, OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION THEREOF UNDER SUCH ACT.

THE TRANSFER OF THIS AGREEMENT AND THE ZERO STRIKE INCENTIVE UNITS PURCHASED HEREUNDER ARE SUBJECT TO CERTAIN RESTRICTIONS, AS SET FORTH IN THE LLC AGREEMENT AND IN THIS AGREEMENT. NO TRANSFER OF THIS AGREEMENT OR THE ZERO STRIKE INCENTIVE UNITS PURCHASED HEREUNDER SHALL BE MADE ON THE BOOKS OF THE COMPANY UNLESS AND UNTIL SUCH RESTRICTIONS SHALL HAVE BEEN COMPLIED WITH.

PROVO CRAFT HOLDINGS, LLC
ZERO STRIKE INCENTIVE UNIT SUBSCRIPTION AGREEMENT

This ZERO STRIKE INCENTIVE UNIT SUBSCRIPTION AGREEMENT (this "Agreement") is dated effective as of _____ (the "Effective Date"), by and between Provo Craft Holdings, LLC, a Delaware limited liability company (the "Company") and the party whose signature appears on the signature page hereto (the "Buyer").

THE PARTIES HERETO AGREE AS FOLLOWS:

1. **Definitions**. Capitalized terms used herein and not defined elsewhere in this Agreement shall have the meanings assigned to them in the Company's Third Amended and Restated Limited Liability Company Agreement dated June 11, 2015, as it may be amended from time to time (the "LLC Agreement") (a copy of which has been provided to the Buyer). As used herein, the term "Fair Market Value" shall mean the fair value of each Purchased Unit (as such term is defined herein) determined in good faith by the Board based on the portion of the Total Equity Value to which each such Purchased Unit would be entitled as of the date of valuation, taking into account all relevant factors determinative of value as the Board reasonably determines to be relevant.

2. **Incorporation of Terms of LLC Agreement**. This Agreement and the Zero Strike Incentive Units issued hereunder shall be subject to the LLC Agreement, the terms of which are incorporated herein by reference. In the event of any conflict or inconsistency between the LLC Agreement and this Agreement, the LLC Agreement shall govern.

3. **Purchase of the Units**. Subject to the terms and conditions contained herein, the Company hereby sells, assigns, transfers, delivers and conveys the number of Zero Strike Incentive Units of the Company set forth on the signature page hereto (the "Purchased Units") to the Buyer for a purchase price of $[__] for each Zero Strike Incentive Unit purchased (the "Per Unit Purchase Price"), for the aggregate purchase price set forth on the signature page hereto (the "Purchase Price"). The Purchase Price shall be paid by the Buyer to such account or accounts as the Company may specify to the Buyer.

The Purchased Units issued hereunder are intended to be "Zero Strike Incentive Units" within the meaning of Section 3.3 of the LLC Agreement and are subject to all applicable limitations under the LLC Agreement, including, without limitation, no voting rights, no rights to current distributions (other than tax distributions) on unvested Zero Strike Incentive Units, and limitations on distributions on vested Zero Strike Incentive Units.

4. **Vesting**.

(a) The Buyer shall vest in 100% of the Purchased Units on the two (2) year anniversary of the Closing Date (as such term is defined below), provided that the Buyer remains continuously employed by the Company and its Subsidiaries from the Closing Date until the applicable vesting date. In the event of a Change in Control, if the Buyer remains continuously employed by the Company and its Subsidiaries from the Closing until the date of the Change in Control, all unvested Purchased Units held by the Buyer shall vest immediately prior to the consummation of the Change in Control. Any separation from service due to a termination of the Buyer by the Company or its Subsidiaries in connection with such Change in Control as a result of any action of, or direction by, the acquirer of the Company and its Subsidiaries in such Change in Control shall not be taken into account for purposes of determining continuous employment through the date of the Change in Control.

(b) For purposes of this Agreement, "Change in Control" shall mean any of the following events to first occur after the Effective Date:

(i) any independent third party (which shall exclude any affiliates of the Company), by merger or otherwise, becomes, after the Effective Date, the direct beneficial owner of more than 65% of the combined voting power of the then-outstanding securities of the Company or Provo Craft & Novelty, Inc. ("Provo Craft"), or any other successor entity to either of the foregoing all or substantially all of whose assets consist of all the outstanding equity interests of the Company or Provo Craft, as applicable; provided that a Change in Control shall not include any merger or other transaction in which the equity holders of the Company immediately prior to the merger or other transaction after giving effect to such merger or other transaction own directly or indirectly a majority of the equity interests of the Company, Provo Craft or such successor entity;

(ii) the Company consummates the sale or disposition of all or substantially all of its assets; or

(iii) Provo Craft consummates the sale or disposition of all or substantially all of its assets.

5. **Time and Place of Closing**. The closing of the purchase and sale provided for in this Agreement (the "Closing") shall be held at the offices of Ballard Spahr LLP, located at 201 South Main Street, Suite 800, Salt Lake City, Utah 84111, or remotely by electronic exchange of documents and signatures, on the date of this Agreement, or such other place, date or time as may be fixed by mutual agreement of the parties (the "Closing Date").

6. **Record of Ownership**. On the Closing Date, the Company shall amend its books and records to reflect the purchase and ownership of the Purchased Units.

7. **Capital Account**. Subject to the provisions of this Agreement, the Company shall establish or maintain a Capital Account on behalf of the Buyer in respect of the Purchased Units issued hereunder pursuant to the terms of Section 4.1 of the LLC Agreement, subject to the vesting provisions contained herein and the Buyer shall be considered a Member of the Company.

8. **Participation Threshold**. For purposes of Section 3.3.2 of the LLC Agreement, the Participation Threshold of the Purchased Units issued hereunder is $0.

9. **No Transfer or Assignment of Purchased Units**. The Purchased Units issued under this Agreement and all other rights and privileges conferred hereby shall not be sold, pledged or otherwise transferred (whether by operation of law or otherwise) and shall not be subject to sale under execution, attachment, levy or similar process, except to the extent permitted under the LLC Agreement; provided that, without the prior written consent of the Company, in no event shall the Buyer be entitled to transfer any unvested Purchased Units.

10. **Redemption Rights on Termination of Employment**.

(a) Company Option to Redeem Purchased Units on Termination of Employment. If the Buyer's employment with the Company or its Subsidiaries terminates for any reason, then the Company may, at its option, redeem all or any portion of the unvested Purchased Units held by the Buyer at the time of termination of the Buyer's employment with the Company or its Subsidiaries at a redemption price (the "Redemption Price") established as follows:

(i) if the Buyer's employment with the Company or its Subsidiaries terminates for any reason (other than permanent disability or death), then the Redemption Price (on a per Unit basis) of the unvested Purchased Units shall be the Per Unit Purchase Price; and

(ii) if the Buyer's employment with the Company or its Subsidiaries terminates because of permanent disability or death, then the Redemption Price of the unvested Purchased Units shall equal the Fair Market Value of the Purchased Units redeemed by the Company.

(b) Exercise of Redemption Option and Payment of Redemption Price. If the Company elects to exercise its option to redeem the Purchased Units, it must give notice of such exercise to the Buyer within one hundred eighty (180) days after termination of the Buyer's employment with the Company or its Subsidiaries and close such purchase within forty-five (45) days after such termination. In the event of such timely exercise, the Company shall pay the Buyer the Redemption Price in a lump sum at the closing of such redemption. Alternatively, in the Company's discretion, the Company may instead pay one-quarter (1/4) of the Redemption Price on the date of the closing of such redemption, and the obligation of the Company to pay the balance of the Redemption Price shall be evidenced by a promissory note requiring equal installments of principal on each of the first three (3) anniversaries of such closing, together with interest, compounding annually, at the short-term applicable federal rate prescribed by the Internal Revenue Service as of the date of such closing. The Company may prepay the principal of, and interest on, any such note without penalty or premium.

(c) Release of the Purchased Units from the Company's Redemption Option. If the Company declines or fails to exercise its option to redeem any Purchased Units within the

one hundred eighty (180)-day period (subject to any tolling of such period as set forth in this Section 10) after the termination of the Buyer's employment with the Company, then any unvested Purchased Units shall be deemed to be fully vested and all the Purchased Units shall no longer be subject to the redemption right of the Company set forth in this Section 10.

(d) Restrictions on Redemption. Notwithstanding anything to the contrary contained in this Agreement, all redemptions of the Purchased Units by the Company pursuant to this Section 10 shall be subject to applicable restrictions contained in applicable Delaware limited liability company laws or such other governing law, applicable securities laws, and in the Company's and any of its Subsidiaries' debt and equity financing agreements. If any such restrictions prohibit (i) the repurchase of Purchased Units hereunder that the Company is otherwise entitled to make or (ii) dividends or other transfers of funds from one or more Subsidiaries of the Company directly or indirectly to the Company to enable such redemptions, then the Company may make such redemptions as soon as it is permitted to make redemptions or receive funds from its Subsidiaries under such restrictions and all time periods set forth in this Section 10 shall be tolled accordingly.

11. **Representations and Warranties of the Company**. The Company represents warrants and agrees as follows:

(a) The Company is a validly existing limited liability company organized under the laws of Delaware and has all requisite entity power and lawful authority to own, lease and operate its assets, properties and business and to carry on its business as now being conducted.

(b) The Company has the legal right and power and all authority necessary to accept and execute this Agreement, to issue and deliver the Purchased Units, and to perform fully its obligations hereunder. This Agreement has been duly authorized and, upon proper acceptance and execution by the Company, will constitute a valid and binding agreement of the Company enforceable against it in accordance with its terms, except to the extent that its enforceability may be limited by applicable bankruptcy, insolvency, reorganization or other laws affecting the enforcement of creditors' rights generally and by principles of equity regarding the availability of remedies.

(c) The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby will not conflict with or result in a breach of any of the terms, conditions or provisions of (i) any contracts or agreements to which the Company is a party or by which the Company is bound, (ii) the LLC Agreement, (iii) any law, statute, rule or regulation of any governmental authority, or (iv) any judgment, order, injunction, decree or ruling of any court or arbitration tribunal or governmental authority to which the Company is subject.

12. **Representations and Warranties of the Buyer**. The Buyer hereby represents and warrants as follows:

(a) Buyer has full power and authority to execute, deliver and carry out the terms and provisions of this Agreement and to consummate the transactions contemplated hereby.

(b) Buyer understands that the Purchased Units have not been registered under the Act or any state securities laws and that the Purchased Units are "restricted securities" under applicable securities laws and that under such laws and applicable regulations, the Purchased Units may be resold without registration or qualification under the Act only in certain limited circumstances. Buyer acknowledges that the Purchased Units must be held indefinitely unless subsequently registered and/or qualified under the Act or an exemption from such registration and/or qualification is available.

(c) Buyer is acquiring the Purchased Units for investment for Buyer's own account, not as a nominee or agent, and not with a view to, or for resale in connection with, any distribution thereof, and Buyer has no present intention of selling, granting any participation in, or otherwise distributing the same.

(d) Buyer has such knowledge and experience in financial and business matters and is capable of evaluating the merits and risks of the prospective investment in the Company.

(e) Buyer has had access to all information regarding the Company including, but not limited to, the LLC Agreement and its present and prospective business, assets, liabilities, and financial condition that Buyer reasonably considers relevant in making the decision to purchase the Purchased Units.

(f) The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby will not conflict with or result in a breach of any of the terms, conditions or provisions of (i) any contracts or agreements to which Buyer is a party or by which Buyer is bound, (ii) the Company's LLC Agreement, (iii) any law, statute, rule or regulation of any governmental authority, or (iv) any judgment, order, injunction, decree or ruling of any court or arbitration tribunal or governmental authority to which Buyer is subject.

(g) As a condition to Buyer purchasing the Purchased Units, Buyer shall execute (i) a joinder agreement to the LLC Agreement, if not already a party to the LLC Agreement, attached hereto as Exhibit A; and (ii) such other documents or instruments as may be required by the Board, in its sole discretion.

13. **Survival of Representations and Warranties**. All representations and warranties of the respective parties hereto contained herein shall survive the consummation of the transaction provided for hereunder.

14. **Instruments of Further Assurance**. The Company and the Buyer agree, upon the request of the other, from time-to-time to execute and deliver to the other all such instruments and documents of further assurance or otherwise as shall be reasonable under the circumstances, and to do any and all such acts and things as may reasonably be required to carry out the obligations of such requested party hereunder and to consummate the transactions provided for herein.

15. **Certain Tax Matters**.

(a) Withholding. In the event that the Company determines that it is required to withhold any tax as a result of a distribution or an allocation of income made to the Buyer, the Buyer hereby agrees to make arrangements satisfactory to the Company to enable it to satisfy all

withholding requirements. The Buyer shall also make arrangements satisfactory to the Company to enable it to satisfy any withholding requirements that may arise in connection with the issuing or vesting of Incentive Units. In the event the Company or any of its Subsidiaries do not make such withholdings, the Buyer shall indemnify the Company and its Subsidiaries for any amounts paid by the Company or any of its Subsidiaries for the benefit of the Buyer with respect to any such taxes, together with any interest, penalties and related expenses thereto.

(b) Code Section 83(b) Election. The Buyer shall make a timely Code Section 83(b) election with respect to the Purchased Units by filing the form attached hereto as Exhibit B with the Internal Revenue Service within thirty (30) days following the date that the Purchased Units are issued. The Buyer shall provide the Company with a copy of the Code Section 83(b) election simultaneously with filing it with the Internal Revenue Service and shall attach a copy of such election to his or her federal income tax return for the current tax year. THE BUYER ACKNOWLEDGES THAT IT IS THE BUYER'S SOLE RESPONSIBILITY, AND NOT THE COMPANY'S, TO TIMELY FILE THE CODE SECTION 83(b) ELECTION, EVEN IF THE BUYER REQUESTS THE COMPANY OR ITS REPRESENTATIVE TO MAKE THE FILING ON THE BUYER'S BEHALF.

(c) No Warranty of Tax Results. The Buyer hereby acknowledges that the federal and state income and other tax consequences to the Buyer resulting from the issuance, holding, vesting, forfeiture, sale or redemption of Purchased Units hereunder may depend on the Buyer's particular situation and other facts and circumstances, and neither the Company, nor its managers, agents, owners or any other person will be responsible or liable for the federal or state income or other tax consequences to the Buyer occurring by reason of any of such events. The Company does not represent, warrant, guaranty, affirm or advise the Buyer that the Buyer will achieve any particular federal or state income or other tax consequences or objectives with respect to the Purchased Units, and the Buyer agrees to rely solely upon the Buyer's own advisers with respect to all such tax consequences of the Purchased Units hereunder.

16. **Miscellaneous**.

(a) No Rights to Continued Employment. Nothing in this Agreement or any action taken or omitted to be taken hereunder shall be deemed to create or confer on the Buyer any right to continued employment with the Company or any Subsidiary or other affiliate thereof, or to interfere with or to limit in any way the right of the Company or any Subsidiary or other affiliate thereof to terminate the employment of the Buyer at any time.

(b) Restrictions. The Board of Managers of the Company (the "Board") shall have the right to impose restrictions on any Purchased Units as it deems necessary or advisable under applicable federal securities laws, the rules and regulations of any stock exchange or market upon which the Purchased Units are then listed or traded, and/or any "blue sky" or state securities laws applicable to such Purchased Units.

(c) Board Decisions Final. Any dispute or disagreement arising under, or in connection with, the interpretation or construction of the terms of this Agreement shall be determined by the Board in good faith, and any such determination and any other determination by the Board under this Agreement shall be final and binding on all persons affected thereby.

(d) Spousal Consent. If, as of the Effective Date, the Buyer is lawfully married and the Buyer's address or the permanent residence of the Buyer's spouse is located in a community property jurisdiction, the Buyer and the Buyer's spouse shall execute and deliver to the Company concurrently with the execution of this Agreement the spousal consent in the form attached hereto as Exhibit C.

(e) Unit Power. Concurrently with the execution of this Agreement, the Buyer shall execute in blank one unit transfer power in the form attached hereto as Exhibit D (the "Unit Power") with respect to the Purchased Units and shall deliver such Unit Power to the Company. The Unit Power shall authorize the Company to assign, transfer and deliver the Purchased Units to the appropriate acquirer thereof pursuant to Section 10 of this Agreement or Section 11.3 of the LLC Agreement.

(f) Successors and Assigns. This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and assigns.

(g) Amendments or Modifications. No supplement, modification, waiver, or termination of this Agreement or any provisions hereof shall be binding unless executed in writing by all parties hereto. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

(h) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

(i) Governing Law. This Agreement shall be governed by and construed under the laws of the State of Delaware, without respect to the provisions concerning the conflict of laws which would otherwise result in the application of the substantive law of any other jurisdiction.

(j) Severability. If any provision of this Agreement, or the application thereof to any person, place, or circumstance, shall be held by a court of competent jurisdiction to be invalid, unenforceable or void, the remainder of this Agreement and such provision as applied to other persons, places and circumstances shall remain in full force and effect. Otherwise, the parties hereto agree to replace any invalid or unenforceable provision with a valid provision that most closely approximates the intent and economic effect of the invalid or unenforceable provision.

(k) WAIVER OF JURY TRIAL. TO THE EXTENT PERMITTED BY LAW, EACH PARTY HEREBY WAIVES ITS RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR PARTIES, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. EACH PARTY HEREBY AGREES THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS

WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR ANY PROVISION HEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT.

(l) Attorneys' Fees. The prevailing party in any arbitration, mediation, court action, or other adjudicative proceeding arising out of or relating to this Agreement or the transactions contemplated hereby shall be reimbursed by the party who did not prevail for its reasonable attorneys', accountants', and experts' fees and for the costs of such proceeding. The provisions set forth in this Section 16(l) shall survive the merger of these provisions into any judgment.

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

IN WITNESS WHEREOF, the Company and the Buyer have executed this Subscription Agreement effective as of the Effective Date first above written.

THE COMPANY:

PROVO CRAFT HOLDINGS, LLC
a Delaware limited liability company

By: _____
Name:
Title:

THE BUYER:

By: _____
Name:

Number of Purchased Units: _____
Purchase Price: $ _____ (at $[__] per Unit)

EXHIBIT A

JOINDER AGREEMENT

Effective upon the execution hereof, the undersigned hereby agrees to become a party to that certain Third Amended and Restated Limited Liability Company Agreement, dated as of June 11, 2015, of Provo Craft Holdings, LLC, a Delaware limited liability company, as the same may be amended, restated, modified, and supplemented from time to time (the "LLC Agreement"). The undersigned, by executing this counterpart signature page, shall be entitled to all of the rights and subject to all of the obligations of a Member holding Zero Strike Incentive Units under the LLC Agreement, and accepts and agrees to be bound by all terms and conditions of the LLC Agreement.

Dated: _____

By: _____
Name:

ACCEPTED AND AGREED
as of the date first written above:

Provo Craft Holdings, LLC

By: _____
Name:
Title:

EXHIBIT B

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

[*Insert Date*]

Internal Revenue Services
[ADDRESS OF IRS CENTER]

Re: IRC Section 83(b) Election

Dear Sir/Madam:

Enclosed please find the undersigned taxpayer's Election to Include the Gross Income in Year of Transfer of Property Pursuant to Section 83(b) of the Internal Revenue Code.

Very Truly Yours,

_____

_____

Taxpayer ID No.: _____

cc: Provo Craft Holdings, LLC
Provo Craft & Novelty, Inc.

Protective Election to Include in Gross Income in Year of Transfer of Property Pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended

[*Insert Date*]

The undersigned hereby elects pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended, with respect to the property described below and supplies the following information in accordance with the regulations promulgated thereunder:

1. The name, address and taxpayer identification number of the undersigned are:

Name:_____
Address: _____

_____
Taxpayer I.D. No.: _____

2. Description of property with respect to which the election is being made:

_____ Zero Strike Incentive Units (the "Units") of Provo Craft Holdings, LLC (the "Company").

3. The date on which property was transferred is _____.

The taxable year to which this election relates is calendar year ____.

4. The nature of the restriction(s) to which the property is subject is:

The property is subject to transfer restrictions and will be forfeited if the taxpayer ceases to provide services to the Company and its subsidiaries within a prescribed vesting period following the transfer of the property unless there occurs a change in control of the Company and its subsidiaries and the taxpayer is providing services to the Company and its subsidiaries immediately prior to the change in control.

5. Fair market value:

The fair market value at time of transfer (determined without regard to any restrictions other than restrictions which by their terms will never lapse) of the property with respect to which this election is being made is $[__] per Unit.

6. Amount paid for property:

The taxpayer paid $[__] per Unit for said property.

7. Furnishing statement to [employer / service recipient]:

A copy of this statement has been furnished to the Company and Provo Craft & Novelty, Inc.

[Signature Page Follows]

By: _____
Name:

EXHIBIT C

SPOUSAL CONSENT

The undersigned spouse hereby acknowledges that I have read the Third Amended and Restated Limited Liability Company Agreement of Provo Craft Holdings, LLC, a Delaware limited liability company (the "Company"), to which my spouse is a party, and that I understand its contents. I am aware that such agreement provides for certain restrictions on my spouse's Zero Strike Incentive Units of the Company (the "Incentive Units"). I agree that my spouse's interest in the Incentive Units is subject to the agreement referred to above and the other agreements referred to therein (including the Subscription Agreement pursuant to which my spouse's Incentive Units were issued) and any interest I may have in such Incentive Units shall be irrevocably bound by such agreement and the other agreements referred to therein and further that my community property interest (if any) shall be similarly bound by such agreements.

The undersigned spouse irrevocably constitutes and appoints the undersigned Unitholder, who is the spouse of the undersigned spouse (the "Unitholder"), as the undersigned's true and lawful attorney and proxy in the undersigned's name, place and stead to sign, make, execute, acknowledge, deliver, file and record all documents which may be required, and to manage, vote, act and make all decisions with respect to (whether necessary, incidental, convenient or otherwise), any and all Incentive Units of the Company in which the undersigned now has or hereafter acquires any interest and in (including but not limited to the right, without further signature, consent or knowledge of the undersigned spouse, to exercise amendments and modifications of and to terminate the aforementioned agreements and to dispose of any and all such Incentive Units), with all powers the undersigned spouse would possess if personally present, it being expressly understood and intended by the undersigned that the foregoing power of attorney and proxy is coupled with an interest; and this power of attorney is a durable power of attorney and will not be affected by disability, incapacity or death of the Unitholder, or dissolution of marriage and this proxy will not terminate without consent of the Unitholder and the Company:

Unitholder:	Spouse of Unitholder:
_____	_____
Signature	Signature
_____	_____
Printed Name	Printed Name

EXHIBIT D

UNIT POWER

FOR VALUE RECEIVED, the undersigned does hereby sell, assign and transfer unto _____, a , _____ Common Units of Provo Craft Holdings, LLC, a Delaware limited liability company (the "Company"), standing in the undersigned's name on the books of the Company represented by Certificate No(s). enclosed herewith and does hereby irrevocably constitute and appoint as attorney to transfer such Common Units on the books of the Company with full power of substitution in the premises, pursuant to the terms of the Incentive Units Subscription Agreement, dated _____, between the undersigned and the Company, and the Third Amended and Restated Limited Liability Company Agreement of the Company, dated June 11, 2015, as each may be amended from time to time.

Dated: _____

By: _____

Name:

Exhibit 10.7

November 2020 Grants

CRICUT HOLDINGS, LLC
a Delaware limited liability company

ANNOUNCEMENT OF BONUS AWARD

Participant's Name and Address: XXX XX

You ("Participant") have been issued a Bonus Award (this "Award") by Cricut Holdings, LLC, a Delaware limited liability company (the "Company"). This Award shall be subject to the terms and conditions of this Announcement of Bonus Award (this "Announcement") and the Bonus Award Agreement attached hereto (the "Award Agreement"). **The purpose and intent of this Right is to issue you an economic benefit, which will be economically equivalent to purchasing equity interests in the Company, without actually purchasing such interests.** Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Award Agreement or if not defined in the Award Agreement, as ascribed to them in the Company's Third Amended and Restated Limited Liability Company Agreement dated June 11, 2015, as it may be amended from time to time (the "LLC Agreement"), a copy of which has been provided to Participant.

A. General Terms:

Award Number:	U-XX
Date of Award:	01 XXX 20XX
Vesting Commencement Date:	01 XX 20XX
Incentive Unit Equivalents:	XX,000
Participation Threshold:	[$0.00]
Participation Threshold Per-Unit:	[$0.00]

B. Vesting Schedule:

Participant shall vest in 25% of the Incentive Unit Equivalents on each of the first four (4) anniversaries of the Vesting Commencement Date (the "Start Date"); *provided* that Participant remains continuously employed by the Company and its Subsidiaries from the Date of Award until the applicable vesting date.

[*Remainder of Page Left Intentionally Blank; Signature Pages to Follow*]

IN WITNESS WHEREOF, the Company and Participant have executed this Announcement and agree that the Award is to be governed by the terms and conditions of this Announcement and the Award Agreement.

CRICUT HOLDINGS, LLC,
a Delaware limited liability company

By: _____
Name Don Olsen
Title Secretary

PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE AMOUNTS PAID PURSUANT TO THE AWARD SHALL BECOME PAYABLE, IF AT ALL, ONLY DURING THE PERIOD OF PARTICIPANT'S CONTINUOUS SERVICE TO THE COMPANY OR ITS SUBSIDIARIES (NOT THROUGH THE ACT OF BEING HIRED, OR BEING GRANTED THIS AWARD). PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT NOTHING IN THIS ANNOUNCEMENT, OR IN THE AWARD AGREEMENT, SHALL CONFER UPON PARTICIPANT ANY RIGHT WITH RESPECT TO CONTINUATION OF PARTICIPANT'S CONTINUOUS SERVICE WITH THE COMPANY OR ITS SUBSIDIARIES, AND SHALL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE COMPANY'S RIGHT TO TERMINATE PARTICIPANT'S CONTINUOUS SERVICE WITH THE COMPANY OR ITS SUBSIDIARIES AT ANY TIME, WITH OR WITHOUT CAUSE, AND WITH OR WITHOUT NOTICE. PARTICIPANT ACKNOWLEDGES THAT UNLESS PARTICIPANT HAS A WRITTEN AGREEMENT WITH THE COMPANY TO THE CONTRARY, PARTICIPANT'S SERVICE RELATIONSHIP WITH THE COMPANY IS AT-WILL. [FOR CHINA RECIPIENTS: PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT UPON SETTLEMENT OF THIS AWARD, PARTICIPANT SHALL ONLY BE ENTITLED TO THE CASH VALUE OF THE INCENTIVE UNIT EQUIVALENT DETERMINED HEREUNDER, AND NOTHING IN THIS ANNOUNCEMENT OR OTHERWISE ENTITLES THE PARTICIPANT TO ANY EQUITY INTEREST IN THE COMPANY OR ITS SUBSIDIARIES].

Participant acknowledges receipt of a copy of the Award Agreement and the LLC Agreement and represents that he or she is familiar with the terms and provisions thereof, and hereby accepts the Award subject to all of the terms and provisions hereof and thereof. Participant has reviewed this Announcement, the Award Agreement, and the LLC Agreement in their entirety, has had an opportunity to and has been advised to obtain the advice of counsel prior to executing this Announcement and fully understands all provisions of this Announcement, the Award Agreement, and the LLC Agreement. Participant further agrees to notify the Company upon any change in the residence address indicated in this Announcement.

Date: _____ Signed: _____
Name: XXX XXX

BONUS AWARD AGREEMENT

THIS BONUS AWARD AGREEMENT (this "Agreement") dated as of XXX XX, 20XX (the "Date of Award") represents the grant of the number of Incentive Unit Equivalents (the "Incentive Unit Equivalents") set forth in the attached Announcement of Bonus Award (the "Announcement") by Cricut Holdings, LLC, a Delaware limited liability company (the "Company"), to _____ ("Participant"), pursuant to the Announcement, this Agreement, and the provisions of the Company's Third Amended and Restated Limited Liability Company Agreement dated June 11, 2015, as it may be amended from time to time (the "LLC Agreement"). In consideration of the covenants and agreements herein contained, the parties hereto agree as follows:

1. Definitions.

(a) Capitalized terms used herein and not defined elsewhere in this Agreement shall have the meanings assigned to them in the LLC Agreement (a copy of which has been provided to Participant).

(b) "Cause" means Participant (i) entering a plea of no-contest with respect to, or being convicted (including a plea of guilty) of a felony, whether or not related to Participant's employment with Cricut (as such term is defined below) or its Subsidiaries; (ii) committing any illegal conduct involving dishonesty, fraud or moral turpitude with respect to Cricut or any of its affiliates or any of their respective employees, customers or suppliers; (iii) willfully engaging in gross misconduct in the performance of Participant's duties; (iv) materially breaching any agreement with the Company or its Subsidiaries; (v) either failing or refusing to perform any of Participant's duties, and, after being given written notice by Cricut or its Subsidiaries of such failure or refusal, Participant fails to cure the same within ten (10) calendar days of the notice; (vi) repeatedly being absent from the workplace (other than for business travel) unless such absence is (1) in compliance with the policies of Cricut and its Subsidiaries or approved or excused by the board of directors of Cricut or (2) the result of Participant's illness or disability; (vii) making disparaging, derogatory or detrimental comments about Cricut or any of its affiliates; (viii) engaging in a pattern of conduct that is detrimental to the reputation of Cricut or any of its affiliates; or (ix) abusing alcohol, prescribed medication or illegal drugs (whether or not at the workplace).

(c) "Change in Control" shall mean any of the following events to first occur after the Date of Award:

(i) any independent third party (which shall exclude any affiliates of the Company), by merger or otherwise, becomes the direct beneficial owner of more than 65% of the combined voting power of the then-outstanding securities of the Company or Cricut, Inc., a Utah corporation ("Cricut"), or any other successor entity to either of the foregoing all or substantially all of whose assets consist of all the outstanding equity interests of the Company or Cricut, as applicable; provided that a Change in Control shall not include any merger or other transaction in which the equity holders of the Company immediately prior to the merger or other transaction after giving effect to such merger or

other transaction own directly or indirectly a majority of the equity interests of the Company, Cricut or such successor entity;

(ii) the Company consummates the sale or disposition of all or substantially all of its assets; or

(iii) Cricut consummates the sale or disposition of all or substantially all of its assets.

(d) "Trigger Event" means the consummation of a transaction or series of transactions that results in the conversion of the Company or its business into a corporation.

2. Incorporation of Terms of LLC Agreement. This Agreement shall be subject to the LLC Agreement, the terms of which are incorporated herein by reference. In the event of any conflict or inconsistency between the LLC Agreement and this Agreement, the LLC Agreement shall govern.

3. Award. The parties hereto agree that, for good and valuable consideration, on and as of the date hereof, the Company grants to Participant the number of Incentive Unit Equivalents set forth in the Announcement. Subject to Sections 6 and 10(b) below, upon vesting of an Incentive Unit Equivalent, Participant shall not receive any cash or equity in the Company, but instead shall be entitled to future Distributions with respect to such Incentive Unit Equivalent on the same terms and conditions as an Incentive Unit under the LLC Agreement[FOR CHINA RECIPIENTS:; provided, however, that, in the event any Distribution to holder of Incentive Units is payable in the form of equity or other form of securities, Participant shall instead receive the cash value equivalent of the Distribution with respect to Participant's Incentive Unit Equivalents, with the cash value determined based on the fair market value of such equity or securities as of the date of the Distribution as determined by the Company's Board of Directors.] The Participant shall have no rights to current Distributions on unvested Incentive Unit Equivalents. Further, the Incentive Unit Equivalents shall have no voting rights.

4. Participation Threshold. The Participation Threshold of the Incentive Unit Equivalents granted hereunder is the amount set forth in the Announcement. This means that the Incentive Unit Equivalents granted hereunder will not be entitled to share in Distributions unless and until the currently outstanding Common Units, Incentive Units, and Incentive Unit Equivalents with a lower Participation Threshold, in that order of priority, are distributed an aggregate amount equal to the Participation Threshold set forth in the Announcement; provided, however, that such Distributions must have been made after the issuance date of the Incentive Unit Equivalents hereunder. In addition, the Incentive Unit Equivalents must have vested before they receive any Distributions.

5. No Transfer or Assignment of Award. The Incentive Unit Equivalents granted under this Agreement and all other rights and privileges conferred hereby shall not be sold, pledged or otherwise transferred (whether by operation of law or otherwise) and shall not be subject to sale under execution, attachment, levy or similar process, except to the extent permitted under the LLC Agreement; provided that, without the prior written consent of the Company, in no event shall Participant be entitled to transfer any unvested Incentive Unit Equivalents.

6. Rights on Termination of Employment. Unless otherwise determined by the Company's Board of Directors, if Participant's employment with the Company and its Subsidiaries terminates for any reason, the Incentive Unit Equivalents—whether vested or unvested—shall terminate immediately and be of no further force or effect and Participant shall have no further rights with respect to the Incentive Unit Equivalents or any future Distributions that otherwise would be payable thereon.

7. Certain Tax Matters.

(a) Withholding. In the event that the Company determines that it is required to withhold any tax as a result of a Distribution made to Participant, Participant hereby agrees to make arrangements satisfactory to the Company to enable it to satisfy all withholding requirements. Participant shall also make arrangements satisfactory to the Company and its Subsidiaries to enable it to satisfy any withholding requirements that may arise in connection with the granting or vesting of Incentive Unit Equivalents. In the event the Company or any of its Subsidiaries do not make such withholdings, Participant shall indemnify the Company and its Subsidiaries for any amounts paid by the Company or any of its Subsidiaries for the benefit of Participant with respect to any such taxes, together with any interest, penalties and related expenses thereto. Further, if Participant is subject to tax in more than one jurisdiction between the date of grant and the date of any relevant taxable or tax withholding event, as applicable, Participant acknowledges that the Company or its Subsidiaries (or former employer, as applicable) may be required to withhold or account for tax withholding obligations in more than one jurisdiction. If Participant fails to make satisfactory arrangements for the payment of any required tax withholding requirements at the time of the applicable taxable event, Participant acknowledges and agrees that the Company may refuse to the Incentive Unit Equivalents and resulting Distributions.

(b) No Warranty of Tax Results. Participant hereby acknowledges that the ultimate tax liability obligations and requirements in connection with the Incentive Unit Equivalents, including without limitation all federal, local, and foreign taxes resulting from the issuance, holding, vesting, or forfeiture of Incentive Unit Equivalents hereunder may depend on Participant's particular situation and other facts and circumstances, and neither the Company, nor its managers, agents, owners or any other person will be responsible or liable for the U.S. and non-U.S. tax consequences to Participant occurring by reason of any of such events. The Company or any of its Subsidiaries do not represent, warrant, guaranty, affirm or advise Participant that Participant will achieve any particular federal or state income or other tax consequences or objectives with respect to the Incentive Unit Equivalents, and Participant agrees to rely solely upon Participant's own advisers with respect to all such tax consequences of the Incentive Unit Equivalents hereunder. Participant further acknowledges that the Company and its Subsidiaries make no representations or undertakings regarding the tax treatment in connection with any aspect of the Incentive Unit Equivalents, including, but not limited to, the grant, vesting, forfeiture, sale, or redemption of the Incentive Unit Equivalents and do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Incentive Unit Equivalents to reduce or eliminate Participant's liability for tax related obligations or achieve any particular tax result.

(c) Gross-up Payments. In the sole and absolute discretion of the Board, the Company may issue a one-time cash bonus to Participant in connection with any Distributions made to Participant as a result of the Incentive Unit Equivalents, with the intention that such cash bonus would be sufficient for, and used by, Participant to pay any related taxes from the Distributions received by Participant as a result of the Incentive Unit Equivalents. The timing and amount of any cash bonuses made pursuant to this Section 7(c) shall be determined by the Board in its sole and absolute discretion.

8. Adjustments; Change in Control; Triggering Event.

(a) Subject to any required action by the Members of the Company, in the event that any dividend, recapitalization, unit split, reverse unit split, reorganization, merger, consolidation, split-up, spin-off, division, combination, repurchase, or exchange of Common Units or other securities of the Company, other distribution of Common Units or other securities of the Company without the receipt of consideration by the Company, or other change in the organizational structure of the Company affecting the Common Units occurs, the Board, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under this Agreement, will adjust the number, class, and Participation Threshold of Incentive Unit Equivalents.

(b) In the event of a merger or a Change in Control, unless otherwise specifically prohibited under applicable laws or by the rules and regulations of any governing governmental agencies or national securities exchanges, or unless the Board shall specify otherwise in this Agreement, the Board is authorized (but not obligated) to make adjustments to the terms and conditions of the Award.

(c) Subject to the provisions of the merger, reorganization or other agreement setting forth the terms of a direct exchange, merger or other reorganization transaction, upon a Trigger Event, the Award will be exchanged for or converted into, in such transaction, an award to [acquire shares of the resulting corporation's common stock][1] [FOR CHINA: receive cash, paid [locally/by the local Chinese Subsidiary] in Chinese Yuan,] on or shortly following the vesting of the Award (the "Replacement Award"). The Replacement Award will have an economic value that is substantially similar to the Award as of the date of the replacement.

[1] NTD: For jurisdictions other than China.

9. Country Addendum. Notwithstanding any provisions in this Agreement, the Incentive Unit Equivalents shall be subject to any special terms and conditions set forth in the Appendix to this Agreement for any country whose laws are applicable to the Participant and the Incentive Unit Equivalents (as determined by the Company in its sole discretion) ("Country Addendum"). Moreover, if the Participant relocates to one of the countries included in the Country Addendum (if any), the special terms and conditions for such country will apply to the Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Country Addendum (if any) constitutes a part of this Agreement

10. General Provisions.

(a) No Rights to Continued Employment. Nothing in this Agreement or any action taken or omitted to be taken hereunder shall be deemed to create or confer on Participant any right to continued employment with the Company or any Subsidiary or other affiliate thereof, or to interfere with or to limit in any way the right of the Company or any Subsidiary or other affiliate thereof to terminate the employment of Participant at any time.

(b) Restrictive Covenant Agreement. Notwithstanding any other provision of this Agreement, in the event of any breach by Participant of the Employee Confidential Disclosure and Non-Confidential Agreement between Cricut and Participant, all Incentive Unit Equivalents held by Participant (whether vested or unvested) shall immediately terminate and be of no further force or effect and Participant shall have no further rights with respect to the Incentive Unit Equivalents.

(c) Restrictions. The Board of Managers of the Company (the "Board") shall have the right to impose restrictions on any Incentive Unit Equivalents as it deems necessary or advisable.

(d) Board Decisions Final. Any dispute or disagreement arising under, or in connection with, the interpretation or construction of the terms of the Announcement or this Agreement shall be determined by the Board in good faith, and any such determination and any other determination by the Board under this Agreement shall be final and binding on all persons affected thereby.

(e) Amendments. The Board shall have the power to alter or amend the terms of the Announcement or this Agreement from time to time, in any manner consistent with the LLC Agreement. Any alteration or amendment of the terms of the Announcement or this Agreement shall bind all persons affected thereby without the requirement of consent or other action by any person. The Board shall provide written notice to Participant of any such alteration or amendment of this Agreement as promptly as practicable after the adoption thereof. Nothing in this Section 10(e) shall restrict Participant and the Company by mutual consent from altering or amending the terms of the Announcement or this Agreement in any manner that is consistent with the LLC Agreement and the approval of the Board.

(f) Waiver. The waiver by either party of compliance with any provision of this Agreement by the other party shall not operate or be construed as a waiver of any other provision

of this Agreement, or of any subsequent breach by such other party of a provision of this Agreement.

(g) Entire Agreement. The Announcement, this Agreement, the LLC Agreement and the other documents expressly referred to herein set forth the entire agreement and understanding between the parties hereto and supersede all prior agreements and understandings relating to the subject matter hereof.

(h) Counterparts. This Agreement may be executed in one or more counterparts (including by electronic signature or .pdf transmission), each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same agreement.

(i) Headings. The headings of sections and subsections herein are included solely for convenience of reference and shall not affect the meaning of any of the provisions of this Agreement.

(j) Governing Law. The Announcement and this Agreement and the rights of the parties thereunder and hereunder shall be governed by and construed in accordance with the laws of the State of Delaware applied to contracts executed in and to be performed entirely in that state.

[Signature Page Follows]

IN WITNESS WHEREOF, this Agreement has been signed by the Company by one of its duly authorized officers and by Participant as of the Date of Award.

Cricut Holdings, LLC

By: _____
Name: Don Olsen
Title: Secretary

_____
XXX XXX

APPENDIX

INCENTIVE UNIT EQUIVALENTS AGREEMENT

COUNTRY ADDENDUM

TERMS AND CONDITIONS

This Country Addendum includes additional terms and conditions that govern the Incentive Unit Equivalents granted to the Participant if the Participant works in one of the countries identified below. If the Participant is a citizen or resident of a country (or is considered as such for local law purposes) other than the one in which he or she is currently working or if the Participant relocates to another country after receiving the Incentive Unit Equivalents, the Company will, in its discretion, determine the extent to which the terms and conditions contained herein will be applicable to the Participant.

Certain capitalized terms used but not defined in this Country Addendum shall have the meanings set forth in the Agreement to which this Country Addendum is attached.

NOTIFICATIONS

This Country Addendum also includes notifications relating to exchange control and other issues of which the Participant should be aware with respect to his or her participation in the Incentive Unit Equivalents. The information is based on the exchange control, securities, and other laws in effect in the countries listed in this Country Addendum as of December 2020. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Participant not rely on the notifications herein as the only source of information relating to the consequences of his or her participation in the Incentive Unit Equivalents because the information may be outdated when the Participant vests in the Incentive Unit Equivalents or sells [Zero Strike Incentive Units/Common Units] acquired under the Incentive Unit Equivalents.

In addition, the notifications are general in nature and may not apply to the Participant's particular situation, and the Company is not in a position to assure the Participant of any particular result. Accordingly, the Participant is advised to seek appropriate professional advice as to how the relevant laws in the Participant's country may apply to the Participant's situation.

Finally, if the Participant is a citizen or resident of a country other than the one in which the Participant is currently working (or is considered as such for local law purposes) or if the Participant moves to another country after the Incentive Unit Equivalents is granted, the information contained herein may not be applicable to the Participant.

The Participant is advised to seek appropriate professional advice as to how the relevant exchange control and tax laws in his or her country apply to the Participant's individual situation.

I. GLOAL PROVISIONS APPLICABLE TO PARTICIPANTS IN ALL COUNTRIES OTHER THAN THE UNITED STATES

TERMS AND CONDITIONS

1. **Acknowledgements**. In accepting the Incentive Unit Equivalents, the Participant acknowledges and agrees that:

(a) The Participant acknowledges receipt of the Agreement (including any applicable appendixes) and represents that he or she is familiar with the terms and provisions thereof, and hereby accepts the Incentive Unit Equivalents subject to all of the terms and provisions thereof. The Participant has reviewed the Agreement (including any applicable appendixes) in its entirety, has had an opportunity to obtain the advice of counsel prior to executing the Agreement and fully understands all provisions of the Incentive Unit Equivalents. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Company upon any questions arising under the Agreement. The Participant further agrees to notify the Company upon any change in the residence address;

(b) the Company (which may or may not be the Participant's employer) is granting the Incentive Unit Equivalents. The Company will administer the Incentive Unit Equivalents from outside Participant's country of residence, and United States law will govern all Incentive Unit Equivalents granted under the Agreement;

(c) the Participant acknowledges that benefits and rights provided under the Agreement are wholly discretionary and, although provided by the Company, do not constitute regular or periodic payments. Unless otherwise required by applicable laws, the benefits and rights provided under the Agreement are not to be considered part of the Participant's salary or compensation for purposes of calculating any severance, resignation, redundancy or other end of service payments, vacation, bonuses, long-term service awards, indemnification, pension or retirement benefits, or any other payments, benefits or rights of any kind. The Participant waives any and all rights to compensation or damages as a result of the termination of employment with the Company or any Subsidiary for any reason whatsoever insofar as those rights result or may result from (i) the loss or diminution in value of such rights under the Agreement, or (ii) the Participant ceasing to have any rights under or ceasing to be entitled to any rights under the Agreement as a result of such termination;

(d) The Incentive Unit Equivalents will not be deemed to constitute, and will not be construed by the Participant to constitute, part of the terms and conditions of employment, and the Company will not incur any liability of any kind to the Participant as a result of any change or amendment, or any cancellation, of the Incentive Unit Equivalents at any time;

(e) Participation in the Incentive Unit Equivalents will not be deemed to constitute, and will not be deemed by the Participant to constitute, an employment or labor relationship of any kind with the Company;

(f) The grant of the Incentive Unit Equivalents, and any future grant of Incentive Unit Equivalents under the Agreement is entirely voluntary, and at the complete

discretion of the Company. Neither the grant of the Incentive Unit Equivalents nor any future grant of an Incentive Unit Equivalents by the Company will be deemed to create any obligation to grant any further Incentive Unit Equivalents, whether or not such a reservation is explicitly stated at the time of such a grant. The Company has the right, at any time to amend, suspend or terminate the Incentive Unit Equivalents;

(g) In the event of the termination of the Participant's status as an eligible Participant (for any reason whatsoever, whether or not later found to be invalid or in breach of applicable laws in the jurisdiction where the Participant is providing service or the terms of his or her employment agreement or service contract, if any), the Participant's right to all or any portion of the Incentive Unit Equivalents, if any, will terminate effective as of the date that the Participant is no longer actively providing services to the Company and its Subsidiaries, and, in any event, will not be extended by any notice period mandated under applicable laws in the jurisdiction in which the Participant is providing service or the terms of his or her employment agreement or service contract, if any (*e.g.*, active service would not include a period of "garden leave" or similar period pursuant to applicable laws in the jurisdiction in which the Participant is providing services or the terms of his or her employment agreement or service contract, if any). The Company shall have the exclusive discretion to determine when the Participant is no longer actively providing service for purposes of the Incentive Unit Equivalents (including whether the Participant may still be considered to be actively providing service while on a leave of absence);

(h) the Participant is voluntarily participating in the Incentive Unit Equivalents;

(i) the future value of the [Zero Strike Incentive Units/Common Units] underlying the Incentive Unit Equivalents is unknown, indeterminable, and cannot be predicted with certainty; and

(j) no claim or entitlement to compensation or damages shall arise from forfeiture of the Incentive Unit Equivalents resulting from the termination of the Participant's employment (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is an employee or the terms of the Participant's employment or service agreement, if any), and in consideration of the grant of the Incentive Unit Equivalents to which the Participant is otherwise not entitled, the Participant irrevocably agrees never to institute any claim against the Company or any Subsidiary or other affiliate thereof, waives his or her ability, if any, to bring any such claim, and releases the Company or any Subsidiary or other affiliate thereof from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Incentive Unit Equivalents, the Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim.

2. **Foreign Exchange Considerations.** The Participant hereby acknowledges that the neither the Company nor any Subsidiary or other affiliate thereof shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the U.S. dollar that may affect the value of the Incentive Unit Equivalents granted to the Participant, or of any amounts due to the Participant. The Participant shall bear any, and all risk associated with the

exchange or fluctuation of currency associated with his or her Incentive Unit Equivalents. The Participant further acknowledges that he or she may be responsible for reporting inbound transactions or fund transfers that exceed a certain amount and agrees to seek appropriate professional advice as to how the exchange control regulations apply to the Incentive Unit Equivalents and the Participant's specific situation and understands that the relevant laws and regulations can change frequently and occasionally on a retroactive basis.

3. ***Data Privacy. The Participant understands that the Company and its Subsidiaries and authorized sub-processors will be required to collect, use and process personal information about the Participant for the purpose of performing its obligations under this Agreement in relation to the implementation, administration, and management of the Incentive Unit Equivalents.***

The Participant understands that the Company and its Subsidiaries, including the Participant's employer or other service recipient, if different, may hold certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any interest held in the Company, details of all Incentive Unit Equivalents or any other entitlement to rights awarded, canceled, exercised, vested, unvested, or outstanding in the Participant's favor ("Data"), for the exclusive purpose of implementing, administering and managing the Incentive Unit Equivalents contemplated by this Agreement.

The Participant understands that Data will be transferred to a third-party service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration, and management of the Incentive Unit Equivalents and such third party, together with its affiliates, successors and assigns, will receive, possess, use and transfer the Data as contemplated hereby. Participant understands that the Company's current third-party service provider is [insert name] which is based in [insert country]. The Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country of operation (e.g., the United States) may have different including less stringent data privacy laws and protections than the Participant's country. The Company will take all reasonable measures to ensure that any such transfers of Data will be based on an adequacy decision or other appropriate safeguards to ensure the lawful transfer, further processing and protection of such Data. The Participant understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. The Participant authorizes the Company and its Subsidiaries, and any third-party service provider selected by the Company and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Incentive Unit Equivalents to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing his or her participation in the Incentive Unit Equivalents. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage the Participant's Incentive Unit Equivalents. The Participant understands if he or she resides outside the United States, he or she may, at any time, view Data, request additional information about the storage and processing of Data,

require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Further, the Participant understands that he or she is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke his or her consent, the Participant's employment status or service and career with the Company or any Subsidiary or other affiliate thereof will not be adversely affected; the only consequence of refusing or withdrawing consent is that the Company would not be able to grant the Participant Incentive Unit Equivalents or administer or maintain such awards. Therefore, the Participant understands that refusing or withdrawing his or her consent may affect the Participant's ability to hold Incentive Unit Equivalents. For more information on the consequences of the Participant's refusal to consent or withdrawal of consent, the Participant understands that he or she may contact [his or her local human resources representative]. For more information about the way in which a Participant's Data will be processed under or in relation to this Agreement and/or the Incentive Unit Equivalents and a Participant's rights in relation to the processing of his or her Data, please see [insert name of policy], a current copy of which is available at [insert link] .

4. **English Language.** Participant has received the terms and conditions of the Agreement and any other related communications, and Participant consents to having received these documents in English. If Participant has received the Agreement or any other document related to the Incentive Unit Equivalents into a language other than English and if the translated version is different than the English version, the English version will control.

NOTIFICATIONS

1. **Address for Notices.** Any notice to be given to the Company under the terms of the Agreement will be addressed to the Company at Cricut, Inc. 10855 South River Front South Jordan, UT 84095 United States, U.S.A., or at such other address as the Company may hereafter designate in writing.

II. COUNTRY SPECIFIC PROVISIONS APPLICABLE TO THE PARTICIPANTS WHO PROVIDE SERVICES IN THE IDENTIFIED COUNTRIES

CHINA

TERMS AND CONDITIONS

Settlement in Cash. Participant acknowledges and agrees that any Distribution with respect to the Participant's Incentive Unit Equivalents shall be payable in cash, dominated in Chinese Yuan only, paid by the local Chinese Subsidiary. Participant further acknowledges and agrees that any payment upon settlement of his or her Incentive Unit Equivalents, including, but not limited to, any settlement associated with the vesting, forfeiture, sale, or redemption of the Incentive Unit Equivalents, Participant will only be entitled to the cash value as determined under the Agreement, paid in Chinese Yuan by the local Chinese Subsidiary. Participant understands that nothing in the Agreement, or otherwise, entitles the Participant to any equity interest in the Company or any of its Subsidiaries.

FRANCE

NOTIFICATIONS

Tax Reporting Information. French residents may hold [Zero Strike Incentive Units/Common Units] outside of France, provided that they declare all foreign accounts, whether open, current, or closed, on their annual income tax return.

GERMANY

NOTIFICATIONS

Exchange Control Information. Participant understands that if Participant remits proceeds in excess of € 12,500 out of or into Germany, such cross-border payment must be reported monthly to the State Central Bank. In the event that Participant makes or receives a payment in excess of this amount, Participant understands and agrees that Participant is responsible for obtaining the appropriate form from a German bank and complying with applicable reporting requirements. In addition, Participant must also report on an annual basis in the event that Participant holds equity interests in the Company exceeding 10% of the total voting capital of the Company. The online filing portal can be accessed at www.bundesbank.de.

IRELAND

No country-specific provisions.

MALAYSIA

TERMS AND CONDITIONS

Data Privacy. Below is a translation of Section 3 of this Country Addendum into Bahasa Malaysia for the Participant's reference:

Privasi Data. Peserta memahami bahawa Syarikat dan Anak syarikatnya dan sub-pemproses yang sah akan diminta untuk mengumpulkan, menggunakan dan memproses maklumat peribadi mengenai Peserta untuk tujuan melaksanakan kewajibannya di bawah Perjanjian ini berkaitan dengan pelaksanaan, pentadbiran, dan pengurusan Setara Unit Insentif.

Peserta memahami bahawa Syarikat dan Anak syarikatnya, termasuk majikan Peserta atau penerima perkhidmatan lain, jika berbeza, mungkin menyimpan maklumat peribadi tertentu mengenai Peserta, termasuk, tetapi tidak terhad kepada, nama, alamat rumah dan nombor telefon Peserta, tarikh kelahiran, nombor insurans sosial atau nombor pengenalan lain, gaji, kewarganegaraan, jawatan, apa-apa kepentingan yang dipegang dalam Syarikat, perincian semua Setara Unit Insentif atau hak lain untuk hak yang diberikan, dibatalkan, dilaksanakan, diletak hak, tidak dilaburkan, atau belum selesai dalam nikmat ("Data"), untuk tujuan eksklusif untuk melaksanakan, mentadbir dan mengurus Setara Unit Insentif yang diperhatikan oleh Perjanjian ini.

Peserta memahami bahawa Data akan dipindahkan ke penyedia perkhidmatan pihak ketiga seperti yang mungkin dipilih oleh Syarikat pada masa akan datang, yang membantu Syarikat dengan pelaksanaan, pentadbiran, dan pengurusan Setara Unit Insentif dan pihak ketiga tersebut, bersama-sama dengan ahli gabungannya, pengganti dan pengganti, akan menerima, memiliki, menggunakan dan memindahkan Data sebagaimana dimaksudkan di sini. Peserta memahami bahawa penyedia perkhidmatan pihak ketiga Syarikat sekarang adalah [insert administrator's name] yang berpusat di [insert country]. Peserta memahami bahawa penerima Data mungkin terletak di Amerika Syarikat atau di tempat lain, dan bahawa negara operasi penerima (mis., Amerika Syarikat) mungkin mempunyai perbezaan termasuk undang-undang dan perlindungan privasi data yang kurang ketat daripada negara Peserta. Syarikat akan mengambil semua langkah yang munasabah untuk memastikan bahawa setiap pemindahan Data tersebut akan berdasarkan keputusan yang mencukupi atau perlindungan lain yang sesuai untuk memastikan pemindahan, pemprosesan dan perlindungan Data tersebut secara sah. Peserta memahami bahawa jika dia tinggal di luar Amerika Syarikat, dia boleh meminta senarai dengan nama dan alamat mana-mana penerima Data yang berpotensi dengan menghubungi wakil sumber manusia tempatannya. Peserta memberi kuasa kepada Syarikat dan Anak syarikatnya, dan mana-mana penyedia perkhidmatan pihak ketiga yang dipilih oleh Syarikat dan mana-mana penerima lain yang mungkin dapat membantu Syarikat (pada masa ini atau masa depan) dengan melaksanakan, mentadbir dan menguruskan Setara Unit Insentif untuk menerima, memiliki , menggunakan, menyimpan dan memindahkan Data, dalam bentuk elektronik atau lain-lain, untuk tujuan tunggal melaksanakan, mentadbir dan mengurus penyertaannya dalam anugerah Setara Unit Insentif. Peserta memahami bahawa Data akan disimpan hanya selagi diperlukan untuk melaksanakan, mentadbir dan mengurus Setara Unit Insentif Peserta. Peserta memahami jika

dia tinggal di luar Amerika Syarikat, dia boleh, pada bila-bila masa, melihat Data, meminta maklumat tambahan mengenai penyimpanan dan pemprosesan Data, memerlukan apa-apa pindaan yang diperlukan pada Data atau menolak atau menarik persetujuan di sini, dalam apa jua keadaan tanpa kos, dengan menghubungi secara tertulis wakil sumber manusia tempatannya. Selanjutnya, Peserta memahami bahawa dia memberikan persetujuan di sini secara murni secara sukarela. Sekiranya Peserta tidak memberikan persetujuan, atau jika Peserta kemudiannya ingin membatalkan persetujuannya, status pekerjaan atau perkhidmatan dan kerjaya Peserta dengan Syarikat atau Anak syarikat atau sekutu lain tidak akan terjejas; satu-satunya akibat dari menolak atau menarik balik persetujuan adalah bahawa Syarikat tidak akan dapat memberikan Setara Unit Insentif Peserta atau mentadbir atau mengekalkan penghargaan tersebut. Oleh itu, Peserta memahami bahawa menolak atau menarik balik persetujuannya boleh mempengaruhi kemampuan Peserta untuk memegang Setara Unit Insentif. Untuk maklumat lebih lanjut mengenai akibat dari penolakan Peserta untuk persetujuan atau penarikan persetujuan, Peserta memahami bahawa dia boleh menghubungi wakil sumber daya manusia tempatannya. Untuk maklumat lebih lanjut mengenai cara Data Peserta diproses di bawah atau berkaitan dengan Perjanjian ini dan / atau Setara Unit Insentif dan hak Peserta sehubungan dengan pemprosesan Datanya, sila lihat [insert name of policy], salinan terkini yang terdapat di [insert link].

MEXICO

No country-specific provisions.

NETHERLANDS

No country-specific provisions.

SINGAPORE

TERMS AND CONDITIONS

Securities Law Information.

The award of the Incentive Unit Equivalents is being made in reliance of section 273(1)(f) of the Securities and Futures Act (Cap. 289) ("*SFA*") for which it is exempt from the prospectus and registration requirements under the SFA. Participant understands that the underlying [Zero Strike Incentive Units/Common Units] have not been registered with the SFA. Unless Participant sells any Company securities he or she acquires pursuant to the Agreement via a public exchange outside of Singapore (*e.g.*, NASDAQ), Participant agrees that he or she shall not, within six (6) months of his or her acquisition of such securities, sell, transfer, gift, hypothecate or otherwise transfer such securities within Singapore except as expressly approved by the Company in writing. The Company believes that a typical sale through a U.S. brokerage firm would not require the Company's consent under these rules.

SOUTH AFRICA

NOTIFICATIONS

Exchange Control Notification.

Participant understands that under current South African exchange control policy that he or she may invest a maximum of ZAR 1 million per year in offshore investments, including in Shares acquired under the Plan. The first ZAR 1 million annual discretionary allowance requires no prior authorization. The next ZAR 1 million requires tax clearance. Participant understands that it is Participant's responsibility to ensure that he or she does not exceed this limit and obtain the necessary tax clearance for remittances exceeding ZAR 1 million.

SPAIN

NOTIFICATIONS

Foreign Assets Reporting.

Participant may be subject to certain tax and financial institution reporting requirements with respect to assets, rights, or foreign currency that Participant holds outside of Spain, including bank accounts, securities and real estate if the aggregate value for particular category of assets exceeds €50,000 as of December 31 each year. Note unvested Incentive Unit Equivalents are not subject to this reporting requirement.

If applicable, Participant must report his or her foreign assets on Form 720 by no later than March 31 following the end of the relevant year. After the rights and/or assets are initially reported, the reporting obligation will only apply if the value of previously-reported rights or assets increases by more than €20,000 as of each subsequent December 31; note additional reporting requirements may apply if your assets or asset increases exceed these amounts. Participant is encouraged to consult with his or her personal advisor to determine any obligations in this respect.

SWEDEN

No country-specific provisions.

Exhibit 10.8

CRICUT HOLDINGS, LLC
a Delaware limited liability company

ANNOUNCEMENT OF BONUS PURCHASE

Participant's Name and Address: XXX XXX

You ("Participant") have purchased a Bonus Right (this "Right") by Cricut Holdings, LLC, a Delaware limited liability company (the "Company"). This Right shall be subject to the terms and conditions of this Announcement of Bonus Purchase (this "Announcement") and the Bonus Purchase Agreement attached hereto (the "Purchase Agreement"). **The purpose and intent of this Right is to issue you an economic benefit, which will be economically equivalent to purchasing equity interests in the Company, without actually purchasing such interests.** Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Purchase Agreement or if not defined in the Purchase Agreement, as ascribed to them in the Company's Third Amended and Restated Limited Liability Company Agreement dated June 11, 2015, as it may be amended from time to time (the "LLC Agreement"), a copy of which has been provided to Participant.

A. General Terms:

Right Number:	0XX
Date of Right:	, 2020
Vesting Commencement Date:	, 2020
Incentive Unit Equivalents:	$XX,000 / $X.XX = X,XXX units
Participation Threshold:	$0.00
Purchase Price Per-Unit:	$X.XX

B. Vesting Schedule:

Participant shall vest in 100% of the Incentive Unit Equivalents on the two (2) year anniversary of the Vesting Commencement Date; *provided* that Participant remains continuously employed by the Company and its Subsidiaries from the Date of Right until the applicable vesting date.

In the event of a Change in Control, if Participant remains continuously employed by the Company and its Subsidiaries from the Date of Right until the date of the Change in Control, all unvested Incentive Unit Equivalents held by Participant shall vest immediately prior to the

consummation of the Change in Control. Any separation from service due to a termination of Participant by the Company or its Subsidiaries in connection with such Change in Control as a result of any action of, or direction by, the acquirer of the Company and its Subsidiaries in such Change in Control shall not be taken into account for purposes of determining continuous employment through the date of the Change in Control.

[*Remainder of Page Left Intentionally Blank; Signature Pages to Follow*]

IN WITNESS WHEREOF, the Company and Participant have executed this Announcement and agree that the Right is to be governed by the terms and conditions of this Announcement and the Purchase Agreement.

CRICUT HOLDINGS, LLC,
a Delaware limited liability company

By: _____
Name: Don Olsen
Title: Secretary

PARTICIPANT ACKNOWLEDGES AND AGREES THAT NOTHING IN THIS ANNOUNCEMENT, OR IN THE PURCHASE AGREEMENT, SHALL CONFER UPON PARTICIPANT ANY RIGHT WITH RESPECT TO CONTINUATION OF PARTICIPANT'S CONTINUOUS SERVICE WITH THE COMPANY OR ITS SUBSIDIARIES, AND SHALL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE COMPANY'S RIGHT TO TERMINATE PARTICIPANT'S CONTINUOUS SERVICE WITH THE COMPANY OR ITS SUBSIDIARIES AT ANY TIME, WITH OR WITHOUT CAUSE, AND WITH OR WITHOUT NOTICE. PARTICIPANT ACKNOWLEDGES THAT UNLESS PARTICIPANT HAS A WRITTEN AGREEMENT WITH THE COMPANY TO THE CONTRARY, PARTICIPANT'S SERVICE RELATIONSHIP WITH THE COMPANY IS AT-WILL.

Participant acknowledges receipt of a copy of the Purchase Agreement and the LLC Agreement and represents that he is familiar with the terms and provisions thereof, and hereby accepts the Right subject to all of the terms and provisions hereof and thereof. Participant has reviewed this Announcement, the Purchase Agreement, and the LLC Agreement in their entirety, has had an opportunity to and has been advised to obtain the advice of counsel prior to executing this Announcement and fully understands all provisions of this Announcement, the Purchase Agreement, and the LLC Agreement. Participant further agrees to notify the Company upon any change in the residence address indicated in this Announcement.

Date: _____

Signed: _____
Name: XXX XXX

BONUS PURCHASE AGREEMENT

THIS BONUS PURCHASE AGREEMENT (this "Agreement") dated as of _____ (the "Date of Award") represents the grant of the number of Incentive Unit Equivalents (the "Incentive Unit Equivalents") set forth in the attached Announcement of Bonus Purchase (the "Announcement") by Cricut Holdings, LLC, a Delaware limited liability company (the "Company"), to XXX XXX ("Participant"), pursuant to the Announcement, this Agreement, and the provisions of the Company's Third Amended and Restated Limited Liability Company Agreement dated June 11, 2015, as it may be amended from time to time (the "LLC Agreement"). The purpose and intent of the grant of Incentive Unit Equivalents is to issue Participate an economic benefit, which will be economically equivalent to purchasing equity interests in the Company, without actually purchasing such interests. In consideration of the covenants and agreements herein contained, the parties hereto agree as follows:

1. Definitions.

(a) Capitalized terms used herein and not defined elsewhere in this Agreement shall have the meanings assigned to them in the LLC Agreement (a copy of which has been provided to Participant).

(b) "Cause" means Participant (i) entering a plea of no-contest with respect to, or being convicted (including a plea of guilty) of a felony, whether or not related to Participant's employment with Cricut (as such term is defined below) or its Subsidiaries; (ii) committing any illegal conduct involving dishonesty, fraud or moral turpitude with respect to Cricut or any of its affiliates or any of their respective employees, customers or suppliers; (iii) willfully engaging in gross misconduct in the performance of Participant's duties; (iv) materially breaching any agreement with the Company or its Subsidiaries; (v) either failing or refusing to perform any of Participant's duties, and, after being given written notice by Cricut or its Subsidiaries of such failure or refusal, Participant fails to cure the same within ten (10) calendar days of the notice; (vi) repeatedly being absent from the workplace (other than for business travel) unless such absence is (1) in compliance with the policies of Cricut and its Subsidiaries or approved or excused by the board of directors of Cricut or (2) the result of Participant's illness or disability; (vii) making disparaging, derogatory or detrimental comments about Cricut or any of its affiliates; (viii) engaging in a pattern of conduct that is detrimental to the reputation of Cricut or any of its affiliates; or (ix) abusing alcohol, prescribed medication or illegal drugs (whether or not at the workplace).

(c) "Change in Control" shall mean any of the following events to first occur after the Date of Award:

(i) any independent third party (which shall exclude any affiliates of the Company), by merger or otherwise, becomes the direct beneficial owner of more than 65% of the combined voting power of the then-outstanding securities of the Company or Cricut, Inc., a Utah corporation ("Cricut"), or any other successor entity to either of the foregoing all or substantially all of whose assets consist of all the outstanding equity interests of the Company or Cricut, as applicable; provided that a Change in Control shall not include any merger or other transaction in which the equity holders of the Company immediately prior to the merger or other transaction after giving effect to such merger or other transaction

own directly or indirectly a majority of the equity interests of the Company, Cricut or such successor entity;

(ii) the Company consummates the sale or disposition of all or substantially all of its assets; or

(iii) Cricut consummates the sale or disposition of all or substantially all of its assets.

2. **Incorporation of Terms of LLC Agreement**. This Agreement shall be subject to the LLC Agreement, the terms of which are incorporated herein by reference. In the event of any conflict or inconsistency between the LLC Agreement and this Agreement, the LLC Agreement shall govern.

3. **Purchase**. The parties hereto agree that, for good and valuable consideration, on and as of the date hereof, the Company sells to Participant, and Participant purchases from the Company, the number of Incentive Unit Equivalents set forth in the Announcement. The Incentive Unit Equivalents shall have no voting rights, no rights to current Distributions on unvested Incentive Unit Equivalents, and are subject to limitations on Distributions on vested Incentive Unit Equivalents.

4. **Participation Threshold**. The Participation Threshold of the Incentive Unit Equivalents granted hereunder is the amount set forth in the Announcement. This means that the Incentive Unit Equivalents granted hereunder will not be entitled to share in Distributions unless and until the currently outstanding Common Units, Incentive Units, and Incentive Unit Equivalents with a lower Participation Threshold are distributed an aggregate amount equal to the Participation Threshold set forth in the Announcement; provided, however, that such Distributions must have been made after the issuance date of the Incentive Unit Equivalents hereunder. In addition, the Incentive Unit Equivalents must have vested before they receive any Distributions.

5. **No Transfer or Assignment of Award**. The Incentive Unit Equivalents granted under this Agreement and all other rights and privileges conferred hereby shall not be sold, pledged or otherwise transferred (whether by operation of law or otherwise) and shall not be subject to sale under execution, attachment, levy or similar process, except to the extent permitted under the LLC Agreement; provided that, without the prior written consent of the Company, in no event shall Participant be entitled to transfer any unvested Incentive Unit Equivalents.

6. **Redemption Rights on Termination of Employment**.

(a) Company Option to Redeem Incentive Unit Equivalents on Termination of Employment. If Participant's employment with the Company or its Subsidiaries terminates for any reason, then the Company may, at its option, redeem all or any portion of the unvested Incentive Unit Equivalents held by Participant at the time of termination of Participant's employment with the Company or its Subsidiaries at a redemption price (the "Redemption Price") established as follows:

(i) if Participant's employment with the Company or its Subsidiaries terminates for any reason (other than permanent disability or death), then the Redemption Price

(on a per Incentive Unit Equivalent basis) of the unvested Incentive Unit Equivalents shall be the Per Unit Purchase Price; and

(ii) if Participant's employment with the Company or its Subsidiaries terminates because of permanent disability or death, then the Redemption Price of the unvested Incentive Unit Equivalents shall equal the fair market value of the Incentive Unit Equivalents, as determined by the Board in its sole and absolute discretion.

(b) Exercise of Redemption Option and Payment of Redemption Price. If the Company elects to exercise its option to redeem the Incentive Unit Equivalents, it must give notice of such exercise to Participant within one hundred eighty (180) days after termination of Participant's employment with the Company or its Subsidiaries and close such purchase within forty-five (45) days after such termination. In the event of such timely exercise, the Company shall pay Participant the Redemption Price in a lump sum at the closing of such redemption. Alternatively, in the Company's discretion, the Company may instead pay one-quarter (1/4) of the Redemption Price on the date of the closing of such redemption, and the obligation of the Company to pay the balance of the Redemption Price shall be evidenced by a promissory note requiring equal installments of principal on each of the first three (3) anniversaries of such closing, together with interest, compounding annually, at the short-term applicable federal rate prescribed by the Internal Revenue Service as of the date of such closing. The Company may prepay the principal of, and interest on, any such note without penalty or premium.

(c) Release of the Incentive Unit Equivalents from the Company's Redemption Option. If the Company declines or fails to exercise its option to redeem any Incentive Unit Equivalents within the one hundred eighty (180)-day period (subject to any tolling of such period as set forth in this Section 6) after the termination of Participant's employment with the Company, then any unvested Incentive Unit Equivalents shall be deemed to be fully vested and all the Incentive Unit Equivalents shall no longer be subject to the redemption right of the Company set forth in this Section 6.

(d) Restrictions on Redemption. Notwithstanding anything to the contrary contained in this Agreement, all redemptions of the Incentive Unit Equivalents by the Company pursuant to this Section 6 shall be subject to applicable restrictions contained in applicable Delaware limited liability company laws or such other governing law, applicable securities laws, and in the Company's and any of its Subsidiaries' debt and equity financing agreements. If any such restrictions prohibit (i) the repurchase of Incentive Unit Equivalents hereunder that the Company is otherwise entitled to make or (ii) dividends or other transfers of funds from one or more Subsidiaries of the Company directly or indirectly to the Company to enable such redemptions, then the Company may make such redemptions as soon as it is permitted to make redemptions or receive funds from its Subsidiaries under such restrictions and all time periods set forth in this Section 6 shall be tolled accordingly.

7. Certain Tax Matters.

(a) Withholding. In the event that the Company determines that it is required to withhold any tax as a result of a Distribution made to Participant, Participant hereby agrees to make arrangements satisfactory to the Company to enable it to satisfy all withholding

requirements. Participant shall also make arrangements satisfactory to the Company to enable it to satisfy any withholding requirements that may arise in connection with the granting or vesting of Incentive Unit Equivalents. In the event the Company or any of its Subsidiaries do not make such withholdings, Participant shall indemnify the Company and its Subsidiaries for any amounts paid by the Company or any of its Subsidiaries for the benefit of Participant with respect to any such taxes, together with any interest, penalties and related expenses thereto.

(b) No Warranty of Tax Results. Participant hereby acknowledges that the federal and state income and other tax consequences to Participant resulting from the issuance, holding, vesting, or forfeiture of Incentive Unit Equivalents hereunder may depend on Participant's particular situation and other facts and circumstances, and neither the Company, nor its managers, agents, owners or any other person will be responsible or liable for the federal or state income or other tax consequences to Participant occurring by reason of any of such events. The Company does not represent, warrant, guaranty, affirm or advise Participant that Participant will achieve any particular federal or state income or other tax consequences or objectives with respect to the Incentive Unit Equivalents, and Participant agrees to rely solely upon Participant's own advisers with respect to all such tax consequences of the Incentive Unit Equivalents hereunder.

(c) Gross-up Payments. In the sole and absolute discretion of the Board, the Company may issue a one-time cash bonus to Participant in connection with any Distributions made to Participant as a result of the Incentive Unit Equivalents, with the intention that such cash bonus would be sufficient for, and used by, Participant to pay any related taxes from the Distributions received by Participant as a result of the Incentive Unit Equivalents. The timing and amount of any cash bonuses made pursuant to this Section 7(c) shall be determined by the Board in its sole and absolute discretion.

8. General Provisions.

(a) No Rights to Continued Employment. Nothing in this Agreement or any action taken or omitted to be taken hereunder shall be deemed to create or confer on Participant any right to continued employment with the Company or any Subsidiary or other affiliate thereof, or to interfere with or to limit in any way the right of the Company or any Subsidiary or other affiliate thereof to terminate the employment of Participant at any time.

(b) Restrictive Covenant Agreement. Notwithstanding any other provision of this Agreement, in the event of any breach by Participant of the Employee Confidential Disclosure and Non-Confidential Agreement between Cricut and Participant, all Incentive Unit Equivalents held by Participant (whether vested or unvested) shall immediately terminate and be of no further force or effect and Participant shall have no further rights with respect to the Incentive Unit Equivalents.

(c) Restrictions. The Board of Managers of the Company (the "Board") shall have the right to impose restrictions on any Incentive Unit Equivalents as it deems necessary or advisable.

(d) Board Decisions Final. Any dispute or disagreement arising under, or in connection with, the interpretation or construction of the terms of the Announcement or this Agreement shall be determined by the Board in good faith, and any such determination and any other determination by the Board under this Agreement shall be final and binding on all persons affected thereby.

(e) Amendments. The Board shall have the power to alter or amend the terms of the Announcement or this Agreement from time to time, in any manner consistent with the LLC Agreement. Any alteration or amendment of the terms of the Announcement or this Agreement shall bind all persons affected thereby without the requirement of consent or other action by any person. The Board shall provide written notice to Participant of any such alteration or amendment of this Agreement as promptly as practicable after the adoption thereof. Nothing in this Section 8(e) shall restrict Participant and the Company by mutual consent from altering or amending the terms of the Announcement or this Agreement in any manner that is consistent with the LLC Agreement and the approval of the Board.

(f) Waiver. The waiver by either party of compliance with any provision of this Agreement by the other party shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such other party of a provision of this Agreement.

(g) Entire Agreement. The Announcement, this Agreement, the LLC Agreement and the other documents expressly referred to herein set forth the entire agreement and understanding between the parties hereto and supersede all prior agreements and understandings relating to the subject matter hereof.

(h) Counterparts. This Agreement may be executed in one or more counterparts (including by electronic signature or .pdf transmission), each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same agreement.

(i) Headings. The headings of sections and subsections herein are included solely for convenience of reference and shall not affect the meaning of any of the provisions of this Agreement.

(j) Governing Law. The Announcement and this Agreement and the rights of the parties thereunder and hereunder shall be governed by and construed in accordance with the laws of the State of Delaware applied to contracts executed in and to be performed entirely in that state.

[Signature Page Follows]

IN WITNESS WHEREOF, this Agreement has been signed by the Company by one of its duly authorized officers and by Participant as of the Date of Award.

Cricut Holdings, LLC

By: _____
Name: Don Olsen
Title: Secretary

_____
XXX XXX

Exhibit 10.9

CRICUT, INC.

2021 EQUITY INCENTIVE PLAN

1. Purposes of the Plan. The purposes of this Plan are:

- to attract and retain the best available personnel for positions of substantial responsibility,
- to provide additional incentive to Employees, Directors and Consultants, and to align their interests with shareholders, and
- to promote the success of the Company's business.

The Plan permits the grant of Incentive Stock Options, Nonstatutory Stock Options, Restricted Stock, Restricted Stock Units, Stock Appreciation Rights, Performance Units and Performance Shares.

2. Definitions. As used herein, the following definitions will apply:

(a) "Administrator" means the Board or any of its Committees as will be administering the Plan, in accordance with Section 4 of the Plan.

(b) "Affiliate" means any corporation or any other entity (including, but not limited to, partnerships and joint ventures) controlling, controlled by, or under common control with Petrus.

(c) "Applicable Laws" means the legal and regulatory requirements relating to the administration of equity-based awards, including without limitation the related issuance of shares of Common Stock, including without limitation under U.S. state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws of any non-U.S. country or jurisdiction where Awards are, or will be, granted under the Plan.

(d) "Award" means, individually or collectively, a grant under the Plan of Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Units or Performance Shares.

(e) "Award Agreement" means the written or electronic agreement between the Company and Participant setting forth the terms and provisions applicable to an Award granted under the Plan. The Award Agreement is subject to the terms and conditions of the Plan.

(f) "Board" means the Board of Directors of the Company.

(g) "Change in Control" means the occurrence of any of the following events:

(i) Change in Ownership of the Company. A change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group ("Person"), acquires ownership of the stock of the Company that, together with the stock held by such Person, constitutes more than fifty percent (50%) of the total voting power of the stock of the Company; provided, however, that for purposes of this subsection, (A) the acquisition of additional stock by any one Person, who is considered to own more than fifty percent (50%) of the total voting power of the stock of the Company will not be considered a Change in Control, and (B) any acquisition of stock of the Company by Petrus or any of its Affiliates will be disregarded for purposes of determining whether a Change in Control has occurred pursuant to this subsection (i). Further, if the stockholders of the Company immediately before such change in ownership continue to retain immediately after the change in ownership, in substantially the same proportions as their ownership of shares of the Company's voting stock immediately prior to the change in ownership, direct or indirect beneficial ownership of fifty percent (50%) or more of the total voting power of the stock of the Company or of the ultimate parent entity of the Company, such event will not be considered a Change in Control under this subsection (i). For this purpose, indirect beneficial ownership will include, without limitation, an interest resulting from ownership of the voting securities of one or more corporations or other business entities which own the Company, as the case may be, either directly or through one or more subsidiary corporations or other business entities. For the avoidance of doubt, increases in the percentage of total voting power owned by the Petrus or any of its Affiliates, irrespective of the circumstances, shall not constitute an acquisition that creates a Change in Control under this subsection (i); or

(ii) Change in Effective Control of the Company. A change in the effective control of the Company which occurs on the date that a majority of members of the Board is replaced during any twelve (12) month period by Directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purposes of this subsection (ii), if any Person is considered to be in effective control of the Company, the acquisition of additional control of the Company by the same Person will not be considered a Change in Control; or

(iii) Change in Ownership of a Substantial Portion of the Company's Assets. A change in the ownership of a substantial portion of the Company's assets which occurs on the date that any Person acquires (or has acquired during the twelve (12) month period ending on the date of the most recent acquisition by such Person) assets from the Company that have a total gross fair market value equal to or more than fifty percent (50%) of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, however, that for purposes of this subsection (iii), the following will not constitute a change in the ownership of a substantial portion of the Company's assets: (A) a transfer to an entity that is controlled by the Company's stockholders immediately after the transfer, or (B) a transfer of assets by the Company to: (1) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's stock, (2) an entity, fifty percent (50%) or more of the total value or voting power of which is owned, directly or indirectly, by the Company, (3) a Person, that owns, directly or

indirectly, fifty percent (50%) or more of the total value or voting power of all the outstanding stock of the Company, or (4) an entity, at least fifty percent (50%) of the total value or voting power of which is owned, directly or indirectly, by a Person described in this subsection (iii)(B)(3). For purposes of this subsection (iii), gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

For purposes of this definition, persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company.

Notwithstanding the foregoing, a transaction will not be deemed a Change in Control unless the transaction qualifies as a "change in control event" within the meaning of Section 409A.

Further and for the avoidance of doubt, a transaction will not constitute a Change in Control if: (x) its primary purpose is to change the jurisdiction of the Company's incorporation, or (y) its primary purpose is to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

(h) "Code" means the Internal Revenue Code of 1986, as amended. Any reference to a section of the Code or regulation thereunder will include such section or regulation, any valid regulation or other official guidance promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing, or superseding such section or regulation.

(i) "Committee" means a committee of Directors or of other individuals satisfying Applicable Laws appointed by the Board, or a duly authorized committee of the Board, in accordance with Section 4 hereof.

(j) "Common Stock" means the common stock of the Company.

(k) "Company" means Cricut, Inc., a Delaware corporation, or any successor thereto.

(l) "Consultant" means any natural person, including an advisor, engaged by the Company or a Parent or Subsidiary of the Company to render bona fide services to such entity, provided the services (i) are not in connection with the offer or sale of securities in a capital-raising transaction, and (ii) do not directly promote or maintain a market for the Company's securities, in each case, within the meaning of Form S-8 promulgated under the Securities Act, and provided, further, that a Consultant will include only those persons to whom the issuance of Shares may be registered under Form S-8 promulgated under the Securities Act.

(m) "Director" means a member of the Board.

(n) "Disability" means total and permanent disability as defined in Section 22(e)(3) of the Code, provided that in the case of Awards other than Incentive Stock Options, the Administrator in its discretion may determine whether a permanent and total disability exists in accordance with uniform and non-discriminatory standards adopted by the Administrator from time to time.

(o) "Dividend Equivalent" means a credit, made at the discretion of the Administrator or as otherwise provided by the Plan, to the account of a Participant in an amount equal to the cash dividends paid on one Share for each Share represented by an Award held by such Participant.

(p) "Employee" means any person, including Officers and Directors, employed by the Company or any Parent or Subsidiary of the Company. Neither service as a Director nor payment of a director's fee by the Company will be sufficient to constitute "employment" by the Company.

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

(r) "Exchange Program" means a program under which (i) outstanding Awards are surrendered or cancelled in exchange for awards of the same type (which may have higher or lower exercise prices and different terms), awards of a different type, and/or cash, (ii) Participants would have the opportunity to transfer any outstanding Awards to a financial institution or other person or entity selected by the Administrator, and/or (iii) the exercise price of an outstanding Award is increased or reduced. The Administrator will determine the terms and conditions of any Exchange Program in its sole discretion.

(s) "Fair Market Value" means, as of any date, the value of Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange or a national market system, including without limitation the New York Stock Exchange, the Nasdaq Global Select Market, the Nasdaq Global Market or the Nasdaq Capital Market of The Nasdaq Stock Market, its Fair Market Value will be the closing sales price for such stock (or, if no closing sales price was reported on that date, as applicable, on the last Trading Day such closing sales price was reported) as quoted on such exchange or system on the day of determination, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable;

(ii) If the Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, the Fair Market Value of a Share will be the mean between the high bid and low asked prices for the Common Stock on the day of determination (or, if no bids and asks were reported on that date, as applicable, on the last Trading Day such bids and asks were reported), as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable;

(iii) For purposes of any Awards granted on the Registration Date, the Fair Market Value will be the initial price to the public as set forth in the final prospectus included within

the registration statement on Form S-1 filed with the Securities and Exchange Commission for the initial public offering of the Common Stock; or

(iv) In the absence of an established market for the Common Stock, the Fair Market Value will be determined in good faith by the Administrator.

The determination of fair market value for purposes of tax withholding may be made in the Administrator's discretion subject to Applicable Laws and is not required to be consistent with the determination of Fair Market Value for other purposes.

(t) "Fiscal Year" means the fiscal year of the Company.

(u) "Incentive Stock Option" means an Option intended to qualify, and actually qualifies, as an incentive stock option within the meaning of Section 422 of the Code and the regulations promulgated thereunder.

(v) "Nonstatutory Stock Option" means an Option that by its terms does not qualify or is not intended to qualify as an Incentive Stock Option.

(w) "Officer" means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder.

(x) "Option" means a stock option granted pursuant to the Plan.

(y) "Outside Director" means a Director who is not an Employee.

(z) "Parent" means a "parent corporation," whether now or hereafter existing, as defined in Code Section 424(e). For the avoidance of doubt, neither Petrus nor any of its Affiliates shall not constitute a "Parent" for purposes of this Plan.

(aa) "Participant" means the holder of an outstanding Award.

(bb) "Performance Share" means an Award denominated in Shares which may be earned in whole or in part upon attainment of performance goals or other vesting criteria as the Administrator may determine pursuant to Section 10.

(cc) "Performance Unit" means an Award which may be earned in whole or in part upon attainment of performance goals or other vesting criteria as the Administrator may determine and which may be settled for cash, Shares or other securities or a combination of the foregoing pursuant to Section 10.

(dd) "Period of Restriction" means the period (if any) during which the transfer of Shares of Restricted Stock are subject to restrictions and therefore, the Shares are subject to a substantial risk of forfeiture. Such restrictions may be based on the passage of time, the achievement of target levels of performance, or the occurrence of other events as determined by the Administrator.

(ee) "Petrus" means Petrus Trust Company, LTA.

(ff) "Plan" means this Cricut, Inc. 2021 Equity Incentive Plan.

(gg) "Registration Date" means the effective date of the first registration statement that is filed by the Company and declared effective pursuant to Section 12(b) of the Exchange Act, with respect to any class of the Company's securities (such registration statement, the "Registration Statement").

(hh) "Restricted Stock" means Shares issued pursuant to a Restricted Stock award under Section 7 of the Plan, or issued pursuant to the early exercise of an Option.

(ii) "Restricted Stock Unit" means a bookkeeping entry representing an amount equal to the Fair Market Value of one Share, granted pursuant to Section 8. Each Restricted Stock Unit represents an unfunded and unsecured obligation of the Company.

(jj) "Rule 16b-3" means Rule 16b-3 of the Exchange Act or any successor to Rule 16b-3, as in effect when discretion is being exercised with respect to the Plan.

(kk) "Section 16(b)" means Section 16(b) of the Exchange Act.

(ll) "Section 409A" means Section 409A of the Code, as it has been and may be amended from time to time, and any proposed or final Treasury Regulations and Internal Revenue Service guidance that has been promulgated or may be promulgated thereunder from time to time, or any state law equivalent.

(mm) "Securities Act" means the Securities Act of 1933, as amended.

(nn) "Service Provider" means an Employee, Director or Consultant.

(oo) "Share" means a share of the Common Stock, as adjusted in accordance with Section 13 of the Plan.

(pp) "Stock Appreciation Right" means an Award, granted alone or in connection with an Option, that pursuant to Section 9 is designated as a Stock Appreciation Right.

(qq) "Subsidiary" means a "subsidiary corporation," whether now or hereafter existing, as defined in Code Section 424(f).

(rr) "Trading Day" means a day that the primary stock exchange, national market system, or other trading platform, as applicable, upon which the Common Stock is listed is open for trading.

3. Stock Subject to the Plan.

(a) Stock Subject to the Plan. Subject to the provisions of Section 13 of the Plan and the automatic increase set forth in Section 3(b), the maximum aggregate number of Shares that may be issued under the Plan is (i) 20,800,000[1] Shares, plus (ii) a number of Shares equal to any (A) shares subject to equity awards granted outside the Plan that are outstanding as of the Registration Date (the "Non-Plan Awards") that, on or after the Registration Date, expire or otherwise terminate without having been exercised or issued in full, (B) shares that, after the Registration Date, are tendered to or withheld by the Company for payment of an exercise price of a Non-Plan Award or for tax withholding obligations with respect to a Non-Plan Award, or (C) shares issued pursuant to a Non-Plan Award that, after the Registration Date, are forfeited to or repurchased by the Company due to failure to vest, with the maximum number of Shares to be added to the Plan pursuant to the foregoing clause (ii) equal to 14,500,000 Shares. In addition, Shares may become available for issuance under the Plan pursuant to Sections 3(b) and 3(c). The Shares may be authorized, but unissued, or reacquired Common Stock.

(b) Automatic Share Reserve Increase. Subject to the provisions of Section 13 of the Plan, the number of Shares available for issuance under the Plan will be increased on the first day of each Fiscal Year beginning with the 2022 Fiscal Year, in an amount equal to the least of (i) 20,800,000[1] Shares, (ii) five percent (5%) of the outstanding shares of all classes of the Company's common stock on the last day of the immediately preceding Fiscal Year, or (iii) such number of Shares determined by the Administrator no later than the last day of the immediately preceding Fiscal Year.

(c) Lapsed Awards. If an Award expires or becomes unexercisable without having been exercised in full, is surrendered pursuant to an Exchange Program, or, with respect to Restricted Stock, Restricted Stock Units, Performance Units or Performance Shares, is forfeited to or repurchased by the Company due to failure to vest, then the unpurchased Shares (or for Awards other than Options or Stock Appreciation Rights, the forfeited or repurchased Shares), which were subject thereto will become available for future grant or sale under the Plan (unless the Plan has terminated). With respect to Stock Appreciation Rights, only Shares actually issued (i.e., the net Shares issued) pursuant to a Stock Appreciation Right will cease to be available under the Plan; all remaining Shares under Stock Appreciation Rights will remain available for future grant or sale under the Plan (unless the Plan has terminated). Shares that actually have been issued under the Plan under any Award will not be returned to the Plan and will not become available for future distribution under the Plan; provided, however, that if Shares issued pursuant to Awards of Restricted Stock, Restricted Stock Units, Performance Shares or Performance Units are repurchased by the Company or are forfeited to the Company due to failure to vest, such Shares will become available for future grant under the Plan. Shares used to pay the exercise price of an Award or to satisfy the tax withholding obligations related to an Award will become available for future grant or sale under the Plan. To the extent an Award under the Plan is paid out in cash rather than Shares,

[1] NTD: Reflects a post-split number.

the cash payment will not result in reducing the number of Shares available for issuance under the Plan. Notwithstanding the foregoing and, subject to adjustment as provided in Section 13, the maximum number of Shares that may be issued upon the exercise of Incentive Stock Options will equal the aggregate Share number stated in Section 3(a), plus, to the extent allowable under Section 422 of the Code and the Treasury Regulations promulgated thereunder, any Shares that become available for issuance under the Plan pursuant to Sections 3(b) and 3(c).

(d) Share Reserve. The Company, at all times during the term of this Plan, will reserve and keep available such number of Shares as will be sufficient to satisfy the requirements of the Plan.

4. Administration of the Plan.

(a) Procedure.

(i) Multiple Administrative Bodies. Different Committees with respect to different groups of Service Providers may administer the Plan.

(ii) Rule 16b-3. To the extent desirable to qualify transactions hereunder as exempt under Rule 16b-3, the transactions contemplated hereunder will be structured to satisfy the requirements for exemption under Rule 16b-3.

(iii) Other Administration. Other than as provided above, the Plan will be administered by (A) the Board or (B) a Committee, which committee will be constituted to satisfy Applicable Laws.

(b) Powers of the Administrator. Subject to the provisions of the Plan, and in the case of a Committee, the specific duties delegated by the Board to such Committee, the Administrator will have the authority, in its discretion, to:

(i) determine the Fair Market Value;

(ii) select the Service Providers to whom Awards may be granted hereunder;

(iii) determine the number of Shares to be covered by each Award granted hereunder;

(iv) approve forms of Award Agreement for use under the Plan;

(v) determine the terms and conditions, not inconsistent with the terms of the Plan, of any Award granted hereunder. The terms and conditions include, but are not limited to, the exercise price, the time or times when Awards may be exercised (which may be based on performance criteria), any vesting acceleration or waiver of forfeiture restrictions, and any restriction or limitation regarding any Award or the Shares relating thereto, based in each case on such factors as the Administrator will determine;

(vi) institute and determine the terms and conditions of an Exchange Program;

(vii) prescribe, amend and rescind rules and regulations and adopt sub-plans relating to the Plan, including rules, regulations and sub-plans for the purposes of facilitating compliance with foreign laws, easing the administration of the Plan and/or taking advantage of tax-favorable treatment for Awards granted to Service Providers outside the U.S., in each case as the Administrator may deem necessary or advisable;

(viii) construe and interpret the terms of the Plan and Awards granted under the Plan;

(ix) modify or amend each Award (subject to Section 18(c) of the Plan), including without limitation the discretionary authority to extend the post-termination exercisability period of Awards; provided, however, that in no event will the term of an Option or Stock Appreciation Right be extended beyond its original maximum term;

(x) allow Participants to satisfy tax withholding obligations in a manner prescribed in Section 14 of the Plan;

(xi) authorize any person to execute on behalf of the Company any instrument required to effect the grant of an Award previously granted by the Administrator;

(xii) temporarily suspend the exercisability of an Award if the Administrator deems such suspension to be necessary or appropriate for administrative purposes;

(xiii) allow a Participant to defer the receipt of the payment of cash or the delivery of Shares that otherwise would be due to the Participant under an Award; and

(xiv) make all other determinations deemed necessary or advisable for administering the Plan.

(c) Effect of Administrator's Decision. The Administrator's decisions, determinations and interpretations will be final and binding on all Participants and any other holders of Awards and will be given the maximum deference permitted by Applicable Laws.

5. Eligibility. Nonstatutory Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Shares and Performance Units may be granted to Service Providers. Incentive Stock Options may be granted only to Employees.

6. Stock Options.

(a) Grant of Options. Subject to the terms and provisions of the Plan, the Administrator, at any time and from time to time, may grant Options to Service Providers in such amounts as the Administrator, in its sole discretion, will determine.

(b) Stock Option Agreement. Each Award of an Option will be evidenced by an Award Agreement that will specify the exercise price, the number of Shares subject to the Option, the exercise restrictions, if any, applicable to the Option, and such other terms and conditions as the Administrator, in its sole discretion, will determine.

(c) Limitations. Each Option will be designated in the Award Agreement as either an Incentive Stock Option or a Nonstatutory Stock Option. However, notwithstanding such designation, to the extent that the aggregate fair market value of the shares with respect to which incentive stock options are exercisable for the first time by the Participant during any calendar year (under all plans of the Company and any Parent or Subsidiary of the Company) exceeds one hundred thousand dollars ($100,000), such options will be treated as nonstatutory stock options. For purposes of this Section 6(c), incentive stock options will be taken into account in the order in which they were granted. the fair market value of the shares will be determined as of the time the option with respect to such shares is granted.

(d) Term of Option. The term of each Option will be stated in the Award Agreement. In the case of an Incentive Stock Option, the term will be ten (10) years from the date of grant or such shorter term as may be provided in the Award Agreement. Moreover, in the case of an Incentive Stock Option granted to a Participant who, at the time the Incentive Stock Option is granted, owns stock representing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any Parent or Subsidiary, the term of the Incentive Stock Option will be five (5) years from the date of grant or such shorter term as may be provided in the Award Agreement.

(e) Option Exercise Price and Consideration.

(i) Exercise Price. The per share exercise price for the Shares to be issued pursuant to exercise of an Option will be determined by the Administrator, subject to the following:

(1) In the case of an Incentive Stock Option

(A) granted to an Employee who, at the time the Incentive Stock Option is granted, owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary, the per Share exercise price will be no less than one hundred ten percent (110%) of the Fair Market Value per Share on the date of grant.

(B) granted to any Employee other than an Employee described in paragraph (A) immediately above, the per Share exercise price will be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(2) In the case of a Nonstatutory Stock Option, the per Share exercise price will be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(3) Notwithstanding the foregoing, Options may be granted with a per Share exercise price of less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant pursuant to a transaction described in, and in a manner consistent with, Section 424(a) of the Code.

(ii) Waiting Period and Exercise Dates. At the time an Option is granted, the Administrator will fix the period within which the Option may be exercised and will determine any conditions that must be satisfied before the Option may be exercised.

(iii) Form of Consideration. The Administrator will determine the acceptable form of consideration for exercising an Option, including the method of payment. In the case of an Incentive Stock Option, the Administrator will determine the acceptable form of consideration at the time of grant. Such consideration may consist entirely of: (1) cash; (2) check; (3) promissory note, to the extent permitted by Applicable Laws, (4) other Shares, provided that such Shares have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which such Option will be exercised and provided that accepting such Shares will not result in any adverse accounting consequences to the Company, as the Administrator determines in its sole discretion; (5) consideration received by the Company under a broker-assisted (or other) cashless exercise program (whether through a broker or otherwise) implemented by the Company in connection with the Plan; (6) by net exercise; (7) such other consideration and method of payment for the issuance of Shares to the extent permitted by Applicable Laws; or (8) any combination of the foregoing methods of payment.

(f) Exercise of Option.

(i) Procedure for Exercise; Rights as a Stockholder. Any Option granted hereunder will be exercisable according to the terms of the Plan and at such times and under such conditions as determined by the Administrator and set forth in the Award Agreement. An Option may not be exercised for a fraction of a Share.

An Option will be deemed exercised when the Company receives: (i) notice of exercise (in accordance with the procedures that the Administrator may specify from time to time) from the person entitled to exercise the Option, and (ii) full payment for the Shares with respect to which the Option is exercised (together with any applicable tax withholdings). Full payment may consist of any consideration and method of payment authorized by the Administrator and permitted by the Award Agreement and the Plan. Shares issued upon exercise of an Option will be issued in the name of the Participant or, if requested by the Participant, in the name of the Participant and his or her spouse. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the Shares subject to an Option, notwithstanding the exercise of the Option. The Company will issue (or cause to be issued) such Shares 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 as provided in Section 13 of the Plan.

Exercising an Option in any manner will decrease the number of Shares thereafter available, both for purposes of the Plan and for sale under the Option, by the number of Shares as to which the Option is exercised.

(ii) Cessation of Status as a Service Provider. If a Participant ceases to be a Service Provider, other than upon the cessation of the Participant's Service Provider status as the result of the Participant's death or Disability, the Participant may exercise his or her Option within such period of time as is specified in the Award Agreement to the extent that the Option is vested on the date of cessation of the Participant's Service Provider status (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement). In the absence of a specified time in the Award Agreement, the Option will remain exercisable for three (3) months following cessation of the Participant's Service Provider status. Unless otherwise provided by the Administrator, if on the date of cessation of the Participant's Service Provider status the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan. If, after cessation of the Participant's Service Provider status, the Participant does not exercise his or her Option within the time specified by the Administrator, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(iii) Disability of Participant. If a Participant ceases to be a Service Provider as a result of the Participant's Disability, the Participant may exercise his or her Option within such period of time as is specified in the Award Agreement to the extent the Option is vested on the date of cessation of the Participant's Service Provider status (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement). In the absence of a specified time in the Award Agreement, the Option will remain exercisable for twelve (12) months following cessation of the Participant's Service Provider status. Unless otherwise provided by the Administrator, if on the date of cessation of the Participant's Service Provider status the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan. If, after cessation of the Participant's Service Provider status, the Participant does not exercise his or her Option within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(iv) Death of Participant. If a Participant dies while a Service Provider, the Option may be exercised following the Participant's death within such period of time as is specified in the Award Agreement to the extent that the Option is vested on the date of death (but in no event may the Option be exercised later than the expiration of the term of such Option as set forth in the Award Agreement), by the Participant's designated beneficiary, provided the Administrator has permitted the designation of a beneficiary and provided such beneficiary has been designated prior to the Participant's death in a form acceptable to the Administrator. If the Administrator has not permitted the designation of a beneficiary or if no such beneficiary has been designated by the Participant, then such Option may be exercised by the personal representative of the Participant's estate or by the person(s) to whom the Option is transferred pursuant to the Participant's will or in accordance with the laws of descent and distribution. In the absence of a specified time in the Award Agreement, the Option will remain exercisable for twelve (12) months following the Participant's death. Unless otherwise provided by the Administrator, if at the time of death, the Participant is not

vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will immediately revert to the Plan. If the Option is not so exercised within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(v) Tolling Expiration. A Participant's Award Agreement may also provide that:

(1) if the exercise of the Option following the cessation of the Participant's status as a Service Provider (other than upon the Participant's death or Disability) would result in liability under Section 16(b), then the Option will terminate on the earlier of (A) the expiration of the term of the Option set forth in the Award Agreement, or (B) the tenth (10th) day after the last date on which such exercise would result in liability under Section 16(b); or

(2) if the exercise of the Option following the cessation of the Participant's status as a Service Provider (other than upon the Participant's death or Disability) would be prohibited at any time solely because the issuance of Shares would violate the registration requirements under the Securities Act, then the Option will terminate on the earlier of (A) the expiration of the term of the Option or (B) the expiration of a period of thirty (30) days after the cessation of the Participant's status as a Service Provider during which the exercise of the Option would not be in violation of such registration requirements.

7. Restricted Stock.

(a) Grant of Restricted Stock. Subject to the terms and provisions of the Plan, the Administrator, at any time and from time to time, may grant Shares of Restricted Stock to Service Providers in such amounts as the Administrator, in its sole discretion, will determine.

(b) Restricted Stock Agreement. Each Award of Restricted Stock will be evidenced by an Award Agreement that will specify any Period of Restriction, the number of Shares granted, and such other terms and conditions as the Administrator, in its sole discretion, will determine. Unless the Administrator determines otherwise, the Company as escrow agent will hold Shares of Restricted Stock until the restrictions on such Shares have lapsed.

(c) Transferability. Except as provided in this Section 7 or the Award Agreement, Shares of Restricted Stock may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated until the end of any applicable Period of Restriction.

(d) Other Restrictions. The Administrator, in its sole discretion, may impose such other restrictions on Shares of Restricted Stock as it may deem advisable or appropriate.

(e) Removal of Restrictions. Except as otherwise provided in this Section 7, Shares of Restricted Stock covered by each Restricted Stock grant made under the Plan will be released from escrow as soon as practicable after the last day of any applicable Period of Restriction or at such other time as the Administrator may determine. The Administrator, in its discretion, may accelerate the time at which any restrictions will lapse or be removed.

(f) Voting Rights. During any applicable Period of Restriction, Service Providers holding Shares of Restricted Stock granted hereunder may exercise full voting rights with respect to those Shares, unless the Administrator determines otherwise.

(g) Dividends and Other Distributions. During any applicable Period of Restriction, Service Providers holding Shares of Restricted Stock will be entitled to receive all dividends and other distributions paid with respect to such Shares, unless the Administrator provides otherwise. 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 Shares of Restricted Stock with respect to which they were paid.

(h) Return of Restricted Stock to Company. On the date set forth in the Award Agreement, the Restricted Stock for which restrictions have not lapsed will revert to the Company and again will become available for grant under the Plan.

8. Restricted Stock Units.

(a) Grant. Restricted Stock Units may be granted at any time and from time to time as determined by the Administrator. After the Administrator determines that it will grant Restricted Stock Units under the Plan, it will advise the Participant in an Award Agreement of the terms, conditions, and restrictions related to the grant, including the number of Restricted Stock Units.

(b) Vesting Criteria and Other Terms. The Administrator will set vesting criteria in its discretion, which, depending on the extent to which the criteria are met, will determine the number of Restricted Stock Units that will be paid out to the Participant. The Administrator may set vesting criteria based upon the achievement of Company-wide, divisional, business unit, or individual goals (including, but not limited to, continued employment or service), applicable federal or state securities laws or any other basis determined by the Administrator in its discretion.

(c) Earning Restricted Stock Units. Upon meeting the applicable vesting criteria, the Participant will be entitled to receive a payout as determined by the Administrator. Notwithstanding the foregoing, at any time after the grant of Restricted Stock Units, the Administrator, in its sole discretion, may reduce or waive any vesting criteria that must be met to receive a payout.

(d) Form and Timing of Payment. Payment of earned Restricted Stock Units will be made as soon as practicable after the date(s) determined by the Administrator and set forth in the Award Agreement. The Administrator, in its sole discretion, may settle earned Restricted Stock Units only in cash, Shares, or a combination of both.

(e) Cancellation. On the date set forth in the Award Agreement, all unearned Restricted Stock Units will be forfeited to the Company.

(f) Voting Rights, Dividend Equivalents and Distributions. Participants shall have no voting rights with respect to Shares represented by Restricted Stock Units until the date of the issuance of such Shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). However, the Administrator, in its discretion, may provide in the Award Agreement evidencing any Restricted Stock Unit Award that the Participant shall be entitled to receive Dividend Equivalents with respect to the payment of cash dividends on Shares having a record date prior to the date on which the Restricted Stock Units held by such Participant are settled or forfeited. Such Dividend Equivalents, if any, shall be paid by crediting the Participant with additional whole Restricted Stock Units as of the date of payment of such cash dividends on Shares. The number of additional Restricted Stock Units (rounded to the nearest whole number) to be so credited shall be determined by dividing (i) the amount of cash dividends paid on such date with respect to the number of Shares represented by the Restricted Stock Units previously credited to the Participant by (ii) the Fair Market Value per Share on such date. Such additional Restricted Stock Units shall be subject to the same terms and conditions, including but not limited to vesting conditions, and shall be settled in the same manner and at the same time as the Restricted Stock Units originally subject to the Restricted Stock Unit Award. Settlement of Dividend Equivalents may be made in cash, Shares, or a combination thereof as determined by the Administrator. In the event of a dividend or distribution paid in Shares or any other adjustment made upon a change in the capital structure of the Company as described in Section 13(a) appropriate adjustments shall be made in the Participant's Restricted Stock Unit Award so that it represents the right to receive upon settlement any and all new, substituted or additional securities or other property (other than normal cash dividends) to which the Participant would be entitled by reason of the Shares issuable upon settlement of the Award, and all such new, substituted or additional securities or other property shall be immediately subject to the same vesting conditions as are applicable to the Award.

9. Stock Appreciation Rights.

(a) Grant of Stock Appreciation Rights. Subject to the terms and conditions of the Plan, a Stock Appreciation Right may be granted to Service Providers at any time and from time to time as will be determined by the Administrator, in its sole discretion.

(b) Number of Shares. The Administrator will have complete discretion to determine the number of Stock Appreciation Rights granted to any Service Provider.

(c) Exercise Price and Other Terms. The per share exercise price for the Shares to be issued pursuant to exercise of a Stock Appreciation Right will be determined by the Administrator and will be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant. Otherwise, the Administrator, subject to the provisions of the Plan, will have complete discretion to determine the terms and conditions of Stock Appreciation Rights granted under the Plan.

(d) Stock Appreciation Right Agreement. Each Stock Appreciation Right grant will be evidenced by an Award Agreement that will specify the exercise price, the term of the Stock Appreciation Right, the conditions of exercise, and such other terms and conditions as the Administrator, in its sole discretion, will determine.

(e) Expiration of Stock Appreciation Rights. A Stock Appreciation Right granted under the Plan will expire upon the date as determined by the Administrator, in its sole discretion, and set forth in the Award Agreement. Notwithstanding the foregoing, the rules of Section 6(d) relating to the maximum term and Section 6(f) relating to exercise also will apply to Stock Appreciation Rights.

(f) Payment of Stock Appreciation Right Amount. Upon exercise of a Stock Appreciation Right, a Participant will be entitled to receive payment from the Company in an amount determined as the product of:

(i) The difference between the Fair Market Value of a Share on the date of exercise over the exercise price; and

(ii) The number of Shares with respect to which the Stock Appreciation Right is exercised.

At the discretion of the Administrator, the payment upon exercise of a Stock Appreciation Right may be in cash, in Shares of equivalent value, or in some combination of both.

10. Performance Units and Performance Shares.

(a) Grant of Performance Units/Shares. Performance Units and Performance Shares may be granted to Service Providers at any time and from time to time, as will be determined by the Administrator, in its sole discretion. The Administrator will have complete discretion in determining the number of Performance Units and Performance Shares granted to each Participant.

(b) Value of Performance Units/Shares. Each Performance Unit will have an initial value that is established by the Administrator on or before the date of grant. Each Performance Share will have an initial value equal to the Fair Market Value of a Share on the date of grant.

(c) Performance Objectives and Other Terms. The Administrator will set performance objectives or other vesting provisions (including, without limitation, continued status as a Service Provider) in its discretion which, depending on the extent to which they are met, will determine the number or value of Performance Units/Shares that will be paid out to the Service Providers. The time period during which the performance objectives or other vesting provisions must be met will be called the "Performance Period." Each Award of Performance Units/Shares will be evidenced by an Award Agreement that will specify the Performance Period, and such other terms and conditions as the Administrator, in its sole discretion, will determine. The Administrator may set performance objectives based upon the achievement of Company-wide, divisional, business unit or individual goals (including, but not limited to, continued employment or service), applicable federal or state securities laws, or any other basis determined by the Administrator in its discretion.

(d) Earning of Performance Units/Shares. After the applicable Performance Period has ended, the holder of Performance Units/Shares will be entitled to receive a payout of the number of Performance Units/Shares earned by the Participant over the Performance Period, to be

determined as a function of the extent to which the corresponding performance objectives or other vesting provisions have been achieved. After the grant of a Performance Unit/Share, the Administrator, in its sole discretion, may reduce or waive any performance objectives or other vesting provisions for such Performance Unit/Share.

(e) Form and Timing of Payment of Performance Units/Shares. Payment of earned Performance Units/Shares will be made as soon as practicable after the expiration of the applicable Performance Period. The Administrator, in its sole discretion, may pay earned Performance Units/Shares in the form of cash, in Shares (which have an aggregate Fair Market Value equal to the value of the earned Performance Units/Shares at the close of the applicable Performance Period) or in a combination thereof.

(f) Cancellation of Performance Units/Shares. On the date set forth in the Award Agreement, all unearned or unvested Performance Units/Shares will be forfeited to the Company, and again will be available for grant under the Plan.

(g) Voting Rights, Dividend Equivalents and Distributions. Participants shall have no voting rights with respect to Shares represented by Performance Units and/or Performance Shares until the date of the issuance of such Shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). However, the Administrator, in its discretion, may provide in the Award Agreement evidencing any Award of Performance Shares that the Participant shall be entitled to receive Dividend Equivalents with respect to the payment of cash dividends on Shares having a record date prior to the date on which the Performance Shares are settled or forfeited. Such Dividend Equivalents, if any, shall be paid by crediting the Participant with additional whole Performance Shares as of the date of payment of such cash dividends on Shares. The number of additional Performance Units or Performance Shares, as applicable, (rounded to the nearest whole number) to be so credited shall be determined by dividing (i) the amount of cash dividends paid on such date with respect to the number of Shares represented by the Performance Shares previously credited to the Participant by (ii) the Fair Market Value per Share on such date. Such additional Performance Shares shall be subject to the same terms and conditions, including but not limited to vesting conditions, and shall be settled in the same manner and at the same time (or as soon thereafter as practicable) as the Performance Units or Performance Shares, as applicable, originally subject to the Award of Performance Units or Performance Shares, as applicable. Settlement of Dividend Equivalents may be made in cash, Shares, or a combination thereof as determined by the Administrator, and may be paid on the same basis as settlement of the related Performance Share. Dividend Equivalents shall not be paid with respect to Performance Units. In the event of a dividend or distribution paid in Shares or any other adjustment made upon a change in the capital structure of the Company as described in Section 13(a) appropriate adjustments shall be made in the Participant's Award of Performance Shares so that it represents the right to receive upon settlement any and all new, substituted or additional securities or other property (other than normal cash dividends) to which the Participant would be entitled by reason of the Shares issuable upon settlement of the Award, and all such new, substituted or additional securities or other property shall be immediately subject to the same vesting conditions as are applicable to the Award.

11. Leaves of Absence/Transfer Between Locations. Unless the Administrator provides otherwise, vesting of Awards granted hereunder will be suspended during any unpaid leave of absence. A Participant will not cease to be an Employee in the case of (i) any leave of absence approved by the Company or (ii) transfers between locations of the Company or between the Company, its Parent, or any of its Subsidiaries. For purposes of Incentive Stock Options, no such leave may exceed three (3) months, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Company is not so guaranteed, then six (6) months following the first (1st) day of such leave any Incentive Stock Option held by the Participant will cease to be treated as an Incentive Stock Option and will be treated for tax purposes as a Nonstatutory Stock Option.

12. Transferability of Awards. Unless determined otherwise by the Administrator, an Award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent and distribution, and may be exercised, during the lifetime of the Participant, only by the Participant. If the Administrator makes an Award transferable, such Award will contain such additional terms and conditions as the Administrator deems appropriate.

13. Adjustments; Dissolution or Liquidation; Merger or Change in Control.

(a) Adjustments. In the event that any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, reclassification, repurchase, or exchange of Shares or other securities of the Company, or other change in the corporate structure of the Company affecting the Shares occurs (other than any ordinary dividends or other ordinary distributions), the Administrator, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the Plan, will adjust the number and class of shares of stock that may be delivered under the Plan and/or the number, class, and price of shares of stock covered by each outstanding Award, and the numerical Share limits in Section 3 of the Plan.

(b) Dissolution or Liquidation. In the event of a proposed dissolution or liquidation of the Company, the Administrator will notify each Participant as soon as practicable prior to the effective date of such proposed transaction. To the extent it has not been previously exercised, an Award will terminate immediately prior to the consummation of such proposed action.

(c) Merger or Change in Control. In the event of a merger of the Company with or into another corporation or other entity or a Change in Control, each outstanding Award will be treated as the Administrator determines (subject to the provisions of the following paragraph) without a Participant's consent, including, without limitation, that (i) Awards will be assumed, or substantially equivalent awards will be substituted, by the acquiring or succeeding corporation (or an affiliate thereof) with appropriate adjustments as to the number and kind of shares and prices; (ii) upon written notice to a Participant, that the Participant's Awards will terminate upon or immediately prior to the consummation of such merger or Change in Control; (iii) outstanding Awards will vest and become exercisable, realizable, or payable, or restrictions applicable to an

Award will lapse, in whole or in part prior to or upon consummation of such merger or Change in Control, and, to the extent the Administrator determines, terminate upon or immediately prior to the effectiveness of such merger or Change in Control; (iv) (A) the termination of an Award in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise of such Award or realization of the Participant's rights as of the date of the occurrence of the transaction (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction the Administrator determines in good faith that no amount would have been attained upon the exercise of such Award or realization of the Participant's rights, then such Award may be terminated by the Company without payment), or (B) the replacement of such Award with other rights or property selected by the Administrator in its sole discretion; or (v) any combination of the foregoing. In taking any of the actions permitted under this Section 13(c), the Administrator will not be obligated to treat all Participants, all Awards, all Awards held by a Participant, all Awards of the same type, or all portions of Awards, similarly in the transaction.

In the event that the successor corporation does not assume or substitute for the Award (or portion thereof), the Participant will fully vest in and have the right to exercise the Participant's outstanding Option and Stock Appreciation Right (or portion thereof) that is not assumed or substituted for, including Shares as to which such Award would not otherwise be vested or exercisable, all restrictions on Restricted Stock, Restricted Stock Units, Performance Shares and Performance Units (or portions thereof) not assumed or substituted for will lapse, and, with respect to such Awards with performance-based vesting (or portions thereof) not assumed or substituted for, all performance goals or other vesting criteria will be deemed achieved at one hundred percent (100%) of target levels and all other terms and conditions met, in each case, unless specifically provided otherwise under the applicable Award Agreement or other written agreement between the Participant and the Company or any of its Subsidiaries or Parents, as applicable. In addition, if an Option or Stock Appreciation Right (or portion thereof) is not assumed or substituted for in the event of a merger or Change in Control, the Administrator will notify the Participant in writing or electronically that such Option or Stock Appreciation Right (or its applicable portion) will be exercisable for a period of time determined by the Administrator in its sole discretion, and the Option or Stock Appreciation Right (or its applicable portion) will terminate upon the expiration of such period.

For the purposes of this subsection (c), an Award will be considered assumed if, following the merger or Change in Control, the Award confers the right to purchase or receive, for each Share subject to the Award immediately prior to the merger or Change in Control, the consideration (whether stock, cash, or other securities or property) received in the merger or Change in Control by holders of Common Stock for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the merger or Change in Control is not solely common stock of the successor corporation or its Parent, the Administrator may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of an Option or Stock Appreciation Right or upon the payout of a Restricted Stock Unit, Performance Unit or Performance Share, for each Share subject to such Award, to be solely common stock of the successor corporation or its Parent equal in fair market value to the per share consideration received by holders of Common Stock in the merger or Change in Control.

Notwithstanding anything in this subsection (c) to the contrary, and unless otherwise provided in an Award Agreement or other written agreement between the Participant and the Company or any of its Subsidiaries or Parents, as applicable, an Award that vests, is earned or paid-out upon the satisfaction of one or more performance goals will not be considered assumed if the Company or its successor modifies any of such performance goals without the Participant's consent; provided, however, a modification to such performance goals only to reflect the successor corporation's post-Change in Control corporate structure will not be deemed to invalidate an otherwise valid Award assumption.

Notwithstanding anything in this subsection (c) to the contrary, if a payment under an Award Agreement is subject to Section 409A and if the change in control definition contained in the Award Agreement or other written agreement related to the Award does not qualify as a "change in control event" within the meaning of Section 409A, then any payment of an amount that otherwise is accelerated under this Section will be delayed until the earliest time that such payment would be permissible under Section 409A without triggering any penalties applicable under Section 409A.

(d) Outside Director Awards. With respect to Awards granted to an Outside Director, in the event of a Change in Control, the Participant will fully vest in and have the right to exercise Options and/or Stock Appreciation Rights as to all of the Shares underlying such Award, including those Shares which would not be vested or exercisable, all restrictions on Restricted Stock and Restricted Stock Units will lapse, and, with respect to Awards with performance-based vesting, all performance goals or other vesting criteria will be deemed achieved at one hundred percent (100%) of target levels and all other terms and conditions met, unless specifically provided otherwise under the applicable Award Agreement or other written agreement between the Participant and the Company or any of its Subsidiaries or Parents, as applicable.

14. Tax.

(a) Withholding Requirements. Prior to the delivery of any Shares or cash pursuant to an Award (or exercise thereof) or such earlier time as any tax withholding obligations are due, the Company (or any of its Subsidiaries, Parents or affiliates employing or retaining the services of a Participant, as applicable) will have the power and the right to deduct or withhold, or require a Participant to remit to the Company (or any of its Subsidiaries, Parents or affiliates, as applicable), an amount sufficient to satisfy U.S. federal, state, and local, non-U.S., and other taxes (including the Participant's FICA or other social insurance contribution obligation) required to be withheld with respect to such Award (or exercise thereof).

(b) Withholding Arrangements. The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit a Participant to satisfy such tax withholding obligation, in whole or in part by (without limitation) (i) paying cash, check or other cash equivalents, (ii) electing to have the Company withhold otherwise deliverable cash or Shares having a fair market value equal to the minimum statutory amount required to be withheld or such greater amount (including up to a maximum statutory amount) as the Administrator may determine if such amount would not have adverse accounting consequences, as the Administrator determines in its sole discretion, (iii) delivering to the Company already-owned Shares having a fair

market value equal to the statutory amount required to be withheld or such greater amount (including up to a maximum statutory amount) as the Administrator may determine, in each case, provided the delivery of such Shares will not result in any adverse accounting consequences, as the Administrator determines in its sole discretion, (iv) selling a sufficient number of Shares otherwise deliverable to the Participant through such means as the Administrator may determine in its sole discretion (whether through a broker or otherwise) to satisfy any applicable withholding obligations, (v) any combination of the foregoing methods of payment, or (vi) any other method of withholding determined by the Administrator and, to the extent required by Applicable Laws or the Plan, approved by the Board or the Committee. The withholding amount will be deemed to include any amount which the Administrator agrees may be withheld at the time the election is made, not to exceed the amount determined by using the maximum statutory rates applicable to the Participant with respect to the Award on the date that the amount of tax to be withheld is to be determined or such greater amount as the Administrator may determine if such amount would not have adverse accounting consequences, as the Administrator determines in its sole discretion. The fair market value of the Shares to be withheld or delivered will be determined as of the date that the amount of taxes to be withheld is calculated.

(c) Compliance With Section 409A. Awards will be designed and operated in such a manner that they are either exempt from the application of, or comply with, the requirements of Section 409A such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Section 409A, except as otherwise determined in the sole discretion of the Administrator. The Plan and each Award Agreement under the Plan is intended to meet the requirements of Section 409A and will be construed and interpreted in accordance with such intent, except as otherwise determined in the sole discretion of the Administrator. To the extent that an Award or payment, or the settlement or deferral thereof, is subject to Section 409A the Award will be granted, paid, settled or deferred in a manner that will meet the requirements of Section 409A, such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Section 409A. In no event will the Company or any of its Subsidiaries or Parents have any obligation or liability under the terms of this Plan to reimburse, indemnify, or hold harmless any Participant or any other person in respect of Awards, for any taxes, interest or penalties imposed, or other costs incurred, as a result of Section 409A.

15. No Effect on Employment or Service. Neither the Plan nor any Award will confer upon a Participant any right with respect to continuing the Participant's relationship as a Service Provider, nor interfere in any way with the Participant's right or the right of the Company and its Subsidiaries or Parents, as applicable, to terminate such relationship at any time, with or without cause, to the extent permitted by Applicable Laws.

16. Date of Grant. The date of grant of an Award will be, for all purposes, the date on which the Administrator makes the determination granting such Award, or such other later date as is determined by the Administrator. Notice of the determination will be provided to each Participant within a reasonable time after the date of such grant.

17. Term of Plan. Subject to Section 21 of the Plan, the Plan will become effective upon the later to occur of (i) its adoption by the Board or (ii) the business day immediately prior to the Registration Date. It will continue in effect until terminated under Section 18, but no Incentive Stock Options may be granted after ten (10) years from the date adopted by the Board and Section 3(b) will operate only until the tenth (10th) anniversary of the date the Plan is adopted by the Board.

18. Amendment and Termination of the Plan.

(a) Amendment and Termination. The Administrator, at any time, may amend, alter, suspend or terminate the Plan.

(b) Stockholder Approval. The Company will obtain stockholder approval of any Plan amendment to the extent necessary and desirable to comply with Applicable Laws.

(c) Effect of Amendment or Termination. No amendment, alteration, suspension or termination of the Plan will materially impair the rights of any Participant, unless mutually agreed otherwise between the Participant and the Administrator, which agreement must be in writing and signed by the Participant and the Company. Termination of the Plan will not affect the Administrator's ability to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination.

19. Conditions Upon Issuance of Shares.

(a) Legal Compliance. Shares will not be issued pursuant to the exercise or vesting of an Award unless the exercise or vesting of such Award and the issuance and delivery of such Shares will comply with Applicable Laws and will be further subject to the approval of counsel for the Company with respect to such compliance.

(b) Investment Representations. As a condition to the exercise or vesting of an Award, the Company may require the person exercising or vesting in such Award to represent and warrant at the time of any such exercise or vesting that the Shares are being acquired only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required.

20. Inability to Obtain Authority. If the Company determines it to be impossible or impractical to obtain authority from any regulatory body having jurisdiction or to complete or comply with the requirements of any registration or other qualification of the Shares under any U.S. state or federal law or non-U.S. law or under the rules and regulations of the U.S. Securities and Exchange Commission, the stock exchange on which Shares of the same class are then listed, or any other governmental or regulatory body, which authority, registration, qualification or rule compliance is deemed by the Company's counsel to be necessary or advisable for the issuance and sale of any Shares hereunder, the Company will be relieved of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority, registration, qualification or rule compliance will not have been obtained.

21. Stockholder Approval. The Plan will be subject to approval by the stockholders of the Company within twelve (12) months after the date the Plan is adopted by the Board. Such stockholder approval will be obtained in the manner and to the degree required under Applicable Laws.

22. Forfeiture Events. The Administrator may specify in an Award Agreement that the Participant's rights, payments, and benefits with respect to an Award will be subject to reduction, cancellation, forfeiture, recoupment, reimbursement, or reacquisition upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Notwithstanding any provisions to the contrary under this Plan, an Award will be subject to the Company's clawback policy as may be established and/or amended from time to time to comply with Applicable Laws (including without limitation pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as may be required by the Dodd-Frank Wall Street Reform and Consumer Protection Act) (the "Clawback Policy"). The Administrator may require a Participant to forfeit, return or reimburse the Company all or a portion of the Award and any amounts paid thereunder pursuant to the terms of the Clawback Policy or as necessary or appropriate to comply with Applicable Laws. Unless this Section 22 specifically is mentioned and waived in an Award Agreement or other document, no recovery of compensation under a Clawback Policy or otherwise will constitute an event that triggers or contributes to any right of a Participant to resign for "good reason" or "constructive termination" (or similar term) under any agreement with the Company or any Parent or Subsidiary of the Company.

CRICUT, INC.
2021 EQUITY INCENTIVE PLAN
RESTRICTED STOCK AWARD AGREEMENT

NOTICE OF RESTRICTED STOCK GRANT

Unless otherwise defined herein, the terms defined in the Cricut, Inc. 2021 Equity Incentive Plan (the "Plan") will have the same defined meanings in this Restricted Stock Award Agreement which includes the Notice of Restricted Stock Grant (the "Notice of Grant"), the Terms and Conditions of Restricted Stock Grant, attached hereto as Exhibit A, and all appendices and exhibits attached thereto (all together, the "Award Agreement").

Participant:

Address:

The undersigned Participant has been granted the right to receive an Award of Shares of Restricted Stock, subject to the terms and conditions of the Plan and this Award Agreement, as follows:

Grant Number: _____

Date of Grant: _____

Vesting Commencement Date: _____

Number of Shares of Restricted Stock: _____

Vesting Schedule:

Subject to any acceleration provisions contained in the Plan or set forth below, the Shares of Restricted Stock will vest, and the Company's right to reacquire the Restricted Stock will lapse, in accordance with the following schedule:

[Twenty-five percent (25%) of the Shares will vest on the one (1)-year anniversary of the Vesting Commencement Date, and one sixteenth (1/16th) of the Shares will vest on each Quarterly Vesting Date (as defined below) thereafter, subject to Participant continuing to be a Service Provider through each such date.**]**

In addition, if Participant's employment is terminated by the Company or any Parent or Subsidiary of the Company due to Participant's death or Disability, one hundred percent (100%) of the then-unvested Shares will immediately vest.

A "Quarterly Vesting Date" is the first trading day on or after each of February 15, May 15, August 15, and November 15.

In the event Participant ceases to be a Service Provider for any or no reason (other than a termination of Participant's employment by the Company or any Parent or Subsidiary of the Company due to Participant's death or Disability) before Participant vests in the Shares of Restricted Stock, the Shares of Restricted Stock will immediately be forfeited to the Company at no cost to the Company in accordance with Section 5 below.

By Participant's signature and the signature of the representative of the Company below, Participant and the Company agree that this Award of Restricted Stock is granted under and governed by the terms and conditions of the Plan and this Award Agreement, including the Terms and Conditions of Restricted Stock Grant, attached hereto as Exhibit A, all of which are made a part of this document. Participant acknowledges receipt of a copy of the Plan. Participant has reviewed the Plan and this Award Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Award Agreement and fully understands all provisions of the Plan and this Award Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and the Award Agreement. Participant further agrees to notify the Company upon any change in the residence address indicated below.

By signing this Award Agreement, Participant is agreeing to arbitration of any disputes related to this Award Agreement and of any disputes related to Participant's employment relationship with the Company or any Parent or Subsidiary of the Company, as provided in Section 27.

PARTICIPANT	CRICUT, INC.
Signature	Signature
Print Name	Print Name
	Title

EXHIBIT A

TERMS AND CONDITIONS OF RESTRICTED STOCK GRANT

1. Grant of Shares of Restricted Stock. The Company hereby grants to the individual ("Participant") named in the Notice of Restricted Stock Grant (the "Notice of Grant") under the Plan an Award of Shares of Restricted Stock, subject to all of the terms and conditions in this Award Agreement and the Plan, which is incorporated herein by reference. Subject to Section 18(c) of the Plan, in the event of a conflict between the terms and conditions of the Plan and this Award Agreement, the terms and conditions of the Plan will prevail.

2. Escrow of Shares.

(a) All Shares of Restricted Stock will, upon execution of this Award Agreement, be delivered and deposited with an escrow holder designated by the Company (the "Escrow Holder"). The Shares of Restricted Stock will be held by the Escrow Holder until such time as the Shares of Restricted Stock vest or the date Participant ceases to be a Service Provider.

(b) The Escrow Holder will not be liable for any act it may do or omit to do with respect to holding the Shares of Restricted Stock in escrow while acting in good faith and in the exercise of its judgment.

(c) Upon Participant's termination as a Service Provider for any reason, the Escrow Holder, upon receipt of written notice of such termination, will take all steps necessary to accomplish the transfer of the unvested Shares of Restricted Stock to the Company. Participant hereby appoints the Escrow Holder with full power of substitution, as Participant's true and lawful attorney-in-fact with irrevocable power and authority in the name and on behalf of Participant to take any action and execute all documents and instruments, including, without limitation, stock powers which may be necessary to transfer the certificate or certificates evidencing such unvested Shares of Restricted Stock to the Company upon such termination.

(d) The Escrow Holder will take all steps necessary to accomplish the transfer of Shares of Restricted Stock to Participant after they vest following Participant's request that the Escrow Holder do so.

(e) Subject to the terms hereof, Participant will have all the rights of a stockholder with respect to the Shares while they are held in escrow, including without limitation, the right to vote the Shares and to receive any cash dividends declared thereon.

(f) In the event of any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, or other change in the corporate structure of the Company affecting the Shares, the Shares of Restricted Stock will be increased, reduced or otherwise changed, and by virtue of any such change Participant will in his or her capacity as owner of unvested

Shares of Restricted Stock be entitled to new or additional or different shares of stock, cash or securities (other than rights or warrants to purchase securities); such new or additional or different shares, cash or securities will thereupon be considered to be unvested Shares of Restricted Stock and will be subject to all of the conditions and restrictions which were applicable to the unvested Shares of Restricted Stock pursuant to this Award Agreement. If Participant receives rights or warrants with respect to any unvested Shares of Restricted Stock, such rights or warrants may be held or exercised by Participant, provided that until such exercise any such rights or warrants and after such exercise any shares or other securities acquired by the exercise of such rights or warrants will be considered to be unvested Shares of Restricted Stock and will be subject to all of the conditions and restrictions which were applicable to the unvested Shares of Restricted Stock pursuant to this Award Agreement. The Administrator in its absolute discretion at any time may accelerate the vesting of all or any portion of such new or additional shares of stock, cash or securities, rights or warrants to purchase securities or shares or other securities acquired by the exercise of such rights or warrants.

(g) The Company may instruct the transfer agent for its Common Stock to place a legend on the certificates representing the Restricted Stock or otherwise note its records as to the restrictions on transfer set forth in this Award Agreement.

3. Vesting Schedule. Except as provided in Section 4, and subject to Section 5, the Shares of Restricted Stock awarded by this Award Agreement will vest in accordance with the vesting provisions set forth in the Notice of Grant, subject to Participant continuously being a Service Provider through each applicable vesting date.

4. Administrator Discretion. The Administrator, in its discretion, may accelerate the vesting of the balance, or some lesser portion of the balance, of the unvested Restricted Stock at any time, subject to the terms of the Plan. If so accelerated, such Restricted Stock will be considered as having vested as of the date specified by the Administrator.

5. Forfeiture Upon Termination as a Service Provider. Unless specifically provided otherwise in this Award Agreement or other written agreement between Participant and the Company or any of its Subsidiaries or Parents, as applicable, if Participant ceases to be a Service Provider for any or no reason, the balance of the Shares of Restricted Stock that have not vested as of the time Participant ceases to be a Service Provider for any or no reason will be forfeited and automatically transferred to and reacquired by the Company at no cost to the Company upon the date of such termination and Participant will have no further rights thereunder. Participant hereby appoints the Escrow Agent with full power of substitution, as Participant's true and lawful attorney-in-fact with irrevocable power and authority in the name and on behalf of Participant to take any action and execute all documents and instruments, including, without limitation, stock powers which may be necessary to transfer the certificate or certificates evidencing such unvested Shares to the Company upon such termination of service.

6. Death of Participant. Any distribution or delivery to be made to Participant under this Award Agreement will, if Participant is then deceased, be made to Participant's designated beneficiary, or if no beneficiary survives Participant, the administrator or executor of Participant's estate. Any such transferee must furnish the Company with (a) written notice of his or her status as

transferee, and (b) evidence satisfactory to the Company to establish the validity of the transfer and compliance with any laws or regulations pertaining to said transfer.

7. Tax Obligations

(a) Responsibility for Taxes. Participant acknowledges that, regardless of any action taken by the Company or, if different, Participant's employer (the "Employer") or any Parent or Subsidiary to which Participant is providing services (together, the Company, Employer and/or Parent or Subsidiary to which Participant is providing services, the "Service Recipient"), the ultimate liability for any tax and/or social insurance liability obligations and requirements in connection with the Shares of Restricted Stock, including, without limitation, (i) all federal, state, and local taxes (including the Participant's Federal Insurance Contributions Act (FICA) obligation) that are required to be withheld by the Company or the Service Recipient or other payment of tax-related items related to Participant's participation in the Plan and legally applicable to Participant, (ii) the Participant's and, to the extent required by the Company (or Service Recipient), the Company's (or Service Recipient's) fringe benefit tax liability, if any, associated with the grant, vesting or release from escrow of the Shares of Restricted Stock, the filing of an 83(b) election with respect to the Shares of Restricted Stock, or the sale of Shares, and (iii) any other Company (or Service Recipient) taxes the responsibility for which the Participant has, or has agreed to bear, with respect to the Shares of Restricted Stock (or exercise thereof or issuance of Shares thereunder) (collectively, the "Tax Obligations"), is and remains Participant's responsibility and may exceed the amount actually withheld by the Company or the Service Recipient. Participant further acknowledges that the Company and/or the Service Recipient (A) make no representations or undertakings regarding the treatment of any Tax Obligations in connection with any aspect of the Shares of Restricted Stock, including, but not limited to, the grant, vesting or release from escrow of the Shares of Restricted Stock, the filing of an 83(b) election with respect to the Shares of Restricted Stock, the subsequent sale of Shares acquired pursuant to this Award Agreement and the receipt of any dividends or other distributions, and (B) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Award of Restricted Stock to reduce or eliminate Participant's liability for Tax Obligations or achieve any particular tax result. Further, if Participant is subject to Tax Obligations in more than one jurisdiction between the Date of Grant and the date of any relevant taxable or tax withholding event, as applicable, Participant acknowledges that the Company and/or the Service Recipient (or former employer, as applicable) may be required to withhold or account for Tax Obligations in more than one jurisdiction. If Participant fails to make satisfactory arrangements for the payment of any required Tax Obligations hereunder at the time of the applicable taxable event, Participant acknowledges and agrees that the Company may refuse to issue or deliver the Shares. Participant understands that Section 83 of the Code, taxes as ordinary income the fair market value of the Shares as of each vesting date. If Participant is a U.S. taxpayer, Participant understands that Participant may elect, for purposes of U.S. tax law, to be taxed at the time the Shares are granted rather than when such Shares vest by filing an election under Section 83(b) of the Code (the "83(b) Election") with the IRS within thirty (30) days from the date of grant of the Restricted Stock Award.

(b) Tax Withholding. Notwithstanding any contrary provision of this Award Agreement, no certificate representing the Shares of Restricted Stock may be released from the escrow established pursuant to Section 2, unless and until satisfactory arrangements (as determined by the Administrator) will have been made by Participant with respect to the payment of all Tax Obligations. When Shares of Restricted Stock are vested, Participant generally will recognize immediate U.S. taxable income if Participant is a U.S. taxpayer. If Participant is a non-U.S. taxpayer, Participant will be subject to applicable taxes in his or her jurisdiction. Pursuant to such procedures as the Administrator may specify from time to time, the Company and/or Service Recipient shall withhold the amount required to be withheld for the payment of Tax Obligations. The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit or require Participant to satisfy such Tax Obligations, in whole or in part (without limitation), if permissible by applicable local law, and Participant authorizes the Administrator to satisfy, by (i) paying cash, (ii) electing to have the Company withhold otherwise deliverable Shares having a fair market value equal to the minimum amount that is necessary to meet the withholding requirement for such Tax Obligations (or such greater amount as Participant may elect if permitted by the Administrator, if such greater amount would not result in adverse financial accounting consequences), (iii) withholding the amount of such Tax Obligations from Participant's wages or other cash compensation paid to Participant by the Company and/or the Service Recipient, (iv) delivering to the Company already vested and owned Shares having a fair market value equal to such Tax Obligations (or such greater amount as Participant may elect if permitted by the Administrator, if such greater amount would not result in adverse financial accounting consequences), (v) selling a sufficient number of such Shares otherwise deliverable to Participant through such means as the Company may determine in its sole discretion (whether through a broker or otherwise) equal to the minimum amount that is necessary to meet the withholding requirement for such Tax Obligations (or such greater amount as Participant may elect if permitted by the Administrator, if such greater amount would not result in adverse financial accounting consequences), or (vi) such other means as the Administrator deems appropriate. To the extent determined appropriate by the Administrator in its discretion, the Administrator will have the right (but not the obligation) to satisfy any Tax Obligations by reducing the number of Shares otherwise deliverable to Participant and, until determined otherwise by the Company, this will be the method by which such Tax Obligations are satisfied. Further, if Participant is subject to tax in more than one jurisdiction between the Date of Grant and a date of any relevant taxable or tax withholding event, as applicable, Participant acknowledges and agrees that the Company and/or the Service Recipient (and/or former employer, as applicable) may be required to withhold or account for tax in more than one jurisdiction.

(c) Company's Obligation to Deliver Shares. For clarification purposes, in no event will the Company release Shares from the escrow established pursuant to Section 2 unless and until arrangements satisfactory to the Administrator have been made for the payment of Participant's Tax Obligations. If Participant fails to make satisfactory arrangements for the payment of such Tax Obligations hereunder at the time any applicable Shares of Restricted Stock otherwise are scheduled to vest pursuant to Sections 3 or 4, at the time Participant files a timely 83(b) Election with the IRS, or Participant's Tax Obligations otherwise become due, Participant will permanently forfeit such Shares of Restricted Stock to which Participant's Tax Obligation relates and any right to receive

Shares thereunder and such Shares of Restricted Stock will be returned to the Company at no cost to the Company. Participant acknowledges and agrees that the Company may refuse to issue or deliver the Shares if such Tax Obligations are not delivered at the time they are due.

8. Rights as Stockholder. Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares (which may be in book entry form) will have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to Participant (including through electronic delivery to a brokerage account) or the Escrow Agent. After such issuance, recordation and delivery, Participant will have all the rights of a stockholder of the Company with respect to voting such Shares and receipt of dividends and distributions on such Shares. Except as provided in Section 2(f), after such issuance, recordation and delivery, Participant will have all the rights of a stockholder of the Company with respect to voting such Shares and receipt of dividends and distributions on such Shares.

9. No Guarantee of Continued Service. PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF THE SHARES OF RESTRICTED STOCK PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER, WHICH UNLESS PROVIDED OTHERWISE UNDER APPLICABLE LAW IS AT THE WILL OF THE COMPANY (OR THE SERVICE RECIPIENT) AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS RESTRICTED STOCK AWARD OR ACQUIRING SHARES HEREUNDER. PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS AWARD AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND WILL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE RIGHT OF THE COMPANY (OR THE SERVICE RECIPIENT) TO TERMINATE PARTICIPANT'S RELATIONSHIP AS A SERVICE PROVIDER, SUBJECT TO APPLICABLE LAW, WHICH TERMINATION, UNLESS PROVIDED OTHERWISE UNDER APPLICABLE LAW, MAY BE AT ANY TIME, WITH OR WITHOUT CAUSE.

10. Grant is Not Transferable. Except for the escrow described in Section 2 or transfer of the Shares to the Company or its assignees contemplated by this Award Agreement, and except to the limited extent provided in Section 6, the unvested Shares subject to this Award Agreement and the rights and privileges conferred hereby will not be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and will not be subject to sale under execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of any unvested Shares of Restricted Stock subject to this grant, or any right or privilege conferred hereby, or upon any attempted sale under any execution, attachment or similar process, this grant and the rights and privileges conferred hereby immediately will become null and void.

11. Nature of Grant. In accepting this Award of Restricted Stock, Participant acknowledges, understands and agrees that:

(a) the grant of the Shares of Restricted Stock is voluntary and occasional and does not create any contractual or other right to receive future grants of Shares of Restricted Stock, or

benefits in lieu of Shares of Restricted Stock, even if Shares of Restricted Stock have been granted in the past;

(b) all decisions with respect to future grants of Restricted Stock or other grants, if any, will be at the sole discretion of the Administrator;

(c) Participant is voluntarily participating in the Plan;

(d) the Shares of Restricted Stock are not intended to replace any pension rights or compensation;

(e) the Shares of Restricted Stock, and the income and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;

(f) the future value of the underlying Shares is unknown, indeterminable and cannot be predicted;

(g) for purposes of the Shares of Restricted Stock, Participant's status as a Service Provider will be considered terminated as of the date Participant is no longer actively providing services to the Company or any Parent or Subsidiary (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any), and unless otherwise expressly provided in this Award Agreement (including by reference in the Notice of Grant to other arrangements or contracts) or determined by the Administrator, Participant's right to vest in the Shares of Restricted Stock under the Plan, if any, will terminate as of such date and will not be extended by any notice period (e.g., Participant's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any, unless Participant is providing bona fide services during such time); the Administrator shall have the exclusive discretion to determine when Participant is no longer actively providing services for purposes of the Restricted Stock Award (including whether Participant may still be considered to be providing services while on a leave of absence and consistent with local law);

(h) unless otherwise provided in the Plan or by the Administrator in its discretion, the Shares of Restricted Stock and the benefits evidenced by this Award Agreement do not create any entitlement to have the Shares of Restricted Stock or any such benefits transferred to, or assumed by, another company nor be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares; and

(i) Participant understands and agrees that neither the offer to participate in the Plan, nor his or her participation in the Plan, will be interpreted to form an employment contract or relationship with the Company or any Subsidiary, as applicable, and furthermore, nothing in the Plan,

this Award Agreement nor Participant's participation in the Plan will be interpreted to form an employment contract with the Company or any Subsidiary, as applicable.

12. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Participant's participation in the Plan, or Participant's acquisition or sale of the underlying Shares. Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

13. Address for Notices. Any notice to be given to the Company under the terms of this Award Agreement will be addressed to the Company at Cricut, Inc., 10855 South River Front Parkway, South Jordan, Utah 84095, or at such other address as the Company may hereafter designate in writing.

14. Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to the Shares of Restricted Stock awarded under the Plan or future Shares of Restricted Stock that may be awarded under the Plan by electronic means or request Participant's consent to participate in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or electronic system established and maintained by the Company or a third party designated by the Company.

15. No Waiver. Either party's failure to enforce any provision or provisions of this Award Agreement shall not in any way be construed as a waiver of any such provision or provisions, nor prevent that party from thereafter enforcing each and every other provision of this Award Agreement. The rights granted both parties herein are cumulative and shall not constitute a waiver of either party's right to assert all other legal remedies available to it under the circumstances.

16. Successors and Assigns. The Company may assign any of its rights under this Award Agreement to single or multiple assignees, and this Award Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Award Agreement shall be binding upon Participant and his or her heirs, executors, administrators, successors and assigns. The rights and obligations of Participant under this Award Agreement may be assigned only with the prior written consent of the Company.

17. Additional Conditions to Issuance of Stock. If at any time the Company will determine, in its discretion, that the listing, registration, qualification or rule compliance of the Shares upon any securities exchange or under any state, federal or non-U.S. law, the tax code and related regulations or under the rulings or regulations of the United States Securities and Exchange Commission or any other governmental regulatory body or the clearance, consent or approval of the United States Securities and Exchange Commission or any other governmental regulatory authority is necessary or desirable as a condition to the issuance of Shares to Participant (or his or her estate) or the Escrow Holder hereunder, such issuance will not occur unless and until such listing, registration, qualification, rule compliance, clearance, consent or approval will have been completed, effected or obtained free of any conditions not acceptable to the Company. Subject to the terms of this Award

Agreement and the Plan, the Company shall not be required to deliver any certificate or certificates for (or make any entry on the books of the Company or of a duly authorized transfer agent of the Company of) the Shares hereunder prior to the lapse of such reasonable period of time following the date of vesting of the Shares of Restricted Stock as the Administrator may establish from time to time for reasons of administrative convenience

18. Interpretation. The Administrator will have the power to interpret the Plan and this Award Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any Shares of Restricted Stock have vested). All actions taken and all interpretations and determinations made by the Administrator in good faith will be final and binding upon Participant, the Company and all other interested persons. Neither the Administrator nor any person acting on behalf of the Administrator will be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or this Award Agreement.

19. Captions. Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Award Agreement.

20. Amendment, Suspension or Termination of the Plan. By accepting this Award, Participant expressly warrants that he or she has received an Award of Restricted Stock under the Plan, and has received, read and understood a description of the Plan. Participant understands that the Plan is discretionary in nature and may be amended, suspended or terminated by the Administrator at any time.

21. Agreement Severable. In the event that any provision in this Award Agreement will be held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of this Award Agreement.

22. Modifications to the Award Agreement. This Award Agreement constitutes the entire understanding of the parties on the subjects covered. Participant expressly warrants that he or she is not accepting this Award Agreement in reliance on any promises, representations, or inducements other than those contained herein. Modifications to this Award Agreement or the Plan can be made only in an express written contract executed by a duly authorized officer of the Company. Notwithstanding anything to the contrary in the Plan or this Award Agreement, the Company reserves the right to revise this Award Agreement as it deems necessary or advisable, in its sole discretion and without the consent of Participant, to comply with Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A in connection with this Award of Shares of Restricted Stock.

23. Governing Law and Venue. This Award Agreement will be governed by the laws of Utah, without giving effect to the conflict of law principles thereof. For purposes of litigating any dispute that arises under this Restricted Stock Award or this Award Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Utah, and agree that such litigation will be

conducted in the courts of Salt Lake County, Utah, or the federal courts for the District of Utah, and no other courts, where this Award Agreement is made and/or to be performed.

24. Entire Agreement. The Plan is incorporated herein by reference. The Plan and this Award Agreement (including the appendices and exhibits referenced herein) constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof, and may not be modified adversely to the Participant's interest except by means of a writing signed by the Company and Participant.

25. Country Addendum. Notwithstanding any provisions in this Award Agreement, the Restricted Stock grant shall be subject to any special terms and conditions set forth in an appendix (if any) to this Award Agreement for any country whose laws are applicable to Participant and this Award of Restricted Stock (as determined by the Administrator in its sole discretion) (the "Country Addendum"). Moreover, if Participant relocates to one of the countries included in the Country Addendum (if any), the special terms and conditions for such country will apply to Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Country Addendum (if any) constitutes a part of this Award Agreement.

26. Tax Consequences. Participant has reviewed with his or her own tax advisors the U.S. federal, state, local and non-U.S. tax consequences of this investment and the transactions contemplated by this Award Agreement. With respect to such matters, Participant relies solely on such advisors and not on any statements or representations of the Company or any of its agents, written or oral. Participant understands that Participant (and not the Company) shall be responsible for Participant's own tax liability that may arise as a result of this investment or the transactions contemplated by this Award Agreement.

27. ARBITRATION. THE PARTIES AGREE THAT ANY AND ALL DISPUTES ARISING OUT OF THE TERMS OF THIS AWARD AGREEMENT, THEIR INTERPRETATION, PARTICIPANT'S EMPLOYMENT WITH THE COMPANY OR THE SERVICE REPICIPIENT OR THE TERMS OF EMPLOYMENT THEREOF, AND ANY OF THE MATTERS HEREIN RELEASED, SHALL BE SUBJECT TO BINDING ARBITRATION UNDER THE FEDERAL ARBITRATION ACT (THE "FAA"). THE FAA'S SUBSTANTIVE AND PROCEDURAL RULES SHALL GOVERN AND APPLY TO THIS ARBITRATION AGREEMENT WITH FULL FORCE AND EFFECT, AND ANY STATE COURT OF COMPETENT JURISDICTION MAY STAY PROCEEDINGS PENDING ARBITRATION OR COMPEL ARBITRATION IN THE SAME MANNER AS A FEDERAL COURT UNDER THE FAA. EMPLOYEE AGREES THAT, TO THE FULLEST EXTENT PERMITTED BY LAW, EMPLOYEE MAY BRING ANY SUCH ARBITRATION PROCEEDING ONLY IN EMPLOYEE'S INDIVIDUAL CAPACITY. ANY ARBITRATION WILL OCCUR IN UTAH, BEFORE JAMS, PURSUANT TO ITS EMPLOYMENT ARBITRATION RULES & PROCEDURES ("JAMS RULES"), EXCEPT AS EXPRESSLY PROVIDED IN THIS SECTION 27. THE PARTIES AGREE THAT THE ARBITRATOR SHALL HAVE THE POWER TO DECIDE ANY MOTIONS BROUGHT BY ANY PARTY TO THE ARBITRATION, INCLUDING MOTIONS FOR SUMMARY JUDGMENT AND/OR ADJUDICATION, AND MOTIONS TO DISMISS AND DEMURRERS, APPLYING THE STANDARDS SET FORTH UNDER THE UTAH RULES OF CIVIL PROCEDURE. THE PARTIES AGREE THAT THE ARBITRATOR SHALL ISSUE A WRITTEN DECISION ON THE MERITS. THE PARTIES ALSO AGREE THAT THE ARBITRATOR SHALL HAVE THE POWER TO AWARD ANY REMEDIES AVAILABLE UNDER APPLICABLE LAW, AND THAT THE ARBITRATOR MAY AWARD ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY, WHERE PERMITTED BY APPLICABLE LAW. THE ARBITRATOR MAY GRANT INJUNCTIONS AND OTHER RELIEF IN SUCH DISPUTES. THE ARBITRATOR SHALL APPLY SUBSTANTIVE UTAH LAW TO ANY DISPUTE OR CLAIM, WITHOUT REFERENCE TO ANY CONFLICT-OF-LAW PROVISIONS OF ANY JURISDICTION. THE DECISION OF THE ARBITRATOR SHALL BE FINAL, CONCLUSIVE, AND BINDING ON THE PARTIES TO THE ARBITRATION. THE PARTIES AGREE THAT THE PREVAILING PARTY IN ANY ARBITRATION SHALL BE ENTITLED TO INJUNCTIVE RELIEF IN ANY COURT OF COMPETENT JURISDICTION TO ENFORCE THE ARBITRATION AWARD. THE PARTIES TO THE ARBITRATION SHALL EACH PAY AN EQUAL SHARE OF THE COSTS AND EXPENSES OF SUCH ARBITRATION, AND EACH PARTY SHALL SEPARATELY PAY FOR ITS RESPECTIVE COUNSEL FEES AND EXPENSES; PROVIDED, HOWEVER, THAT THE ARBITRATOR SHALL AWARD ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY, EXCEPT AS PROHIBITED BY LAW. THE PARTIES HEREBY AGREE TO WAIVE THEIR RIGHT TO HAVE ANY DISPUTE BETWEEN THEM RESOLVED IN A COURT OF LAW BY A JUDGE OR JURY. NOTWITHSTANDING THE FOREGOING, THIS SECTION WILL NOT PREVENT EITHER PARTY FROM SEEKING INJUNCTIVE RELIEF (OR ANY OTHER PROVISIONAL REMEDY) FROM ANY COURT HAVING JURISDICTION OVER THE PARTIES AND THE SUBJECT MATTER OF THEIR DISPUTE RELATING TO THE PLAN, THIS AWARD AGREEMENT, AND THE AGREEMENTS INCORPORATED HEREIN BY REFERENCE. SHOULD ANY PART OF THE ARBITRATION AGREEMENT CONTAINED IN THIS PARAGRAPH CONFLICT WITH ANY OTHER ARBITRATION AGREEMENT BETWEEN THE PARTIES, THE PARTIES AGREE THAT THIS ARBITRATION AGREEMENT SHALL GOVERN.

CRICUT, INC.
2021 EQUITY INCENTIVE PLAN
RESTRICTED STOCK AWARD AGREEMENT
COUNTRY ADDENDUM

TERMS AND CONDITIONS

This Country Addendum includes additional terms and conditions that govern the Award of Restricted Stock granted to Participant under the Plan if Participant works in one of the countries listed below. If Participant is a citizen or resident of a country (or is considered as such for local law purposes) other than the one in which he or she is currently working or if Participant relocates to another country after receiving the Award of Restricted Stock, the Company will, in its discretion, determine the extent to which the terms and conditions contained herein will be applicable to Participant.

Certain capitalized terms used but not defined in this Country Addendum shall have the meanings set forth in the Plan, and/or the Restricted Stock Award Agreement to which this Country Addendum is attached.

NOTIFICATIONS

This Country Addendum also includes notifications relating to exchange control and other issues of which Participant should be aware with respect to his or her participation in the Plan. The information is based on the exchange control, securities and other laws in effect in the countries listed in this Country Addendum, as of March 2021. Such laws are often complex and change frequently. As a result, the Company strongly recommends that Participant not rely on the notifications herein as the only source of information relating to the consequences of his or her participation in the Plan because the information may be outdated when Participant is issued or vests in the Shares of Restricted Stock, or when Participant subsequently sells the Shares.

In addition, the notifications are general in nature and may not apply to Participant's particular situation, and the Company is not in a position to assure Participant of any particular result. Accordingly, Participant is advised to seek appropriate professional advice as to how the relevant laws in Participant's country may apply to Participant's situation.

Finally, if Participant is a citizen or resident of a country other than the one in which Participant is currently working (or is considered as such for local law purposes) or if Participant moves to another country after receiving the Award of Restricted Stock, the information contained herein may not be applicable to Participant.

Participant acknowledges that Participant has been advised to seek appropriate professional advice as to how the relevant exchange control and tax laws in Participant's country may apply to his or her individual situation.

GLOBAL PROVISIONS APPLICABLE TO PARTICIPANTS IN ALL COUNTRIES OTHER THAN THE UNITED STATES

1. Foreign Exchange Considerations. Participant understands and agrees that neither the Company nor any Parent, Subsidiary or the Service Recipient shall be liable for any foreign exchange rate fluctuation between Participant's local currency and the U.S. dollar that may affect the value of the Shares of Restricted Stock, or of any amounts due to Participant under the Plan or as a result of vesting in his or her Shares of Restricted Stock and/or the subsequent sale of any Shares acquired under the Plan. Participant agrees and acknowledges that he or she will bear any and all risk associated with the exchange or fluctuation of currency associated with his or her participation in the Plan. Participant acknowledges and agrees that Participant may be responsible for reporting inbound transactions or fund transfers that exceed a certain amount. Participant is advised to seek appropriate professional advice as to how the exchange control regulations apply to his or her Shares of Restricted Stock and Participant's specific situation and understands that the relevant laws and regulations can change frequently and occasionally on a retroactive basis.

2. Additional Participant Acknowledgements. By electing to participate in the Plan, Participant acknowledges, understands and agrees that:

(a) the Shares of Restricted Stock are not part of normal or expected compensation or salary for any purpose; and

(b) no claim or entitlement to compensation or damages shall arise from forfeiture of the Shares of Restricted Stock resulting from the termination of Participant's status as a Service Provider (for any reason whatsoever whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any), and in consideration of the grant of the Shares of Restricted Stock to which Participant is otherwise not entitled, Participant irrevocably agrees never to institute any claim against the Company, any Parent or Subsidiary or the Service Recipient, waives his or her ability, if any, to bring any such claim, and releases the Company, any Parent or Subsidiary and the Service Recipient from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim.

3. ***Data Privacy. Participant understands that the Company may collect, where permissible under applicable law certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Shares of Restricted Stock granted under the Plan or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan. Participant understands that Company may transfer Participant's Data to the United States, which may have different, including less stringent, data protection laws than the***

laws in Participant's country. Participant understands that the Company will transfer Participant's Data to its designated broker, Shareworks, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that a recipient's country of operation (e.g., the United States) may have different, including less stringent, data privacy laws that Participant's jurisdiction does not consider to be equivalent to the protections in Participant's country. Participant understands that he or she may request a list with the names and addresses of any potential recipients of the Data by contacting Participant's local human resources representative. Participant authorizes the Company, the Company's designated broker and any other possible recipients which may assist the Company with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing Participant's participation in the Plan. Participant understands that Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Plan. Participant understands that that he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing Participant's local human resources representative. Further, Participant understands that he or she is providing the consent herein on a purely voluntary basis. If Participant does not consent, or if Participant later seeks to revoke Participant's consent, Participant's employment status or career with the Company will not be adversely affected; the only adverse consequence of refusing or withdrawing Participant's consent is that the Company would not be able to grant Participant awards under the Plan or other equity awards, or administer or maintain such awards. Therefore, Participant understands that refusing or withdrawing Participant's consent may affect Participant's ability to participate in the Plan. For more information on the consequences of Participant's refusal to consent or withdrawal of consent, Participant understands that he or she may contact Participant's local human resources representative.

Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's personal data as described herein and any other Plan materials by and among, as applicable, the Company or Affiliate, Parent, or Subsidiary of the Company for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan. Participant understands that Participant's consent will be sought and obtained for any processing or transfer of Participant's data for any purpose other than as described in the enrollment form and any other plan materials.

4. Recommendation Regarding External Advice. Participant understands agree that none of the Company, Affiliates, Parents and Subsidiaries are providing any tax, legal or financial advice, nor is the Company or any Affiliate, Parent or Subsidiary making any recommendations or assessments regarding Participant's participation in the Plan, or Participant's acquisition or sale of the underlying Shares, or any subsequent disposal or retention of such Shares. Participant

understands that he or she is hereby advised to consult with Participant's own personal tax, legal and financial advisors regarding Participant's participation in the Plan before taking any action related to the Plan.

5. Translated Documents. If Participant has received the Award Agreement or any other document related to the Plan translated into a language other than English, Participant understands that such translated documents were provided for convenience only, and that if the meaning of the translated version is different than the English version, the English version will control, subject to Applicable Laws.

CRICUT, INC.
2021 EQUITY INCENTIVE PLAN
STOCK OPTION AGREEMENT

Unless otherwise defined herein, the terms defined in the Cricut, Inc. 2021 Equity Incentive Plan (the "Plan") will have the same defined meanings in this Stock Option Agreement, which includes the Notice of Stock Option Grant (the "Notice of Grant"), the Terms and Conditions of Stock Option Grant attached hereto as Exhibit A, and all appendices and exhibits attached thereto (all together, the "Option Agreement").

NOTICE OF STOCK OPTION GRANT

Participant:

Address:

The undersigned Participant has been granted an Option to purchase Common Stock of Cricut, Inc. (the "Company"), subject to the terms and conditions of the Plan and this Option Agreement, as follows:

Grant Number:	_____
Date of Grant:	_____
Vesting Commencement Date:	_____
Number of Shares Granted:	_____
Exercise Price per Share:	$ _____
Total Exercise Price:	$ _____
Type of Option:	___ Incentive Stock Option
	___ Nonstatutory Stock Option
Term/Expiration Date:	_____

Vesting Schedule:

Subject to accelerated vesting as set forth below or in the Plan, this Option will be exercisable, in whole or in part, in accordance with the following schedule:

[Twenty-five percent (25%) of the Shares subject to the Option shall vest on the one (1) year anniversary of the Vesting Commencement Date, and one forty-eighth (1/48th) of the

Shares subject to the Option shall vest each month thereafter on the same day of the month as the Vesting Commencement Date (and if there is no corresponding day, on the last day of the month), subject to Participant continuing to be a Service Provider through each such date.]

In addition, if Participant's employment is terminated by the Company or any Parent or Subsidiary of the Company due to Participant's death or Disability, one hundred percent (100%) of the then-unvested Shares subject to the Option will immediately vest.

Termination Period:

This Option will be exercisable for three (3) months after Participant ceases to be a Service Provider, unless such termination is due to Participant's death or Disability, in which case this Option will be exercisable for twelve (12) months after Participant ceases to be a Service Provider. Notwithstanding the foregoing sentence, in no event may this Option be exercised after the Term/Expiration Date as provided above, and this Option may be subject to earlier termination as provided in Section 13 of the Plan.

By Participant's signature and the signature of the representative of the Company below, Participant and the Company agree that this Option is granted under and governed by the terms and conditions of the Plan and this Option Agreement, including the Terms and Conditions of Stock Option Grant, attached hereto as Exhibit A, all of which are made a part of this document. Participant acknowledges receipt of a copy of the Plan. Participant has reviewed the Plan and this Option Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Option Agreement, and fully understands all provisions of the Plan and this Option Agreement. Participant hereby agrees to accept as binding, conclusive, and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and this Option Agreement. Participant further agrees to notify the Company upon any change in the residence address indicated below.

By signing this Option Agreement, Participant is agreeing to arbitration of any disputes related to this Option Agreement and of any disputes related to Participant's employment relationship with the Company or any Parent or Subsidiary of the Company, as provided in Section 26.

PARTICIPANT	CRICUT, INC.
Signature	Signature
Print Name	Print Name
	Title

EXHIBIT A

TERMS AND CONDITIONS OF STOCK OPTION GRANT

1. Grant of Option. The Company hereby grants to the individual ("Participant") named in the Notice of Stock Option Grant (the "Notice of Grant") an option (the "Option") to purchase the number of Shares, as set forth in the Notice of Grant, at the exercise price per Share set forth in the Notice of Grant (the "Exercise Price"), subject to all of the terms and conditions in this Option Agreement and the Plan, which is incorporated herein by reference. Subject to Section 18(c) of the Plan, in the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Option Agreement, the terms and conditions of the Plan will prevail.

(a) For U.S. taxpayers, the Option will be designated as either an Incentive Stock Option ("ISO") or a Nonstatutory Stock Option ("NSO"). If designated in the Notice of Grant as an ISO, this Option is intended to qualify as an ISO under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"). However, if this Option is intended to be an ISO, to the extent that it exceeds the $100,000 rule of Code Section 422(d) it will be treated as an NSO. Further, if for any reason this Option (or portion thereof) will not qualify as an ISO, then, to the extent of such nonqualification, such Option (or portion thereof) shall be regarded as a NSO granted under the Plan. In no event will the Administrator, the Company or any Parent or Subsidiary or any of their respective employees or directors have any liability to Participant (or any other person) due to the failure of the Option to qualify for any reason as an ISO.

(b) For non-U.S. taxpayers, the Option will be designated as an NSO.

2. Vesting Schedule. Except as provided in Section 3, the Option awarded by this Option Agreement will vest in accordance with the vesting provisions set forth in the Notice of Grant. Shares scheduled to vest on a certain date or upon the occurrence of a certain condition will not vest in Participant in accordance with any of the provisions of this Option Agreement, unless Participant will have been continuously a Service Provider from the Date of Grant until the date such vesting occurs.

3. Administrator Discretion. The Administrator, in its discretion, may accelerate the vesting of the balance, or some lesser portion of the balance, of the unvested Option at any time, subject to the terms of the Plan. If so accelerated, such Option will be considered as having vested as of the date specified by the Administrator.

4. Exercise of Option.

(a) Right to Exercise. This Option may be exercised only within the term set out in the Notice of Grant, and may be exercised during such term only in accordance with the Plan and the terms of this Option Agreement.

(b) Method of Exercise. This Option is exercisable by delivery of an exercise notice (the "Exercise Notice") in the form attached as Exhibit A or in a manner and pursuant to such procedures as the Administrator may determine, which will state the election to exercise the Option, the number of Shares in respect of which the Option is being exercised (the "Exercised Shares"), and such other representations and agreements as may be required by the Company pursuant to the provisions of the Plan. The Exercise Notice will be completed by Participant and delivered to the Company. The Exercise Notice will be accompanied by payment of the aggregate Exercise Price as to all Exercised Shares together and any Tax Obligations (as defined in Section 6(a)). This Option will be deemed to be exercised upon receipt by the Company of such fully executed Exercise Notice accompanied by the aggregate Exercise Price.

5. Method of Payment. Payment of the aggregate Exercise Price will be by any of the following, or a combination thereof, at the election of Participant:

(a) cash;

(b) check;

(c) consideration received by the Company under a formal cashless exercise program adopted by the Company in connection with the Plan; or

(d) if Participant is a U.S. employee, surrender of other Shares which have a fair market value on the date of surrender equal to the aggregate Exercise Price of the Exercised Shares and that are owned free and clear of any liens, claims, encumbrances, or security interests, provided that accepting such Shares, in the sole discretion of the Administrator, will not result in any adverse accounting consequences to the Company.

6. Tax Obligations.

(a) Participant acknowledges that, regardless of any action taken by the Company or, if different, Participant's employer (the "Employer") or Parent or Subsidiary to which Participant is providing services (together, the Company, Employer and/or Parent or Subsidiary to which Participant is providing services, the "Service Recipient"), the ultimate liability for any tax and/or social insurance liability obligations and requirements in connection with the Option, including, without limitation, (i) all federal, state, local, and foreign taxes (including Participant's Federal Insurance Contributions Act (FICA) obligation and any applicable foreign social insurance contributions) that are required to be withheld by the Company or the Service Recipient or other payment of tax-related items related to Participant's participation in the Plan and legally applicable to Participant, (ii) Participant's and, to the extent required by the Company (or Service Recipient), the Company's (or Service Recipient's) fringe benefit tax liability, if any, associated with the grant, vesting, or exercise of the Option or sale of Shares, and (iii) any other Company (or Service Recipient) taxes the responsibility for which Participant has, or has agreed to bear, with respect to the Option (or exercise thereof or issuance of Shares thereunder) (collectively, the "Tax Obligations"), is and remains Participant's responsibility and may exceed

the amount actually withheld by the Company or the Service Recipient. Participant further acknowledges that the Company and/or the Service Recipient (A) make no representations or undertakings regarding the treatment of any Tax Obligations in connection with any aspect of the Option, including, but not limited to, the grant, vesting or exercise of the Option, the subsequent sale of Shares acquired pursuant to such exercise and the receipt of any dividends or other distributions, and (B) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Option to reduce or eliminate Participant's liability for Tax Obligations or achieve any particular tax result. Further, if Participant is subject to Tax Obligations in more than one jurisdiction between the Date of Grant and the date of any relevant taxable or tax withholding event, as applicable, Participant acknowledges that the Company and/or the Service Recipient (or former employer, as applicable) may be required to withhold or account for Tax Obligations in more than one jurisdiction. If Participant fails to make satisfactory arrangements for the payment of any required Tax Obligations hereunder at the time of the applicable taxable event, Participant acknowledges and agrees that the Company may refuse to issue or deliver the Shares.

(b) Tax Withholding. If the Option is a Nonstatutory Stock Option, then when the Option is exercised, Participant generally will recognize immediate U.S. taxable income if Participant is a U.S. taxpayer. If Participant is a non-U.S. taxpayer, Participant will be subject to applicable taxes in his or her jurisdiction. Pursuant to such procedures as the Administrator may specify from time to time, the Company and/or Service Recipient shall withhold the amount required to be withheld for the payment of Tax Obligations. The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit or require Participant to satisfy, and Participant authorizes the Administrator to satisfy, such Tax Obligations, in whole or in part (without limitation), if permissible by applicable local law, by (i) paying cash, (ii) electing to have the Company withhold otherwise deliverable Shares having a fair market value equal to the minimum amount that is necessary to meet the withholding requirement for such Tax Obligations (or such greater amount as Participant may elect if permitted by the Administrator, if such greater amount would not result in adverse financial accounting consequences), (iii) withholding the amount of such Tax Obligations from Participant's wages or other cash compensation paid to Participant by the Company and/or the Service Recipient, (iv) delivering to the Company already vested and owned Shares having a fair market value equal to such Tax Obligations (or such greater amount as Participant may elect if permitted by the Administrator, if such greater amount would not result in adverse financial accounting consequences), (v) selling a sufficient number of such Shares otherwise deliverable to Participant through such means as the Company may determine in its sole discretion (whether through a broker or otherwise) equal to the minimum amount that is necessary to meet the withholding requirement for such Tax Obligations (or such greater amount as Participant may elect if permitted by the Administrator, if such greater amount would not result in adverse financial accounting consequences), or (vi) such other means as the Administrator deems appropriate. To the extent determined appropriate by the Administrator in its discretion, the Administrator will have the right (but not the obligation) to satisfy any Tax Obligations by reducing the number of Shares otherwise deliverable to Participant. Further, if Participant is

subject to tax in more than one jurisdiction between the Date of Grant and a date of any relevant taxable or tax withholding event, as applicable, Participant acknowledges and agrees that the Company and/or the Service Recipient (and/or former employer, as applicable) may be required to withhold or account for tax in more than one jurisdiction.

(c) Company's Obligation to Deliver Shares. For clarification purposes, in no event will the Company issue Participant any Shares unless and until arrangements satisfactory to the Administrator have been made for the payment of Participant's Tax Obligations. If Participant fails to make satisfactory arrangements for the payment of any required Tax Obligations hereunder at the time of the Option exercise, Participant acknowledges and agrees that the Company may refuse to honor the exercise and refuse to issue or deliver the Shares.

(d) Notice of Disqualifying Disposition of ISO Shares. If the Option granted to Participant herein is an ISO, and if Participant sells or otherwise disposes of any of the Shares acquired pursuant to the ISO on or before the later of (i) the date two (2) years after the Date of Grant, or (ii) the date one (1) year after the date of exercise, Participant will immediately notify the Company in writing of such disposition. Participant agrees that Participant may be subject to income tax withholding by the Company on the compensation income recognized by Participant.

(e) Code Section 409A. Under Code Section 409A, a stock right (such as the Option) that vests after December 31, 2004 (or that vested on or prior to such date but which was materially modified after October 3, 2004) that was granted with a per share exercise price that is determined by the Internal Revenue Service (the "IRS") to be less than the fair market value of an underlying share on the date of grant (a "discount option") may be considered "deferred compensation." A stock right that is a "discount option" may result in (i) income recognition by the recipient of the stock right prior to the exercise of the stock right, (ii) an additional twenty percent (20%) federal income tax, and (iii) potential penalty and interest charges. The "discount option" may also result in additional state income, penalty and interest tax to the recipient of the stock right. Participant acknowledges that the Company cannot and has not guaranteed that the IRS will agree that the per Share exercise price of this Option equals or exceeds the fair market value of a Share on the date of grant in a later examination. Participant agrees that if the IRS determines that the Option was granted with a per Share exercise price that was less than the fair market value of a Share on the date of grant, Participant shall be solely responsible for Participant's costs related to such a determination.

7. Rights as Stockholder. Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares (which may be in book entry form) will have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to Participant (including through electronic delivery to a brokerage account). After such issuance, recordation, and delivery, Participant will have all the rights of a stockholder of the Company with respect to voting such Shares and receipt of dividends and distributions on such Shares.

8. No Guarantee of Continued Service. PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF SHARES PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER, WHICH UNLESS PROVIDED OTHERWISE UNDER APPLICABLE LAW IS AT THE WILL OF THE COMPANY (OR THE SERVICE RECIPIENT) AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS OPTION OR ACQUIRING SHARES HEREUNDER. PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS OPTION AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND WILL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE RIGHT OF THE COMPANY (OR THE SERVICE RECIPIENT) TO TERMINATE PARTICIPANT'S RELATIONSHIP AS A SERVICE PROVIDER, SUBJECT TO APPLICABLE LAW, WHICH TERMINATION, UNLESS PROVIDED OTHERWISE UNDER APPLICABLE LAW, MAY BE AT ANY TIME, WITH OR WITHOUT CAUSE.

9. Non-Transferability of Option. This Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of Participant only by Participant.

10. Nature of Grant. In accepting the Option, Participant acknowledges, understands and agrees that:

(a) the grant of the Option is voluntary and occasional and does not create any contractual or other right to receive future grants of options, or benefits in lieu of options, even if options have been granted in the past;

(b) all decisions with respect to future option or other grants, if any, will be at the sole discretion of the Company;

(c) Participant is voluntarily participating in the Plan;

(d) the Option and any Shares acquired under the Plan are not intended to replace any pension rights or compensation;

(e) the Option and Shares acquired under the Plan and the income and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;

(f) the future value of the Shares underlying the Option is unknown, indeterminable, and cannot be predicted with certainty;

(g) if the underlying Shares do not increase in value, the Option will have no value;

(h) if Participant exercises the Option and acquires Shares, the value of such Shares may increase or decrease in value, even below the Exercise Price;

(i) for purposes of the Option, Participant's engagement as a Service Provider will be considered terminated as of the date Participant is no longer actively providing services to the Company or any Parent or Subsidiary (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any), and unless otherwise expressly provided in this Option Agreement (including by reference in the Notice of Grant to other arrangements or contracts) or determined by the Administrator, (i) Participant's right to vest in the Option under the Plan, if any, will terminate as of such date and will not be extended by any notice period (*e.g.*, Participant's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where Participant is a Service Provider or Participant's employment or service agreement, if any, unless Participant is providing bona fide services during such time); and (ii) the period (if any) during which Participant may exercise the Option after such termination of Participant's engagement as a Service Provider will commence on the date Participant ceases to actively provide services and will not be extended by any notice period mandated under employment laws in the jurisdiction where Participant is employed or terms of Participant's engagement agreement, if any; the Administrator shall have the exclusive discretion to determine when Participant is no longer actively providing services for purposes of his or her Option grant (including whether Participant may still be considered to be providing services while on a leave of absence and consistent with local law);

(j) unless otherwise provided in the Plan or by the Company in its discretion, the Option and the benefits evidenced by this Option Agreement do not create any entitlement to have the Option or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares; and

(k) Participant understands and agrees that neither the offer to participate in the Plan, nor his or her participation in the Plan, will be interpreted to form an employment contract or relationship with the Company, any Subsidiary, or Service Recipient, as applicable, and furthermore, nothing in the Plan, this Option Agreement nor Participant's participation in the Plan will be interpreted to form an employment contract with the Company, any Subsidiary, or Service Recipient, as applicable.

11. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Participant's participation in the Plan, or Participant's acquisition or sale of the underlying Shares. Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

12. Address for Notices. Any notice to be given to the Company under the terms of this Option Agreement will be addressed to the Company at Cricut, Inc., 10855 South River Front Parkway, South Jordan, Utah 84095, or at such other address as the Company may hereafter designate in writing.

13. Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to the Option awarded under the Plan or future options that may be awarded under the Plan by electronic means or request Participant's consent to participate in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or electronic system established and maintained by the Company or a third party designated by the Company.

14. No Waiver. Either party's failure to enforce any provision or provisions of this Option Agreement shall not in any way be construed as a waiver of any such provision or provisions, nor prevent that party from thereafter enforcing each and every other provision of this Option Agreement. The rights granted both parties herein are cumulative and shall not constitute a waiver of either party's right to assert all other legal remedies available to it under the circumstances.

15. Additional Conditions to Issuance of Stock. If at any time the Company will determine, in its discretion, that the listing, registration, qualification or rule compliance of the Shares upon any securities exchange or under any state, federal or non-U.S. law, the tax code and related regulations or under the rulings or regulations of the United States Securities and Exchange Commission or any other governmental regulatory body or the clearance, consent or approval of the United States Securities and Exchange Commission or any other governmental regulatory authority is necessary or desirable as a condition to the purchase by, or issuance of Shares, to Participant (or his or her estate) hereunder, such purchase or issuance will not occur unless and until such listing, registration, qualification, rule compliance, clearance, consent or approval will have been completed, effected or obtained free of any conditions not acceptable to the Company. Subject to the terms of this Option Agreement and the Plan, the Company shall not be required to issue any certificate or certificates for (or make any entry on the books of the Company or of a duly authorized transfer agent of the Company of) the Shares hereunder prior to the lapse of such reasonable period of time following the date of exercise as the Administrator may establish from time to time for reasons of administrative convenience.

16. Successors and Assigns. The Company may assign any of its rights under this Option Agreement to single or multiple assignees, and this Option Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Option Agreement shall be binding upon Participant and his or her heirs, executors, administrators, successors and assigns. The rights and obligations of Participant under this Option Agreement may only be assigned with the prior written consent of the Company.

17. Interpretation. The Administrator will have the power to interpret the Plan and this Option Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any Shares subject to the Option have vested). All actions taken and all interpretations and determinations made by the Administrator in good faith will be final and binding upon Participant, the Company and all other interested persons. Neither the Administrator nor any person acting on behalf of the Administrator will be personally liable for any action, determination, or interpretation made in good faith with respect to the Plan or this Option Agreement.

18. Captions. Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Option Agreement.

19. Agreement Severable. In the event that any provision in this Option Agreement will be held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of this Option Agreement.

20. Amendment, Suspension or Termination of the Plan. By accepting this Option, Participant expressly warrants that he or she has received an Option under the Plan, and has received, read, and understood a description of the Plan. Participant understands that the Plan is discretionary in nature and may be amended, suspended or terminated by the Company at any time.

21. Modifications to the Agreement. This Option Agreement constitutes the entire understanding of the parties on the subjects covered. Participant expressly warrants that he or she is not accepting this Option Agreement in reliance on any promises, representations, or inducements other than those contained herein. Modifications to this Option Agreement or the Plan can be made only in an express written contract executed by a duly authorized officer of the Company. Notwithstanding anything to the contrary in the Plan or this Option Agreement, the Company reserves the right to revise this Option Agreement as it deems necessary or advisable, in its sole discretion and without the consent of Participant, to comply with Code Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A of the Code in connection with the Option.

22. Governing Law and Venue. This Option Agreement will be governed by the laws of Utah, without giving effect to the conflict of law principles thereof. For purposes of litigating any dispute that arises under this Option or this Option Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Utah, and agree that such litigation will be conducted in the courts of Salt Lake County, Utah, or the federal courts for the United States for the District of Utah, and no other courts, where this Option is made and/or to be performed.

23. Entire Agreement. The Plan is incorporated herein by reference. The Plan and this Option Agreement (including the appendices and exhibits referenced herein) constitute the

entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof, and may not be modified adversely to Participant's interest except by means of a writing signed by the Company and Participant.

24. Country Addendum. Notwithstanding any provisions in this Option Agreement, this Option shall be subject to any special terms and conditions set forth in the appendix (if any) to this Option Agreement for Participant's country (the "Country Addendum"). Moreover, if Participant relocates to one of the countries included in the Country Addendum (if any), the special terms and conditions for such country will apply to Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Country Addendum constitutes part of this Option Agreement.

25. Tax Consequences. Participant has reviewed with his or her own tax, legal, and financial advisors the U.S. federal, state, local and non-U.S. tax consequences of this investment and the transactions contemplated by this Option Agreement. With respect to such matters, Participant relies solely on such advisors and not on any statements or representations of the Company, any Subsidiary, or Service Recipient or any of its agents, written or oral. Participant understands that Participant (and not the Company, any Subsidiary, or Service Recipient) shall be responsible for Participant's own tax liability that may arise as a result of this investment or the transactions contemplated by this Option Agreement.

26. ARBITRATION. THE PARTIES AGREE THAT ANY AND ALL DISPUTES ARISING OUT OF THE TERMS OF THIS OPTION AGREEMENT, THEIR INTERPRETATION, PARTICIPANT'S EMPLOYMENT WITH THE COMPANY OR THE SERVICE RECIPIENT OR THE TERMS OF EMPLOYMENT THEREOF, AND ANY OF THE MATTERS HEREIN RELEASED, SHALL BE SUBJECT TO BINDING ARBITRATION UNDER THE FEDERAL ARBITRATION ACT (THE "FAA"). THE FAA'S SUBSTANTIVE AND PROCEDURAL RULES SHALL GOVERN AND APPLY TO THIS ARBITRATION AGREEMENT WITH FULL FORCE AND EFFECT, AND ANY STATE COURT OF COMPETENT JURISDICTION MAY STAY PROCEEDINGS PENDING ARBITRATION OR COMPEL ARBITRATION IN THE SAME MANNER AS A FEDERAL COURT UNDER THE FAA. EMPLOYEE AGREES THAT, TO THE FULLEST EXTENT PERMITTED BY LAW, EMPLOYEE MAY BRING ANY SUCH ARBITRATION PROCEEDING ONLY IN EMPLOYEE'S INDIVIDUAL CAPACITY. ANY ARBITRATION WILL OCCUR IN UTAH, BEFORE JAMS, PURSUANT TO ITS EMPLOYMENT ARBITRATION RULES & PROCEDURES ("JAMS RULES"), EXCEPT AS EXPRESSLY PROVIDED IN THIS SECTION 26. THE PARTIES AGREE THAT THE ARBITRATOR SHALL HAVE THE POWER TO DECIDE ANY MOTIONS BROUGHT BY ANY PARTY TO THE ARBITRATION, INCLUDING MOTIONS FOR SUMMARY JUDGMENT AND/OR ADJUDICATION, AND MOTIONS TO DISMISS AND DEMURRERS, APPLYING THE STANDARDS SET FORTH UNDER THE UTAH RULES OF CIVIL PROCEDURE. THE PARTIES AGREE THAT THE ARBITRATOR SHALL ISSUE A WRITTEN DECISION ON THE MERITS. THE PARTIES ALSO AGREE THAT THE ARBITRATOR SHALL HAVE THE POWER TO AWARD ANY REMEDIES AVAILABLE UNDER APPLICABLE LAW, AND THAT THE ARBITRATOR MAY AWARD ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY, WHERE PERMITTED BY APPLICABLE LAW. THE ARBITRATOR MAY GRANT

INJUNCTIONS AND OTHER RELIEF IN SUCH DISPUTES. THE ARBITRATOR SHALL APPLY SUBSTANTIVE UTAH LAW TO ANY DISPUTE OR CLAIM, WITHOUT REFERENCE TO ANY CONFLICT-OF-LAW PROVISIONS OF ANY JURISDICTION. THE DECISION OF THE ARBITRATOR SHALL BE FINAL, CONCLUSIVE, AND BINDING ON THE PARTIES TO THE ARBITRATION. THE PARTIES AGREE THAT THE PREVAILING PARTY IN ANY ARBITRATION SHALL BE ENTITLED TO INJUNCTIVE RELIEF IN ANY COURT OF COMPETENT JURISDICTION TO ENFORCE THE ARBITRATION AWARD. THE PARTIES TO THE ARBITRATION SHALL EACH PAY AN EQUAL SHARE OF THE COSTS AND EXPENSES OF SUCH ARBITRATION, AND EACH PARTY SHALL SEPARATELY PAY FOR ITS RESPECTIVE COUNSEL FEES AND EXPENSES; PROVIDED, HOWEVER, THAT THE ARBITRATOR SHALL AWARD ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY, EXCEPT AS PROHIBITED BY LAW. THE PARTIES HEREBY AGREE TO WAIVE THEIR RIGHT TO HAVE ANY DISPUTE BETWEEN THEM RESOLVED IN A COURT OF LAW BY A JUDGE OR JURY. NOTWITHSTANDING THE FOREGOING, THIS SECTION WILL NOT PREVENT EITHER PARTY FROM SEEKING INJUNCTIVE RELIEF (OR ANY OTHER PROVISIONAL REMEDY) FROM ANY COURT HAVING JURISDICTION OVER THE PARTIES AND THE SUBJECT MATTER OF THEIR DISPUTE RELATING TO THE PLAN, THIS OPTION AGREEMENT, AND THE AGREEMENTS INCORPORATED HEREIN BY REFERENCE. SHOULD ANY PART OF THE ARBITRATION AGREEMENT CONTAINED IN THIS PARAGRAPH CONFLICT WITH ANY OTHER ARBITRATION AGREEMENT BETWEEN THE PARTIES, THE PARTIES AGREE THAT THIS ARBITRATION AGREEMENT SHALL GOVERN.

CRICUT, INC.
2021 EQUITY INCENTIVE PLAN
STOCK OPTION AGREEMENT
COUNTRY ADDENDUM

Terms and Conditions

This Country Addendum includes additional terms and conditions that govern the Option granted to Participant under the Plan if Participant works in one of the countries listed below. If Participant is a citizen or resident of a country (or is considered as such for local law purposes) other than the one in which he or she is currently working or if Participant relocates to another country after receiving the Option, the Company will, in its discretion, determine the extent to which the terms and conditions contained herein will be applicable to Participant.

Certain capitalized terms used but not defined in this Country Addendum shall have the meanings set forth in the Plan, and/or the Stock Option Agreement to which this Country Addendum is attached.

Notifications

This Country Addendum also includes notifications relating to exchange control and other issues of which Participant should be aware with respect to his or her participation in the Plan. The information is based on the exchange control, securities and other laws in effect in the countries listed in this Country Addendum, as of **March 2021**. Such laws are often complex and change frequently. As a result, the Company strongly recommends that Participant not rely on the notifications herein as the only source of information relating to the consequences of his or her participation in the Plan because the information may be outdated when Participant exercises the Option or sells Shares acquired under the Plan. [Participant also should review the tax summary for his or her country which the Company will provide as a supplement to the Plan prospectus.]

In addition, the notifications are general in nature and may not apply to Participant's particular situation, and the Company is not in a position to assure Participant of any particular result. Accordingly, Participant is advised to seek appropriate professional advice as to how the relevant laws in Participant's country may apply to Participant's situation.

Finally, if Participant is a citizen or resident of a country other than the one in which Participant is currently working (or is considered as such for local law purposes) or if Participant moves to another country after the Option is granted, the information contained herein may not be applicable to such Participant.

Participant acknowledges that Participant has been advised to seek appropriate professional advice as to how the relevant exchange control and tax laws in Participant's country may apply to his or her individual situation.

I. GLOBAL PROVISIONS APPLICABLE TO PARTICIPANTS IN ALL COUNTRIES OTHER THAN THE UNITED STATES

Terms and Conditions

1. Foreign Exchange Considerations. Participant understands and agrees that neither the Company nor any Parent, Subsidiary or the Service Recipient shall be liable for any foreign exchange rate fluctuation between Participant's local currency and the U.S. dollar that may affect the value of the Option, or of any amounts due to Participant under the Plan or as a result of exercising his or her Option and/or the subsequent sale of any Shares acquired under the Plan. Participant agrees and acknowledges that he or she will bear any and all risk associated with the exchange or fluctuation of currency associated with his or her participation in the Plan. Participant acknowledges and agrees that Participant may be responsible for reporting inbound transactions or fund transfers that exceed a certain amount. Participant is advised to seek appropriate professional advice as to how the exchange control regulations apply to his or her Option and Participant's specific situation and understands that the relevant laws and regulations can change frequently and occasionally on a retroactive basis.

2. Additional Participant Acknowledgements. By electing to participate in the Plan, Participant acknowledges, understands and agrees that:

(a) the Option and the Shares subject to the Option are not part of normal or expected compensation or salary for any purpose; and

(b) no claim or entitlement to compensation or damages shall arise from forfeiture of the Option resulting from the termination of Participant's status as a Service Provider (for any reason whatsoever whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any), and in consideration of the grant of the Option to which Participant is otherwise not entitled, Participant irrevocably agrees never to institute any claim against the Company, any Parent or Subsidiary or the Service Recipient, waives his or her ability, if any, to bring any such claim, and releases the Company, any Parent or Subsidiary and the Service Recipient from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim.

3. ***Data Privacy. Participant understands that the Company may collect, where permissible under applicable law certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of an Option granted under the Plan or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor ("Data"), for the exclusive purpose of implementing, administering and***

managing the Plan. Participant understands that Company may transfer Participant's Data to the United States, which may have different, including less stringent, data protection laws than the laws in Participant's country. Participant understands that the Company will transfer Participant's Data to its designated broker, Shareworks, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that a recipient's country of operation (e.g., the United States) may have different, including less stringent, data privacy laws that Participant's jurisdiction does not consider to be equivalent to the protections in Participant's country. Participant understands that he or she may request a list with the names and addresses of any potential recipients of the Data by contacting Participant's [local human resources representative]. Participant authorizes the Company, the Company's designated broker and any other possible recipients which may assist the Company with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing Participant's participation in the Plan. Participant understands that Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Plan. Participant understands that that he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing Participant's local human resources representative. Further, Participant understands that he or she is providing the consent herein on a purely voluntary basis. If Participant does not consent, or if Participant later seeks to revoke Participant's consent, Participant's employment status or career with the Company will not be adversely affected; the only adverse consequence of refusing or withdrawing Participant's consent is that the Company would not be able to grant Participant awards under the Plan or other equity awards, or administer or maintain such awards. Therefore, Participant understands that refusing or withdrawing Participant's consent may affect Participant's ability to participate in the Plan. For more information on the consequences of Participant's refusal to consent or withdrawal of consent, Participant understands that he or she may contact Participant's [local human resources representative].

Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's personal data as described herein and any other Plan materials by and among, as applicable, the Company or Affiliate, Parent, or Subsidiary of the Company for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan. Participant understands that Participant's consent will be sought and obtained for any processing or transfer of Participant's data for any purpose other than as described in the enrollment form and any other plan materials.

4. Translated Documents. If Participant has received the Option Agreement or any other document related to the Plan translated into a language other than English, Participant understands that such translated documents were provided for convenience only, and that if the

meaning of the translated version is different than the English version, the English version will control, subject to Applicable Laws.

II. GLOBAL PROVISIONS APPLICABLE TO PARTICIPANTS IN ALL COUNTRIES OTHER THAN THE UNITED STATES

AUSTRALIA

Terms and Conditions

Deferral of Tax Payable. Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) applies to the Option issued under the Option Agreement to Australian Participants.

Data Privacy. Participant acknowledges and agrees that if the Company, any Subsidiary, or Service Recipient discloses any personal information about Participant to a recipient outside of Australia then the Company, any Subsidiary, or Service Recipient will not be: (a) required by law to take steps to ensure that the recipient complied with the Australian Privacy Principles; or (b) responsible for any breaches of the Australian Privacy Principles by the recipient, in respect of that information.

Notifications

Exchange Control Notification. Exchange control reporting is required for cash transactions exceeding A$10,000 and for international fund transfers. If an Australian bank is assisting with the transaction, the bank will file the report on Participant's behalf.

BELGIUM

Notifications

Foreign Asset/Account Reporting Information. Participant is required to report any taxable income attributable to the Option and Shares on his or her annual tax return. In addition, Participant is required to report any bank accounts opened and maintained outside Belgium on his or her annual tax return. In a separate report, Participant may be required to provide the National Bank of Belgium with certain details regarding such foreign accounts (including the account number, bank name and country in which any such account was opened). Participant should consult with his or her personal tax advisor to determine any personal reporting obligations.

FRANCE

Notifications

Tax Reporting Information. French residents may hold an Option outside of France, provided that they declare all foreign accounts, whether open, current, or closed, on their annual income tax return.

IRELAND

Notifications

Director Reporting Obligation. Participant understands that if he or she is a director, shadow director, or secretary of the Company or Subsidiary in Ireland, Participant must notify the Company or Irish Subsidiary in writing within five (5) business days of receiving or disposing of an interest in the Company (e.g., the Option, Shares), or within five (5) business days of becoming aware of the event giving rise to the notification requirement, or within five (5) days of becoming a director or secretary if such an interest exists at the time. This notification requirement also applies with respect to the interests of Participant's spouse or children under the age of 18 (whose interests will be attributed to Participant if he or she is a director, shadow director, or secretary).

MALAYSIA

Terms and Conditions

Data Privacy. Below is a translation of Section 3 of Part I of this Country Addendum into Bahasa Malaysia for Participant's reference:

Privasi Data. Peserta memahami bahawa Syarikat boleh mengumpulkan, jika dibenarkan di bawah undang-undang yang berkenaan, maklumat peribadi tertentu mengenai Peserta, termasuk, tetapi tidak terhad kepada, nama, alamat rumah dan nombor telefon Peserta, tarikh lahir, nombor insurans sosial atau nombor pengenalan lain, gaji, kewarganegaraan, jawatan, setiap Saham atau pengarah yang dipegang di Syarikat, perincian semua pilihan stok yang diberikan di bawah Pelan atau hak lain untuk Saham yang dianugerahkan, dibatalkan, dilaksanakan, diletak hak, tidak dilaburkan atau tertunggak atas permintaan Peserta ("Data"), Untuk tujuan eksklusif untuk melaksanakan, mentadbir dan mengurus Rancangan. Peserta memahami bahawa Syarikat boleh memindahkan Data Peserta ke Amerika Syarikat, yang mungkin mempunyai undang-undang perlindungan data yang berbeza, termasuk kurang ketat daripada undang-undang di negara Peserta. Peserta memahami bahawa Syarikat akan memindahkan Data Peserta kepada broker yang ditentukan, Shareworks, atau penyedia perkhidmatan pelan saham lain yang mungkin dipilih oleh Syarikat pada masa akan datang, yang membantu Syarikat dengan pelaksanaan, pentadbiran dan pengurusan rancangan. Peserta memahami bahawa penerima Data mungkin berada di Amerika Syarikat atau di tempat lain, dan bahawa negara operasi

penerima (misalnya, Amerika Syarikat) mungkin mempunyai undang-undang privasi data yang berbeza, termasuk kurang ketat, yang tidak dipertimbangkan oleh bidang kuasa Peserta setaraf dengan perlindungan di negara Peserta. Peserta memahami bahawa dia boleh meminta senarai dengan nama dan alamat mana-mana calon penerima Data dengan menghubungi [local human resources representative] Peserta. Peserta memberi kuasa kepada Syarikat, broker yang ditunjuk Syarikat dan mana-mana penerima lain yang mungkin dapat membantu Syarikat melaksanakan, mentadbir dan mengurus Rancangan untuk menerima, memiliki, menggunakan, menyimpan dan memindahkan Data, dalam bentuk elektronik atau lain-lain, untuk satu-satunya tujuan melaksanakan, mentadbir dan mengurus penyertaan Peserta dalam Pelan. Peserta memahami bahawa Data akan diadakan hanya selagi diperlukan untuk melaksanakan, mentadbir dan mengurus penyertaan Peserta dalam Pelan. Peserta memahami bahawa dia dapat, pada bila-bila masa, melihat Data, meminta maklumat tambahan mengenai penyimpanan dan pemprosesan Data, memerlukan pindaan yang diperlukan untuk Data atau menolak atau menarik persetujuan di sini, dalam hal apa pun tanpa kos, dengan menghubungi di menulis wakil sumber manusia tempatan Peserta. Selanjutnya, Peserta memahami bahawa dia memberikan persetujuan di sini secara murni secara sukarela. Sekiranya Peserta tidak mengizinkan, atau jika Peserta kemudiannya ingin membatalkan persetujuan Peserta, status pekerjaan atau kerjaya Peserta dengan Syarikat tidak akan terjejas; satu-satunya akibat buruk dari menolak atau menarik persetujuan Peserta adalah bahawa Syarikat tidak akan dapat memberikan anugerah Peserta di bawah Pelan atau anugerah ekuiti lain, atau mentadbir atau mengekalkan penghargaan tersebut. Oleh itu, Peserta memahami bahawa menolak atau menarik balik persetujuan Peserta boleh mempengaruhi kemampuan Peserta untuk berpartisipasi dalam Pelan. Untuk maklumat lebih lanjut mengenai akibat penolakan Peserta untuk persetujuan atau penarikan persetujuan, Peserta memahami bahawa dia boleh menghubungi [local human resources representative] Peserta.

Peserta dengan ini secara jelas dan jelas menyetujui pengumpulan, penggunaan dan pemindahan, dalam bentuk elektronik atau lain-lain, data peribadi Peserta seperti yang dijelaskan di sini dan apa-apa bahan Rancangan lain oleh dan di antara, yang berkenaan, Syarikat atau Ahli Gabungan, Ibu Bapa, atau Anak Syarikat Syarikat untuk tujuan eksklusif untuk melaksanakan, mentadbir dan mengurus penyertaan Peserta dalam Pelan. Peserta memahami bahawa persetujuan Peserta akan dicari dan diperoleh untuk memproses atau memindahkan data Peserta untuk tujuan lain selain daripada yang dijelaskan dalam borang pendaftaran dan bahan rancangan lain.

Notifications

Director Notification Obligation. Participant understands that if he or she is a director of a Malaysian Subsidiary or Affiliate of the Company, he or she is subject to certain notification requirements under the Malaysian Companies Act. Among these requirements is an obligation to notify the relevant Malaysian Subsidiary or Affiliate in writing when Participant receives or disposes of an interest (*e.g.*, an Option awarded under the Plan or Shares) in the Company.

Such notifications must be made within five (5) business days of receiving or disposing of any interest in the Company.

SWITZERLAND

Notifications

Securities Law Notice. The grant of the Option is considered a private offering in Switzerland and is therefore not subject to securities registration in Switzerland. Neither this document nor any other materials relating to the Option (i) constitute a prospectus as such term is understood pursuant to the Swiss Code of Obligations, (ii) may be publicly distributed nor otherwise made publicly available in Switzerland, or (iii) has been or will be filed with, approved or supervised by any Swiss regulatory authority (in particular, the Swiss Financial Supervisory authority).

UNITED KINGDOM

Terms and Conditions

Tax Obligations. The following provision supplements Section 6 of the Option Agreement: Tax-Related Items shall include Primary and to the extent legally possible secondary class 1 National Insurance Contributions. Participant agrees that the Company or Participant's Employer may calculate the Tax-Related Items to be withheld and accounted for by reference to the maximum applicable rates, without prejudice to any right Participant may have to recover any overpayment from relevant U.K. tax authorities. Participant understands and agrees that if payment or withholding of any income tax liability arising in connection with Participant's participation in the Plan is not made by Participant to Participant's Employer within 90 days of the event giving rise to such income tax liability or such other period specified in Section 222(1)I of the U.K. Income Tax (Earnings and Pensions) Act 2003 (the "Due Date"), that the amount of any uncollected income tax will constitute a loan owed by Participant to Participant's Employer, effective on the Due Date. Participant understands and agrees that the loan will bear interest at the then-current official rate of Her Majesty's Revenue and Customs, it will be immediately due and repayable by Participant, and the Company and/or Participant's Employer may recover it at any time thereafter by any of the means referred to in the Plan and/or the Option Agreement.

Notwithstanding the foregoing, Participant understands and agrees that if Participant is a director or an executive officer of the Company (within the meaning of such terms for purposes of Section 13(k) of the U.S. Securities and Exchange Act of 1934, as amended), Participant will not be eligible for such a loan to cover the income tax liability. Participant further understands that, in the event that he or she is such a director or executive officer and the income tax is not collected from or paid by Participant by the Due Date, the amount of any uncollected income tax will constitute an additional benefit to Participant on which additional income tax and National Insurance Contributions will be payable. Participant understands and

agree that he or she is responsible for reporting and paying any income tax due on this additional benefit directly to Her Majesty's Revenue and Customs under the self-assessment regime and for reimbursing the Company or Participant's Employer (as appropriate) for the value of any primary and (to the extent legally possible) secondary class 1 National Insurance Contributions due on this additional benefit which the Company or Participant's Employer may recover from Participant by any of the means referred to in the Plan and/or the Option Agreement.

At the discretion of the Company, the Option cannot be settled until Participant has entered into an election with the Company (or Participant's Employer) (as appropriate) in a form approved by the Company and Her Majesty's Revenue & Customs (a "Joint Election") under which any liability of the Company and/or the Employer for Employer's national insurance contributions arising in respect of the granting, exercise, settlement of or other dealing in the Option, or the acquisition of Common Stock on the settlement of the Option, is transferred to and met by Participant.

EXHIBIT B
CRICUT, INC.
2021 EQUITY INCENTIVE PLAN
EXERCISE NOTICE

Cricut, Inc.
10855 South River Front Parkway
South Jordan, Utah 84095

Attention: Stock Administration

1. Exercise of Option. Effective as of today, _____, _____, the undersigned ("Purchaser") hereby elects to purchase _____ shares (the "Shares") of the Common Stock of Cricut, Inc. (the "Company") under and pursuant to the 2021 Equity Incentive Plan (the "Plan") and the Stock Option Agreement, dated _____ and including the Notice of Grant, the Terms and Conditions of Stock Option Grant, and exhibits attached thereto (the "Option Agreement"). The purchase price for the Shares will be $_____, as required by the Option Agreement.

2. Delivery of Payment. Purchaser herewith delivers to the Company the full purchase price of the Shares and any Tax Obligations (as defined in Section 6(a) of the Option Agreement) to be paid in connection with the exercise of the Option.

3. Representations of Purchaser. Purchaser acknowledges that Purchaser has received, read and understood the Plan and the Option Agreement and agrees to abide by and be bound by their terms and conditions.

4. Rights as Stockholder. Until the issuance (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company) of the Shares, no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the Shares subject to the Option, notwithstanding the exercise of the Option. The Shares so acquired will be issued to Purchaser as soon as practicable after exercise of the Option. No adjustment will be made for a dividend or other right for which the record date is prior to the date of issuance, except as provided in Section 13 of the Plan.

5. Tax Consultation. Purchaser understands that Purchaser may suffer adverse tax consequences as a result of Purchaser's purchase or disposition of the Shares. Purchaser represents that Purchaser has consulted with any tax consultants Purchaser deems advisable in connection with the purchase or disposition of the Shares and that Purchaser is not relying on the Company for any tax advice.

6. Entire Agreement; Governing Law. The Plan and Option Agreement are incorporated herein by reference. This Exercise Notice, the Plan and the Option Agreement constitute the entire

agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Purchaser with respect to the subject matter hereof, and may not be modified adversely to the Purchaser's interest except by means of a writing signed by the Company and Purchaser. This Option Agreement is governed by the internal substantive laws, but not the choice of law rules, of Utah.

Submitted by:	Accepted by:
PURCHASER	CRICUT, INC.
_____	_____
Signature	Signature
_____	_____
Print Name	Print Name
Address:	_____
	Title
_____	
_____	_____
	Date Received

CRICUT, INC.
2021 EQUITY INCENTIVE PLAN
RESTRICTED STOCK UNIT AGREEMENT

NOTICE OF RESTRICTED STOCK UNIT GRANT

Unless otherwise defined herein, the terms defined in the Cricut, Inc. 2021 Equity Incentive Plan (the "Plan") will have the same defined meanings in this Restricted Stock Unit Agreement, which includes the Notice of Restricted Stock Unit Grant (the "Notice of Grant"), Terms and Conditions of Restricted Stock Unit Grant attached hereto as Exhibit A, and all appendices and exhibits attached thereto (all together, the "Award Agreement").

Participant:

Address:

The undersigned Participant has been granted the right to receive an Award of Restricted Stock Units, subject to the terms and conditions of the Plan and this Award Agreement, as follows:

Grant Number: _____

Date of Grant: _____

Vesting Commencement Date: _____

Number of Restricted Stock Units: _____

Vesting Schedule:

Subject to any acceleration provisions contained in the Plan or set forth below, the Restricted Stock Units will vest in accordance with the following schedule:

[Twenty-five percent (25%) of the Restricted Stock Units will vest on the one (1)-year anniversary of the Vesting Commencement Date, and one sixteenth (1/16th) of the Restricted Stock Units will vest on each Quarterly Vesting Date (as defined below) thereafter, subject to Participant continuing to be a Service Provider through each such date.]

In addition, if Participant's employment is terminated by the Company or any Parent or Subsidiary of the Company due to Participant's death or Disability, one hundred percent (100%) of the then-unvested Restricted Stock Units will immediately vest.

A "Quarterly Vesting Date" is the first trading day on or after each of February 15, May 15, August 15, and November 15.

In the event Participant ceases to be a Service Provider for any or no reason (other than a termination of Participant's employment by the Company or any Parent or Subsidiary of the

Company due to Participant's death or Disability) before Participant vests in the Restricted Stock Units, the Restricted Stock Units and Participant's right to acquire any Shares hereunder will immediately terminate.

By Participant's signature and the signature of the representative of the Company below, Participant and the Company agree that this Award of Restricted Stock Units is granted under and governed by the terms and conditions of the Plan and this Award Agreement, including the Terms and Conditions of Restricted Stock Unit Grant, attached hereto as Exhibit A, all of which are made a part of this document. Participant acknowledges receipt of a copy of the Plan. Participant has reviewed the Plan and this Award Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Award Agreement, and fully understands all provisions of the Plan and this Award Agreement. Participant hereby agrees to accept as binding, conclusive, and final all decisions or interpretations of the Administrator upon any questions relating to the Plan and the Award Agreement. Participant further agrees to notify the Company upon any change in the residence address indicated below.

By signing this Award Agreement, Participant is agreeing to arbitration of any disputes related to this Award Agreement and of any disputes related to Participant's employment relationship with the Company or any Parent or Subsidiary of the Company, as provided in Section 28.

PARTICIPANT:	CRICUT, INC.
Signature	Signature
Print Name	Print Name
	Title

EXHIBIT A

TERMS AND CONDITIONS OF RESTRICTED STOCK UNIT GRANT

1. Grant of Restricted Stock Units. The Company hereby grants to the individual (the "Participant") named in the Notice of Restricted Stock Unit Grant (the "Notice of Grant") under the Plan an Award of Restricted Stock Units, subject to all of the terms and conditions in this Award Agreement and the Plan, which is incorporated herein by reference. Subject to Section 18(c) of the Plan, in the event of a conflict between the terms and conditions of the Plan and this Award Agreement, the terms and conditions of the Plan shall prevail.

2. Company's Obligation to Pay. Each Restricted Stock Unit represents the right to receive a Share on the date it vests. Unless and until the Restricted Stock Units will have vested in the manner set forth in Section 3 or 4, Participant will have no right to payment of any such Restricted Stock Units. Prior to actual payment of any vested Restricted Stock Units, such Restricted Stock Unit will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company.

3. Vesting Schedule. Except as provided in Section 4, and subject to Section 5, the Restricted Stock Units awarded by this Award Agreement will vest in accordance with the vesting schedule set forth in the Notice of Grant, subject to Participant continuing to be a Service Provider through each applicable vesting date.

4. Payment after Vesting.

(a) General Rule. Subject to Section 7, any Restricted Stock Units that vest will be paid to Participant (or in the event of Participant's death, to his or her properly designated beneficiary or estate) in whole Shares. Subject to the provisions of Section 4(b), such vested Restricted Stock Units shall be paid in whole Shares as soon as practicable after vesting, but in each such case within sixty (60) days following the vesting date. In no event will Participant be permitted, directly or indirectly, to specify the taxable year of payment of any Restricted Stock Units payable under this Award Agreement.

(b) Acceleration.

(i) Discretionary Acceleration. The Administrator, in its discretion, may accelerate the vesting of the balance, or some lesser portion of the balance, of the unvested Restricted Stock Units at any time, subject to the terms of the Plan. If so accelerated, such Restricted Stock Units will be considered as having vested as of the date specified by the Administrator. If Participant is a U.S. taxpayer, the payment of Shares vesting pursuant to this Section 4(b) shall in all cases be paid at a time or in a manner that is exempt from, or complies with, Section 409A. The prior sentence may be superseded in a future agreement or amendment to this Award Agreement only by direct and specific reference to such sentence.

(ii) Notwithstanding anything in the Plan or this Award Agreement or any other agreement (whether entered into before, on or after the Date of Grant), if the vesting of the balance, or some lesser portion of the balance, of the Restricted Stock Units is accelerated in

connection with Participant's termination as a Service Provider (provided that such termination is a "separation from service" within the meaning of Section 409A, as determined by the Company), other than due to Participant's death, and if (x) Participant is a U.S. taxpayer and a "specified employee" within the meaning of Section 409A at the time of such termination as a Service Provider and (y) the payment of such accelerated Restricted Stock Units will result in the imposition of additional tax under Section 409A if paid to Participant on or within the six (6) month period following Participant's termination as a Service Provider, then the payment of such accelerated Restricted Stock Units will not be made until the date six (6) months and one (1) day following the date of Participant's termination as a Service Provider, unless Participant dies following his or her termination as a Service Provider, in which case, the Restricted Stock Units will be paid in Shares to Participant's estate as soon as practicable following his or her death.

(c) Section 409A. It is the intent of this Award Agreement that it and all payments and benefits to U.S. taxpayers hereunder be exempt from, or comply with, the requirements of Section 409A so that none of the Restricted Stock Units provided under this Award Agreement or Shares issuable thereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted to be so exempt or so comply. Each payment payable under this Award Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). However, in no event will the Company or any of its Subsidiaries reimburse or indemnify Participant, or be otherwise responsible for, any taxes or costs, including penalties and interest, that may be imposed on Participant as a result of Section 409A. For purposes of this Award Agreement, "Section 409A" means Section 409A of the Code, and any final Treasury Regulations and Internal Revenue Service guidance thereunder, as each may be amended from time to time.

5. Forfeiture Upon Termination as a Service Provider. Unless specifically provided otherwise in this Award Agreement or other written agreement between Participant and the Company or any of its Subsidiaries or Parents, as applicable, if Participant ceases to be a Service Provider for any or no reason, the then-unvested Restricted Stock Units awarded by this Award Agreement will thereupon be forfeited at no cost to the Company and Participant will have no further rights thereunder.

6. Death of Participant. Any distribution or delivery to be made to Participant under this Award Agreement will, if Participant is then deceased, be made to Participant's designated beneficiary, or if no beneficiary survives Participant, the administrator or executor of Participant's estate. Any such transferee must furnish the Company with (a) written notice of his or her status as transferee, and (b) evidence satisfactory to the Company to establish the validity of the transfer and compliance with any laws or regulations pertaining to said transfer.

7. Tax Obligations

(a) Responsibility for Taxes. Participant acknowledges that, regardless of any action taken by the Company or, if different, Participant's employer (the "Employer") or Parent or Subsidiary to which Participant is providing services (together, the Company, Employer and/or Parent or Subsidiary to which Participant is providing services, the "Service Recipient"), the

ultimate liability for any tax and/or social insurance liability obligations and requirements in connection with the Restricted Stock Units, including, without limitation, (i) all federal, state, local, and foreign taxes (including Participant's Federal Insurance Contributions Act (FICA) obligation) that are required to be withheld by the Company or the Service Recipient or other payment of tax-related items related to Participant's participation in the Plan and legally applicable to Participant, (ii) Participant's and, to the extent required by the Company (or Service Recipient), the Company's (or Service Recipient's) fringe benefit tax liability, if any, associated with the grant, vesting, or settlement of the Restricted Stock Units or sale of Shares, and (iii) any other Company (or Service Recipient) taxes the responsibility for which Participant has, or has agreed to bear, with respect to the Restricted Stock Units (or settlement thereof or issuance of Shares thereunder) (collectively, the "Tax Obligations"), is and remains Participant's responsibility and may exceed the amount actually withheld by the Company or the Service Recipient. Participant further acknowledges that the Company and/or the Service Recipient (A) make no representations or undertakings regarding the treatment of any Tax Obligations in connection with any aspect of the Restricted Stock Units, including, but not limited to, the grant, vesting or settlement of the Restricted Stock Units, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends or other distributions, and (B) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Restricted Stock Units to reduce or eliminate Participant's liability for Tax Obligations or achieve any particular tax result. Further, if Participant is subject to Tax Obligations in more than one jurisdiction between the Date of Grant and the date of any relevant taxable or tax withholding event, as applicable, Participant acknowledges that the Company and/or the Service Recipient (or former employer, as applicable) may be required to withhold or account for Tax Obligations in more than one jurisdiction. If Participant fails to make satisfactory arrangements for the payment of any required Tax Obligations hereunder at the time of the applicable taxable event, Participant acknowledges and agrees that the Company may refuse to issue or deliver the Shares.

(b) Tax Withholding. When Shares are issued as payment for vested Restricted Stock Units, Participant generally will recognize immediate U.S. taxable income if Participant is a U.S. taxpayer. If Participant is a non-U.S. taxpayer, Participant will be subject to applicable taxes in his or her jurisdiction. Pursuant to such procedures as the Administrator may specify from time to time, the Company and/or Service Recipient shall withhold the amount required to be withheld for the payment of Tax Obligations. The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit or require Participant to satisfy, and Participant authorizes the Administrator to satisfy, such Tax Obligations, in whole or in part (without limitation), if permissible by applicable local law, by (i) paying cash, (ii) electing to have the Company withhold otherwise deliverable Shares having a fair market value equal to the minimum amount that is necessary to meet the withholding requirement for such Tax Obligations (or such greater amount as Participant may elect if permitted by the Administrator, if such greater amount would not result in adverse financial accounting consequences), (iii) withholding the amount of such Tax Obligations from Participant's wages or other cash compensation paid to Participant by the Company and/or the Service Recipient, (iv) delivering to the Company already vested and owned Shares having a fair market value equal to such Tax Obligations (or such greater amount as Participant may elect if permitted by the Administrator, if such greater amount would not result in adverse financial accounting consequences), (v) selling a sufficient number of such Shares otherwise deliverable to Participant through such means as the Company may determine in its sole discretion (whether through a broker or otherwise) equal to the minimum amount that is necessary to meet the withholding requirement for such Tax Obligations (or such greater amount as Participant may elect if permitted by the Administrator, if such greater amount would not result in

adverse financial accounting consequences), or (vi) such other means as the Administrator deems appropriate. To the extent determined appropriate by the Administrator in its discretion, the Administrator will have the right (but not the obligation) to satisfy any Tax Obligations by reducing the number of Shares otherwise deliverable to Participant and, until determined otherwise by the Company, this will be the method by which such Tax Obligations are satisfied. Further, if Participant is subject to tax in more than one jurisdiction between the Date of Grant and a date of any relevant taxable or tax withholding event, as applicable, Participant acknowledges and agrees that the Company and/or the Service Recipient (and/or former employer, as applicable) may be required to withhold or account for tax in more than one jurisdiction.

(c) Company's Obligation to Deliver Shares. For clarification purposes, in no event will the Company issue Participant any Shares unless and until arrangements satisfactory to the Administrator have been made for the payment of Participant's Tax Obligations. If Participant fails to make satisfactory arrangements for the payment of such Tax Obligations hereunder at the time any applicable Restricted Stock Units otherwise are scheduled to vest pursuant to Sections 3 or 4 or Participant's Tax Obligations otherwise become due, Participant will permanently forfeit such Restricted Stock Units to which Participant's Tax Obligation relates and any right to receive Shares thereunder and such Restricted Stock Units will be returned to the Company at no cost to the Company. Participant acknowledges and agrees that the Company may refuse to issue or deliver the Shares if such Tax Obligations are not delivered at the time they are due.

8. Rights as Stockholder. Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares (which may be in book entry form) will have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to Participant (including through electronic delivery to a brokerage account). After such issuance, recordation, and delivery, Participant will have all the rights of a stockholder of the Company with respect to voting such Shares and receipt of dividends and distributions on such Shares.

9. Dividend Equivalents. Pursuant to and subject to the terms and conditions of Section 8(f) of the Plan, Participant shall be entitled to receive Dividend Equivalents with respect to the payment of cash dividends on Shares having a record date prior to the date on which the Restricted Stock Units held by such Participant are settled or forfeited.

10. No Guarantee of Continued Service. PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF THE RESTRICTED STOCK UNITS PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER, WHICH UNLESS PROVIDED OTHERWISE UNDER APPLICABLE LAW IS AT THE WILL OF THE COMPANY (OR THE SERVICE

RECIPIENT) AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS RESTRICTED STOCK UNIT AWARD OR ACQUIRING SHARES HEREUNDER. PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS AWARD AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND WILL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE RIGHT OF THE COMPANY (OR THE SERVICE RECIPIENT) TO TERMINATE PARTICIPANT'S RELATIONSHIP AS A SERVICE PROVIDER, SUBJECT TO APPLICABLE LAW, WHICH TERMINATION, UNLESS PROVIDED OTHERWISE UNDER APPLICABLE LAW, MAY BE AT ANY TIME, WITH OR WITHOUT CAUSE.

11. Grant is Not Transferable. Except to the limited extent provided in Section 6, this grant and the rights and privileges conferred hereby will not be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and will not be subject to sale under execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of this grant, or any right or privilege conferred hereby, or upon any attempted sale under any execution, attachment or similar process, this grant and the rights and privileges conferred hereby immediately will become null and void.

12. Nature of Grant. In accepting the grant of Restricted Stock Units, Participant acknowledges, understands and agrees that:

(a) the grant of the Restricted Stock Units is voluntary and occasional and does not create any contractual or other right to receive future grants of Restricted Stock Units, or benefits in lieu of Restricted Stock Units, even if Restricted Stock Units have been granted in the past;

(b) all decisions with respect to future Restricted Stock Units or other grants, if any, will be at the sole discretion of the Company;

(c) Participant is voluntarily participating in the Plan;

(d) the Restricted Stock Units and the Shares subject to the Restricted Stock Units are not intended to replace any pension rights or compensation;

(e) the Restricted Stock Units and the Shares subject to the Restricted Stock Units, and the income and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;

(f) the future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty;

(g) for purposes of the Restricted Stock Units, Participant's status as a Service Provider will be considered terminated as of the date Participant is no longer actively providing services to the Company or any Parent or Subsidiary (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any), and unless otherwise expressly provided in this Award Agreement (including by reference in the Notice of Grant to other arrangements or contracts) or determined by the Administrator, Participant's right to vest in the Restricted Stock Units under the Plan, if any, will terminate as of such date and will not be extended by any notice period (*e.g.*, Participant's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any, unless Participant is providing bona fide services during such time); the Administrator shall have the exclusive discretion to determine when Participant is no longer actively providing services for purposes of the Restricted Stock Units grant (including whether Participant may still be considered to be providing services while on a leave of absence and consistent with local law);

(h) unless otherwise provided in the Plan or by the Company in its discretion, the Restricted Stock Units and the benefits evidenced by this Award Agreement do not create any entitlement to have the Restricted Stock Units or any such benefits transferred to, or assumed by, another company nor be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares; and

(i) Participant understands and agrees that neither the offer to participate in the Plan, nor his or her participation in the Plan, will be interpreted to form an employment contract or relationship with the Company, any Subsidiary, or Service Recipient, as applicable, and furthermore, nothing in the Plan, this Award Agreement nor Participant's participation in the Plan will be interpreted to form an employment contract with the Company, any Subsidiary, or Service Recipient, as applicable.

13. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Participant's participation in the Plan, or Participant's acquisition or sale of the underlying Shares. Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

14. Address for Notices. Any notice to be given to the Company under the terms of this Award Agreement will be addressed to the Company at Cricut, Inc., 10855 South River Front Parkway, South Jordan, Utah 84095, or at such other address as the Company may hereafter designate in writing.

15. Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to the Restricted Stock Units awarded under the Plan or future Restricted Stock Units that may be awarded under the Plan by electronic means or request Participant's consent to participate in the Plan by electronic means. Participant hereby consents to

receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or electronic system established and maintained by the Company or a third party designated by the Company.

16. No Waiver. Either party's failure to enforce any provision or provisions of this Award Agreement shall not in any way be construed as a waiver of any such provision or provisions, nor prevent that party from thereafter enforcing each and every other provision of this Award Agreement. The rights granted both parties herein are cumulative and shall not constitute a waiver of either party's right to assert all other legal remedies available to it under the circumstances.

17. Successors and Assigns. The Company may assign any of its rights under this Award Agreement to single or multiple assignees, and this Award Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Award Agreement shall be binding upon Participant and his or her heirs, executors, administrators, successors and assigns. The rights and obligations of Participant under this Award Agreement may only be assigned with the prior written consent of the Company.

18. Additional Conditions to Issuance of Stock. If at any time the Company will determine, in its discretion, that the listing, registration, qualification or rule compliance of the Shares upon any securities exchange or under any state, federal or non-U.S. law, the tax code and related regulations or under the rulings or regulations of the United States Securities and Exchange Commission or any other governmental regulatory body or the clearance, consent or approval of the United States Securities and Exchange Commission or any other governmental regulatory authority is necessary or desirable as a condition to the issuance of Shares to Participant (or his or her estate) hereunder, such issuance will not occur unless and until such listing, registration, qualification, rule compliance, clearance, consent or approval will have been completed, effected or obtained free of any conditions not acceptable to the Company. Subject to the terms of this Award Agreement and the Plan, the Company shall not be required to issue any certificate or certificates for (or make any entry on the books of the Company or of a duly authorized transfer agent of the Company of) the Shares hereunder prior to the lapse of such reasonable period of time following the date of vesting of the Restricted Stock Units as the Administrator may establish from time to time for reasons of administrative convenience.

19. Interpretation. The Administrator will have the power to interpret the Plan and this Award Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any Restricted Stock Units have vested). All actions taken and all interpretations and determinations made by the Administrator in good faith will be final and binding upon Participant, the Company and all other interested persons. Neither the Administrator nor any person acting on behalf of the Administrator will be personally liable for any action, determination, or interpretation made in good faith with respect to the Plan or this Award Agreement.

20. Captions. Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Award Agreement.

21. Amendment, Suspension or Termination of the Plan. By accepting this Award, Participant expressly warrants that he or she has received an Award of Restricted Stock Units under the Plan, and has received, read, and understood a description of the Plan. Participant understands that the Plan is discretionary in nature and may be amended, suspended or terminated by the Administrator at any time.

22. Agreement Severable. In the event that any provision in this Award Agreement will be held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of this Award Agreement.

23. Modifications to the Award Agreement. This Award Agreement constitutes the entire understanding of the parties on the subjects covered. Participant expressly warrants that he or she is not accepting this Award Agreement in reliance on any promises, representations, or inducements other than those contained herein. Modifications to this Award Agreement or the Plan can be made only in an express written contract executed by a duly authorized officer of the Company. Notwithstanding anything to the contrary in the Plan or this Award Agreement, the Company reserves the right to revise this Award Agreement as it deems necessary or advisable, in its sole discretion and without the consent of Participant, to comply with Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A in connection with this Award of Restricted Stock Units.

24. Governing Law and Venue. This Award Agreement will be governed by the laws of Utah, without giving effect to the conflict of law principles thereof. For purposes of litigating any dispute that arises under these Restricted Stock Units or this Award Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Utah, and agree that such litigation will be conducted in the courts of Salt Lake County, Utah, or the federal courts for the United States for the District of Utah, and no other courts, where this Award Agreement is made and/or to be performed.

25. Entire Agreement. The Plan is incorporated herein by reference. The Plan and this Award Agreement (including the appendices and exhibits referenced herein) constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof, and may not be modified adversely to Participant's interest except by means of a writing signed by the Company and Participant.

26. Country Addendum. Notwithstanding any provisions in this Award Agreement, the Restricted Stock Unit grant shall be subject to any special terms and conditions set forth in an appendix (if any) to this Award Agreement for any country whose laws are applicable to Participant and this Award of Restricted Stock Units (as determined by the Administrator in its sole discretion) (the "Country Addendum"). Moreover, if Participant relocates to one of the countries included in the Country Addendum (if any), the special terms and conditions for such country will apply to Participant, to the extent the Company determines that the application of such terms and

conditions is necessary or advisable for legal or administrative reasons. The Country Addendum constitutes part of this Award Agreement.

27. Tax Consequences. Participant has reviewed with his or her own tax, legal, and financial advisors the U.S. federal, state, local, and non-U.S. tax consequences of this investment and the transactions contemplated by this Award Agreement. With respect to such matters, Participant relies solely on such advisors and not on any statements or representations of the Company, any Subsidiary, or Service Recipient or any of its agents, written or oral. Participant understands that Participant (and not the Company, any Subsidiary, or Service Recipient) shall be responsible for Participant's own tax liability that may arise as a result of this investment or the transactions contemplated by this Award Agreement.

28. ARBITRATION. THE PARTIES AGREE THAT ANY AND ALL DISPUTES ARISING OUT OF THE TERMS OF THIS AWARD AGREEMENT, THEIR INTERPRETATION, PARTICIPANT'S EMPLOYMENT WITH THE COMPANY OR THE SERVICE RECIPIENT OR THE TERMS OF EMPLOYMENT THEREOF, AND ANY OF THE MATTERS HEREIN RELEASED, SHALL BE SUBJECT TO BINDING ARBITRATION UNDER THE FEDERAL ARBITRATION ACT (THE "FAA"). THE FAA'S SUBSTANTIVE AND PROCEDURAL RULES SHALL GOVERN AND APPLY TO THIS ARBITRATION AGREEMENT WITH FULL FORCE AND EFFECT, AND ANY STATE COURT OF COMPETENT JURISDICTION MAY STAY PROCEEDINGS PENDING ARBITRATION OR COMPEL ARBITRATION IN THE SAME MANNER AS A FEDERAL COURT UNDER THE FAA. EMPLOYEE AGREES THAT, TO THE FULLEST EXTENT PERMITTED BY LAW, EMPLOYEE MAY BRING ANY SUCH ARBITRATION PROCEEDING ONLY IN EMPLOYEE'S INDIVIDUAL CAPACITY. ANY ARBITRATION WILL OCCUR IN UTAH, BEFORE JAMS, PURSUANT TO ITS EMPLOYMENT ARBITRATION RULES & PROCEDURES ("JAMS RULES"), EXCEPT AS EXPRESSLY PROVIDED IN THIS SECTION 28. THE PARTIES AGREE THAT THE ARBITRATOR SHALL HAVE THE POWER TO DECIDE ANY MOTIONS BROUGHT BY ANY PARTY TO THE ARBITRATION, INCLUDING MOTIONS FOR SUMMARY JUDGMENT AND/OR ADJUDICATION, AND MOTIONS TO DISMISS AND DEMURRERS, APPLYING THE STANDARDS SET FORTH UNDER THE UTAH RULES OF CIVIL PROCEDURE. THE PARTIES AGREE THAT THE ARBITRATOR SHALL ISSUE A WRITTEN DECISION ON THE MERITS. THE PARTIES ALSO AGREE THAT THE ARBITRATOR SHALL HAVE THE POWER TO AWARD ANY REMEDIES AVAILABLE UNDER APPLICABLE LAW, AND THAT THE ARBITRATOR MAY AWARD ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY, WHERE PERMITTED BY APPLICABLE LAW. THE ARBITRATOR MAY GRANT INJUNCTIONS AND OTHER RELIEF IN SUCH DISPUTES. THE ARBITRATOR SHALL APPLY SUBSTANTIVE UTAH LAW TO ANY DISPUTE OR CLAIM, WITHOUT REFERENCE TO ANY CONFLICT-OF-LAW PROVISIONS OF ANY JURISDICTION. THE DECISION OF THE ARBITRATOR SHALL BE FINAL, CONCLUSIVE, AND BINDING ON THE PARTIES TO THE ARBITRATION. THE PARTIES AGREE THAT THE PREVAILING PARTY IN ANY ARBITRATION SHALL BE ENTITLED TO INJUNCTIVE RELIEF IN ANY COURT OF COMPETENT JURISDICTION TO ENFORCE THE ARBITRATION AWARD. THE PARTIES TO THE ARBITRATION SHALL EACH PAY AN EQUAL SHARE OF THE COSTS AND EXPENSES OF SUCH ARBITRATION, AND EACH PARTY SHALL SEPARATELY PAY FOR ITS RESPECTIVE COUNSEL FEES AND EXPENSES; PROVIDED, HOWEVER, THAT THE ARBITRATOR SHALL AWARD ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY, EXCEPT AS PROHIBITED BY LAW. THE PARTIES HEREBY AGREE TO WAIVE THEIR RIGHT TO HAVE ANY DISPUTE BETWEEN THEM RESOLVED IN A COURT OF LAW BY A JUDGE OR JURY. NOTWITHSTANDING THE FOREGOING, THIS SECTION WILL NOT PREVENT EITHER PARTY

FROM SEEKING INJUNCTIVE RELIEF (OR ANY OTHER PROVISIONAL REMEDY) FROM ANY COURT HAVING JURISDICTION OVER THE PARTIES AND THE SUBJECT MATTER OF THEIR DISPUTE RELATING TO THE PLAN, THIS AWARD AGREEMENT, AND THE AGREEMENTS INCORPORATED HEREIN BY REFERENCE. SHOULD ANY PART OF THE ARBITRATION AGREEMENT CONTAINED IN THIS PARAGRAPH CONFLICT WITH ANY OTHER ARBITRATION AGREEMENT BETWEEN THE PARTIES, THE PARTIES AGREE THAT THIS ARBITRATION AGREEMENT SHALL GOVERN.

CRICUT, INC.
2021 EQUITY INCENTIVE PLAN
RESTRICTED STOCK UNIT AGREEMENT
COUNTRY ADDENDUM

Terms and Conditions

This Country Addendum includes additional terms and conditions that govern the Award of Restricted Stock Units granted to Participant under the Plan if Participant works in one of the countries listed below. If Participant is a citizen or resident of a country (or is considered as such for local law purposes) other than the one in which he or she is currently working or if Participant relocates to another country after receiving the Award of Restricted Stock Units, the Company will, in its discretion, determine the extent to which the terms and conditions contained herein will be applicable to Participant.

Certain capitalized terms used but not defined in this Country Addendum shall have the meanings set forth in the Plan, and/or the Restricted Stock Unit Agreement to which this Country Addendum is attached.

Notifications

This Country Addendum also includes notifications relating to exchange control and other issues of which Participant should be aware with respect to his or her participation in the Plan. The information is based on the exchange control, securities and other laws in effect in the countries listed in this Country Addendum, as of **March 2021**. Such laws are often complex and change frequently. As a result, the Company strongly recommends that Participant not rely on the notifications herein as the only source of information relating to the consequences of his or her participation in the Plan because the information may be outdated when Participant vests in the Restricted Stock Units and acquires Shares, or when Participant subsequently sells Shares acquired under the Plan. [Participant also should review the tax summary for his or her country which the Company will provide as a supplement to the Plan prospectus.]

In addition, the notifications are general in nature and may not apply to Participant's particular situation and the Company is not in a position to assure Participant of any particular result. Accordingly, Participant is advised to seek appropriate professional advice as to how the relevant laws in Participant's country may apply to Participant's situation.

Finally, if Participant is a citizen or resident of a country other than the one in which Participant is currently working (or is considered as such for local law purposes) or if Participant moves to another country after receiving the Award of Restricted Stock Units granted under the Plan, the information contained herein may not be applicable to such Participant.

I.

GLOBAL PROVISIONS APPLICABLE TO PARTICIPANTS IN ALL COUNTRIES OTHER THAN THE UNITED STATES

1. Foreign Exchange Considerations. Participant understands and agrees that neither the Company nor any Parent, Subsidiary or the Service Recipient shall be liable for any foreign exchange rate fluctuation between Participant's local currency and the U.S. dollar that may affect the value of the Restricted Stock Units, or of any amounts due to Participant under the Plan or as a result of vesting in his or her Restricted Stock Units and/or the subsequent sale of any Shares acquired under the Plan. Participant agrees and acknowledges that he or she will bear any and all risk associated with the exchange or fluctuation of currency associated with his or her participation in the Plan. Participant acknowledges and agrees that Participant may be responsible for reporting inbound transactions or fund transfers that exceed a certain amount. Participant is advised to seek appropriate professional advice as to how the exchange control regulations apply to his or her Restricted Stock Units and Participant's specific situation and understands that the relevant laws and regulations can change frequently and occasionally on a retroactive basis.

2. Additional Participant Acknowledgements. By electing to participate in the Plan, Participant acknowledges, understands and agrees that:

(a) the Restricted Stock Units and the Shares subject to the Restricted Stock Units are not part of normal or expected compensation or salary for any purpose; and

(b) no claim or entitlement to compensation or damages shall arise from forfeiture of the Restricted Stock Units resulting from the termination of Participant's status as a Service Provider (for any reason whatsoever whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any), and in consideration of the grant of the Restricted Stock Units to which Participant is otherwise not entitled, Participant irrevocably agrees never to institute any claim against the Company, any Parent or Subsidiary or the Service Recipient, waives his or her ability, if any, to bring any such claim, and releases the Company, any Parent or Subsidiary and the Service Recipient from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim.

3. ***Data Privacy. Participant understands that the Company may collect, where permissible under applicable law certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Restricted Stock Units granted under the Plan or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan. Participant understands that Company may transfer Participant's Data to the United States, which may have different, including less stringent, data protection laws than the***

laws in Participant's country. Participant understands that the Company will transfer Participant's Data to its designated broker, Shareworks, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that a recipient's country of operation (e.g., the United States) may have different, including less stringent, data privacy laws that Participant's jurisdiction does not consider to be equivalent to the protections in Participant's country. Participant understands that he or she may request a list with the names and addresses of any potential recipients of the Data by contacting Participant's [local human resources representative]. Participant authorizes the Company, the Company's designated broker and any other possible recipients which may assist the Company with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing Participant's participation in the Plan. Participant understands that Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Plan. Participant understands that that he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing Participant's local human resources representative. Further, Participant understands that he or she is providing the consent herein on a purely voluntary basis. If Participant does not consent, or if Participant later seeks to revoke Participant's consent, Participant's employment status or career with the Company will not be adversely affected; the only adverse consequence of refusing or withdrawing Participant's consent is that the Company would not be able to grant Participant awards under the Plan or other equity awards, or administer or maintain such awards. Therefore, Participant understands that refusing or withdrawing Participant's consent may affect Participant's ability to participate in the Plan. For more information on the consequences of Participant's refusal to consent or withdrawal of consent, Participant understands that he or she may contact Participant's [local human resources representative].

Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's personal data as described herein and any other Plan materials by and among, as applicable, the Company or Affiliate, Parent, or Subsidiary of the Company for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan. Participant understands that Participant's consent will be sought and obtained for any processing or transfer of Participant's data for any purpose other than as described in the enrollment form and any other plan materials.

4. Translated Documents. If Participant has received the Award Agreement or any other document related to the Plan translated into a language other than English, Participant understands that such translated documents were provided for convenience only, and that if the meaning of the

translated version is different than the English version, the English version will control, subject to Applicable Laws.

II. GLOBAL PROVISIONS APPLICABLE TO PARTICIPANTS IN ALL COUNTRIES OTHER THAN THE UNITED STATES

AUSTRALIA

Terms and Conditions

Deferral of Tax Payable. Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) applies to all Restricted Stock Units issued under the Award Agreement to Australian Participants.

Data Privacy. Participant acknowledges and agrees that if the Company, any Subsidiary, or Service Recipient discloses any personal information about Participant to a recipient outside of Australia then the Company, any Subsidiary, or Service Recipient will not be: (a) required by law to take steps to ensure that the recipient complied with the Australian Privacy Principles; or (b) responsible for any breaches of the Australian Privacy Principles by the recipient, in respect of that information.

Notifications

Exchange Control Notification. Exchange control reporting is required for cash transactions exceeding A$10,000 and for international fund transfers. If an Australian bank is assisting with the transaction, the bank will file the report on Participant's behalf.

BELGIUM

Notifications

Foreign Asset/Account Reporting Information. Participant is required to report any taxable income attributable to Restricted Stock Units and Shares on his or her annual tax return. In addition, Participant is required to report any bank accounts opened and maintained outside Belgium on his or her annual tax return. In a separate report, Participant may be required to provide the National Bank of Belgium with certain details regarding such foreign accounts (including the account number, bank name and country in which any such account was opened). Participant should consult with his or her personal tax advisor to determine any personal reporting obligations.

CANADA

Terms and Conditions

Award Payable Only in Shares. The grant of the Restricted Stock Units does not give Participant any right to receive a cash payment, and the Restricted Stock Units are payable in Shares only.

French Language Provisions. The following provisions will apply if Participant is a resident of Quebec:

The parties acknowledge that it is their express wish that the Award Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé la redaction en anglais de cette convention ("Agreement"), ainsi que de tous documents exécutés, avis donnés et procedures judiciaries intentées, directement ou indirectement, relativement à la présente convention.

CHINA

Terms and Conditions

Settlement in Cash. Notwithstanding any other provision in the Award Agreement to the contrary, pursuant to Section 4 of the Award Agreement, the Restricted Stock Units will be settled in the form of a cash payment, paid locally in Chinese Yuan by the local Chinese Subsidiary or Affiliate, except as otherwise determined by the Company.

FRANCE

Notifications

Tax Reporting Information. French residents may hold Restricted Stock Units outside of France, provided that they declare all foreign accounts, whether open, current, or closed, on their annual income tax return.

GERMANY

Notifications

Exchange Control Information. Participant understands that if he or she remits proceeds in excess of €12,500 out of or into Germany, such cross-border payment must be reported monthly to the State Central Bank. In the event that Participant makes or receives a payment in excess of this amount, Participant understands and agrees that he or she is responsible for obtaining the appropriate form from a German bank and complying with applicable reporting requirements. The online filing portal can be accessed at www.bundesbank.de.

IRELAND

Notifications

Director Reporting Obligation. Participant understands that if he or she is a director, shadow director, or secretary of the Company or subsidiary in Ireland, Participant must notify the Company or Irish subsidiary in writing within five (5) business days of receiving or disposing of an interest in

the Company (e.g., Restricted Stock Units, Shares), or within five (5) business days of becoming aware of the event giving rise to the notification requirement, or within five (5) days of becoming a director or secretary if such an interest exists at the time. This notification requirement also applies with respect to the interests of Participant's spouse or children under the age of 18 (whose interests will be attributed to Participant if he or she is a director, shadow director, or secretary).

ITALY

Terms and Conditions

Participant's Authorization to Release and Transfer Necessary Personal Information.

The following supplements Section 3 of Part I of this Country Addendum:

Participant understands that Data will be held only as long as is required by law or as necessary to implement, administer and manage Participant's participation in the Plan and employee compensation or for compliance or financial reporting purposes. Participant understands that pursuant to Chapter III of Regulation (EU) 2016/679, Participant has rights, including but not limited to, the right to access, delete, update, request the rectification of Participant's Data and cease the Data processing and to object, in whole or in part, on legitimate grounds, to the processing of Participant's Data, even though they are relevant to the purpose of collection. Furthermore, Participant is aware that Participant's Data will not be used for direct marketing purposes. In addition, the Data provided can be reviewed and questions or complaints can be addressed by contacting a local HR representative. If Participant requests that the Company cease processing Participant's personal data, Participant must do so by writing to the Company's Stock Administration Department, 10855 South River Front Parkway, South Jordan, Utah 84095, U.S.A., or sending an email to equity@cricut.com. If Participant requests that the Company cease processing Participant's Data, the Company will not be able to administer this award. Accordingly, if Participant requests that the Company cease processing Participant's Data, this Award will be cancelled when Participant's withdrawal is received.

Furthermore, having read and understood the information given on the processing of the Data and being acquainted of the rights set forth in Chapter III of Regulation (EU) 2016/679, Participant acknowledges the processing of any Data as reported in the Plan and the Award Agreement, and further acknowledges the transfer of Data, even sensitive data, in foreign Countries outside the European Union.

Governing Law and Plan Document Acknowledgment. By participating in the Plan, Participant acknowledges that he or she has received a copy of the Plan and the Award Agreement and has reviewed the Plan and the Award Agreement, in their entirety and fully understands and accept all provisions of the Plan and the Award Agreement. Participant understands that the Plan and his or her participation in the Plan is governed by the Governing Law as set forth in Section 24 of the Award Agreement.

Notifications

Exchange Control Information. Participant is required to report in his or her annual tax return any investments (including Shares acquired under the Plan) held outside of Italy, if the investment may give rise to income in Italy. Bank accounts held abroad exceeding in the year the value of €15,000 or the euro equivalent (*e.g.*, bank accounts where proceeds from the sale of Shares acquired under the Plan are deposited) also shall be reported. Participant is exempt from the formalities if the investments are made through an authorized broker resident in Italy.

MALAYSIA

Terms and Conditions

Data Privacy. Below is a translation of Section 3 of Part I of this Country Addendum into Bahasa Malaysia for Participant's reference:

Privasi Data. Peserta memahami bahawa Syarikat boleh mengumpulkan, jika dibenarkan di bawah undang-undang yang berkenaan, maklumat peribadi tertentu mengenai Peserta, termasuk, tetapi tidak terhad kepada, nama, alamat rumah dan nombor telefon Peserta, tarikh lahir, nombor insurans sosial atau nombor pengenalan lain, gaji, kewarganegaraan , jawatan, setiap Saham atau pengarah yang dipegang di Syarikat, perincian semua Unit Saham Terhad yang diberikan di bawah Pelan atau hak lain untuk Saham yang dianugerahkan, dibatalkan, dilaksanakan, diletak hak, tidak dilaburkan atau tertunggak atas permintaan Peserta ("Data"), Untuk tujuan eksklusif untuk melaksanakan, mentadbir dan mengurus Rancangan. Peserta memahami bahawa Syarikat boleh memindahkan Data Peserta ke Amerika Syarikat, yang mungkin mempunyai undang-undang perlindungan data yang berbeza, termasuk kurang ketat daripada undang-undang di negara Peserta. Peserta memahami bahawa Syarikat akan memindahkan Data Peserta kepada broker yang ditentukan, Shareworks, atau penyedia perkhidmatan pelan saham lain yang mungkin dipilih oleh Syarikat pada masa akan datang, yang membantu Syarikat dengan pelaksanaan, pentadbiran dan pengurusan rancangan. Peserta memahami bahawa penerima Data mungkin berada di Amerika Syarikat atau di tempat lain, dan bahawa negara operasi penerima (misalnya, Amerika Syarikat) mungkin mempunyai undang-undang privasi data yang berbeza, termasuk kurang ketat, yang tidak dipertimbangkan oleh bidang kuasa Peserta setaraf dengan perlindungan di negara Peserta. Peserta memahami bahawa dia boleh meminta senarai dengan nama dan alamat mana-mana calon penerima Data dengan menghubungi [local human resources representative] Peserta. Peserta memberi kuasa kepada Syarikat, broker yang ditunjuk Syarikat dan mana-mana penerima lain yang mungkin dapat membantu Syarikat melaksanakan, mentadbir dan mengurus Rancangan untuk menerima, memiliki, menggunakan, menyimpan dan memindahkan Data, dalam bentuk elektronik atau lain-lain, untuk satu-satunya tujuan melaksanakan, mentadbir dan mengurus penyertaan Peserta dalam Pelan. Peserta memahami bahawa Data akan diadakan hanya selagi diperlukan untuk melaksanakan, mentadbir dan mengurus penyertaan Peserta dalam Pelan. Peserta memahami bahawa dia dapat, pada bila-bila masa, melihat Data, meminta maklumat tambahan mengenai penyimpanan dan pemprosesan Data, memerlukan pindaan yang diperlukan untuk Data atau menolak atau menarik persetujuan di sini, dalam hal apa pun tanpa kos, dengan

menghubungi di menulis wakil sumber manusia tempatan Peserta. Selanjutnya, Peserta memahami bahawa dia memberikan persetujuan di sini secara murni secara sukarela. Sekiranya Peserta tidak mengizinkan, atau jika Peserta kemudiannya ingin membatalkan persetujuan Peserta, status pekerjaan atau kerjaya Peserta dengan Syarikat tidak akan terjejas; satu-satunya akibat buruk dari menolak atau menarik persetujuan Peserta adalah bahawa Syarikat tidak akan dapat memberikan anugerah Peserta di bawah Pelan atau anugerah ekuiti lain, atau mentadbir atau mengekalkan penghargaan tersebut. Oleh itu, Peserta memahami bahawa menolak atau menarik balik persetujuan Peserta boleh mempengaruhi kemampuan Peserta untuk berpartisipasi dalam Pelan. Untuk maklumat lebih lanjut mengenai akibat penolakan Peserta untuk persetujuan atau penarikan persetujuan, Peserta memahami bahawa dia boleh menghubungi [local human resources representative] Peserta.

Peserta dengan ini secara jelas dan jelas menyetujui pengumpulan, penggunaan dan pemindahan, dalam bentuk elektronik atau lain-lain, data peribadi Peserta seperti yang dijelaskan di sini dan apa-apa bahan Rancangan lain oleh dan di antara, yang berkenaan, Syarikat atau Ahli Gabungan, Ibu Bapa, atau Anak Syarikat Syarikat untuk tujuan eksklusif untuk melaksanakan, mentadbir dan mengurus penyertaan Peserta dalam Pelan. Peserta memahami bahawa persetujuan Peserta akan dicari dan diperoleh untuk memproses atau memindahkan data Peserta untuk tujuan lain selain daripada yang dijelaskan dalam borang pendaftaran dan bahan rancangan lain.

Notifications

Director Notification Obligation. Participant understands that if he or she is a director of a Malaysian Subsidiary or Affiliate of the Company, he or she is subject to certain notification requirements under the Malaysian Companies Act. Among these requirements is an obligation to notify the relevant Malaysian Subsidiary or Affiliate in writing when Participant receives or disposes of an interest (*e.g.*, Restricted Stock Units awarded under the Plan or Shares) in the Company. Such notifications must be made within five (5) business days of receiving or disposing of any interest in the Company.

MEXICO

No country-specific provisions.

NETHERLANDS

No country-specific provisions.

NORWAY

No country-specific provisions.

SINGAPORE

Terms and Conditions

Securities.

The Award of the Restricted Stock Units is being made in reliance of section 273(1)(f) of the Securities and Futures Act (Cap. 289) ("SFA") for which it is exempt from the prospectus and registration requirements under the SFA. Participant understands that the Shares have not been registered with the SFA. Unless Participant sells any Shares he or she acquires pursuant to the Plan via a public exchange outside of Singapore (e.g., Nasdaq), I agree that Participant shall not, within six (6) months of Participant's acquisition of any Shares, sell, transfer, gift, hypothecate, or otherwise transfer such Shares within Singapore except as expressly approved by the Company in writing. The Company believes that a typical sale through a U.S. brokerage firm would not require the Company's consent under these rules.

Director Notification Obligation. If Participant is a director, shadow director, or hold any similar position of a Singapore-incorporated company (each a "Singapore company") (*e.g.*, the Company, any Singapore Affiliate, or any Singapore Subsidiary), Participant is subject to certain notification requirements under section 164 of the Singapore Companies Act to enable the Singapore company to comply with its obligations to maintain a register of director's shareholdings ("Register"). Among these requirements is an obligation to notify the Singapore company in writing of:

(a) shares in, debentures of, or participatory interests made available by, the Singapore company or its related corporation which are held by Participant;

(b) any interest that Participant has in shares in, debentures of, or participatory interests made available by, the Singapore company or its related corporation, and the nature and extent of that interest under Section 7 of the Singapore Companies Act (which provides for the circumstances under which a deemed interest in shares may arise);

(c) rights or options that Participant has in respect of the acquisition or disposal of shares in the Singapore company or its related corporation; and

(d) contracts to which Participant is a party or under which he or she is entitled to a benefit, being contracts under which a person has a right to call for or to make delivery of shares in the Singapore company or its related corporation.

Participant must notify the Singapore company in writing when there is any change in the particulars of Participant's interests as mentioned above (including when Participant sells Common Stock issued from the Plan).

Participant is deemed to hold or have an interest or a right in or over any shares or debentures, if:

(a) Participant's spouse (not being himself or herself a director or chief executive officer) holds or has an interest or a right in or over such shares or debentures; or

(b) Participant's child of less than 18 years of age, including stepson, stepdaughter, adopted son or adopted daughter (not being himself or herself a director or chief executive officer) holds or has an interest in such shares or debentures.

In addition, any contract, assignment or right of subscription shall be deemed to have been entered into or exercised or made by, or a grant shall be deemed as having been made to, Participant if any contract, assignment or right of subscription is entered into, exercised or made by, or a grant is made to, members of Participant's family as aforesaid (not being himself or herself a director or chief executive officer).

Particulars of Participant's interests as mentioned above must be given within two (2) business days after (i) the date on which Participant became a director of the Singapore company, or (ii) the date on which Participant became a registered holder of or acquired an interest as mentioned above, whichever last occurs. Particulars of any change in Participant's interests also must be given within two (2) business days of the change.

SOUTH AFRICA

Notifications

Exchange Control Notification. Participant understands that under current South African exchange control policy that he or she may invest a maximum of ZAR 1 million per year in offshore investments, including in Shares acquired under the Plan. The first ZAR 1 million annual discretionary allowance requires no prior authorization. The next ZAR 1 million requires tax clearance. Participant understands that it is Participant's responsibility to ensure that he or she does not exceed this limit and obtain the necessary tax clearance for remittances exceeding ZAR 1 million.

SPAIN

Notifications

Foreign Assets Reporting. Participant may be subject to certain tax reporting requirements with respect to assets, rights, or foreign currency that Participant holds outside of Spain, including bank accounts, securities and real estate if the aggregate value for particular category of assets exceeds €50,000 as of December 31 each year. Vested Restricted Stock Units are subject to this reporting requirement.

If applicable, Participant must report his or her foreign assets on Form 720 by no later than March 31 following the end of the relevant year. After the rights and/or assets are initially

reported, the reporting obligation will only apply if the value of previously-reported rights or assets increases by more than €20,000 as of each subsequent December 31; additional reporting requirements may apply if Participant's assets or asset increases exceed these amounts.

In addition, Participant must notify the Registry of Investments at the Spanish Ministry of Industry, Commerce and Tourism of investments in securities of companies not listed in Spain, which are deposited in a non-resident account. Participant must file form D-6 by January 31 each year stating the value of their investments in non-Spanish listed shares as of December 31 of the previous calendar year.

Participant is encouraged to consult with his or her personal advisor to determine any obligations in this respect.

Share Reporting Requirement. The acquisition of shares of stock must be declared for statistical purposes to the Direccion General de Comercio e Inversiones (the "DGCI"), the Bureau for Commerce and Investments, which is a department of the Ministry of Economy and Competitiveness. Generally, the declaration must be filed in January for shares owned as of December 31 of each year; however, if the value of the shares acquired or the amount of the sale proceeds exceeds a designated amount the declaration must be filed within one month of the acquisition or sale, as applicable. Participant should consult with his or her personal advisor to determine the obligations in this respect.

Foreign Currency Payments. When receiving foreign currency payments exceeding €50,000 derived from the ownership of shares (i.e., dividends or proceeds from the sale of the shares), Participant must inform the financial institution receiving the payment of the basis upon which such payment is made. Participant will need to provide the following information: (i) Participant's name, address, and fiscal identification number; (ii) the name and corporate domicile of the Company; (iii) the amount of the payment and the currency used; (iv) the country of origin; (v) the reasons for the payment; and (vi) further information that may be required.

SWEDEN

No country-specific provisions.

SWITZERLAND

Notifications

Securities Law Notice. The grant of Restricted Stock Units is considered a private offering in Switzerland and is therefore not subject to securities registration in Switzerland. Neither this document nor any other materials relating to the Restricted Stock Units (i) constitute a prospectus as such term is understood pursuant to the Swiss Code of Obligations, (ii) may be publicly distributed nor otherwise made publicly available in Switzerland, or (iii) has been or will be filed with, approved or supervised by any Swiss regulatory authority (in particular, the Swiss Financial Supervisory authority).

TAIWAN

Notifications

Exchange Control. Participant acknowledges and agrees that he or she may be required to do certain acts and/or execute certain documents in connection with the grant of the Restricted Stock Units the vesting of the Restricted Stock Units and the disposition of the resulting Shares, including but not limited to obtaining foreign exchange approval for remittance of funds and other governmental approvals within the Republic of China. Participant shall pay his or her own costs and expenses with respect to any event concerning a holder of the Restricted Stock Units, or Shares received upon the vesting thereof.

If Participant is a Taiwan resident (those who are over 20 years of age and holding a Republic of China citizen's ID Card, Taiwan Resident Certificate or an Alien Resident Certificate that is valid for a period no less than one year), Participant may acquire and remit foreign currency (including proceeds from the sale of Shares) into and out of Taiwan up to USD 5 million per year. If the transaction amount is TWD 500,000 or more in a single transaction, Participant must submit a foreign exchange transaction form and also provide supporting documentation to the satisfaction of the remitting bank.

If the transaction amount is USD 500,000 or more, Participant may be required to provide additional supporting documentation (including the contracts for such transaction, approval letter, etc.) to the satisfaction of the remitting bank. Participant acknowledges that he or she has been advised to consult Participant's personal advisor to ensure compliance with applicable exchange control laws in Taiwan.

UNITED KINGDOM

Terms and Conditions

Tax Obligations. The following provision supplements Section 7 of the Award Agreement: Tax-Related Items shall include Primary and to the extent legally possible secondary class 1 National Insurance Contributions. I agree that the Company or Participant's Employer may calculate the Tax-Related Items to be withheld and accounted for by reference to the maximum applicable rates, without prejudice to any right I may have to recover any overpayment from relevant U.K. tax authorities. Participant understands and agrees that if payment or withholding of any income tax liability arising in connection with Participant's participation in the Plan is not made by Participant to Participant's Employer within 90 days of the event giving rise to such income tax liability or such other period specified in Section 222(1)I of the U.K. Income Tax (Earnings and Pensions) Act 2003 (the "Due Date"), that the amount of any uncollected income tax will constitute a loan owed by Participant to Participant's Employer, effective on the Due Date. Participant understands and agrees that the loan will bear interest at the then-current official rate of Her Majesty's Revenue and Customs, it will be immediately due and repayable by Participant, and the Company and/or Participant's Employer may recover it at any time thereafter by any of the means referred to in the Plan and/or the Award Agreement.

Notwithstanding the foregoing, Participant understands and agrees that if Participant is a director or an executive officer of the Company (within the meaning of such terms for purposes of Section 13(k) of the U.S. Securities and Exchange Act of 1934, as amended), Participant will not be eligible for such a loan to cover the income tax liability. Participant further understands that, in the event that he or she is such a director or executive officer and the income tax is not collected from or paid by Participant by the Due Date, the amount of any uncollected income tax will constitute an additional benefit to Participant on which additional income tax and National Insurance Contributions will be payable. Participant understands and agree that he or she is responsible for reporting and paying any income tax due on this additional benefit directly to Her Majesty's Revenue and Customs under the self-assessment regime and for reimbursing the Company or Participant's Employer (as appropriate) for the value of any primary and (to the extent legally possible) secondary class 1 National Insurance Contributions due on this additional benefit which the Company or Participant's Employer may recover from Participant by any of the means referred to in the Plan and/or the Award Agreement.

At the discretion of the Company, the Restricted Stock Units cannot be settled until Participant has entered into an election with the Company (or Participant's Employer) (as appropriate) in a form approved by the Company and Her Majesty's Revenue & Customs (a "Joint Election") under which any liability of the Company and/or the Employer for Employer's national insurance contributions arising in respect of the granting, exercise, settlement of or other dealing in the Restricted Stock Units, or the acquisition of Common Stock on the settlement of the Restricted Stock Units, is transferred to and met by Participant.

Exhibit 10.10

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (the "Agreement") is entered into between Cricut, Inc., a Delaware corporation (the "Company"), and Ashish Arora (the "Executive"), effective as of the Effective Date (as defined below). The Company and the Executive are referred to collectively as the "Parties."

RECITALS

A. The Company desires to continue to employ the Executive as the Company's President and Chief Executive Officer.

B. The Company and the Executive desire to enter into this Agreement as to the terms of the Executive's employment with the Company.

AGREEMENT

In consideration of the promises and the mutual covenants and the agreements herein set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto, intending to be legally bound, hereby agree as follows:

Section 1. Definitions. For purposes of this Agreement, the following terms have the meanings specified in this Section 1. Other capitalized terms are defined elsewhere in this Agreement.

"Affiliate" means, with respect to a specified Person, any Person that, directly or indirectly, through one or more intermediaries Controls, is Controlled by, or is under common Control with, the specified Person, excluding, in all cases, the Perot Entity.

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

"Cause" means the Executive (i) entering a plea of no-contest with respect to, or being convicted (including by a plea of guilty) of a felony, whether or not related to the Executive's employment with the Company; (ii) committing (x) any illegal conduct that results in material damage or harm to the business, financial condition, reputation or assets of the Company or any Affiliate (y) or any action involving dishonesty, fraud or moral turpitude, with respect to the Company or any Affiliate or any of their employees, customers or suppliers; (iii) engaging in gross misconduct or being grossly negligent with respect to the performance of the Executive's duties; (iv) failing to cooperate with a bona fide internal investigation or investigation by regulatory or law enforcement authorities, after being instructed by the Company or any Affiliate to cooperate, or destroying or failing to preserve documents or other material reasonably known to be relevant to such an investigation, or inducing other persons to fail to cooperate or to destroy or fail to produce documents or other material; (v) materially violating the Company's written conduct policies, including but not limited to the Company's Code of Conduct and Ethics; (vi) materially breaching any agreement with the Company, including this Agreement (with the exception of a material breach based on the reasonable good faith belief that such act is or was in the best interests

of the Company or any Affiliate); (vii) willfully making a material and unauthorized disclosure of confidential information with respect to the Company or any Affiliate; (viii) engaging in a pattern of failing or refusing to perform any of the Executive's material duties; (ix) making disparaging, derogatory or detrimental comments about the Company or any Affiliate to third parties other than governmental entities; (x) engaging in a pattern of conduct that is detrimental to the reputation of the Company or any Affiliate; or (xi) abusing alcohol, prescribed medication or illegal drugs (whether or not at the workplace). The Company will give the Executive written notice prior to termination of employment pursuant to sub-paragraphs (iii), (iv), (v), (vi), (vii), (viii), (ix), (x) or (xi) of the foregoing, setting forth the nature of any alleged failure, breach or refusal in reasonable detail and the conduct required to cure. Except for a failure, breach or refusal which, by its nature, cannot reasonably be expected to be cured, the Executive shall have twenty (20) business days from the giving of such notice within which to cure any failure, breach or refusal under sub-paragraphs (iii), (iv), (v), (vi), (vii), (viii), (ix), (x) or (xi) of the foregoing.

"Code" means the Internal Revenue Code of 1986, as amended.

"Committee" means the Board or an authorized committee of the Board.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract, credit arrangement or otherwise.

"Disability" means the inability of the Executive to have performed the Executive's material duties under this Agreement due to a physical or mental injury, infirmity or incapacity for one hundred twenty (120) consecutive days (including weekends and holidays) as determined by the Board in its reasonable discretion. The Executive shall reasonably cooperate with the Company if a question arises as to whether the Executive has become disabled (including, without limitation, submitting to reasonable examinations by one or more medical doctors and other health care specialists selected by the Company and authorizing such medical doctors and other health care specialists to discuss the Executive's condition with the Company and its attorneys).

"Perot Entity" means Petrus Trust Company, LTA.

"Person" means an individual, corporation, partnership, limited partnership, limited liability company, syndicate, person (including, without limitation, a "person" as defined in Section 13(d)(e) of the Securities Exchange Act of 1934, as amended), trust, association or entity or government, political subdivision, agency or instrumentality of a government.

Section 2. Duties; At-Will Employment.

(a) Duties/Authority; Devotion; Other Business Activities.

i. Duties and Authority. As of the Effective Date, the Executive shall serve as President and Chief Executive Officer of the Company and shall have the duties and authority assigned or delegated to the Executive by the Board or a Board committee. The Executive shall report to the Board or a Board committee. The period of the Executive's employment under this Agreement is referred to herein as the "Employment Period."

ii. Board Membership. Subject to any required stockholder approvals, throughout the Employment Period, the Executive shall be nominated for re-election to the Board so long as the Executive continues to serve as the Company's Chief Executive Officer.

iii. Devotion. The Executive will (A) devote the Executive's entire business time to the Company, except to the extent otherwise agreed in writing by the Board; (B) use the Executive's best efforts to promote the success of the Company; and (C) cooperate fully with the Board in all lawful directives.

iv. No Other Business Activities. During the Employment Period, the Executive shall not engage in any business activities except for those to be performed for the benefit of the Company, unless approved by the Board in writing.

(b) At-Will Employment. The Parties agree that the Executive's employment with the Company will be "at-will" employment and may be terminated by the Company at any time with or without cause or notice. The Executive understands and agrees that neither the Executive's job performance nor promotions, commendations, bonuses or the like from the Company give rise to or in any way serve as the basis for modification, amendment, or extension, by implication or otherwise, of the Executive's employment with the Company. However, as described in this Agreement, the Executive may be entitled to severance payments or benefits depending on the circumstances of the Executive's termination of employment with the Company.

Section 3. Compensation.

(a) Base Salary. During the Employment Period, the Executive shall be paid an annual salary of $448,800, subject to adjustment as provided below (the "Base Salary"). The Base Salary shall be payable in accordance with the Company's customary payroll practices. The Base Salary will be subject to review and adjustments will be made based upon the Company's normal performance review practices.

(b) Annual Bonus. During the Employment Period, the Executive shall be eligible to receive an annual cash bonus in an amount to be determined by the Board based on the Company's performance (each, a "Bonus"). The amount of each Bonus will be targeted at one hundred percent (100%) of the Executive's Base Salary on an annual basis. The Executive may be eligible for certain increases and/or "accelerators" above the target amount of the Bonus based on outperformance of the Company's performance objectives established by the Committee under the Company's annual incentive plan ("Bonus Plan"). To the extent earned, the Bonus shall be payable in accordance with the Bonus Plan as soon as practicable following the end of the year to which the Bonus relates. All Bonus payments to the Executive will be subject to the Executive's continued employment with the Company at the time of payment, unless the (i) the Executive is employed by the Company as of the last date of the period during which the achievement of the bonus is measured and (ii) the Executive's employment is thereafter terminated pursuant to death or Disability or without Cause. If Executive's employment is terminated due to death, Disability or without Cause by the Company prior to the last date of the period during which the achievement of the bonus is measured, Executive will be paid a pro-rata bonus for the period he was employed by the Company. All achieved Bonus payments must be paid no later than March 15th of the year following the year in which such payments are earned.

(c) Equity. During the Employment Period, the Executive shall be eligible to receive awards of stock options, restricted stock units or other equity awards pursuant to any plans or arrangements the Company may have in effect from time to time. The Committee will determine in its discretion whether the Executive will be granted any such equity awards and the terms of any such award in accordance with the terms of any applicable plan or arrangement that may be in effect from time to time. In addition, with respect to Executive's equity awards previously granted on October 1, 2018 and August 17, 2020 (collectively, the "Performance Equity Awards"), Executive agrees to the terms contemplated by Schedule 1 of this Agreement.

(d) Reimbursement of Business Expenses. During the Employment Period, the Company shall reimburse the Executive for all reasonable and necessary out-of-pocket traveling and other expenses incurred by the Executive, for or on behalf of the Company, in the performance of the Executive's duties under this Agreement; provided, however, that the Executive shall follow all reimbursement policies and procedures that may be established by the Company from time to time, including the submission of documentation reasonably substantiating the expense.

(e) Participation in Benefits Plan. During the Employment Period, the Executive shall be entitled to participate in any retirement, group insurance, hospitalization, medical, dental, health, accident, disability or other benefits programs offered by the Company to its executive officers from time-to-time in accordance with the terms and conditions of the Company's policies. The Company may rescind, replace or amend any of the plans from time to time in its sole discretion.

(f) Vacation. During the Employment Period, the Executive shall be entitled to four (4) weeks of paid vacation per calendar year which shall accrue pursuant to the policies of the Company.

Section 4. Change in Control. If a Change in Control (as defined in the Company's 2021 Equity Incentive Plan) occurs before the termination of the Executive's employment with the Company, then immediately prior to such Change in Control, the Executive's equity awards that are subject only to time-based vesting conditions will become fully vested and exercisable (if applicable) and with respect to the Executive's equity awards that are subject to performance-based vesting, all performance goals or other vesting criteria will be deemed achieved at one hundred percent (100%) of target levels and all other terms and conditions met, in each case unless specifically provided otherwise under the applicable equity award agreement or other written agreement between the Executive and the Company or any of its subsidiaries or parents, as applicable.

Section 5. Termination of Employment.

(a) Termination by the Company for Cause; Voluntary Termination by the Executive.

i. Termination by the Company for Cause. The Company may terminate the Executive's employment hereunder at any time for Cause.

ii. Voluntary Termination by the Executive for Any Reason. The Executive may terminate the Executive's employment hereunder for any reason by providing the Board with thirty (30) days' advance written notice.

iii. Termination by the Company Other Than for Cause, Death, or Disability. The Company may terminate the Executive's employment other than for Cause, death, or Disability (a termination "Without Cause") at any time.

iv. Effects of Termination by the Company for Cause or Voluntary Termination by the Executive. If the Executive's employment is terminated by the Company for Cause, or is voluntarily terminated by the Executive for any reason, the Company shall pay to the Executive all accrued but unpaid vacation, expense reimbursements, wages, and other benefits due to Executive under any Company-provided plans, policies, and arrangements ("Accrued Compensation"), and no other benefits, compensation, or other payments shall be due from the Company to the Executive.

(b) Termination on Death or Disability or by the Company without Cause; Termination Without Cause. This Agreement shall terminate automatically on the death or Disability of the Executive and on thirty (30) days advanced written notice if terminated by the Company without Cause. In such case, the Executive (or in the event of the Executive's death, his estate) shall be entitled only to the payment of his Accrued Compensation and the pro rata portion of any Bonus through the termination date (payable at the same time the Bonus would have been paid had Executive remained employed throughout the entire year of termination and, in either case, not duplicative with the payment under Section 3(b)), and no other benefits, compensation, or other payments shall be due from the Company to the Executive or his estate (as applicable).

(c) Resignation as Officer and Director. The termination of the Executive's employment for any reason shall constitute the Executive's resignation from any employment, officer, director or fiduciary position with the Company, any of its Affiliates and the Board.

Section 6. Confidentiality, Non-Solicitation and Non-Competition. The terms of the Restrictive Covenant Agreement dated February 2, 2012 between the Executive and the Company (the "Restrictive Covenant Agreement") are deemed to be renewed and are incorporated in this Agreement by reference.

Section 7. Section 409A Compliance.

(a) General. This Agreement and the payments and benefits under this Agreement are intended to comply with or be exempt from the requirements of Section 409A of the Code, and the final regulations and any guidance promulgated thereunder ("Section 409A") so that none of such payments and benefits will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted in accordance with such intent. Notwithstanding anything to the contrary in the Agreement, including but not limited to Section 10(g), the Company will have the right to amend the Agreement as it deems necessary or advisable, in its sole discretion and without the consent of the Executive, to comply with Section 409A or to avoid income recognition under Section 409A prior to the actual payment of any payments and benefits under this Agreement or imposition of any additional tax. In no event

will the Company reimburse the Executive for any taxes or other costs that may be imposed on the Executive as result of Section 409A.

(b) Deferred Compensation. Notwithstanding anything to the contrary in this Agreement, no severance/separation payments and benefits to be paid or provided to the Executive (if any) that are considered deferred compensation under Section 409A will be paid or provided until the Executive has a "separation from service" within the meaning of Section 409A. Similarly, no severance/separation payments and benefits payable to the Executive, if any, that otherwise would be exempt from Section 409A pursuant to Treasury Regulation Section 1.409A-1(b)(9) will be payable until the Executive has a "separation from service" within the meaning of Section 409A. Notwithstanding any other provision of this Agreement, to the extent that the right to any severance/separation payments and benefits are considered deferred compensation under Section 409A of the Code, such severance/separation payments and benefits shall be paid (or provided) in accordance with the following: If the Executive is a "specified employee" within the meaning of Section 409A on the date of the Executive's separation from service, then such severance/separation payments and benefits shall not be paid or provided during the period beginning on the date of the Executive's separation from service and ending on the date that is six (6) months following the Executive's separation from service (or, if earlier, on the date of the Executive's death), and the amount of any such severance/separation payments and benefits that would otherwise be paid to the Executive during this period shall instead be paid to the Executive on the fifteenth (15th) day of the first (1st) calendar month following the end of the period (the "Delayed Payment Date"). If payment of an amount is delayed as a result of the previous sentence of this Section 7(b), such amount shall be increased with interest from the date on which such amount would otherwise have been paid to the Executive but for this Section 7(b) to the day prior to the Delayed Payment Date. The rate of interest shall be compounded monthly, at a rate equal to the three (3)-month London Interbank Offered Rate (LIBOR), as reported by The Wall Street Journal on the last business day of the month in which occurs the date of the Executive's separation from service. Such interest shall be paid on the Delayed Payment Date.

(c) Reimbursements. Payments with respect to reimbursements of expenses shall be made in accordance with Company policy and in no event later than the last day of the calendar year following the calendar year in which the relevant expense is incurred. The amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year. No right to reimbursement shall be subject to liquidation or exchange for another benefit.

(d) Separate Payments. Each payment, installment, and benefit payable under this Agreement is intended to constitute a separate payment for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations.

Section 8. Cooperation. Upon the receipt of reasonable notice from the Company (including outside counsel), the Executive agrees that while employed by the Company and thereafter for a period of two (2) years, the Executive will respond and provide information with regard to matters in which the Executive has knowledge as a result of either the Executive's employment with the Company or being a member of the Board, and will provide reasonable assistance to the Company, any Affiliate of the Company, the Board and their respective representatives in pursuing or defending any claim that may be initiated by, or made against, the

Company, any Affiliate of the Company (collectively, the "Claims"). During the pendency of any litigation or other proceeding involving Claims, and except as required by law or authorized by the Board, the Executive shall not communicate with any party to the litigation or other proceedings, including the party's representatives, employees, agents and attorneys, with respect to the facts or subject matter of any pending or potential litigation or regulatory or administrative proceeding involving the Company, any Affiliate of the Company. Upon presentation of appropriate documentation, the Company shall pay or reimburse the Executive for all reasonable out-of-pocket travel, duplicating or telephonic expenses incurred by the Executive in complying with this Section 8. This Section 8 expressly survives the termination of the Employment Period and the Executive's employment with the Company.

Section 9. Limitation on Payments. In the event that the severance and other payments and benefits provided for in this Agreement or otherwise payable to the Executive (i) constitute "parachute payments" within the meaning of Section 280G of the Code ("280G Payments"), and (ii) but for this Section 9, would be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then the 280G Payments will be either:

(x) delivered in full, or

(y) delivered as to such lesser extent which would result in no portion of such benefits being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the excise tax imposed by Section 4999, results in the receipt by the Executive on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be taxable under Section 4999 of the Code. If a reduction in the 280G Payments is necessary so that no portion of such benefits are subject to the Excise Tax, reduction will occur in the following order: (i) cancellation of equity awards granted "contingent on a change in ownership or control" (within the meaning of Code Section 280G); (ii) a pro rata reduction of (A) cash payments that are subject to Section 409A as deferred compensation and (B) cash payments not subject to Section 409A; (iii) a pro rata reduction of (A) employee benefits that are subject to Section 409A as deferred compensation and (B) employee benefits not subject to Section 409A; and (iv) a pro rata cancellation of (A) accelerated vesting of equity awards that are subject to Section 409A as deferred compensation and (B) equity awards not subject to Section 409A. In the event that acceleration of vesting of equity awards is to be cancelled, such acceleration of vesting will be cancelled in the reverse order of the date of grant of the Executive's equity awards.

A nationally recognized professional services firm selected by the Company, the Company's legal counsel or such other person or entity to which the parties mutually agree (the "Firm") will make any determination required under this Section 9. Such determinations will be made in writing by the Firm and any good faith determinations of the Firm will be conclusive and binding upon the Executive and the Company. For purposes of making the calculations required by this Section 9, the Firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Executive and the Company will furnish to the Firm such information and documents as the Firm may reasonably request in order to make a determination under this Section 9. The Company will bear all costs the Firm may incur in connection with any calculations contemplated by this Section 9.

Section 10. Arbitration. THE PARTIES AGREE THAT ANY AND ALL DISPUTES ARISING OUT OF THE TERMS OF THIS AGREEMENT, THEIR INTERPRETATION, EXECUTIVE'S EMPLOYMENT WITH THE COMPANY OR THE TERMS OF EMPLOYMENT THEREOF, AND ANY OF THE MATTERS HEREIN RELEASED, SHALL BE SUBJECT TO BINDING ARBITRATION UNDER THE FEDERAL ARBITRATION ACT (THE "FAA"). THE FAA'S SUBSTANTIVE AND PROCEDURAL RULES SHALL GOVERN AND APPLY TO THIS ARBITRATION AGREEMENT WITH FULL FORCE AND EFFECT, AND ANY STATE COURT OF COMPETENT JURISDICTION MAY STAY PROCEEDINGS PENDING ARBITRATION OR COMPEL ARBITRATION IN THE SAME MANNER AS A FEDERAL COURT UNDER THE FAA. EXECUTIVE AGREES THAT, TO THE FULLEST EXTENT PERMITTED BY LAW, EXECUTIVE MAY BRING ANY SUCH ARBITRATION PROCEEDING ONLY IN EXECUTIVE'S INDIVIDUAL CAPACITY. ANY ARBITRATION WILL OCCUR IN UTAH, BEFORE JAMS, PURSUANT TO ITS EMPLOYMENT ARBITRATION RULES & PROCEDURES ("JAMS RULES"), EXCEPT AS EXPRESSLY PROVIDED IN THIS SECTION 10. THE PARTIES AGREE THAT THE ARBITRATOR SHALL HAVE THE POWER TO DECIDE ANY MOTIONS BROUGHT BY ANY PARTY TO THE ARBITRATION, INCLUDING MOTIONS FOR SUMMARY JUDGMENT AND/OR ADJUDICATION, AND MOTIONS TO DISMISS AND DEMURRERS, APPLYING THE STANDARDS SET FORTH UNDER THE UTAH RULES OF CIVIL PROCEDURE. THE PARTIES AGREE THAT THE ARBITRATOR SHALL ISSUE A WRITTEN DECISION ON THE MERITS. THE PARTIES ALSO AGREE THAT THE ARBITRATOR SHALL HAVE THE POWER TO AWARD ANY REMEDIES AVAILABLE UNDER APPLICABLE LAW, AND THAT THE ARBITRATOR MAY AWARD ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY, WHERE PERMITTED BY APPLICABLE LAW. THE ARBITRATOR MAY GRANT INJUNCTIONS AND OTHER RELIEF IN SUCH DISPUTES. THE ARBITRATOR SHALL APPLY SUBSTANTIVE UTAH LAW TO ANY DISPUTE OR CLAIM, WITHOUT REFERENCE TO ANY CONFLICT-OF-LAW PROVISIONS OF ANY JURISDICTION. THE DECISION OF THE ARBITRATOR SHALL BE FINAL, CONCLUSIVE, AND BINDING ON THE PARTIES TO THE ARBITRATION. THE PARTIES AGREE THAT THE PREVAILING PARTY IN ANY ARBITRATION SHALL BE ENTITLED TO INJUNCTIVE RELIEF IN ANY COURT OF COMPETENT JURISDICTION TO ENFORCE THE ARBITRATION AWARD. THE PARTIES TO THE ARBITRATION SHALL EACH PAY AN EQUAL SHARE OF THE COSTS AND EXPENSES OF SUCH ARBITRATION, AND EACH PARTY SHALL SEPARATELY PAY FOR ITS RESPECTIVE COUNSEL FEES AND EXPENSES; PROVIDED, HOWEVER, THAT THE ARBITRATOR SHALL AWARD ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY, EXCEPT AS PROHIBITED BY LAW. THE PARTIES HEREBY AGREE TO WAIVE THEIR RIGHT TO HAVE ANY DISPUTE BETWEEN THEM RESOLVED IN A COURT OF LAW BY A JUDGE OR JURY. NOTWITHSTANDING THE FOREGOING, THIS SECTION WILL NOT PREVENT EITHER PARTY FROM SEEKING INJUNCTIVE RELIEF (OR ANY OTHER PROVISIONAL REMEDY) FROM ANY COURT HAVING JURISDICTION OVER THE PARTIES AND THE SUBJECT MATTER OF THEIR DISPUTE RELATING TO THIS AGREEMENT AND THE AGREEMENTS INCORPORATED HEREIN BY REFERENCE. SHOULD ANY PART OF THE ARBITRATION AGREEMENT CONTAINED IN THIS PARAGRAPH CONFLICT WITH ANY OTHER ARBITRATION AGREEMENT BETWEEN

THE PARTIES, THE PARTIES AGREE THAT THIS ARBITRATION AGREEMENT SHALL GOVERN.

Section 11. Miscellaneous.

(a) Notices. All notices, requests, demands and other communications called for hereunder will be in writing and will be deemed given (i) on the date of delivery if delivered personally, (ii) one (1) day after being sent by a well-established commercial overnight service, or (iii) four (4) days after being mailed by registered or certified mail, return receipt requested, prepaid and addressed to the parties or their successors at the following addresses, or at such other addresses as the parties may later designate in writing:

If to the Company:

Cricut, Inc.
Attn: General Counsel
10855 South River Front Parkway
South Jordan, Utah 84095

If to Executive:

at the last residential address known by the Company.

(b) Severability. Whenever possible, each provision of this Agreement shall be interpreted in the manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Agreement shall be reformed, construed and enforced in that jurisdiction as if the invalid, illegal or unenforceable provision had never been contained herein.

(c) Complete Agreement. This Agreement (and its exhibits) and the Restrictive Covenant Agreement embody the complete agreement and understanding among the Parties and supersede and preempt any prior understandings, agreements or representations by or among the Parties, written or oral, that may have related to the subject matter hereof in any way (including, but not limited to, the Employment Agreement between the Parties, effective as of February 15, 2018).

(d) Counterparts. This Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same Agreement. A facsimile signature, whether by fax or other electronic form, shall be deemed an original and shall bind the signing party.

(e) Successors and Assigns. Except as otherwise provided herein, this Agreement shall bind and inure to the benefit of and be enforceable by the Executive and the Company, and their respective successors and assigns; provided that the services provided by the Executive under this Agreement are of a personal nature and rights and obligations of the Executive under this Agreement shall not be assignable.

(f) Governing Law; Venue. All questions concerning the construction, validity and interpretation of this Agreement and the exhibits hereto shall be governed by and construed in accordance with the domestic laws of the State of Utah, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Utah or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Utah. Any lawsuit arising out of or in any way related to this Agreement to the Parties' relationship hereunder shall be brought only in those state or federal courts having jurisdiction over actions arising in Salt Lake County in the State of Utah.

(g) Amendment and Waiver. The provisions of this Agreement may be amended and waived only with the prior written consent of the Company and the Executive. The waiver of a breach of any term or provision of this Agreement will not operate as or be construed to be a waiver of any other previous or subsequent breach of this Agreement.

(h) Headings. All captions and section headings used in this Agreement are for convenient reference only and do not form a part of this Agreement.

(i) Tax Withholding. All payments made pursuant to this Agreement will be subject to withholding of applicable taxes.

(j) Acknowledgment. The Executive acknowledges that the Executive has had the opportunity to discuss this matter with and obtain advice from the Executive's private attorney, has had sufficient time to, and has carefully read and fully understands all the provisions of this Agreement, and is knowingly and voluntarily entering into this Agreement.

[Remainder of Page Intentionally Left Blank]

In witness whereof, the Parties have executed this Employment Agreement, effective as of the date the U.S. Securities and Exchange Commission declares effective the Company's S-1 registration statement in connection with the initial public offering of the Company's securities (the "Effective Date").

CRICUT, INC.

By: /s/ Jason Makler Date: 3/13/2021
Name: Jason Makler
Title: Board Member

EXECUTIVE

/s/ Ashish Arora Date: 3/14/2021
Ashish Arora

SCHEDULE 1

By his signature to the Employment Agreement to which this Schedule 1 is attached, the Executive acknowledges and agrees that, with respect to any distribution made in accordance with the Third Amended and Restated Liability Company Agreement of Cricut Holdings, LLC, a Delaware limited liability company (the "LLC"), dated as of June 11, 2015, as amended from time to time (the "LLC Agreement"), triggered upon a dissolution of the LLC pursuant to Section 12.1 of the LLC Agreement (a "Dissolution"), Executive agrees that the proceeds from such distribution with respect to Executive's Performance Equity Awards shall be determined and paid to Executive as prescribed in the manner set forth in the LLC Agreement, except as provided below.

Capitalized terms used but not otherwise defined above or not otherwise defined below shall have the meaning set forth in the award agreement governing the applicable Performance Equity Award.

1. With respect to his Performance Equity Award granted on October 1, 2018:

    a. The proceeds from such distribution with respect to the Group 2 Incentive Units shall be calculated as if the Participation Threshold was $1,122,945,606.84 (or $1,072,193,260.57 after taking into account the impact of the September 2020 dividend), and when expressed on a per Unit basis $3.00 (or $2.85 after taking into account the impact of the September 2020 dividend); and

    b. The proceeds from such distribution with respect to the Group 3 Incentive Units shall be calculated as if the Participation Threshold was $1,497,260,809.12 (or $1,446,508,462.85 after taking into account the impact of the September 2020 dividend), and when expressed on a per Unit basis $4.00 (or $3.85 after taking into account the impact of the September 2020 dividend).

2. With respect to his Performance Equity Award granted on August 17, 2020:

    a. The proceeds from such distribution with respect to the Group 2 Incentive Units shall be calculated as if the Participation Threshold was $2,424,247,200.00 (or $2,373,494,853.73 after taking into account the impact of the September 2020 dividend), and when expressed on a per Unit basis $6.00 (or $5.85 after taking into account the impact of the September 2020 dividend); and

    b. The proceeds from such distribution with respect to the Group 3 Incentive Units shall be calculated as if the Participation Threshold was $2,828,288,400.00 (or $2,777,536,053.73 after taking into account the impact of the September 2020 dividend), and when expressed on a per Unit basis $7.00 (or $6.85 after taking into account the impact of the September 2020 dividend).

Executive understands, acknowledges and agrees that any proceeds from the Dissolution that otherwise would be allocated or payable to Executive but for the terms of this Schedule 1 will not

be allocated or paid to Executive and instead shall be allocated and paid to other equity holders of the LLC in accordance with the terms of the LLC Agreement.

Except as provided in this Schedule 1, the Performance Equity Awards will continue to remain subject to their existing terms.

March 12, 2021

Martin Petersen
c/o Cricut, Inc.
10855 South River Front Parkway
South Jordan, Utah 84095

Re: Confirmatory Employment Letter

Dear Martin:

This letter agreement (the "Agreement") is entered into between Martin Petersen ("you") and Cricut, Inc. (the "Company" or "we"). This Agreement is effective as of the date you sign it, as indicated below. The purpose of this Agreement is to confirm the current terms and conditions of your employment.

1. Position. Your position will continue to be Chief Financial Officer, and you will continue to report to the Company's Chief Executive Officer or to such other person as the Company subsequently may determine. This is a full-time position. You will perform the duties and have the responsibilities and authority customarily performed and held by an employee in your position or as otherwise may be assigned or delegated to you by the Company. While you render services to the Company, you will not engage in any other employment, consulting or other business activity (whether full-time or part-time) without the prior written consent of the Company. By signing this Agreement, you reconfirm to the Company that you have no contractual commitments or other legal obligations that would prohibit you from performing your duties for the Company.

2. Base Salary. Your current annual base salary is $322,400.00, which will be payable, less applicable withholdings and deductions, in accordance with the Company's normal payroll practices. Your annual base salary will be subject to review and adjustment based upon the Company's normal performance review practices.

3. Annual Bonus. You are eligible to earn an annual cash bonus with a target value of 75% of your annual base salary, based on achieving performance objectives established by the Company's Board of Directors or an authorized committee thereof (the "Committee") in its sole discretion and payable upon achievement of those objectives as determined by the Committee. If any portion of such bonus is earned, it will be paid when practicable after the Committee determines it has been earned, subject to you remaining employed with the Company through the payment date. Your annual bonus opportunity will be subject to review and adjustment based upon the Company's normal performance review practices.

4. **Equity Awards**. You will be eligible to receive awards of stock options, restricted stock units or other equity awards pursuant to any plans or arrangements the Company may have in effect from time to time. The Committee will determine in its discretion whether you will be granted any such equity awards and the terms of any such award in accordance with the terms of any applicable plan or arrangement that may be in effect from time to time.

5. **Employee Benefits**. As a regular full time employee of the Company, you will continue to be eligible to participate in Company-sponsored benefits in accordance with the terms of the Company's policies and benefits plan. In addition, you will continue to be entitled to paid vacation in accordance with the Company's vacation policy, as in effect from time to time. Information regarding coverage, eligibility, and other information regarding these benefits is set forth in more detailed documents that are available from the Company. With the exception of the Company's at-will employment policy, discussed below, the Company may, from time to time, in its sole discretion, modify or eliminate its policies and/or benefits offered to employees.

6. **Severance**. You will be eligible for the Company's Executive Change in Control and Severance Plan (the "Severance Plan"). Your Participation Agreement under the Severance Plan will specify the severance payments and benefits you could be eligible to receive in connection with certain terminations of your employment with the Company. These protections will supersede all other severance payments and benefits you would otherwise currently be eligible for to, or would become eligible for in the future, under any plan, program or policy that the Company may have in effect from time to time.

7. **Employee Confidentiality and Invention Assignment**. As an employee of the Company, you will continue to have access to certain confidential information of the Company and you may, during the course of your employment, develop certain information or inventions that will be the property of the Company. To protect the interests of the Company, your acceptance of this Agreement confirms that the terms of the Company's Restrictive Covenant Agreement you previously signed with the Company (the "Restrictive Covenant Agreement") still apply. In addition, you agree not to bring any third-party confidential information to the Company, including that of any of your former employers, and that in performing your duties for the Company you will not in any way utilize any such information.

8. **Employment Relationship**. Employment with the Company will continue to be for no specific period of time. Your employment with the Company will continue to be "at will," meaning that either you or the Company may terminate your employment at any time and for any reason, with or without cause. Any contrary representations that may have been made to you are superseded by this Agreement. This is the full and complete agreement between you and the Company on this term. Although your job duties, title, compensation and benefits, as well as the Company's personnel policies and procedures, may change from time to time, the "at will" nature of your employment may only be changed in an express written agreement signed by you and a duly authorized officer of the Company (other than you).

9. Protected Activity Not Prohibited. Nothing in this Agreement or in any other agreement between you and the Company, as applicable, will in any way limit or prohibit you from engaging for a lawful purpose in any Protected Activity. For purposes of this Agreement, "Protected Activity" means filing a charge or complaint, or otherwise communicating, cooperating, or participating with, any state, federal, or other governmental agency, including but not limited to the U.S. Securities and Exchange Commission, the Equal Employment Opportunity Commission, and the National Labor Relations Board. Notwithstanding any restrictions set forth in this Agreement or in any other agreement between you and the Company, as applicable, you understand that you are not required to obtain authorization from the Company prior to disclosing information to, or communicating with, such agencies, nor are you obligated to advise the Company as to any such disclosures or communications. In making any such disclosures or communications, you agree to take all reasonable precautions to prevent any unauthorized use or disclosure of any information that may constitute Confidential Information (within the meaning of the Restrictive Covenant Agreement) to any parties other than the relevant government agencies. You further understand that Protected Activity does not include the disclosure of any Company attorney-client privileged communications, and that any such disclosure without the Company's written consent will constitute a material breach of this Agreement. You acknowledge that the Company has provided you with notice in compliance with the Defend Trade Secrets Act of 2016 regarding immunity from liability for limited disclosures of trade secrets. The full text of the notice is attached in Exhibit A.

10. Governing Law; Venue. All questions concerning the construction, validity and interpretation of this Agreement and the exhibits hereto shall be governed by and construed in accordance with the domestic laws of the State of Utah, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Utah or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Utah. Any lawsuit arising out of or in any way related to this Agreement to the Parties' relationship hereunder shall be brought only in those state or federal courts having jurisdiction over actions arising in Salt Lake County in the State of Utah.

11. ARBITRATION. THE PARTIES AGREE THAT ANY AND ALL DISPUTES ARISING OUT OF THE TERMS OF THIS AGREEMENT, THEIR INTERPRETATION, YOUR EMPLOYMENT WITH THE COMPANY OR THE TERMS OF EMPLOYMENT THEREOF, AND ANY OF THE MATTERS HEREIN RELEASED, SHALL BE SUBJECT TO BINDING ARBITRATION UNDER THE FEDERAL ARBITRATION ACT (THE "FAA"). THE FAA'S SUBSTANTIVE AND PROCEDURAL RULES SHALL GOVERN AND APPLY TO THIS ARBITRATION AGREEMENT WITH FULL FORCE AND EFFECT, AND ANY STATE COURT OF COMPETENT JURISDICTION MAY STAY PROCEEDINGS PENDING ARBITRATION OR COMPEL ARBITRATION IN THE SAME MANNER AS A FEDERAL COURT UNDER THE FAA. YOU AGREE THAT, TO THE FULLEST EXTENT PERMITTED BY LAW, YOU MAY BRING ANY SUCH ARBITRATION PROCEEDING ONLY IN YOUR INDIVIDUAL CAPACITY. ANY ARBITRATION WILL OCCUR IN UTAH, BEFORE JAMS, PURSUANT TO ITS EMPLOYMENT ARBITRATION RULES & PROCEDURES ("JAMS RULES"), EXCEPT AS EXPRESSLY PROVIDED IN THIS SECTION 11. THE PARTIES AGREE THAT THE ARBITRATOR SHALL HAVE THE POWER TO DECIDE ANY MOTIONS BROUGHT BY ANY PARTY TO THE ARBITRATION, INCLUDING MOTIONS FOR SUMMARY JUDGMENT AND/OR ADJUDICATION, AND MOTIONS TO DISMISS AND DEMURRERS,

APPLYING THE STANDARDS SET FORTH UNDER THE UTAH RULES OF CIVIL PROCEDURE. THE PARTIES AGREE THAT THE ARBITRATOR SHALL ISSUE A WRITTEN DECISION ON THE MERITS. THE PARTIES ALSO AGREE THAT THE ARBITRATOR SHALL HAVE THE POWER TO AWARD ANY REMEDIES AVAILABLE UNDER APPLICABLE LAW, AND THAT THE ARBITRATOR MAY AWARD ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY, WHERE PERMITTED BY APPLICABLE LAW. THE ARBITRATOR MAY GRANT INJUNCTIONS AND OTHER RELIEF IN SUCH DISPUTES. THE ARBITRATOR SHALL APPLY SUBSTANTIVE UTAH LAW TO ANY DISPUTE OR CLAIM, WITHOUT REFERENCE TO ANY CONFLICT-OF-LAW PROVISIONS OF ANY JURISDICTION. THE DECISION OF THE ARBITRATOR SHALL BE FINAL, CONCLUSIVE, AND BINDING ON THE PARTIES TO THE ARBITRATION. THE PARTIES AGREE THAT THE PREVAILING PARTY IN ANY ARBITRATION SHALL BE ENTITLED TO INJUNCTIVE RELIEF IN ANY COURT OF COMPETENT JURISDICTION TO ENFORCE THE ARBITRATION AWARD. THE PARTIES TO THE ARBITRATION SHALL EACH PAY AN EQUAL SHARE OF THE COSTS AND EXPENSES OF SUCH ARBITRATION, AND EACH PARTY SHALL SEPARATELY PAY FOR ITS RESPECTIVE COUNSEL FEES AND EXPENSES; PROVIDED, HOWEVER, THAT THE ARBITRATOR SHALL AWARD ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY, EXCEPT AS PROHIBITED BY LAW. THE PARTIES HEREBY AGREE TO WAIVE THEIR RIGHT TO HAVE ANY DISPUTE BETWEEN THEM RESOLVED IN A COURT OF LAW BY A JUDGE OR JURY. NOTWITHSTANDING THE FOREGOING, THIS SECTION WILL NOT PREVENT EITHER PARTY FROM SEEKING INJUNCTIVE RELIEF (OR ANY OTHER PROVISIONAL REMEDY) FROM ANY COURT HAVING JURISDICTION OVER THE PARTIES AND THE SUBJECT MATTER OF THEIR DISPUTE RELATING TO THIS AGREEMENT AND THE AGREEMENTS INCORPORATED HEREIN BY REFERENCE. SHOULD ANY PART OF THE ARBITRATION AGREEMENT CONTAINED IN THIS PARAGRAPH CONFLICT WITH ANY OTHER ARBITRATION AGREEMENT BETWEEN THE PARTIES, THE PARTIES AGREE THAT THIS ARBITRATION AGREEMENT SHALL GOVERN.

12. Miscellaneous. This Agreement, the Restrictive Covenant Agreement, the Severance Plan, and the Participation Agreement constitute the entire agreement between you and the Company regarding the subject matters discussed, and they supersede all prior negotiations, representations or agreements between you and the Company. This Agreement may only be modified by a written agreement signed by you and the Company's Chief Executive Officer.

To confirm the current terms and conditions of your employment, please sign and date in the spaces indicated and return this Agreement to the Company.

Sincerely,

Cricut, Inc.

By: /s/ Ashish Arora
Ashish Arora
Chief Executive Officer

I have read and understood this Agreement and hereby acknowledge, accept and agree to the terms as set forth herein and further acknowledge that no other commitments were made to me as part of my employment offer except as specifically set forth herein.

/s/ Martin F. Petersen
Martin Petersen
Date: 3/12/2021

Exhibit A

SECTION 7 OF THE DEFEND TRADE SECRETS ACT OF 2016

" . . . An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that —(A) is made—(i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. . . . An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual—(A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order."

Exhibit 10.12

March 12, 2021

Don Olsen
c/o Cricut, Inc.
10855 South River Front Parkway
South Jordan, Utah 84095

Re: Confirmatory Employment Letter

Dear Don:

This letter agreement (the "Agreement") is entered into between Don Olsen ("you") and Cricut, Inc. (the "Company" or "we"). This Agreement is effective as of the date you sign it, as indicated below. The purpose of this Agreement is to confirm the current terms and conditions of your employment.

1. **Position**. Your position will continue to be Executive Vice President of General Counsel and Corporate Secretary, and you will continue to report to the Company's Chief Executive Officer or to such other person as the Company subsequently may determine. This is a full-time position. You will perform the duties and have the responsibilities and authority customarily performed and held by an employee in your position or as otherwise may be assigned or delegated to you by the Company. While you render services to the Company, you will not engage in any other employment, consulting or other business activity (whether full-time or part-time) without the prior written consent of the Company. By signing this Agreement, you reconfirm to the Company that you have no contractual commitments or other legal obligations that would prohibit you from performing your duties for the Company.

2. **Base Salary**. Your current annual base salary is $239,200.00, which will be payable, less applicable withholdings and deductions, in accordance with the Company's normal payroll practices. Your annual base salary will be subject to review and adjustment based upon the Company's normal performance review practices.

3. **Annual Bonus**. You are eligible to earn an annual cash bonus with a target value of 40% of your annual base salary, based on achieving performance objectives established by the Company's Board of Directors or an authorized committee thereof (the "Committee") in its sole discretion and payable upon achievement of those objectives as determined by the Committee. If any portion of such bonus is earned, it will be paid when practicable after the Committee determines it has been earned, subject to you remaining employed with the Company through the payment date. Your annual bonus opportunity will be subject to review and adjustment based upon the Company's normal performance review practices.

4. **Equity Awards**. You will be eligible to receive awards of stock options, restricted stock units or other equity awards pursuant to any plans or arrangements the Company may have in effect from time to time. The Committee will determine in its discretion whether you will be granted any such equity awards and the terms of any such award in accordance with the terms of any applicable plan or arrangement that may be in effect from time to time.

5. **Employee Benefits**. As a regular full time employee of the Company, you will continue to be eligible to participate in Company-sponsored benefits in accordance with the terms of the Company's policies and benefits plan. In addition, you will continue to be entitled to paid vacation in accordance with the Company's vacation policy, as in effect from time to time. Information regarding coverage, eligibility, and other information regarding these benefits is set forth in more detailed documents that are available from the Company. With the exception of the Company's at-will employment policy, discussed below, the Company may, from time to time, in its sole discretion, modify or eliminate its policies and/or benefits offered to employees.

6. **Severance**. You will be eligible for the Company's Executive Change in Control and Severance Plan (the "Severance Plan"). Your Participation Agreement under the Severance Plan will specify the severance payments and benefits you could be eligible to receive in connection with certain terminations of your employment with the Company. These protections will supersede all other severance payments and benefits you would otherwise currently be eligible for to, or would become eligible for in the future, under any plan, program or policy that the Company may have in effect from time to time.

7. **Employee Confidentiality and Invention Assignment**. As an employee of the Company, you will continue to have access to certain confidential information of the Company and you may, during the course of your employment, develop certain information or inventions that will be the property of the Company. To protect the interests of the Company, your acceptance of this Agreement confirms that the terms of the Company's Restrictive Covenant Agreement you previously signed with the Company (the "Restrictive Covenant Agreement") still apply. In addition, you agree not to bring any third-party confidential information to the Company, including that of any of your former employers, and that in performing your duties for the Company you will not in any way utilize any such information.

8. **Employment Relationship**. Employment with the Company will continue to be for no specific period of time. Your employment with the Company will continue to be "at will," meaning that either you or the Company may terminate your employment at any time and for any reason, with or without cause. Any contrary representations that may have been made to you are superseded by this Agreement. This is the full and complete agreement between you and the Company on this term. Although your job duties, title, compensation and benefits, as well as the Company's personnel policies and procedures, may change from time to time, the "at will" nature of your employment may only be changed in an express written agreement signed by you and a duly authorized officer of the Company (other than you).

9. **Protected Activity Not Prohibited**. Nothing in this Agreement or in any other agreement between you and the Company, as applicable, will in any way limit or prohibit you from engaging for a lawful purpose in any Protected Activity. For purposes of this Agreement, "Protected Activity" means filing a charge or complaint, or otherwise communicating, cooperating, or participating with, any state, federal, or other governmental agency, including but not limited to the U.S. Securities and Exchange Commission, the Equal Employment Opportunity Commission, and the National Labor Relations Board. Notwithstanding any restrictions set forth in this Agreement or in any other agreement between you and the Company, as applicable, you understand that you are not required to obtain authorization from the Company prior to disclosing information to, or communicating with, such agencies, nor are you obligated to advise the Company as to any such disclosures or communications. In making any such disclosures or communications, you agree to take all reasonable precautions to prevent any unauthorized use or disclosure of any information that may constitute Confidential Information (within the meaning of the Restrictive Covenant Agreement) to any parties other than the relevant government agencies. You further understand that Protected Activity does not include the disclosure of any Company attorney-client privileged communications, and that any such disclosure without the Company's written consent will constitute a material breach of this Agreement. You acknowledge that the Company has provided you with notice in compliance with the Defend Trade Secrets Act of 2016 regarding immunity from liability for limited disclosures of trade secrets. The full text of the notice is attached in Exhibit A.

10. **Governing Law; Venue**. All questions concerning the construction, validity and interpretation of this Agreement and the exhibits hereto shall be governed by and construed in accordance with the domestic laws of the State of Utah, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Utah or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Utah. Any lawsuit arising out of or in any way related to this Agreement to the Parties' relationship hereunder shall be brought only in those state or federal courts having jurisdiction over actions arising in Salt Lake County in the State of Utah.

11. **ARBITRATION.** THE PARTIES AGREE THAT ANY AND ALL DISPUTES ARISING OUT OF THE TERMS OF THIS AGREEMENT, THEIR INTERPRETATION, YOUR EMPLOYMENT WITH THE COMPANY OR THE TERMS OF EMPLOYMENT THEREOF, AND ANY OF THE MATTERS HEREIN RELEASED, SHALL BE SUBJECT TO BINDING ARBITRATION UNDER THE FEDERAL ARBITRATION ACT (THE "FAA"). THE FAA'S SUBSTANTIVE AND PROCEDURAL RULES SHALL GOVERN AND APPLY TO THIS ARBITRATION AGREEMENT WITH FULL FORCE AND EFFECT, AND ANY STATE COURT OF COMPETENT JURISDICTION MAY STAY PROCEEDINGS PENDING ARBITRATION OR COMPEL ARBITRATION IN THE SAME MANNER AS A FEDERAL COURT UNDER THE FAA. YOU AGREE THAT, TO THE FULLEST EXTENT PERMITTED BY LAW, YOU MAY BRING ANY SUCH ARBITRATION PROCEEDING ONLY IN YOUR INDIVIDUAL CAPACITY. ANY ARBITRATION WILL OCCUR IN UTAH, BEFORE JAMS, PURSUANT TO ITS EMPLOYMENT ARBITRATION RULES & PROCEDURES ("JAMS RULES"), EXCEPT AS EXPRESSLY PROVIDED IN THIS SECTION 11. THE PARTIES AGREE THAT THE ARBITRATOR SHALL HAVE THE POWER TO DECIDE ANY MOTIONS BROUGHT BY ANY PARTY TO THE ARBITRATION, INCLUDING MOTIONS FOR SUMMARY JUDGMENT AND/OR ADJUDICATION, AND MOTIONS TO DISMISS AND DEMURRERS,

APPLYING THE STANDARDS SET FORTH UNDER THE UTAH RULES OF CIVIL PROCEDURE. THE PARTIES AGREE THAT THE ARBITRATOR SHALL ISSUE A WRITTEN DECISION ON THE MERITS. THE PARTIES ALSO AGREE THAT THE ARBITRATOR SHALL HAVE THE POWER TO AWARD ANY REMEDIES AVAILABLE UNDER APPLICABLE LAW, AND THAT THE ARBITRATOR MAY AWARD ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY, WHERE PERMITTED BY APPLICABLE LAW. THE ARBITRATOR MAY GRANT INJUNCTIONS AND OTHER RELIEF IN SUCH DISPUTES. THE ARBITRATOR SHALL APPLY SUBSTANTIVE UTAH LAW TO ANY DISPUTE OR CLAIM, WITHOUT REFERENCE TO ANY CONFLICT-OF-LAW PROVISIONS OF ANY JURISDICTION. THE DECISION OF THE ARBITRATOR SHALL BE FINAL, CONCLUSIVE, AND BINDING ON THE PARTIES TO THE ARBITRATION. THE PARTIES AGREE THAT THE PREVAILING PARTY IN ANY ARBITRATION SHALL BE ENTITLED TO INJUNCTIVE RELIEF IN ANY COURT OF COMPETENT JURISDICTION TO ENFORCE THE ARBITRATION AWARD. THE PARTIES TO THE ARBITRATION SHALL EACH PAY AN EQUAL SHARE OF THE COSTS AND EXPENSES OF SUCH ARBITRATION, AND EACH PARTY SHALL SEPARATELY PAY FOR ITS RESPECTIVE COUNSEL FEES AND EXPENSES; PROVIDED, HOWEVER, THAT THE ARBITRATOR SHALL AWARD ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY, EXCEPT AS PROHIBITED BY LAW. THE PARTIES HEREBY AGREE TO WAIVE THEIR RIGHT TO HAVE ANY DISPUTE BETWEEN THEM RESOLVED IN A COURT OF LAW BY A JUDGE OR JURY. NOTWITHSTANDING THE FOREGOING, THIS SECTION WILL NOT PREVENT EITHER PARTY FROM SEEKING INJUNCTIVE RELIEF (OR ANY OTHER PROVISIONAL REMEDY) FROM ANY COURT HAVING JURISDICTION OVER THE PARTIES AND THE SUBJECT MATTER OF THEIR DISPUTE RELATING TO THIS AGREEMENT AND THE AGREEMENTS INCORPORATED HEREIN BY REFERENCE. SHOULD ANY PART OF THE ARBITRATION AGREEMENT CONTAINED IN THIS PARAGRAPH CONFLICT WITH ANY OTHER ARBITRATION AGREEMENT BETWEEN THE PARTIES, THE PARTIES AGREE THAT THIS ARBITRATION AGREEMENT SHALL GOVERN.

12. **Miscellaneous**. This Agreement, the Restrictive Covenant Agreement, the Severance Plan, and the Participation Agreement constitute the entire agreement between you and the Company regarding the subject matters discussed, and they supersede all prior negotiations, representations or agreements between you and the Company. This Agreement may only be modified by a written agreement signed by you and the Company's Chief Executive Officer.

To confirm the current terms and conditions of your employment, please sign and date in the spaces indicated and return this Agreement to the Company.

Sincerely,

Cricut, Inc.

By: /s/ Ashish Arora
Ashish Arora
Chief Executive Officer

I have read and understood this Agreement and hereby acknowledge, accept and agree to the terms as set forth herein and further acknowledge that no other commitments were made to me as part of my employment offer except as specifically set forth herein.

/s/ Don Olsen
Don Olsen
Date: 3/12/2021

Exhibit A

SECTION 7 OF THE DEFEND TRADE SECRETS ACT OF 2016

" . . . An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that —(A) is made—(i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. . . . An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual—(A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order."

March 12, 2021

Gregory Rowberry
c/o Cricut, Inc.
10855 South River Front Parkway
South Jordan, Utah 84095

Re: Confirmatory Employment Letter

Dear Gregory:

This letter agreement (the "Agreement") is entered into between Gregory Rowberry ("you") and Cricut, Inc. (the "Company" or "we"). This Agreement is effective as of the date you sign it, as indicated below. The purpose of this Agreement is to confirm the current terms and conditions of your employment.

1. **Position**. Your position will continue to be Executive Vice President, Sales, and you will continue to report to the Company's Chief Executive Officer or to such other person as the Company subsequently may determine. This is a full-time position. You will perform the duties and have the responsibilities and authority customarily performed and held by an employee in your position or as otherwise may be assigned or delegated to you by the Company. While you render services to the Company, you will not engage in any other employment, consulting or other business activity (whether full-time or part-time) without the prior written consent of the Company. By signing this Agreement, you reconfirm to the Company that you have no contractual commitments or other legal obligations that would prohibit you from performing your duties for the Company.

2. **Base Salary**. Your current annual base salary is $231,330.32, which will be payable, less applicable withholdings and deductions, in accordance with the Company's normal payroll practices. Your annual base salary will be subject to review and adjustment based upon the Company's normal performance review practices.

3. **Annual Bonus**. You are eligible to earn an annual cash bonus with a target value of 20% of your annual base salary, based on achieving performance objectives established by the Company's Board of Directors or an authorized committee thereof (the "Committee") in its sole discretion and payable upon achievement of those objectives as determined by the Committee. If any portion of such bonus is earned, it will be paid when practicable after the Committee determines it has been earned, subject to you remaining employed with the Company through the payment date. Your annual bonus opportunity will be subject to review and adjustment based upon the Company's normal performance review practices.

4. **Equity Awards**. You will be eligible to receive awards of stock options, restricted stock units or other equity awards pursuant to any plans or arrangements the Company may have in effect from time to time. The Committee will determine in its discretion whether you will be granted any such equity awards and the terms of any such award in accordance with the terms of any applicable plan or arrangement that may be in effect from time to time.

5. **Employee Benefits**. As a regular full time employee of the Company, you will continue to be eligible to participate in Company-sponsored benefits in accordance with the terms of the Company's policies and benefits plan. In addition, you will continue to be entitled to paid vacation in accordance with the Company's vacation policy, as in effect from time to time. Information regarding coverage, eligibility, and other information regarding these benefits is set forth in more detailed documents that are available from the Company. With the exception of the Company's at-will employment policy, discussed below, the Company may, from time to time, in its sole discretion, modify or eliminate its policies and/or benefits offered to employees.

6. **Severance**. You will be eligible for the Company's Executive Change in Control and Severance Plan (the "Severance Plan"). Your Participation Agreement under the Severance Plan will specify the severance payments and benefits you could be eligible to receive in connection with certain terminations of your employment with the Company. These protections will supersede all other severance payments and benefits you would otherwise currently be eligible for to, or would become eligible for in the future, under any plan, program or policy that the Company may have in effect from time to time.

7. **Employee Confidentiality and Invention Assignment**. As an employee of the Company, you will continue to have access to certain confidential information of the Company and you may, during the course of your employment, develop certain information or inventions that will be the property of the Company. To protect the interests of the Company, your acceptance of this Agreement confirms that the terms of the Company's Restrictive Covenant Agreement you previously signed with the Company (the "Restrictive Covenant Agreement") still apply. In addition, you agree not to bring any third-party confidential information to the Company, including that of any of your former employers, and that in performing your duties for the Company you will not in any way utilize any such information.

8. **Employment Relationship**. Employment with the Company will continue to be for no specific period of time. Your employment with the Company will continue to be "at will," meaning that either you or the Company may terminate your employment at any time and for any reason, with or without cause. Any contrary representations that may have been made to you are superseded by this Agreement. This is the full and complete agreement between you and the Company on this term. Although your job duties, title, compensation and benefits, as well as the Company's personnel policies and procedures, may change from time to time, the "at will" nature of your employment may only be changed in an express written agreement signed by you and a duly authorized officer of the Company (other than you).

9. **Protected Activity Not Prohibited**. Nothing in this Agreement or in any other agreement between you and the Company, as applicable, will in any way limit or prohibit you from engaging for a lawful purpose in any Protected Activity. For purposes of this Agreement, "Protected Activity" means filing a charge or complaint, or otherwise communicating, cooperating, or participating with, any state, federal, or other governmental agency, including but not limited to the U.S. Securities and Exchange Commission, the Equal Employment Opportunity Commission, and the National Labor Relations Board. Notwithstanding any restrictions set forth in this Agreement or in any other agreement between you and the Company, as applicable, you understand that you are not required to obtain authorization from the Company prior to disclosing information to, or communicating with, such agencies, nor are you obligated to advise the Company as to any such disclosures or communications. In making any such disclosures or communications, you agree to take all reasonable precautions to prevent any unauthorized use or disclosure of any information that may constitute Confidential Information (within the meaning of the Restrictive Covenant Agreement) to any parties other than the relevant government agencies. You further understand that Protected Activity does not include the disclosure of any Company attorney-client privileged communications, and that any such disclosure without the Company's written consent will constitute a material breach of this Agreement. You acknowledge that the Company has provided you with notice in compliance with the Defend Trade Secrets Act of 2016 regarding immunity from liability for limited disclosures of trade secrets. The full text of the notice is attached in Exhibit A.

10. **Governing Law; Venue**. All questions concerning the construction, validity and interpretation of this Agreement and the exhibits hereto shall be governed by and construed in accordance with the domestic laws of the State of Utah, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Utah or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Utah. Any lawsuit arising out of or in any way related to this Agreement to the Parties' relationship hereunder shall be brought only in those state or federal courts having jurisdiction over actions arising in Salt Lake County in the State of Utah.

11. **ARBITRATION.** THE PARTIES AGREE THAT ANY AND ALL DISPUTES ARISING OUT OF THE TERMS OF THIS AGREEMENT, THEIR INTERPRETATION, YOUR EMPLOYMENT WITH THE COMPANY OR THE TERMS OF EMPLOYMENT THEREOF, AND ANY OF THE MATTERS HEREIN RELEASED, SHALL BE SUBJECT TO BINDING ARBITRATION UNDER THE FEDERAL ARBITRATION ACT (THE "FAA"). THE FAA'S SUBSTANTIVE AND PROCEDURAL RULES SHALL GOVERN AND APPLY TO THIS ARBITRATION AGREEMENT WITH FULL FORCE AND EFFECT, AND ANY STATE COURT OF COMPETENT JURISDICTION MAY STAY PROCEEDINGS PENDING ARBITRATION OR COMPEL ARBITRATION IN THE SAME MANNER AS A FEDERAL COURT UNDER THE FAA. YOU AGREE THAT, TO THE FULLEST EXTENT PERMITTED BY LAW, YOU MAY BRING ANY SUCH ARBITRATION PROCEEDING ONLY IN YOUR INDIVIDUAL CAPACITY. ANY ARBITRATION WILL OCCUR IN UTAH, BEFORE JAMS, PURSUANT TO ITS EMPLOYMENT ARBITRATION RULES & PROCEDURES ("JAMS RULES"), EXCEPT AS EXPRESSLY PROVIDED IN THIS SECTION 11. THE PARTIES AGREE THAT THE ARBITRATOR SHALL HAVE THE POWER TO DECIDE ANY MOTIONS BROUGHT BY ANY PARTY TO THE ARBITRATION, INCLUDING MOTIONS FOR SUMMARY JUDGMENT AND/OR ADJUDICATION, AND MOTIONS TO DISMISS AND DEMURRERS,

APPLYING THE STANDARDS SET FORTH UNDER THE UTAH RULES OF CIVIL PROCEDURE. THE PARTIES AGREE THAT THE ARBITRATOR SHALL ISSUE A WRITTEN DECISION ON THE MERITS. THE PARTIES ALSO AGREE THAT THE ARBITRATOR SHALL HAVE THE POWER TO AWARD ANY REMEDIES AVAILABLE UNDER APPLICABLE LAW, AND THAT THE ARBITRATOR MAY AWARD ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY, WHERE PERMITTED BY APPLICABLE LAW. THE ARBITRATOR MAY GRANT INJUNCTIONS AND OTHER RELIEF IN SUCH DISPUTES. THE ARBITRATOR SHALL APPLY SUBSTANTIVE UTAH LAW TO ANY DISPUTE OR CLAIM, WITHOUT REFERENCE TO ANY CONFLICT-OF-LAW PROVISIONS OF ANY JURISDICTION. THE DECISION OF THE ARBITRATOR SHALL BE FINAL, CONCLUSIVE, AND BINDING ON THE PARTIES TO THE ARBITRATION. THE PARTIES AGREE THAT THE PREVAILING PARTY IN ANY ARBITRATION SHALL BE ENTITLED TO INJUNCTIVE RELIEF IN ANY COURT OF COMPETENT JURISDICTION TO ENFORCE THE ARBITRATION AWARD. THE PARTIES TO THE ARBITRATION SHALL EACH PAY AN EQUAL SHARE OF THE COSTS AND EXPENSES OF SUCH ARBITRATION, AND EACH PARTY SHALL SEPARATELY PAY FOR ITS RESPECTIVE COUNSEL FEES AND EXPENSES; PROVIDED, HOWEVER, THAT THE ARBITRATOR SHALL AWARD ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY, EXCEPT AS PROHIBITED BY LAW. THE PARTIES HEREBY AGREE TO WAIVE THEIR RIGHT TO HAVE ANY DISPUTE BETWEEN THEM RESOLVED IN A COURT OF LAW BY A JUDGE OR JURY. NOTWITHSTANDING THE FOREGOING, THIS SECTION WILL NOT PREVENT EITHER PARTY FROM SEEKING INJUNCTIVE RELIEF (OR ANY OTHER PROVISIONAL REMEDY) FROM ANY COURT HAVING JURISDICTION OVER THE PARTIES AND THE SUBJECT MATTER OF THEIR DISPUTE RELATING TO THIS AGREEMENT AND THE AGREEMENTS INCORPORATED HEREIN BY REFERENCE. SHOULD ANY PART OF THE ARBITRATION AGREEMENT CONTAINED IN THIS PARAGRAPH CONFLICT WITH ANY OTHER ARBITRATION AGREEMENT BETWEEN THE PARTIES, THE PARTIES AGREE THAT THIS ARBITRATION AGREEMENT SHALL GOVERN.

12. **Miscellaneous**. This Agreement, the Restrictive Covenant Agreement, the Severance Plan, and the Participation Agreement constitute the entire agreement between you and the Company regarding the subject matters discussed, and they supersede all prior negotiations, representations or agreements between you and the Company. This Agreement may only be modified by a written agreement signed by you and the Company's Chief Executive Officer.

To confirm the current terms and conditions of your employment, please sign and date in the spaces indicated and return this Agreement to the Company.

Sincerely,

Cricut, Inc.

By: /s/ Ashish Arora
Ashish Arora
Chief Executive Officer

I have read and understood this Agreement and hereby acknowledge, accept and agree to the terms as set forth herein and further acknowledge that no other commitments were made to me as part of my employment offer except as specifically set forth herein.

/s/ Gregory Rowberry
Gregory Rowberry
Date: 3/12/2021

Exhibit A

SECTION 7 OF THE DEFEND TRADE SECRETS ACT OF 2016

" . . . An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that —(A) is made—(i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. . . . An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual—(A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order."

Exhibit 10.20

CRICUT, INC.

2021 EMPLOYEE STOCK PURCHASE PLAN

1. Purpose. The purpose of the Plan is to provide employees of the Company and its Designated Companies with an opportunity to purchase Common Stock through accumulated Contributions. The Company intends for the Plan to have two components: a component that is intended to qualify as an "employee stock purchase plan" under Section 423 of the Code (the "423 Component") and a component that is not intended to qualify as an "employee stock purchase plan" under Section 423 of the Code (the "Non-423 Component"). The provisions of the 423 Component, accordingly, will be construed so as to extend and limit Plan participation in a uniform and nondiscriminatory basis consistent with the requirements of Section 423 of the Code. An option to purchase shares of Common Stock under the Non-423 Component will be granted pursuant to rules, procedures, or sub-plans adopted by the Administrator designed to achieve tax, securities laws, or other objectives for Eligible Employees and the Company. Except as otherwise provided herein, the Non-423 Component will operate and be administered in the same manner as the 423 Component.

2. Definitions.

(a) "Administrator" means the Board or any Committee designated by the Board to administer the Plan pursuant to Section 14.

(b) "Affiliate" means any entity, other than a Subsidiary, in which the Company has an equity or other ownership interest.

(c) "Applicable Laws" means the requirements relating to the administration of equity-based awards, including but not limited to the related issuance of shares of Common Stock, under U.S. state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws of any foreign country or jurisdiction where options are, or will be, granted under the Plan.

(d) "Board" means the Board of Directors of the Company.

(e) "Change in Control" means the occurrence of any of the following events:

(i) Change in Ownership of the Company. A change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group ("Person"), acquires ownership of the stock of the Company that, together with the stock held by such Person, constitutes more than fifty percent (50%) of the total voting power of the stock of the Company; provided, however, that for purposes of this subsection, (A) the acquisition of additional stock by any one Person, who is considered to own more than fifty percent (50%) of the total voting power of the stock of the Company will not be considered a Change in Control, and (B) any acquisition of stock of the Company by Petrus or any Petrus Affiliate will be disregarded for purposes of determining whether a Change in Control has occurred pursuant to this subsection (i).

Further, if the stockholders of the Company immediately before such change in ownership continue to retain immediately after the change in ownership, in substantially the same proportions as their ownership of shares of the Company's voting stock immediately prior to the change in ownership, direct or indirect beneficial ownership of fifty percent (50%) or more of the total voting power of the stock of the Company or of the ultimate parent entity of the Company, such event will not be considered a Change in Control under this subsection (i). For this purpose, indirect beneficial ownership will include, without limitation, an interest resulting from ownership of the voting securities of one or more corporations or other business entities which own the Company, as the case may be, either directly or through one or more subsidiary corporations or other business entities. For the avoidance of doubt, increases in the percentage of total voting power owned by the Petrus or any Petrus Affiliate, irrespective of the circumstances, shall not constitute an acquisition that creates a Change in Control under this subsection (i); or

(ii) Change in Effective Control of the Company. A change in the effective control of the Company which occurs on the date that a majority of members of the Board is replaced during any twelve (12) month period by Directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purposes of this subsection (ii), if any Person is considered to be in effective control of the Company, the acquisition of additional control of the Company by the same Person will not be considered a Change in Control; or

(iii) Change in Ownership of a Substantial Portion of the Company's Assets. A change in the ownership of a substantial portion of the Company's assets which occurs on the date that any Person acquires (or has acquired during the twelve (12) month period ending on the date of the most recent acquisition by such Person) assets from the Company that have a total gross fair market value equal to or more than fifty percent (50%) of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, however, that for purposes of this subsection (iii), the following will not constitute a change in the ownership of a substantial portion of the Company's assets: (A) a transfer to an entity that is controlled by the Company's stockholders immediately after the transfer, or (B) a transfer of assets by the Company to: (1) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's stock, (2) an entity, fifty percent (50%) or more of the total value or voting power of which is owned, directly or indirectly, by the Company, (3) a Person, that owns, directly or indirectly, fifty percent (50%) or more of the total value or voting power of all the outstanding stock of the Company, or (4) an entity, at least fifty percent (50%) of the total value or voting power of which is owned, directly or indirectly, by a Person described in this subsection (iii)(B)(3). For purposes of this subsection (iii), gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

For purposes of this definition, persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company.

Notwithstanding the foregoing, a transaction will not be deemed a Change in Control unless the transaction qualifies as a "change in control event" within the meaning of Section 409A.

Further and for the avoidance of doubt, a transaction will not constitute a Change in Control if: (i) its primary purpose is to change the jurisdiction of the Company's incorporation, or (ii) its primary purpose is to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

(f) "Code" means the U.S. Internal Revenue Code of 1986, as amended. Reference to a specific section of the Code or U.S. Treasury Regulation thereunder will include such section or regulation, any valid regulation or other official applicable guidance promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

(g) "Committee" means a committee of the Board appointed in accordance with Section 14 hereof.

(h) "Common Stock" means the Class A common stock of the Company.

(i) "Company" means Cricut, Inc., a Delaware corporation, or any successor thereto.

(j) "Compensation" includes an Eligible Employee's base straight time gross earnings but excludes payments for commissions, incentive compensation, bonuses, payments for overtime and shift premium, equity compensation income and other similar compensation. The Administrator, in its discretion, may, on a uniform and nondiscriminatory basis, establish a different definition of Compensation for a subsequent Offering Period.

(k) "Contributions" means the payroll deductions and other additional payments that the Company may permit to be made by a Participant to fund the exercise of options granted pursuant to the Plan.

(l) "Designated Company" means any Subsidiary or Affiliate of the Company that has been designated by the Administrator from time to time in its sole discretion as eligible to participate in the Plan. For purposes of the 423 Component, only the Company and its Subsidiaries may be Designated Companies, provided, however that at any given time, a Subsidiary that is a Designated Company under the 423 Component will not be a Designated Company under the Non-423 Component.

(m) "Director" means a member of the Board.

(n) "Eligible Employee" means any individual who is a common law employee providing services to the Company or a Designated Company and is customarily employed for at least twenty (20) hours per week and more than five (5) months in any calendar year by the Employer, or

any lesser number of hours per week and/or number of months in any calendar year established by the Administrator (if required under Applicable Laws) for purposes of any separate Offering or the Non-423 Component. For purposes of the Plan, the employment relationship will be treated as continuing intact while the individual is on sick leave or other leave of absence that the Employer approves or is legally protected under Applicable Laws with respect to the Participant's participation in the Plan. Where the period of leave exceeds three (3) months and the individual's right to reemployment is not guaranteed either by statute or by contract, the employment relationship will be deemed to have terminated three (3) months and one (1) day following the commencement of such leave. The Administrator, in its discretion, from time to time may, prior to an Enrollment Date for all options to be granted on such Enrollment Date in an Offering, determine (for each Offering under the 423 Component, on a uniform and nondiscriminatory basis or as otherwise permitted by U.S. Treasury Regulation Section 1.423-2) that the definition of Eligible Employee will or will not include an individual if he or she: (i) has not completed at least two (2) years of service since his or her last hire date (or such lesser period of time as may be determined by the Administrator in its discretion), (ii) customarily works not more than twenty (20) hours per week (or such lesser period of time as may be determined by the Administrator in its discretion), (iii) customarily works not more than five (5) months per calendar year (or such lesser period of time as may be determined by the Administrator in its discretion), (iv) is a highly compensated employee within the meaning of Section 414(q) of the Code, or (v) is a highly compensated employee within the meaning of Section 414(q) of the Code with compensation above a certain level or is an officer or subject to the disclosure requirements of Section 16(a) of the Exchange Act, provided the exclusion is applied with respect to each Offering under the 423 Component in an identical manner to all highly compensated individuals of the Employer whose employees are participating in that Offering. Each exclusion will be applied with respect to an Offering in a manner complying with U.S. Treasury Regulation Section 1.423-2(e)(2)(ii). Such exclusions may be applied with respect to an Offering under the Non-423 Component without regard to the limitations of U.S. Treasury Regulation Section 1.423-2.

(o) "Employer" means the employer of the applicable Eligible Employee(s).

(p) "Enrollment Date" means the first Trading Day of an Offering Period.

(q) "Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended, including the rules and regulations promulgated thereunder.

(r) "Exercise Date" means the last Trading Day of the Purchase Period. Notwithstanding the foregoing, in the event that an Offering Period is terminated prior to its expiration pursuant to Section 20(a), the Administrator, in its sole discretion, may determine that any Purchase Period also terminating under such Offering Period will terminate without options being exercised on the Exercise Date that otherwise would have occurred on the last Trading Day of such Purchase Period.

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

(i) The Fair Market Value will be the closing sales price for Common Stock on the day immediately preceding the relevant date, as quoted on any established stock exchange or national market system (including without limitation the New York Stock Exchange, Nasdaq Global Select Market, the Nasdaq Global Market or the Nasdaq Capital Market of The Nasdaq Stock Market) on which the Common Stock is listed on the date of determination (or the closing bid, if no sales were reported), as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable. If the day immediately preceding the relevant date occurs on a non-Trading Day (i.e., a weekend or holiday), the Fair Market Value will be such price on the immediately preceding Trading Day, unless otherwise determined by the Administrator; or

(ii) will be determined in good faith by the Administrator.

The determination of fair market value for purposes of tax withholding may be made in the Administrator's discretion subject to Applicable Laws and is not required to be consistent with the determination of Fair Market Value for other purposes.

(t) "Fiscal Year" means a fiscal year of the Company.

(u) "New Exercise Date" means a new Exercise Date if the Administrator shortens any Offering Period then in progress.

(v) "Offering" means an offer under the Plan of an option that may be exercised during an Offering Period as further described in Section 4. For purposes of the Plan, the Administrator may designate separate Offerings under the Plan (the terms of which need not be identical) in which Eligible Employees of one or more Employers will participate, even if the dates of the applicable Offering Periods of each such Offering are identical and the provisions of the Plan will separately apply to each Offering. To the extent permitted by U.S. Treasury Regulation Section 1.423-2(a)(1), the terms of each Offering need not be identical provided that the terms of the Plan and an Offering together satisfy U.S. Treasury Regulation Section 1.423-2(a)(2) and (a)(3).

(w) "Offering Periods" means the periods beginning and ending on such dates as may be determined by the Administrator in its discretion, in each case on a uniform and nondiscriminatory basis. The duration and timing of Offering Periods may be changed pursuant to Sections 4, 20 and 30.

(x) "Parent" means a "parent corporation," whether now or hereafter existing, as defined in Section 424(e) of the Code. For the avoidance of doubt, neither Petrus nor any Petrus Affiliate shall not constitute a "Parent" for purposes of this Plan.

(y) "Participant" means an Eligible Employee that participates in the Plan.

(z) "Petrus" means Petrus P.C. LLC.

(aa) "Petrus Affiliate" means any corporation or any other entity (including, but not limited to, partnerships and joint ventures) controlling, controlled by, or under common control with Petrus.

(bb) "Plan" means this Cricut, Inc. 2021 Employee Stock Purchase Plan.

(cc) "Purchase Period" means the period(s) during an Offering Period, as determined by the Administrator in its discretion on a uniform and nondiscriminatory basis, during which shares of Common Stock may be purchased on a Participant's behalf in accordance with the terms of the Plan.

(dd) "Purchase Price" means an amount equal to eighty-five percent (85%) of the Fair Market Value on the Enrollment Date or on the Exercise Date, whichever is lower; provided however, that the Purchase Price may be determined for subsequent Offering Periods by the Administrator subject to compliance with Section 423 of the Code (or any successor rule or provision or any other Applicable Law, regulation or stock exchange rule) or pursuant to Section 20.

(ee) "Registration Date" means the effective date of the Registration Statement.

(ff) "Registration Statement" means the registration statement on Form S-1 filed with the Securities and Exchange Commission for the initial public offering of the Common Stock.

(gg) "Section 409A" means Section 409A of the Code and the regulations and guidance thereunder, as may be amended or modified from time to time.

(hh) "Subsidiary" means a "subsidiary corporation," whether now or hereafter existing, as defined in Section 424(f) of the Code.

(ii) "Trading Day" means a day that the primary stock exchange (or national market system, or other trading platform, as applicable) upon which the Common Stock is listed is open for trading.

(jj) "U.S. Treasury Regulations" means the Treasury Regulations of the Code. Reference to a specific Treasury Regulation or Section of the Code shall include such Treasury Regulation or Section, any valid regulation promulgated under such Section, and any comparable provision of any future legislation or regulation amending, supplementing, or superseding such Section or regulation.

3. Eligibility.

(a) Offering Periods. Any Eligible Employee on a given Enrollment Date will be eligible to participate in the Plan, subject to the requirements of Section 5.

(b) Non-U.S. Employees. Eligible Employees who are citizens or residents of a non-U.S. jurisdiction (without regard to whether they also are citizens or residents of the United States or resident aliens (within the meaning of Section 7701(b)(1)(A) of the Code)) may be excluded

from participation in the Plan or an Offering if the participation of such Eligible Employees is prohibited under the laws of the applicable jurisdiction or if complying with the laws of the applicable jurisdiction would cause the Plan or an Offering to violate Section 423 of the Code. In the case of the Non-423 Component, Eligible Employees may be excluded from participation in the Plan or an Offering if the Administrator determines that participation of such Eligible Employees is not advisable or practicable.

(c) Limitations. Any provisions of the Plan to the contrary notwithstanding, no Eligible Employee will be granted an option under the Plan (i) to the extent that, immediately after the grant, such Eligible Employee (or any other person whose stock would be attributed to such Eligible Employee pursuant to Section 424(d) of the Code) would own capital stock of the Company or any Parent or Subsidiary of the Company and/or hold outstanding options to purchase such stock possessing five percent (5%) or more of the total combined voting power or value of all classes of the capital stock of the Company or of any Parent or Subsidiary of the Company, or (ii) to the extent that his or her rights to purchase stock under all employee stock purchase plans (as defined in Section 423 of the Code) of the Company or any Parent or Subsidiary of the Company accrues at a rate, which exceeds twenty-five thousand dollars ($25,000) worth of stock (determined at the Fair Market Value of the stock at the time such option is granted) for each calendar year in which such option is outstanding at any time, as determined in accordance with Section 423 of the Code and the regulations thereunder.

4. Offering Periods. The Plan will be implemented by Offering Periods that begin and end on such dates as may be determined by the Administrator in its discretion, in each case on a uniform and nondiscriminatory basis. The Administrator will have the power to change the duration of Offering Periods (including the commencement dates thereof) with respect to future Offerings without stockholder approval if such change is announced prior to the scheduled beginning of the first Offering Period to be affected thereafter. Notwithstanding any provision in the Plan to the contrary, no Offering Period may last more than twenty-seven (27) months.

5. Participation. An Eligible Employee may participate in the Plan pursuant to Section 3(a) by (i) submitting to the Company's stock administration office (or its designee) a properly completed subscription agreement authorizing Contributions in the form provided by the Administrator for such purpose or (ii) following an electronic or other enrollment procedure determined by the Administrator, in either case on or before a date determined by the Administrator prior to an applicable Enrollment Date.

6. Contributions.

(a) At the time a Participant enrolls in the Plan pursuant to Section 5, he or she will elect to have Contributions (in the form of payroll deductions or otherwise, to the extent permitted by the Administrator) made on each pay day during the Offering Period in an amount that the Administrator may establish from time to time, in its discretion and on a uniform and nondiscriminatory basis, for all options to be granted on any Enrollment Date. The Administrator, in its sole discretion, may permit all Participants in a specified Offering to contribute amounts to the Plan through payment by cash, check or other means set forth in the subscription agreement prior

to each Exercise Date of each Purchase Period. A Participant's subscription agreement will remain in effect for successive Offering Periods unless terminated as provided in Section 10 hereof.

(b) In the event Contributions are made in the form of payroll deductions, such payroll deductions for a Participant will commence on the first pay day following the Enrollment Date and will end on the last pay day on or prior to the last Exercise Date of such Offering Period to which such authorization is applicable, unless sooner terminated by the Participant as provided in Section 10 hereof.

(c) All Contributions made for a Participant will be credited to his or her account under the Plan and Contributions will be made in whole percentages of his or her Compensation only. A Participant may not make any additional payments into such account.

(d) A Participant may discontinue his or her participation in the Plan as provided under Section 10.

(e) Unless otherwise determined by the Administrator, during any Offering Period, a Participant may not increase the rate of his or her Contributions and may only decrease the rate of his or her Contributions one (1) time and such decrease may be to a Contribution rate of zero percent (0%).

Any such decrease in a Participant's rate of Contributions requires the Participant to (1) properly complete and submit to the Company's stock administration office (or its designee) a new subscription agreement authorizing the change in Contribution rate in the form provided by the Administrator for such purpose or (2) follow an electronic or other procedure prescribed by the Administrator, in either case, on or before a date determined by the Administrator prior to an applicable Exercise Date. A Participant may increase or decrease his or her rate of Contributions for a future Offering Period by (1) properly completing and submitting to the Company's stock administration office (or its designee) a new subscription agreement authorizing the change in Contribution rate in the form provided by the Administrator for such purpose or (2) follow an electronic or other procedure prescribed by the Administrator, in either case, on or before the Enrollment Date of such Offering Period. If a Participant has not followed such procedures to change the rate of Contributions, the rate of his or her Contributions will continue at the originally elected rate throughout the Purchase Period and future Offering Periods and Purchase Periods (unless the Participant's participation is terminated as provided in Sections 10 or 11). The Administrator may, in its sole discretion, amend the nature and/or number of Contribution rate changes that may be made by Participants during any Offering Period or Purchase Period and may establish other conditions or limitations as it deems appropriate for Plan administration. Except as otherwise provided in this subsection (e), any change in the rate of Contributions made pursuant to this Section 6(d) will be effective as of the first (1st) full payroll period following five (5) business days after the date on which the change is made by the Participant (unless the Administrator, in its sole discretion, elects to process a given change in payroll deduction rate more quickly).

(f) Notwithstanding the foregoing, to the extent necessary to comply with Section 423(b)(8) of the Code and Section 3(c), a Participant's Contributions may be decreased to

zero percent (0%) at any time during a Purchase Period. Subject to Section 423(b)(8) of the Code and Section 3(c) hereof, Contributions will recommence at the rate originally elected by the Participant effective as of the beginning of the first Purchase Period scheduled to end in the following calendar year, unless terminated by the Participant as provided in Section 10.

(g) Notwithstanding any provisions to the contrary in the Plan, the Administrator may allow Participants to participate in the Plan via cash contributions instead of payroll deductions if (i) payroll deductions are not permitted or advisable under Applicable Laws, (ii) the Administrator determines that cash contributions are permissible for Participants participating in the 423 Component and/or (iii) the Participants are participating in the Non-423 Component.

(h) At the time the option is exercised, in whole or in part, or at the time some or all of the Common Stock issued under the Plan is disposed of (or at any other time that a taxable event related to the Plan occurs), the Participant must make adequate provision for the Company's or Employer's federal, state, local or any other tax liability payable to any authority including taxes imposed by jurisdictions outside of the U.S., national insurance, social security or other tax withholding or payment on account obligations, if any, which arise upon the exercise of the option or the disposition of the Common Stock (or any other time that a taxable event related to the Plan occurs). At any time, the Company or the Employer may, but will not be obligated to, withhold from the Participant's compensation the amount necessary for the Company or the Employer to meet applicable withholding obligations, including any withholding required to make available to the Company or the Employer any tax deductions or benefits attributable to the sale or early disposition of Common Stock by the Eligible Employee. In addition, the Company or the Employer may, but will not be obligated to, withhold from the proceeds of the sale of Common Stock or use any other method of withholding the Company or the Employer deems appropriate to the extent permitted by U.S. Treasury Regulation Section 1.423-2(f).

7. Grant of Option. On the Enrollment Date of each Offering Period, each Eligible Employee participating in such Offering Period will be granted an option to purchase on each Exercise Date during such Offering Period (at the applicable Purchase Price) up to a number of shares of Common Stock determined by dividing such Eligible Employee's Contributions accumulated prior to such Exercise Date and retained in the Eligible Employee's account as of the Exercise Date by the applicable Purchase Price; provided that in no event will an Eligible Employee be permitted to purchase during each Purchase Period more than the maximum number of shares of Common Stock set by the Administrator in advance of an Offering Period (subject to any adjustment pursuant to Section 19) and provided further that such purchase will be subject to the limitations set forth in Sections 3(c) and 13. The Eligible Employee may accept the grant of such option by electing to participate in the Plan in accordance with the requirements of Section 5. The Administrator may, for future Offering Periods, increase or decrease, in its absolute discretion, the maximum number of shares of Common Stock that an Eligible Employee may purchase during each Purchase Period. Exercise of the option will occur as provided in Section 8, unless the Participant has withdrawn pursuant to Section 10. The option will expire on the last day of the Offering Period.

8. Exercise of Option.

(a) Unless a Participant withdraws from the Plan as provided in Section 10, his or her option for the purchase of shares of Common Stock will be exercised automatically on each Exercise Date, and the maximum number of full shares of Common Stock subject to the option will be purchased for such Participant at the applicable Purchase Price with the accumulated Contributions from his or her account. No fractional shares of Common Stock will be purchased; any Contributions accumulated in a Participant's account, which are not sufficient to purchase a full share will be retained in the Participant's account for the subsequent Purchase Period or Offering Period, subject to earlier withdrawal by the Participant as provided in Section 10. Any other funds left over in a Participant's account after the Exercise Date will be returned to the Participant. During a Participant's lifetime, a Participant's option to purchase shares of Common Stock hereunder is exercisable only by him or her.

(b) If the Administrator determines that, on a given Exercise Date, the number of shares of Common Stock with respect to which options are to be exercised may exceed (i) the number of shares of Common Stock that were available for sale under the Plan on the Enrollment Date of the applicable Offering Period, or (ii) the number of shares of Common Stock available for sale under the Plan on such Exercise Date, the Administrator may in its sole discretion (x) provide that the Company will make a pro rata allocation of the shares of Common Stock available for purchase on such Enrollment Date or Exercise Date, as applicable, in as uniform a manner as will be practicable and as it will determine in its sole discretion to be equitable among all Participants exercising options to purchase Common Stock on such Exercise Date, and continue all Offering Periods then in effect or (y) provide that the Company will make a pro rata allocation of the shares of Common Stock available for purchase on such Enrollment Date or Exercise Date, as applicable, in as uniform a manner as will be practicable and as it will determine in its sole discretion to be equitable among all participants exercising options to purchase Common Stock on such Exercise Date, and terminate any or all Offering Periods then in effect pursuant to Section 20. The Company may make a pro rata allocation of the shares of Common Stock available on the Enrollment Date of any applicable Offering Period pursuant to the preceding sentence, notwithstanding any authorization of additional shares for issuance under the Plan by the Company's stockholders subsequent to such Enrollment Date.

9. Delivery. As soon as reasonably practicable after each Exercise Date on which a purchase of shares of Common Stock occurs, the Company will arrange the delivery to each Participant of the shares of Common Stock purchased upon exercise of his or her option in a form determined by the Administrator (in its sole discretion) and pursuant to rules established by the Administrator. The Company may permit or require that shares be deposited directly with a broker designated by the Company or to a designated agent of the Company, and the Company may utilize electronic or automated methods of share transfer. The Company may require that shares of Common Stock be retained with such broker or agent for a designated period of time and/or may establish other procedures to permit tracking of disqualifying dispositions of such shares. No Participant will have any voting, dividend, or other stockholder rights with respect to shares of Common Stock subject to any option granted under the Plan until such shares of Common Stock have been purchased and delivered to the Participant as provided in this Section 9.

10. Withdrawal.

(a) A Participant may withdraw all but not less than all the Contributions credited to his or her account and not yet used to exercise his or her option under the Plan at any time by (i) submitting to the Company's stock administration office (or its designee) a written notice of withdrawal in the form determined by the Administrator for such purpose (which may be similar to the form attached hereto as Exhibit B), or (ii) following an electronic or other withdrawal procedure determined by the Administrator. The Administrator may set forth a deadline of when a withdrawal must occur to be effective prior to a given Exercise Date in accordance with policies it may approve from time to time. All of the Participant's Contributions credited to his or her account will be paid to such Participant as soon as administratively practicable after receipt of notice of withdrawal and such Participant's option for the Offering Period will be automatically terminated, and no further Contributions for the purchase of shares of Common Stock will be made for such Offering Period. If a Participant withdraws from an Offering Period, Contributions will not resume at the beginning of the succeeding Offering Period, unless the Participant re-enrolls in the Plan in accordance with the provisions of Section 5.

(b) A Participant's withdrawal from an Offering Period will not have any effect on his or her eligibility to participate in any similar plan that may hereafter be adopted by the Company or in succeeding Offering Periods that commence after the termination of the Offering Period from which the Participant withdraws.

11. Termination of Employment. Upon a Participant's ceasing to be an Eligible Employee, for any reason, he or she will be deemed to have elected to withdraw from the Plan and the Contributions credited to such Participant's account during the Offering Period but not yet used to purchase shares of Common Stock under the Plan will be returned to such Participant or, in the case of his or her death, to the person or persons entitled thereto under Section 15, and such Participant's option will be automatically terminated. Unless determined otherwise by the Administrator in a manner that, with respect to an Offering under the 423 Component, is permitted by, and compliant with, Code Section 423, a Participant whose employment transfers between entities through a termination with an immediate rehire (with no break in service) by the Company or a Designated Company will not be treated as terminated under the Plan; however, if a Participant transfers from an Offering under the 423 Component to the Non-423 Component, the exercise of the option will be qualified under the 423 Component only to the extent it complies with Section 423 of the Code; further, no Participant shall be deemed to switch from an Offering under the Non-423 Component to an Offering under the 423 Component or vice versa unless (and then only to the extent) such switch would not cause the 423 Component or any option thereunder to fail to comply with Code Section 423.

12. Interest. No interest will accrue on the Contributions of a participant in the Plan, except as may be required by Applicable Law, as determined by the Company, and if so required by the laws of a particular jurisdiction, will apply to all Participants in the relevant Offering under the 423 Component, except to the extent otherwise permitted by U.S. Treasury Regulation Section 1.423-2(f).

13. Stock.

(a) Subject to adjustment upon changes in capitalization of the Company as provided in Section 19 hereof, the maximum number of shares of Common Stock that will be made available for sale under the Plan will be 4,000,000 shares of Common Stock. The number of shares of Common Stock available for issuance under the Plan will be increased on the first day of each calendar year, beginning with the Fiscal Year following the Fiscal Year in which the first Enrollment Date (if any) occurs, in a number of shares of Common Stock equal to the least of (i) 4,000,000 shares of Common Stock, (ii) one percent (1%) of the outstanding shares of all classes of the Company's common stock on the last day of the immediately preceding Fiscal Year, or (iii) an amount determined by the Administrator.

(b) Until the shares of Common Stock are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), a Participant will have only the rights of an unsecured creditor with respect to such shares, and no right to vote or receive dividends or any other rights as a stockholder will exist with respect to such shares.

(c) Shares of Common Stock to be delivered to a Participant under the Plan will be registered in the name of the Participant or, if so required under Applicable Laws, in the name of the Participant and his or her spouse.

14. Administration. The Plan will be administered by the Board or a Committee appointed by the Board, which Committee will be constituted to comply with Applicable Laws. The Administrator will have full and exclusive discretionary authority to construe, interpret and apply the terms of the Plan, to delegate ministerial duties to any of the Company's employees, to designate separate Offerings under the Plan, to designate Subsidiaries and Affiliates as participating in the 423 Component or Non-423 Component, to determine eligibility, to adjudicate all disputed claims filed under the Plan and to establish such procedures that it deems necessary or advisable for the administration of the Plan (including, without limitation, to adopt such rules, procedures, sub-plans, and appendices to the subscription agreement as are necessary or appropriate to permit the participation in the Plan by employees who are foreign nationals or employed outside the U.S., the terms of which rules, procedures, sub-plans and appendices may take precedence over other provisions of this Plan, with the exception of Section 13(a) hereof, but unless otherwise superseded by the terms of such rules, procedures, sub-plan or appendix, the provisions of this Plan will govern the operation of such sub-plan or appendix). Unless otherwise determined by the Administrator, the Eligible Employees eligible to participate in each sub-plan will participate in a separate Offering under the 423 Component, or if the terms would not qualify under the 423 Component, in the Non-423 Component, in either case unless such designation would cause the 423 Component to violate the requirements of Section 423 of the Code. Without limiting the generality of the foregoing, the Administrator is specifically authorized to adopt rules and procedures regarding eligibility to participate, the definition of Compensation, handling of Contributions, making of Contributions to the Plan (including, without limitation, in forms other than payroll deductions), establishment of bank or trust accounts to hold Contributions, payment of interest, conversion of local currency,

obligations to pay payroll tax, determination of beneficiary designation requirements, withholding procedures and handling of stock certificates that vary with applicable local requirements. The Administrator also is authorized to determine that, to the extent permitted by U.S. Treasury Regulation Section 1.423-2(f), the terms of an option granted under the Plan or an Offering to citizens or residents of a non-U.S. jurisdiction will be less favorable than the terms of options granted under the Plan or the same Offering to employees resident solely in the U.S. Every finding, decision, and determination made by the Administrator will, to the full extent permitted by law, be final and binding upon all parties.

15. Designation of Beneficiary.

(a) If permitted by the Administrator, a Participant may file a designation of a beneficiary who is to receive any shares of Common Stock and cash, if any, from the Participant's account under the Plan in the event of such Participant's death subsequent to an Exercise Date on which the option is exercised but prior to delivery to such Participant of such shares and cash. In addition, if permitted by the Administrator, a Participant may file a designation of a beneficiary who is to receive any cash from the Participant's account under the Plan in the event of such Participant's death prior to exercise of the option. If a Participant is married and the designated beneficiary is not the spouse, spousal consent will be required for such designation to be effective.

(b) Such designation of beneficiary may be changed by the Participant at any time by notice in a form determined by the Administrator. In the event of the death of a Participant and in the absence of a beneficiary validly designated under the Plan who is living at the time of such Participant's death, the Company will deliver such shares and/or cash to the executor or administrator of the estate of the Participant, or if no such executor or administrator has been appointed (to the knowledge of the Company), the Company, in its discretion, may deliver such shares and/or cash to the spouse or to any one or more dependents or relatives of the Participant, or if no spouse, dependent or relative is known to the Company, then to such other person as the Company may designate.

(c) All beneficiary designations will be in such form and manner as the Administrator may designate from time to time. Notwithstanding Sections 15(a) and (b) above, the Company and/or the Administrator may decide not to permit such designations by Participants in non-U.S. jurisdictions to the extent permitted by U.S. Treasury Regulation Section 1.423-2(f).

16. Transferability. Neither Contributions credited to a Participant's account nor any rights with regard to the exercise of an option or to receive shares of Common Stock under the Plan may be assigned, transferred, pledged or otherwise disposed of in any way (other than by will, the laws of descent and distribution or as provided in Section 15 hereof) by the Participant. Any such attempt at assignment, transfer, pledge or other disposition will be without effect, except that the Company may treat such act as an election to withdraw funds from an Offering Period in accordance with Section 10 hereof.

17. Use of Funds. The Company may use all Contributions received or held by it under the Plan for any corporate purpose, and the Company will not be obligated to segregate such

Contributions except under Offerings or for Participants in the Non-423 Component for which Applicable Laws require that Contributions to the Plan by Participants be segregated from the Company's general corporate funds and/or deposited with an independent third party, provided that, if such segregation or deposit with an independent third party is required by Applicable Laws, it will apply to all Participants in the relevant Offering under the 423 Component, except to the extent otherwise permitted by U.S. Treasury Regulation Section 1.423-2(f). Until shares of Common Stock are issued, Participants will have only the rights of an unsecured creditor with respect to such shares.

18. Reports. Individual accounts will be maintained for each Participant in the Plan. Statements of account will be given to participating Eligible Employees at least annually, which statements will set forth the amounts of Contributions, the Purchase Price, the number of shares of Common Stock purchased and the remaining cash balance, if any.

19. Adjustments, Dissolution, Liquidation, Merger, or Change in Control.

(a) Adjustments. In the event that any dividend or other distribution (whether in the form of cash, Common Stock, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, reclassification, repurchase, or exchange of Common Stock or other securities of the Company, or other change in the corporate structure of the Company affecting the Common Stock occurs (other than any ordinary dividends or other ordinary distributions), the Administrator, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the Plan, will, in such manner as it may deem equitable, adjust the number and class of Common Stock that may be delivered under the Plan, the Purchase Price per share, the class and the number of shares of Common Stock covered by each option under the Plan that has not yet been exercised, and the numerical limits of Sections 7 and 13.

(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, any Offering Period then in progress will be shortened by setting a New Exercise Date, and will terminate immediately prior to the consummation of such proposed dissolution or liquidation, unless provided otherwise by the Administrator. The New Exercise Date will be before the date of the Company's proposed dissolution or liquidation. The Administrator will notify each Participant in writing or electronically, prior to the New Exercise Date, that the Exercise Date for the Participant's option has been changed to the New Exercise Date and that the Participant's option will be exercised automatically on the New Exercise Date, unless prior to such date the Participant has withdrawn from the Offering Period as provided in Section 10 hereof.

(c) Merger or Change in Control. In the event of a merger or Change in Control, each outstanding option will be assumed or an equivalent option substituted by the successor corporation or a Parent or Subsidiary of the successor corporation. In the event that the successor corporation refuses to assume or substitute for the option, the Offering Period with respect to which such option relates will be shortened by setting a New Exercise Date on which such Offering Period will end. The New Exercise Date will occur before the date of the Company's proposed merger or Change in Control. The Administrator will notify each Participant in writing or electronically prior to the New Exercise Date, that the Exercise Date for the Participant's option has been changed to the

New Exercise Date and that the Participant's option will be exercised automatically on the New Exercise Date, unless prior to such date the Participant has withdrawn from the Offering Period as provided in Section 10 hereof.

20. Amendment or Termination.

(a) The Administrator, in its sole discretion, may amend, suspend, or terminate the Plan, or any part thereof, at any time and for any reason. If the Plan is terminated, the Administrator, in its discretion, may elect to terminate all outstanding Offering Periods either immediately or upon completion of the purchase of shares of Common Stock on the next Exercise Date (which may be sooner than originally scheduled, if determined by the Administrator in its discretion), or may elect to permit Offering Periods to expire in accordance with their terms (and subject to any adjustment pursuant to Section 19). If the Offering Periods are terminated prior to expiration, all amounts then credited to Participants' accounts that have not been used to purchase shares of Common Stock will be returned to the Participants (without interest thereon, except as otherwise required under Applicable Laws, as further set forth in Section 12 hereof) as soon as administratively practicable.

(b) Without stockholder consent and without limiting Section 20(a), the Administrator will be entitled to change the Offering Periods or Purchase Periods, designate separate Offerings, limit the frequency and/or number of changes in the amount withheld during an Offering Period, establish the exchange ratio applicable to amounts withheld in a currency other than U.S. dollars, permit Contributions in excess of the amount designated by a Participant in order to adjust for delays or mistakes in the Company's processing of properly completed Contribution elections, establish reasonable waiting and adjustment periods and/or accounting and crediting procedures to ensure that amounts applied toward the purchase of Common Stock for each Participant properly correspond with Contribution amounts, and establish such other limitations or procedures as the Administrator determines in its sole discretion advisable that are consistent with the Plan.

(c) In the event the Administrator determines that the ongoing operation of the Plan may result in unfavorable financial accounting consequences, the Administrator may, in its discretion and, to the extent necessary or desirable, modify, amend or terminate the Plan to reduce or eliminate such accounting consequence including, but not limited to:

(i) amending the Plan to conform with the safe harbor definition under the Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto), including with respect to an Offering Period underway at the time;

(ii) altering the Purchase Price for any Offering Period or Purchase Period including an Offering Period or Purchase Period underway at the time of the change in Purchase Price;

(iii) shortening any Offering Period or Purchase Period by setting a New Exercise Date, including an Offering Period or Purchase Period underway at the time of the Administrator action;

(iv) reducing the maximum percentage of Compensation a Participant may elect to set aside as Contributions; and

(v) reducing the maximum number of shares of Common Stock a Participant may purchase during any Offering Period or Purchase Period.

Such modifications or amendments will not require stockholder approval or the consent of any Participants.

21. Notices. All notices or other communications by a Participant to the Company under or in connection with the Plan will be deemed to have been duly given when received in the form and manner specified by the Company at the location, or by the person, designated by the Company for the receipt thereof.

22. Conditions Upon Issuance of Shares. Shares of Common Stock will not be issued with respect to an option unless the exercise of such option and the issuance and delivery of such shares of Common Stock pursuant thereto will comply with all applicable provisions of law, domestic or foreign, including, without limitation, the U.S. Securities Act of 1933, as amended, the Exchange Act, the rules and regulations promulgated thereunder, and the requirements of any stock exchange upon which the shares of Common Stock may then be listed, and will be further subject to the approval of counsel for the Company with respect to such compliance.

As a condition to the exercise of an option, the Company may require the person exercising such option to represent and warrant at the time of any such exercise that the shares are being purchased only for investment and without any present intention to sell or distribute such shares if, in the opinion of counsel for the Company, such a representation is required by any of the aforementioned applicable provisions of law.

23. Section 409A. The 423 Component of the Plan is intended to be exempt from the application of Section 409A, and, to the extent not exempt, is intended to comply with Section 409A and any ambiguities herein will be interpreted to so be exempt from, or comply with, Section 409A. In furtherance of the foregoing and notwithstanding any provision in the Plan to the contrary, if the Administrator determines that an option granted under the Plan may be subject to Section 409A or that any provision in the Plan would cause an option under the Plan to be subject to Section 409A, the Administrator may amend the terms of the Plan and/or of an outstanding option granted under the Plan, or take such other action the Administrator determines is necessary or appropriate, in each case, without the Participant's consent, to exempt any outstanding option or future option that may be granted under the Plan from or to allow any such options to comply with Section 409A, but only to the extent any such amendments or action by the Administrator would not violate Section 409A. Notwithstanding the foregoing, the Company and any of its Parent or Subsidiaries shall have no obligation to reimburse, indemnify, or hold harmless a Participant or any other party if the option to purchase Common Stock under the Plan that is intended to be exempt from or compliant with Section 409A is not so exempt or compliant or for any action taken by the Administrator with respect thereto. The Company makes no representation that the option to purchase Common Stock under the Plan is compliant with Section 409A.

24. Term of Plan. The Plan will become effective upon the later to occur of (a) its adoption by the Board or (b) the business day immediately prior to the Registration Date. It will continue in effect for a term of twenty (20) years, unless sooner terminated under Section 20.

25. Stockholder Approval. The Plan will be subject to approval by the stockholders of the Company within twelve (12) months after the date the Plan is adopted by the Board. Such stockholder approval will be obtained in the manner and to the degree required under Applicable Laws.

26. Governing Law. The Plan will be governed by, and construed in accordance with, the laws of the State of California (except its choice-of-law provisions).

27. No Right to Employment. Participation in the Plan by a Participant will not be construed as giving a Participant the right to be retained as an employee of the Company or a Subsidiary or Affiliate, as applicable. Furthermore, the Company or a Subsidiary or Affiliate may dismiss a Participant from employment at any time, free from any liability or any claim under the Plan.

28. Severability. If any provision of the Plan is or becomes or is deemed to be invalid, illegal, or unenforceable for any reason in any jurisdiction or as to any Participant, such invalidity, illegality or unenforceability will not affect the remaining parts of the Plan, and the Plan will be construed and enforced as to such jurisdiction or Participant as if the invalid, illegal or unenforceable provision had not been included.

29. Compliance with Applicable Laws. The terms of this Plan are intended to comply with all Applicable Laws and will be construed accordingly.

30. Automatic Transfer to Low Price Offering Period. To the extent permitted by Applicable Laws, if the Fair Market Value on any Exercise Date in an Offering Period is lower than the Fair Market Value on the Enrollment Date of such Offering Period, then such Offering Period automatically will terminate on such Exercise Date immediately after the exercise of all options outstanding as of such Exercise Date, and all Participants in such Offering Period automatically will be re-enrolled in the immediately following Offering Period as of the first day thereof.

EXHIBIT A

CRICUT, INC.

2021 EMPLOYEE STOCK PURCHASE PLAN

SUBSCRIPTION AGREEMENT

_____Original Application Enrollment Date: _____

_____Change in Payroll Deduction Rate

1. _____ hereby elects to participate in the Cricut, Inc. 2021 Employee Stock Purchase Plan (the "Plan") and subscribes to purchase shares of the Company's Common Stock in accordance with this Subscription Agreement and the Plan. Any capitalized terms not specifically defined in this Subscription Agreement will have the meaning ascribed to them under the Plan.

2. I hereby authorize and consent to payroll deductions from each paycheck in the amount of ____% of my Compensation (from one (1%) to fifteen percent (15%)); a decrease in rate may be to zero percent (0%) during the Offering Period in accordance with the Plan. (Please note that no fractional percentages are permitted.)

3. I understand that, subject to the terms and conditions of the Plan:

(a) The last day upon which such deduction shall be made with respect to any Purchase Period shall be the last day of such Purchase Period (for illustrative purposes, should a pay day occur on an Exercise Date, a Participant will have any Contributions made on such day applied to his or her account under the then-current Purchase Period or Offering Period);

(b) During any Offering Period, I am permitted to decrease the rate of my Contributions only one (1) time, and such decrease may be to zero percent (0%); and

(c) Except for the one (1) time decrease described in the previous paragraph, I am only permitted to increase or decrease the rate of my Contributions to become effective beginning on the next occurring Offering Period.

4. I understand that said payroll deductions will be accumulated for the purchase of shares of Common Stock at the applicable Purchase Price determined in accordance with the Plan. I understand that if I do not withdraw from an Offering Period, any accumulated payroll deductions will be used to automatically exercise my option and purchase Common Stock under the Plan. I further understand that if I am outside of the U.S., my payroll deductions will be converted to U.S. dollars at an exchange rate selected by the Company on the purchase date.

5. I have received a copy of the complete Plan and its accompanying prospectus. I understand that my participation in the Plan is in all respects subject to the terms of the Plan.

6. Shares of Common Stock purchased for me under the Plan should be issued in the name(s) of _____ (Eligible Employee or Eligible Employee and spouse only).

7. If I am a U.S. taxpayer, I understand that if I dispose of any shares received by me pursuant to the Plan within two (2) years after the Offering Date (the first day of the Offering Period during which I purchased such shares) or one (1) year after the Exercise Date, I will be treated for federal income tax purposes as having received ordinary income at the time of such disposition in an amount equal to the excess of the fair market value of the shares at the time such shares were purchased by me over the price that I paid for the shares. I hereby agree to notify the Company in writing within thirty (30) days after the date of any disposition of my shares and I will make adequate provision for federal, state or other tax withholding obligations, if any, which arise upon the disposition of the Common Stock. The Company may, but will not be obligated to, withhold from my compensation the amount necessary to meet any applicable withholding obligation including any withholding necessary to make available to the Company any tax deductions or benefits attributable to sale or early disposition of Common Stock by me. If I dispose of such shares at any time after the expiration of the two (2)-year and one (1)-year holding periods, I understand that I will be treated for federal income tax purposes as having received income only at the time of such disposition, and that such income will be taxed as ordinary income only to the extent of an amount equal to the lesser of (a) the excess of the fair market value of the shares at the time of such disposition over the purchase price which I paid for the shares, or (b) 15% of the fair market value of the shares on the first day of the Offering Period. The remainder of the gain, if any, recognized on such disposition will be taxed as capital gain.

8. For employees that may be subject to tax in non U.S. jurisdictions, I acknowledge and agree that, regardless of any action taken by the Company or any Designated Company with respect to any or all income tax, social security, social insurances, National Insurance Contributions, payroll tax, fringe benefit, or other tax-related items related to my participation in the Plan and legally applicable to me including, without limitation, in connection with the grant of such options, the purchase or sale of shares of Common Stock acquired under the Plan and/or the receipt of any dividends on such shares ("Tax-Related Items"), the ultimate liability for all Tax-Related Items is and remains my responsibility and may exceed the amount actually withheld by the Company or a Designated Company. Furthermore, I acknowledge that the Company and/or any Designated Company (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the options under the Plan and (b) do not commit to and are under no obligation to structure the terms of the grant of options or any aspect of my participation in the Plan to reduce or eliminate my liability for Tax-Related Items or achieve any particular tax result. Further, if I have become subject to tax in more than one jurisdiction between the date of my enrollment and the date of any relevant taxable or tax withholding event, as applicable, I acknowledge that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to the purchase of shares of Common Stock under the Plan or any other relevant taxable or tax withholding event, as applicable, I agree to make adequate arrangements satisfactory to the Company and/or the applicable Designated Company to satisfy all Tax-Related Items. In this regard, I authorize the Company and/or the applicable Designated Company, or their respective agents, at their discretion, to satisfy any applicable withholding obligations with regard to all Tax-Related Items by one or a combination of the following: (a) withholding from my wages or Compensation paid to me by the Company and/or the applicable Designated Company; or (b) withholding from proceeds of the sale of the shares of Common Stock purchased under the Plan either through a voluntary sale or through a mandatory sale arranged by the Company (on my behalf pursuant to this authorization). Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable maximum withholding rates, in which case I will receive a refund of any over-withheld amount in cash and will have no entitlement to the Common Stock equivalent.

Finally, I agree to pay to the Company or the applicable Designated Company any amount of Tax-Related Items that the Company or the applicable Designated Company may be required to withhold as a result of my participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to purchase shares of Common Stock under the Plan on my behalf and/or refuse to issue or deliver the shares or the proceeds of the sale of shares if I fail to comply with my obligations in connection with the Tax-Related Items.

9. By electing to participate in the Plan, I acknowledge, understand and agree that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent provided for in the Plan;

(b) all decisions with respect to future grants under the Plan, if applicable, will be at the sole discretion of the Company;

(c) the grant of options under the Plan shall not create a right to employment or be interpreted as forming or amending an employment or service contract with the Company, or any Designated Company, and shall not interfere with the ability of the Company or any Designated Company, as applicable, to terminate my employment (if any);

(d) I am voluntarily participating in the Plan;

(e) the options granted under the Plan and the shares of Common Stock underlying such options, and the income and value of same, are not intended to replace any pension rights or compensation;

(f) the options granted under the Plan and the shares of Common Stock underlying such options, and the income and value of same, are not part of my normal or expected compensation for any purpose, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement benefits or similar payments;

(g) the future value of the shares of Common Stock offered under the Plan is unknown, indeterminable and cannot be predicted with certainty;

(h) the shares of Common Stock that I acquire under the Plan may increase or decrease in value, even below the Purchase Price;

(i) no claim or entitlement to compensation or damages shall arise from the forfeiture of options granted to me under the Plan as a result of the termination of my status as an Eligible Employee (for any reason whatsoever, and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where I am employed or the terms of my employment agreement, if any) and, in consideration of the grant of options under the Plan to which I am otherwise not entitled, I irrevocably agree never to institute a claim against the Company, or any Designated Company, waive my ability, if any, to bring such claim, and release the Company, and any Designated Company from any such claim that may arise; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, I shall be deemed irrevocably to have agreed to not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claim; and

(j) in the event of the termination of my status as an Eligible Employee (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where I am employed or the terms of my employment agreement, if any), my right to participate in the Plan and any options granted to me under the Plan, if any, will terminate effective as of the date that I am no longer actively employed by the Company or one of its Designated Companies and, in any event, will not be extended by any notice period mandated under the employment laws in the jurisdiction in which I am employed or the terms of my employment agreement, if any (*e.g.*, active employment would not include a period of "garden leave" or similar period pursuant to the employment laws in the jurisdiction in which I am employed or the terms of my employment agreement, if any); the Company shall have the exclusive discretion to determine when I am no longer actively employed for purposes of my participation in the Plan (including whether I may still be considered to be actively employed while on a leave of absence).

10. I understand that the Company and/or any Designated Company may collect, where permissible under applicable law certain personal information about me, including, but not limited to, my name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of Common Stock or directorships held in the Company, details of all options granted under the Plan or any other entitlement to shares of Common Stock awarded, canceled, exercised, vested, unvested or outstanding in my favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan. I understand that Company may transfer my Data to the United States, which is not considered by the European Commission to have data protection laws equivalent to the laws in my country. I understand that the Company will transfer my Data to its designated broker, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. I understand that the recipients of the Data may be located in the United States or elsewhere, and that a recipient's country of operation

(e.g., the United States) may have different, including less stringent, data privacy laws that the European Commission or my jurisdiction does not consider to be equivalent to the protections in my country. I understand that I may request a list with the names and addresses of any potential recipients of the Data by contacting my local human resources representative. I authorize the Company, the Company's designated broker and any other possible recipients which may assist the Company with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing my participation in the Plan. I understand that Data will be held only as long as is necessary to implement, administer and manage my participation in the Plan. I understand that that I may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing my local human resources representative. Further, I understand that I am providing the consents herein on a purely voluntary basis. If I do not consent, or if I later seek to revoke my consent, my employment status or career with the Company or any Designated Company will not be adversely affected; the only adverse consequence of refusing or withdrawing my consent is that the Company would not be able to grant me options under the Plan or other equity awards, or administer or maintain such awards. Therefore, I understand that refusing or withdrawing my consent may affect my ability to participate in the Plan. For more information on the consequences of my refusal to consent or withdrawal of consent, I understand that I may contact my local human resources representative.

If I am an employee outside the U.S., I understand that in accordance with applicable law, I have the right to access, and to request a copy of, the Data held about me. I also understand that I have the right to discontinue the collection, processing, or use of my Data, or supplement, correct, or request deletion of my Data. To exercise my rights, I may contact my local human resources representative.

I hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of my personal data as described herein and any other Plan materials by and among, as applicable, the Company and its Subsidiaries for the exclusive purpose of implementing, administering and managing my participation in the Plan. I understand that my consent will be sought and obtained for any processing or transfer of my data for any purpose other than as described in the enrollment form and any other plan materials.

11. If I have received the Subscription Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control, subject to applicable laws.

12. The provisions of the Subscription Agreement and these appendices are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

13. Notwithstanding any provisions in this Subscription Agreement, I understand that if I am working or resident in a country other than the United States, my participation in the Plan shall also be subject to the additional terms and conditions set forth on Appendix A and any special terms

and conditions for my country set forth on Appendix A. Moreover, if I relocate to one of the countries included in Appendix A, the special terms and conditions for such country will apply to me to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. Appendix A constitutes part of this Subscription Agreement and the provisions of this Subscription Agreement govern each Appendix (to the extent not superseded or supplemented by the terms and conditions set forth in the applicable Appendix).

14. I hereby agree to be bound by the terms of the Plan. The effectiveness of this Subscription Agreement is dependent upon my eligibility to participate in the Plan.

15. ARBITRATION. THE PARTIES AGREE THAT ANY AND ALL DISPUTES ARISING OUT OF THE TERMS OF THIS SUBSCRIPTION AGREEMENT, THEIR INTERPRETATION, MY EMPLOYMENT WITH THE COMPANY OR ANY DESIGNATED COMPANY OR THE TERMS OF EMPLOYMENT THEREOF THEREOF, AND ANY OF THE MATTERS HEREIN RELEASED, SHALL BE SUBJECT TO BINDING ARBITRATION UNDER THE FEDERAL ARBITRATION ACT (THE "FAA"). THE FAA'S SUBSTANTIVE AND PROCEDURAL RULES SHALL GOVERN AND APPLY TO THIS ARBITRATION AGREEMENT WITH FULL FORCE AND EFFECT, AND ANY STATE COURT OF COMPETENT JURISDICTION MAY STAY PROCEEDINGS PENDING ARBITRATION OR COMPEL ARBITRATION IN THE SAME MANNER AS A FEDERAL COURT UNDER THE FAA. I AGREE THAT, TO THE FULLEST EXTENT PERMITTED BY LAW, I MAY BRING ANY SUCH ARBITRATION PROCEEDING ONLY IN MY INDIVIDUAL CAPACITY. ANY ARBITRATION WILL OCCUR IN UTAH, BEFORE JAMS, PURSUANT TO ITS EMPLOYMENT ARBITRATION RULES & PROCEDURES ("JAMS RULES"), EXCEPT AS EXPRESSLY PROVIDED IN THIS SECTION 15. THE PARTIES AGREE THAT THE ARBITRATOR SHALL HAVE THE POWER TO DECIDE ANY MOTIONS BROUGHT BY ANY PARTY TO THE ARBITRATION, INCLUDING MOTIONS FOR SUMMARY JUDGMENT AND/OR ADJUDICATION, AND MOTIONS TO DISMISS AND DEMURRERS, APPLYING THE STANDARDS SET FORTH UNDER THE UTAH RULES OF CIVIL PROCEDURE. THE PARTIES AGREE THAT THE ARBITRATOR SHALL ISSUE A WRITTEN DECISION ON THE MERITS. THE PARTIES ALSO AGREE THAT THE ARBITRATOR SHALL HAVE THE POWER TO AWARD ANY REMEDIES AVAILABLE UNDER APPLICABLE LAW, AND THAT THE ARBITRATOR MAY AWARD ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY, WHERE PERMITTED BY APPLICABLE LAW. THE ARBITRATOR MAY GRANT INJUNCTIONS AND OTHER RELIEF IN SUCH DISPUTES. THE ARBITRATOR SHALL APPLY SUBSTANTIVE UTAH LAW TO ANY DISPUTE OR CLAIM, WITHOUT REFERENCE TO ANY CONFLICT-OF-LAW PROVISIONS OF ANY JURISDICTION. THE DECISION OF THE ARBITRATOR SHALL BE FINAL, CONCLUSIVE, AND BINDING ON THE PARTIES TO THE ARBITRATION. THE PARTIES AGREE THAT THE PREVAILING PARTY IN ANY ARBITRATION SHALL BE ENTITLED TO INJUNCTIVE RELIEF IN ANY COURT OF COMPETENT JURISDICTION TO ENFORCE THE ARBITRATION AWARD. THE PARTIES TO THE ARBITRATION SHALL EACH PAY AN EQUAL SHARE OF THE COSTS AND EXPENSES OF SUCH ARBITRATION, AND EACH PARTY SHALL SEPARATELY PAY FOR ITS RESPECTIVE COUNSEL FEES AND EXPENSES; PROVIDED, HOWEVER, THAT THE ARBITRATOR SHALL AWARD ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY, EXCEPT AS PROHIBITED BY LAW. THE PARTIES HEREBY AGREE TO WAIVE THEIR RIGHT TO HAVE ANY DISPUTE BETWEEN THEM RESOLVED IN A COURT OF LAW BY A JUDGE OR JURY. NOTWITHSTANDING THE FOREGOING, THIS SECTION WILL NOT PREVENT EITHER PARTY FROM SEEKING INJUNCTIVE RELIEF (OR ANY OTHER PROVISIONAL REMEDY) FROM ANY COURT HAVING JURISDICTION OVER THE PARTIES AND THE SUBJECT MATTER OF THEIR DISPUTE RELATING TO THE PLAN, THIS SUBSCRIPTION AGREEMENT, AND

THE AGREEMENTS INCORPORATED HEREIN BY REFERENCE. SHOULD ANY PART OF THE ARBITRATION AGREEMENT CONTAINED IN THIS PARAGRAPH CONFLICT WITH ANY OTHER ARBITRATION AGREEMENT BETWEEN THE PARTIES, THE PARTIES AGREE THAT THIS ARBITRATION AGREEMENT SHALL GOVERN.

Employee's Social
Security Number
(for U.S.-based employees): _____

Employee's Address: _____

_____

_____

I UNDERSTAND THAT THIS SUBSCRIPTION AGREEMENT WILL REMAIN IN EFFECT THROUGHOUT SUCCESSIVE OFFERING PERIODS UNLESS TERMINATED BY ME.

Dated: _____ _____
Signature of Employee

EXHIBIT B

CRICUT, INC.

2021 EMPLOYEE STOCK PURCHASE PLAN

NOTICE OF WITHDRAWAL

Unless otherwise defined herein, the terms defined in the 2020 Employee Stock Purchase Plan (the "Plan") shall have the same defined meanings in this Notice of Withdrawal.

The undersigned Participant in the Offering Period of the Plan that began on _____, _____ (the "Offering Date") hereby notifies the Company that he or she hereby withdraws from the Offering Period. He or she hereby directs the Company to pay to the undersigned as promptly as practicable all the payroll deductions credited to his or her account with respect to such Offering Period. The undersigned understands and agrees that his or her option for such Offering Period will be terminated automatically. The undersigned understands further that no further payroll deductions will be made for the purchase of shares in the current Offering Period and the undersigned will be eligible to participate in succeeding Offering Periods only by delivering to the Company a new Subscription Agreement.

Name and Address of Participant:

_____

_____

_____

Signature:

_____

Date: _____

Exhibit 10.21

CRICUT, INC.

EXECUTIVE INCENTIVE COMPENSATION PLAN

1. Purposes of the Plan. The Plan is intended to increase stockholder value and the success of the Company by motivating Employees to (a) perform to the best of their abilities and (b) achieve the Company's objectives.

2. Definitions.

2.1 "Actual Award" means as to any Performance Period, the actual award (if any) payable to a Participant for the Performance Period, subject to the authority of the Administrator (as defined in Section 3) under Section 4.4.

2.2 "Affiliate" means any corporation or other entity (including, but not limited to, partnerships and joint ventures) that, from time to time and at the time of any determination, directly or indirectly, is in control of or is controlled by the Company.

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

2.4 "Bonus Pool" means the pool of funds available for distribution to Participants. Subject to the terms of the Plan, the Administrator establishes the Bonus Pool for each Performance Period.

2.5 "Code" means the U.S. Internal Revenue Code of 1986, as amended. Reference to a specific section of the Code or regulation thereunder will include such section or regulation, any valid regulation or formal guidance of general or direct applicability promulgated under such section or regulation, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

2.6 "Committee" means a committee appointed by the Board (pursuant to Section 3) to administer the Plan.

2.7 "Company" means Cricut, Inc., a Delaware corporation, or any successor thereto.

2.8 "Company Group" means the Company and any Parents, Subsidiaries, and Affiliates.

2.9 "Disability" means a permanent and total disability determined in accordance with uniform and nondiscriminatory standards adopted by the Administrator from time to time.

2.10 "Employee" means any executive, officer, or other employee of the Company Group, whether such individual is so employed at the time the Plan is adopted or becomes so employed subsequent to the adoption of the Plan.

2.11 "Fiscal Year" means the fiscal year of the Company.

2.12 "Parent" means a "parent corporation," whether now or hereafter existing, as defined in Code Section 424(e).

2.13 "Participant" means as to any Performance Period, an Employee who has been selected by the Administrator for participation in the Plan for that Performance Period.

2.14 "Performance Period" means the period of time for the measurement of the performance criteria that must be met to receive an Actual Award, as determined by the Administrator. A Performance Period may be divided into one or more shorter periods if, for example, but not by way of limitation, the Administrator desires to measure some performance criteria over 12 months and other criteria over 3 months.

2.15 "Plan" means this Executive Incentive Compensation Plan (including any appendix attached hereto), as may be amended from time to time.

2.16 "Section 409A" means Section 409A of the Code and/or any state law equivalent as each may be amended or promulgated from time to time.

2.17 "Subsidiary" means a "subsidiary corporation," whether now or hereafter existing, as defined in Code Section 424(f), in relation to the Company.

2.18 "Target Award" means the target award, at 100% of target level performance achievement, payable under the Plan to a Participant for a Performance Period, as determined by the Administrator in accordance with Section 4.2.

2.19 "Tax Withholdings" means tax, social insurance and social security liability or premium obligations in connection with the awards under the Plan, including without limitation: (a) all federal, state, and local income, employment and any other taxes (including the Participant's U.S. Federal Insurance Contributions Act (FICA) obligation) that are required to be withheld by the Company Group, (b) the Participant's and, to the extent required by the Company Group, the fringe benefit tax liability of the Company Group associated with an award under the Plan, and (c) any other taxes or social insurance or social security liabilities or premium the responsibility for which the Participant has, or has agreed to bear, with respect to such award under the Plan.

2.20 "Termination of Employment" means a cessation of the employee-employer relationship between an Employee and the Company Group, including without limitation a termination by resignation, discharge, death, Disability, retirement, or the disaffiliation of a Parent, Subsidiary or Affiliate. For purposes of the Plan, transfer of employment of a Participant between any members of the Company Group (for example, between the Company and a Subsidiary) will not be deemed a Termination of Employment.

3. Administration of the Plan.

3.1 Administrator. The Plan will be administered by the Board or a Committee (the "Administrator"). To the extent necessary or desirable to satisfy applicable laws, the Committee acting as the Administrator will consist of not less than 2 members of the Board. The members of any Committee will be appointed from time to time by, and serve at the pleasure of, the Board. The Board may retain the authority to administer the Plan concurrently with a Committee and may revoke the delegation of some or all authority previously delegated. Different Administrators may administer the Plan with respect to different groups of Employees. Unless and until the Board otherwise determines, the Board's Compensation Committee will administer the Plan.

3.2 Administrator Authority. It will be the duty of the Administrator to administer the Plan in accordance with the Plan's provisions. The Administrator will have all powers and discretion necessary or appropriate to administer the Plan and to control its operation, including, but not limited to, the power to (a) determine which Employees will be granted awards, (b) prescribe the terms and conditions of awards, (c) interpret the Plan and the awards, (d) adopt such procedures and sub-plans as are necessary or appropriate to permit participation in the Plan by Employees who are non-U.S. nationals or employed outside of the U.S. or to qualify awards for special tax treatment under the laws of jurisdictions other than the U.S., (e) adopt rules for the administration, interpretation and application of the Plan as are consistent therewith, and (f) interpret, amend or revoke any such rules. Any determinations and decisions made or to be made by the Administrator pursuant to the provisions of the Plan, unless specified otherwise by the Administrator, will be in the Administrator's sole discretion.

3.3 Decisions Binding. All determinations and decisions made by the Administrator and/or any delegate of the Administrator pursuant to the provisions of the Plan will be final, conclusive, and binding on all persons, and will be given the maximum deference permitted by law.

3.4 Delegation by Administrator. The Administrator, on such terms and conditions as it may provide, may delegate all or part of its authority and powers under the Plan to one or more directors and/or officers of the Company. Such delegation may be revoked at any time.

3.5 Indemnification. Each person who is or will have been a member of the Administrator will be indemnified and held harmless by the Company against and from (a) any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action taken or failure to act under the Plan or any award, and (b) from any and all amounts paid by him or her in settlement thereof, with the Company's approval, or paid by him or her in satisfaction of any judgment in any such claim, action, suit, or proceeding against him or her, provided he or she will give the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of

indemnification will not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Certificate of Incorporation or Bylaws, by contract, as a matter of law, or otherwise, or under any power that the Company may have to indemnify them or hold them harmless.

4. Selection of Participants and Determination of Awards.

4.1 Selection of Participants. The Administrator will select the Employees who will be Participants for any Performance Period. Participation in the Plan will be on a Performance Period by Performance Period basis. Accordingly, an Employee who is a Participant for a given Performance Period in no way is guaranteed or assured of being selected for participation in any subsequent Performance Period or Performance Periods. No Employee will have the right to be selected to receive an award under this Plan or, if so selected, to be selected to receive a future award.

4.2 Determination of Target Awards. The Administrator may establish a Target Award for each Participant (which may be expressed as a percentage of a Participant's average annual base salary for the Performance Period or a fixed dollar amount or such other amount or based on such other formula or factors as the Administrator determines).

4.3 Bonus Pool. Each Performance Period, the Administrator may establish a Bonus Pool, which pool may be established before, during or after the applicable Performance Period. Actual Awards will be paid from the Bonus Pool (if a Bonus Pool has been established).

4.4 Discretion to Modify Awards. Notwithstanding any contrary provision of the Plan, the Administrator, at any time prior to payment of an Actual Award, may: (a) increase, reduce or eliminate a Participant's Actual Award, and/or (b) increase, reduce or eliminate the amount allocated to the Bonus Pool. The Actual Award may be below, at or above the Target Award, as determined by the Administrator. The Administrator may determine the amount of any increase, reduction, or elimination based on such factors as it deems relevant and will not be required to establish any allocation or weighting with respect to the factors it considers.

4.5 Discretion to Determine Criteria. Notwithstanding any contrary provision of the Plan, the Administrator will determine the performance goals, if any, applicable to any Target Award (or portion thereof) which may include, without limitation, goals related to: (a) revenue, (b) operating income, (c) earnings (including, but not limited to, earnings before interest, taxes, depreciation, and amortization), (d) marketing efficiency, (e) segment and/or division revenue, (f) Company brand penetration, (g) individual performance, (h) gross margin, (i) return on investment capital, (j) budget management, (k) earnings per share, (l) cash flow, (m) net income, (n) conversion, (o) units per transaction, (p) average dollar sale, (q) customer service metrics (including net promoter score ("NPS")), (r) shrinkage and/or inventory control, (s) management of expenses (including, but not limited to, labor or payroll expenses), (t) operational efficiency, (u) safety, (v) return on invested capital, (w) inventory turn, (x) total shareholder return, (y) cash flow growth, and (z) other subjective or objective criteria. As determined by the Administrator, the performance goals may be based on U.S. generally accepted accounting

principles ("GAAP") or non-GAAP results and any actual results may be adjusted by the Administrator for one-time items or unbudgeted or unexpected items and/or payments of Actual Awards under the Plan when determining whether the performance goals have been met. The performance goals may be based on any factors the Administrator determines relevant, including without limitation on an individual, divisional, portfolio, project, business unit, segment, or Company-wide basis. Any criteria used may be measured on such basis as the Administrator determines, including without limitation: (i) in absolute terms, (ii) in combination with another performance goal or goals (for example, but not by way of limitation, as a ratio or matrix), (iii) in relative terms (including, but not limited to, results for other periods, passage of time and/or against another company or companies or an index or indices), (iv) on a per-share basis, (v) against the performance of the Company as a whole or a segment of the Company and/or (vi) on a pre-tax or after-tax basis. The performance goals may differ from Participant to Participant and from award to award. Failure to meet the applicable performance goals will result in a failure to earn the Target Award, except as provided in Section 4.4. The Administrator also may determine that a Target Award (or portion thereof) will not have a performance goal associated with it but instead will be granted (if at all) as determined by the Administrator.

5. Payment of Awards.

5.1 Right to Receive Payment. Each Actual Award will be paid solely from the general assets of the Company Group. Nothing in this Plan will be construed to create a trust or to establish or evidence any Participant's claim of any right other than as an unsecured general creditor with respect to any payment to which the Participant may be entitled.

5.1 Timing of Payment. Payment of each Actual Award will be made as soon as practicable after the end of the Performance Period to which the Actual Award relates and after the Actual Award is approved by the Administrator, but in no event after the later of (a) the 15th day of the 3rd month of the Fiscal Year immediately following the Fiscal Year in which the Participant's Actual Award first becomes no longer subject to a substantial risk of forfeiture, and (b) March 15 of the calendar year immediately following the calendar year in which the Participant's Actual Award first becomes no longer subject to a substantial risk of forfeiture. Unless otherwise determined by the Administrator, to earn an Actual Award a Participant must be employed by the Company Group on the date the Actual Award is paid, and in all cases subject to the Administrator's discretion pursuant to Section 4.4.

5.2 Form of Payment. Each Actual Award generally will be paid in cash (or its equivalent) in a single lump sum. The Administrator reserves the right to settle an Actual Award with a grant of an equity award with such terms and conditions, including any vesting requirements, as determined by the Administrator.

5.3 Payment in the Event of Death or Disability. If a Termination of Employment occurs due to a Participant's death or Disability prior to payment of an Actual Award that the Administrator has determined will be paid for a prior Performance Period, then the Actual Award will be paid to the Participant or the Participant's estate, as the case may be, subject to the Administrator's discretion pursuant to Section 4.4.

6. General Provisions.

6.1 Tax Matters.

6.1.1 Section 409A. It is the intent that this Plan be exempt from or comply with the requirements of Section 409A so that none of the payments to be provided hereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities or ambiguous terms will be interpreted to be so exempt or so comply. Each payment under this Plan is intended to constitute a separate payment for purposes of Treasury Regulations Section 1.409A-2(b)(2). In no event will the Company Group have any liability, obligation, or responsibility to reimburse, indemnify or hold harmless any Participant or other Employee for any taxes, penalties or interest imposed, or other costs incurred, as a result of Section 409A.

6.1.2 Tax Withholdings. The Company Group will have the right and authority to deduct from any Actual Award all applicable Tax Withholdings. Prior to the payment of an Actual Award or such earlier time as any Tax Withholdings are due, the Company Group is permitted to deduct or withhold, or require a Participant to remit to the Company Group, an amount sufficient to satisfy any Tax Withholdings with respect to such Actual Award.

6.2 No Effect on Employment or Service. Neither the Plan nor any award under the Plan will confer upon a Participant any right regarding continuing the Participant's relationship as an Employee or other service provider to the Company Group, nor will they interfere with or limit in any way the right of the Company Group or the Participant to terminate such relationship at any time, with or without cause, to the extent permitted by applicable laws.

6.3 Forfeiture Events.

6.3.1 Clawback Policy; Applicable Laws. All awards under the Plan will be subject to reduction, cancellation, forfeiture, or recoupment in accordance with any clawback policy that the Company Group is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable laws. In addition, the Administrator may impose such other clawback, recovery or recoupment provisions with respect to an award under the Plan as the Administrator determines necessary or appropriate, including without limitation a reacquisition right in respect of previously acquired cash, stock, or other property provided with respect to an award. Unless this Section 6.3.1 is specifically mentioned and waived in a written agreement between a Participant and a member of the Company Group or other document, no recovery of compensation under a clawback policy will give the Participant the right to resign for "good reason" or "constructive termination" (or similar term) under any agreement with a member of the Company Group.

6.3.2 Additional Forfeiture Terms. The Administrator may specify when providing for an award under the Plan that the Participant's rights, payments, and benefits with respect to the award will be subject to reduction, cancellation, forfeiture, or recoupment upon the occurrence of specified events, in addition to any otherwise applicable vesting or

performance conditions of the award. Such events may include, without limitation, termination of the Participant's status as an Employee for "cause" or any act by a Participant, whether before or after the Participant's status as an Employee terminates, that would constitute "cause."

6.3.3 Accounting Restatements. If the Company is required to prepare an accounting restatement due to the material noncompliance of the Company, as a result of misconduct, with any financial reporting requirement under the securities laws, then any Participant who knowingly or through gross negligence engaged in the misconduct, or who knowingly or through gross negligence failed to prevent the misconduct, and any Participant who is one of the individuals subject to automatic forfeiture under Section 304 of the Sarbanes-Oxley Act of 2002, will reimburse the Company Group the amount of any payment with respect to an award earned or accrued during the 12-month period following the first public issuance or filing with the U.S. Securities and Exchange Commission (whichever first occurred) of the financial document embodying such financial reporting requirement.

6.4 Successors. All obligations of the Company under the Plan, with respect to awards under the Plan, will be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business or assets of the Company.

6.5 Nontransferability of Awards. No award under the Plan may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution, and except as provided in Section 5.3. All rights with respect to an award granted to a Participant will be available during his or her lifetime only to the Participant.

7. Amendment, Termination, and Duration.

7.1 Amendment, Suspension, or Termination. The Administrator may amend or terminate the Plan, or any part thereof, at any time and for any reason. The amendment, suspension or termination of the Plan will not, without the consent of the Participant, alter or impair any rights or obligations under any Actual Award earned by such Participant. No award may be granted during any period of suspension or after termination of the Plan.

7.2 Duration of Plan. The Plan will commence on the date first adopted by the Board or the Compensation Committee of the Board, and subject to Section 7.1 (regarding the Administrator's right to amend or terminate the Plan), will remain in effect thereafter until terminated.

8. Legal Construction.

8.1 Gender and Number. Unless otherwise indicated by the context, any feminine term used herein also will include the masculine and any masculine term used herein also will include the feminine; the plural will include the singular and the singular will include the plural.

8.2 Severability. If any provision of the Plan is or becomes or is deemed to be invalid, illegal, or unenforceable for any reason in any jurisdiction or as to any Participant, such invalidity, illegality, or unenforceability will not affect the remaining parts of the Plan, and the Plan will be construed and enforced as if the invalid, illegal, or unenforceable provision had not been included.

8.3 Governing Law. The Plan and all awards will be construed in accordance with and governed by the laws of the State of Utah, but without regard to its conflict of law provisions.

8.4 Bonus Plan. The Plan is intended to be a "bonus program" as defined under U.S. Department of Labor regulations section 2510.3-2(c) and will be construed and administered in accordance with such intention.

8.5 Headings. Headings are provided herein for convenience only and will not serve as a basis for interpretation or construction of the Plan.

9. Compliance with Applicable Laws. Awards under the Plan (including without limitation the granting of such awards) will be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

* * *

THE OPTION GRANTED PURSUANT TO THE TERMS OF THIS OPTION AGREEMENT AND THE ZERO STRIKE INCENTIVE UNITS THAT MAY BE PURCHASED PURSUANT TO SUCH OPTION HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE ZERO STRIKE INCENTIVE UNITS THAT MAY BE ACQUIRED UPON THE EXERCISE OF SUCH OPTION MAY NOT BE SOLD, PLEDGED, OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION THEREOF UNDER SUCH ACT.

THE TRANSFER OF THIS AGREEMENT, THE OPTION TO PURCHASE ZERO STRIKE INCENTIVE UNITS GRANTED HEREUNDER, AND SUCH ZERO STRIKE INCENTIVE UNITS ARE SUBJECT TO CERTAIN RESTRICTIONS, AS SET FORTH IN THE LLC AGREEMENT, THIS AGREEMENT, AND THE RELATED EXERCISE NOTICE. NO TRANSFER OF THIS AGREEMENT OR THE ZERO STRIKE INCENTIVE UNITS PURCHASED UNDER SUCH OPTION SHALL BE MADE ON THE BOOKS OF THE COMPANY UNLESS AND UNTIL SUCH RESTRICTIONS SHALL HAVE BEEN COMPLIED WITH.

CRICUT HOLDINGS, LLC
OPTION AGREEMENT

This OPTION AGREEMENT (this "Agreement") is dated effective as of December __, 2020 (the "Effective Date"), by and between Cricut Holdings, LLC, a Delaware limited liability company (the "Company"), and the party whose signature appears on the signature page hereto (the "Optionee").

THE PARTIES HERETO AGREE AS FOLLOWS:

1. **Definitions**. Capitalized terms used herein and not defined elsewhere in this Agreement shall have the meanings assigned to them in the Company's Third Amended and Restated Limited Liability Company Agreement dated June 11, 2015, as it may be amended from time to time (the "LLC Agreement") (a copy of which has been provided to the Optionee). As used herein, the term "Fair Market Value" shall mean the fair value of each Purchased Unit (as such term is defined herein) determined in good faith by the Board of Managers of the Company or its authorized committee (the "Board") based on the portion of the Total Equity Value to which each such Purchased Unit would be entitled as of the date of valuation, taking into account all relevant factors determinative of value as the Board reasonably determines to be relevant.

2. **Incorporation of Terms of LLC Agreement**. This Agreement and any Zero Strike Incentive Units acquired hereunder shall be subject to the LLC Agreement, the terms of which are incorporated herein by reference. In the event of any conflict or inconsistency between the LLC Agreement and this Agreement, the LLC Agreement shall govern.

3. **Grant of Option**. Subject to the terms and conditions contained herein, the Company hereby grants to the Optionee an option (the "Option") to purchase the number of Zero Strike Incentive Units of the Company set forth on the signature page hereto (the "Option Units") at an exercise price for each Option Unit purchased equal to the amount set forth on the signature page hereto (the "Per Unit Exercise Price").

Any Option Units purchased pursuant to the Option are intended to be "Zero Strike Incentive Units" within the meaning of Section 3.3 of the LLC Agreement and are subject to all applicable limitations under the LLC Agreement, including without limitation, no voting rights, no rights to current distributions (other than tax distributions) on unvested Zero Strike Incentive Units, and limitations on distributions on vested Zero Strike Incentive Units.

4. **Vesting**.

(a) The Optionee shall vest in 100% of the Option on the second anniversary of December 2, 2020, provided that the Optionee remains continuously employed by the Company and its Subsidiaries from the Effective Date until the applicable vesting date. In the event that, prior to the date the Option is fully vested, Optionee ceases to be employed by the Company and its Subsidiaries due to either the Optionee's death or Incapacity, all unvested Option Units held by the Optionee shall vest and become exercisable immediately prior to the Optionee's termination date.

(b) For purposes of this Agreement, "Incapacity" shall mean the Optionee's inability to perform Optionee's employment duties with the Company and its Subsidiaries due to a physical or mental injury, infirmity or incapacity for at least one hundred twenty (120) days (including weekends and holidays), whether or not consecutive, in any 365-day period. Any dispute as to whether Incapacity has occurred will be determined by the Board, in its sole discretion.

5. **Exercise**.

(a) Right to Exercise. The Option shall be exercisable during its term in accordance with the vesting schedule set out in Section 4 and with the applicable provisions of the LLC Agreement and this Agreement. The Option may not be exercised for a fraction of an Option Unit.

(b) Term. The Option shall expire on the [fifth] anniversary of the Effective Date (the "Term"), provided, however, that if, prior to the end of the Term, the Optionee's continuous employment with the Company or any of its Subsidiaries terminates (such date, the "Termination Date"), then the Option shall expire on the earliest of:

(i) the date three months after the Termination Date in the event the Optionee terminates for reasons other than the Optionee's death or Incapacity,

(ii) the date twelve months after the Termination Date in the event the Optionee terminates due to the Optionee's death or Incapacity, or

(iii) the end of the Term.

Notwithstanding anything herein to the contrary, the Option may terminate sooner pursuant to Section 11(b) of this Agreement.

(c) Method of Exercise. The Option shall be exercisable by delivery of an exercise notice in the form attached as Exhibit A (the "Exercise Notice") or in a manner and pursuant to such procedures as the Board may determine, which shall state the election to exercise the Option, the number of Option Units with respect to which the Option is being exercised (the "Purchased Units"), and such other representations and agreements as may be required by the Company. The Exercise Notice shall be accompanied by payment of the aggregate Per Unit Exercise Price as to all Purchased Units (the "Exercise Price"), together with any applicable tax withholding. The Option shall be deemed to be exercised upon receipt by the Company of such fully executed Exercise Notice accompanied by the Exercise Price, together with any applicable tax withholding.

No Option Units shall be issued pursuant to the exercise of the Option unless such issuance and such exercise comply with applicable laws. Assuming such compliance, for income tax purposes the Option

Units shall be considered transferred to the Optionee on the date on which the Option is exercised with respect to such Option Units.

6. **Method of Payment**. The Exercise Price shall be paid by the Optionee to such account or accounts as the Company may specify to the Optionee.

7. **Restriction on Exercise**. The Option may not be exercised if the issuance of Option Units upon such exercise or the method of payment of consideration for such Option Units would constitute a violation of any applicable law.

8. **Participation Threshold**. For purposes of Section 3.3.2 of the LLC Agreement, the Participation Threshold of the Purchased Units will be $0.

9. **Non-Transferability of Option**.

(a) The Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of the Optionee only by the Optionee. The terms of the LLC Agreement and this Agreement shall be binding upon the executors, administrators, heirs, successors and assigns of the Optionee.

(b) Further, until the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or after the Board determines that it is, will, or may no longer be relying upon the exemption from registration of the Option under the Exchange Act as set forth in Rule 12h-1(f) promulgated under the Exchange Act (the "Reliance End Date"), the Optionee shall not transfer the Option or, prior to exercise, the Option Units, in any manner other than (i) to persons who are "family members" (as defined in Rule 701(c)(3) of the Securities Act of 1933, as amended (the "Securities Act")) through gifts or domestic relations orders, or (ii) to an executor or guardian of the Optionee upon the death or Incapacity of the Optionee. Until the Reliance End Date, the Option and, prior to exercise, the Option Units, may not be pledged, hypothecated or otherwise transferred or disposed of, including by entering into any short position, any "put equivalent position" or any "call equivalent position" (as defined in Rule 16a-1(h) and Rule 16a-1(b) of the Exchange Act, respectively), other than as permitted in clauses (i) and (ii) of this paragraph.

10. **Certain Tax Matters**.

(a) Tax Withholding. The Optionee agrees to make appropriate arrangements with the Company (or the Subsidiary employing or retaining the Optionee) for the satisfaction of all Federal, state, local and foreign income and employment tax withholding requirements applicable to the Option exercise. The Optionee acknowledges and agrees that the Company may refuse to honor the exercise and refuse to deliver the Purchased Units if such withholding amounts are not delivered at the time of exercise.

(b) Code Section 409A. Under Code Section 409A, an option that vests after December 31, 2004 (or that vested on or prior to such date but which was materially modified after October 3, 2004) that was granted with an exercise price per unit that is determined by the Internal Revenue Service (the "IRS") to be less than the fair market value of an underlying unit on the date of grant (a "discount option") may be considered "deferred compensation." An option that is a "discount option" may result in (i) income recognition by the recipient prior to the exercise of the option, (ii) an additional 20% federal income tax, and (iii) potential penalty and interest charges. The "discount option" may also result in additional state income, penalty and interest tax to the recipient of the option. The Optionee acknowledges that the Company cannot

and has not guaranteed that the IRS will agree that the exercise price per Zero Strike Incentive Unit of the Option equals or exceeds the fair market value of a Zero Strike Incentive Unit on the date of grant in a later examination. The Optionee agrees that if the IRS determines that the Option was granted with an exercise price per Zero Strike Incentive Unit that was less than the fair market value of a Zero Strike Incentive Unit on the date of grant, the Optionee shall be solely responsible for the Optionee's costs related to such a determination.

11. **Adjustments**.

(a) Subject to any required action by the Members of the Company, in the event that any dividend, recapitalization, unit split, reverse unit split, reorganization, merger, consolidation, split-up, spin-off, division, combination, repurchase, or exchange of Common Units or other securities of the Company, other distribution of Common Units or other securities of the Company without the receipt of consideration by the Company, or other change in the organizational structure of the Company affecting the Common Units occurs, the Board, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under this Agreement, will adjust the number, class, and price of units covered by the Option.

(b) In the event of a merger or a Change in Control, unless otherwise specifically prohibited under applicable laws or by the rules and regulations of any governing governmental agencies or national securities exchanges, or unless the Board shall specify otherwise in the Agreement, the Board is authorized (but not obligated) to make adjustments to the terms and conditions of the Option, including, without limitation, one or more of the following: (i) continuation or assumption of the Option by the Company (if it is the surviving company or corporation) or by the surviving company or corporation or its parent; (ii) substitution by the surviving company or corporation or its parent of equity, equity-based and/or cash awards with substantially the same terms for the Option (excluding the consideration payable upon settlement of the Option); (iii) accelerated exercisability, vesting and/or lapse of restrictions under the Option immediately prior to the occurrence of such event; (iv) upon written notice, provision that the Option must be exercised, to the extent then exercisable, during a reasonable period of time immediately prior to the scheduled consummation of the event or such other period as determined by the Board (contingent upon the consummation of the event), and at the end of such period, the Option shall terminate to the extent not so exercised within the relevant period; and (v) cancellation of all or any portion of the Option for cash, securities or other property, or a combination thereof, having a value (as determined by the Board in its sole discretion) equal to the excess, if any, of the value of the consideration to be paid in the merger or Change in Control, as applicable, to holders of the same number of Zero Strike Incentive Units (or, if no such consideration is paid, the fair market value of such Zero Strike Incentive Units) over the aggregate Per Unit Exercise Price with respect to such portion of the Option being canceled, or if no such excess, zero. In the event that the consideration paid in the merger or Change in Control includes contingent value rights, earnout or indemnity payments or similar payments, then the Board will determine if, for purposes of the settlement of the Option under clause (v) above, (1) the Option is valued at closing taking into account such contingent consideration (with the value determined by the Board in its sole discretion) or (2) the Optionee is entitled to a share of such contingent consideration.

(c) For purposes of this Agreement, "Change in Control" shall mean any of the following events to first occur after the Effective Date:

(i) any independent third party (which shall exclude any affiliates of the Company), by merger or otherwise, becomes the direct beneficial owner of more than 65% of the combined voting power of the then-outstanding securities of the Company or Cricut, Inc., a Delaware corporation ("Cricut"), or any other successor entity to either of the foregoing all or substantially all of whose assets consist of all the outstanding equity interests of the Company or Cricut, as applicable; provided that a Change in Control shall not include any merger or other transaction in which the equity holders of the Company immediately prior

to the merger or other transaction after giving effect to such merger or other transaction own directly or indirectly a majority of the equity interests of the Company, Cricut or such successor entity;

(ii) the Company consummates the sale or disposition of all or substantially all of its assets; or

(iii) Cricut consummates the sale or disposition of all or substantially all of its assets.

12. **Triggering Event.** Subject to the provisions of the merger, reorganization or other agreement setting forth the terms of a direct exchange, merger or other reorganization transaction, upon a Trigger Event, the Option will be exchanged for or converted into, in such transaction, options to acquire shares of the resulting corporation's common stock with terms substantially equivalent to the terms of the options they are intended to replace. "Trigger Event" means the consummation of a transaction or series of transactions that results in the conversion of the Company or its business into a corporation.

13. **Miscellaneous**.

(a) No Rights to Continued Employment. Nothing in this Agreement or any action taken or omitted to be taken hereunder shall be deemed to create or confer on the Optionee any right to continued employment with the Company or any Subsidiary or other affiliate thereof, or to interfere with or to limit in any way the right of the Company or any Subsidiary or other affiliate thereof to terminate the employment of the Optionee at any time.

(b) Restrictions. The Board shall have the right to impose restrictions on any Purchased Units as it deems necessary or advisable under applicable federal securities laws, the rules and regulations of any stock exchange or market upon which the Purchased Units are then listed or traded, and/or any "blue sky" or state securities laws applicable to such Purchased Units.

(c) Board Decisions Final. Any dispute or disagreement arising under, or in connection with, the interpretation or construction of the terms of this Agreement shall be determined by the Board in good faith, and any such determination and any other determination by the Board under this Agreement shall be final and binding on all persons affected thereby.

(d) Spousal Consent. If, as of the date the Option is exercised, the Optionee is lawfully married and the Optionee's address or the permanent residence of the Optionee's spouse is located in a community property jurisdiction, the Optionee and the Optionee's spouse shall execute and deliver to the Company concurrently with the exercise of the Option the spousal consent in the form attached hereto as Exhibit C.

(e) Unit Power. Concurrently with the exercise of the Option, the Optionee shall execute in blank a unit transfer power in the form attached hereto as Exhibit D (the "Unit Power") with respect to the Purchased Units and shall deliver such Unit Power to the Company. The Unit Power shall authorize the Company to assign, transfer and deliver the Purchased Units to the appropriate acquirer thereof pursuant to Section 11.3 of the LLC Agreement.

(f) Successors and Assigns. This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and assigns.

(g) Amendments or Modifications. No supplement, modification, waiver, or termination of this Agreement or any provisions hereof shall be binding unless executed in writing by all parties hereto. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

(h) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

(i) Governing Law. This Agreement shall be governed by and construed under the laws of the State of Delaware, without respect to the provisions concerning the conflict of laws which would otherwise result in the application of the substantive law of any other jurisdiction.

(j) Severability. If any provision of this Agreement, or the application thereof to any person, place, or circumstance, shall be held by a court of competent jurisdiction to be invalid, unenforceable or void, the remainder of this Agreement and such provision as applied to other persons, places and circumstances shall remain in full force and effect. Otherwise, the parties hereto agree to replace any invalid or unenforceable provision with a valid provision that most closely approximates the intent and economic effect of the invalid or unenforceable provision.

(k) WAIVER OF JURY TRIAL. TO THE EXTENT PERMITTED BY LAW, EACH PARTY HEREBY WAIVES ITS RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR PARTIES, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. EACH PARTY HEREBY AGREES THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR ANY PROVISION HEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT.

(l) Attorneys' Fees. The prevailing party in any arbitration, mediation, court action, or other adjudicative proceeding arising out of or relating to this Agreement or the transactions contemplated hereby shall be reimbursed by the party who did not prevail for its reasonable attorneys', accountants', and experts' fees and for the costs of such proceeding. The provisions set forth in this Section 12(l) shall survive the merger of these provisions into any judgment.

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

IN WITNESS WHEREOF, the Company and the Optionee have executed this Subscription Agreement effective as of the Effective Date first above written.

THE COMPANY:

CRICUT HOLDINGS, LLC
a Delaware limited liability company

By: _____
Name: Don Olsen
Title: Secretary

THE OPTIONEE:

By: _____
Name:

Number of Option Units: _____

Per Unit Exercise Price: _____

EXHIBIT A

EXERCISE NOTICE

Cricut Holdings, LLC
10855 S. River Front Parkway
South Jordan, UT 84095

Attention: Secretary

1. **Exercise of Option**. Effective as of today, _____, ____, the undersigned (the "Buyer") hereby elects to exercise the Buyer's option (the "Option") to purchase _____ Zero Strike Incentive Units (the "Purchased Units") of Cricut Holdings, LLC, a Delaware limited liability company (the "Company"), under and pursuant to the Option Agreement by and between the Company and the Buyer, dated _____, _____ (the "Option Agreement"). Capitalized terms used herein and not defined elsewhere in this Exercise Notice shall have the meanings assigned to them in the Option Agreement.

2. **Delivery of Payment**. The Buyer herewith delivers to the Company the full Exercise Price of the Purchased Units, as set forth in the Option Agreement, and any and all withholding taxes due in connection with the exercise of the Option.

3. **Representations of the Buyer**. The Buyer acknowledges that the Buyer has received, read and understood the LLC Agreement and the Option Agreement and agrees to abide by and be bound by their terms and conditions.

4. **Rights as a Member**. Until the issuance of the Purchased Units (as evidenced by the appropriate entry on the books and records of the Company, no right to vote or receive a distribution or an allocation of income as a Member shall exist with respect to the Purchased Units, notwithstanding the exercise of the Option. The Purchased Units shall be issued to the Buyer as soon as practicable after the Option is exercised in accordance with the Option Agreement. No adjustment shall be made for an allocation or distribution or other right for which the record date is prior to the date of issuance except as provided in Section 11 of the Option Agreement.

5. **Capital Account**. Subject to the provisions of the Option Agreement and this Exercise Notice, the Company shall establish or maintain a Capital Account on behalf of the Buyer in respect of the Purchased Units issued hereunder pursuant to the terms of Section 4.1 of the LLC Agreement, and the Buyer shall be considered a Member of the Company.

6. **No Transfer or Assignment of Purchased Units**. The Purchased Units and all other rights and privileges conferred hereby shall not be sold, pledged or otherwise transferred (whether by operation of law or otherwise) and shall not be subject to sale under execution, attachment, levy or similar process, except to the extent permitted under the LLC Agreement.

7. **Representations and Warranties of the Company**. The Company represents warrants and agrees as follows:

(a) The Company is a validly existing limited liability company organized under the laws of Delaware and has all requisite entity power and lawful authority to own, lease and operate its assets, properties and business and to carry on its business as now being conducted.

(b) The Company has the legal right and power and all authority necessary to accept and execute this Exercise Notice, to issue and deliver the Purchased Units, and to perform fully its obligations hereunder. This Exercise Notice has been duly authorized and, upon proper acceptance and execution by the Company, will constitute a valid and binding agreement of the Company enforceable against it in accordance with its terms, except to the extent that its enforceability may be limited by applicable bankruptcy, insolvency, reorganization or other laws affecting the enforcement of creditors' rights generally and by principles of equity regarding the availability of remedies.

(c) The execution, delivery and performance of this Exercise Notice and the consummation of the transactions contemplated hereby will not conflict with or result in a breach of any of the terms, conditions or provisions of (i) any contracts or agreements to which the Company is a party or by which the Company is bound, (ii) the LLC Agreement, (iii) any law, statute, rule or regulation of any governmental authority, or (iv) any judgment, order, injunction, decree or ruling of any court or arbitration tribunal or governmental authority to which the Company is subject.

8. **Representations and Warranties of the Buyer**. The Buyer hereby represents and warrants as follows:

(a) The Buyer has full power and authority to execute, deliver and carry out the terms and provisions of this Exercise Notice and to consummate the transactions contemplated hereby.

(b) The Buyer understands that the Purchased Units have not been registered under the Act or any state securities laws and that the Purchased Units are "restricted securities" under applicable securities laws and that under such laws and applicable regulations, the Purchased Units may be resold without registration or qualification under the Act only in certain limited circumstances. The Buyer acknowledges that the Purchased Units must be held indefinitely unless subsequently registered and/or qualified under the Act or an exemption from such registration and/or qualification is available.

(c) The Buyer is acquiring the Purchased Units for investment for the Buyer's own account, not as a nominee or agent, and not with a view to, or for resale in connection with, any distribution thereof, and the Buyer has no present intention of selling, granting any participation in, or otherwise distributing the same.

(d) The Buyer has such knowledge and experience in financial and business matters and is capable of evaluating the merits and risks of the prospective investment in the Company.

(e) The Buyer has had access to all information regarding the Company including, but not limited to, the LLC Agreement and its present and prospective business, assets, liabilities, and financial condition that the Buyer reasonably considers relevant in making the decision to purchase the Purchased Units.

(f) The execution, delivery and performance of this Exercise Notice and the consummation of the transactions contemplated hereby will not conflict with or result in a breach of any of the terms, conditions or provisions of (i) any contracts or agreements to which the Buyer is a party or by which the Buyer is bound, (ii) the Company's LLC Agreement, (iii) any law, statute, rule or regulation of any governmental authority, or (iv) any judgment, order, injunction, decree or ruling of any court or arbitration tribunal or governmental authority to which the Buyer is subject.

(g) As a condition to the Buyer purchasing the Purchased Units, the Buyer shall execute (i) a joinder agreement to the LLC Agreement, if not already a party to the LLC Agreement, attached to the Option Agreement as Exhibit B; and (ii) such other documents or instruments as may be required by the Board, in its sole discretion.

9. **Survival of Representations and Warranties**. All representations and warranties of the respective parties hereto contained herein shall survive the consummation of the transaction provided for hereunder.

10. **Instruments of Further Assurance**. The Company and the Buyer agree, upon the request of the other, from time-to-time to execute and deliver to the other all such instruments and documents of further assurance or otherwise as shall be reasonable under the circumstances, and to do any and all such acts and things as may reasonably be required to carry out the obligations of such requested party hereunder and to consummate the transactions provided for herein.

14. **Certain Tax Matters**.

(a) Withholding. In the event that the Company determines that it is required to withhold any tax as a result of a distribution or an allocation of income made to the Buyer, the Buyer hereby agrees to make arrangements satisfactory to the Company to enable it to satisfy all withholding requirements. The Buyer shall also make arrangements satisfactory to the Company to enable it to satisfy any withholding requirements that may arise in connection with the issuing the Purchased Units. In the event the Company or any of its Subsidiaries do not make such withholdings, the Buyer shall indemnify the Company and its Subsidiaries for any amounts paid by the Company or any of its Subsidiaries for the benefit of the Buyer with respect to any such taxes, together with any interest, penalties and related expenses thereto.

(b) No Warranty of Tax Results. The Buyer hereby acknowledges that the federal and state income and other tax consequences to the Buyer resulting from the issuance, holding, vesting, forfeiture, sale or redemption of Purchased Units hereunder may depend on the Buyer's particular situation and other facts and circumstances, and neither the Company, nor its managers, agents, owners or any other person will be responsible or liable for the federal or state income or other tax consequences to the Buyer occurring by reason of any of such events. The Company does not represent, warrant, guaranty, affirm or advise the Buyer that the Buyer will achieve any particular federal or state income or other tax consequences or objectives with respect to the Purchased Units, and the Buyer agrees to rely solely upon the Buyer's own advisers with respect to all such tax consequences of the Purchased Units hereunder.

11. **Successors and Assigns**. The Company may assign any of its rights under this Exercise Notice to single or multiple assignees, and this Exercise Notice shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Exercise Notice shall be binding upon the Buyer and his or her heirs, executors, administrators, successors and assigns.

12. **Interpretation**. Any dispute regarding the interpretation of this Exercise Notice shall be submitted by the Buyer or by the Company forthwith to the Board, which shall review such dispute at its next regular meeting. The resolution of such a dispute by the Board shall be final and binding on all parties.

13. **Governing Law; Severability**. This Exercise Notice is governed by the internal substantive laws, but not the choice of law rules, of Delaware. In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Exercise Notice shall continue in full force and effect.

14. **Entire Agreement**. The LLC Agreement and the Option Agreement are incorporated herein by reference. This Exercise Notice, the Option Agreement, the LLC Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Buyer with respect to the subject matter hereof, and may not be modified adversely to the Buyer's interest except by means of a writing signed by the Company and the Buyer.

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

Submitted by:

THE BUYER

Signature

Print Name

Address:

Accepted by:

THE COMPANY

CRICUT HOLDINGS, LLC
a Delaware limited liability company

By

Print Name

Title

Address:

Date Received

EXHIBIT B

JOINDER AGREEMENT

Effective upon the execution hereof, the undersigned hereby agrees to become a party to that certain Third Amended and Restated Limited Liability Company Agreement, dated as of June 11, 2015, of Cricut Holdings, LLC, a Delaware limited liability company, as the same may be amended, restated, modified, and supplemented from time to time (the "LLC Agreement"). The undersigned, by executing this counterpart signature page, shall be entitled to all of the rights and subject to all of the obligations of a Member holding Zero Strike Incentive Units under the LLC Agreement, and accepts and agrees to be bound by all terms and conditions of the LLC Agreement.

Dated: December 2, 2020

By: _____
Name:

ACCEPTED AND AGREED
as of the date first written above:

Cricut Holdings, LLC

By: _____
Name: Don Olsen
Title: Secretary

EXHIBIT C

SPOUSAL CONSENT

The undersigned spouse hereby acknowledges that I have read the Third Amended and Restated Limited Liability Company Agreement of Cricut Holdings, LLC, a Delaware limited liability company (the "Company"), to which my spouse is a party, and that I understand its contents. I am aware that such agreement provides for certain restrictions on my spouse's Zero Strike Incentive Units of the Company (the "Units"). I agree that my spouse's interest in the Units is subject to the agreement referred to above and the other agreements referred to therein (including the Option Agreement and Exercise Notice pursuant to which my spouse's Units were issued) and any interest I may have in such Units shall be irrevocably bound by such agreement and the other agreements referred to therein and further that my community property interest (if any) shall be similarly bound by such agreements.

The undersigned spouse irrevocably constitutes and appoints the undersigned Unitholder, who is the spouse of the undersigned spouse (the "Unitholder"), as the undersigned's true and lawful attorney and proxy in the undersigned's name, place and stead to sign, make, execute, acknowledge, deliver, file and record all documents which may be required, and to manage, vote, act and make all decisions with respect to (whether necessary, incidental, convenient or otherwise), any and all Units of the Company in which the undersigned now has or hereafter acquires any interest and in (including but not limited to the right, without further signature, consent or knowledge of the undersigned spouse, to exercise amendments and modifications of and to terminate the aforementioned agreements and to dispose of any and all such Units), with all powers the undersigned spouse would possess if personally present, it being expressly understood and intended by the undersigned that the foregoing power of attorney and proxy is coupled with an interest; and this power of attorney is a durable power of attorney and will not be affected by disability, incapacity or death of the Unitholder, or dissolution of marriage and this proxy will not terminate without consent of the Unitholder and the Company:

Unitholder	Spouse of Unitholder:
_____	_____
Signature	Signature
_____	_____
Printed Name	Printed Name

EXHIBIT D

UNIT POWER

FOR VALUE RECEIVED, the undersigned does hereby sell, assign and transfer unto _____, a _____, _____Common Units of Cricut Holdings, LLC, a Delaware limited liability company (the "Company"), standing in the undersigned's name on the books of the Company represented by Certificate No(s). _____ enclosed herewith and does hereby irrevocably constitute and appoint _____ as attorney to transfer such Common Units on the books of the Company with full power of substitution in the premises, pursuant to the terms of the Option Agreement, dated _____, 20___, between the undersigned and the Company, the Exercise Notice dated _____, 20___, between the undersigned and the Company, and the Third Amended and Restated Limited Liability Company Agreement of the Company, dated June 11, 2015, as each may be amended from time to time.

Dated: _____, 20 _____

By: _____

Name:

Exhibit 10.23

CRICUT, INC.

EXECUTIVE CHANGE IN CONTROL AND SEVERANCE PLAN
AND SUMMARY PLAN DESCRIPTION

1. Introduction. The purpose of this Cricut, Inc. Executive Change in Control and Severance Plan (the "Plan") is to provide assurances of specified benefits to certain employees of the Company whose employment could be being involuntarily terminated other than for death, Disability, or Cause or voluntarily terminated for Good Reason under the circumstances described in the Plan. This Plan is an "employee welfare benefit plan," as defined in Section 3(1) of ERISA. This document is both the written instrument under which the Plan is maintained and the required summary plan description for the Plan.

2. Important Terms. The following words and phrases, when the initial letter of the term is capitalized, will have the meanings set forth in this Section 2, unless a different meaning is plainly required by the context:

(a) "Administrator" means the Company, acting through the Compensation Committee or another duly constituted committee of members of the Board, or any person to whom the Administrator has delegated any authority or responsibility with respect to the Plan pursuant to Section 11, but only to the extent of such delegation.

(b) "Base Salary" means the Participant's annual base salary as in effect immediately prior to the Executive's Qualifying Termination (or if the termination is due to a resignation for Good Reason based on a material reduction in base salary, then the Executive's annual base salary in effect immediately prior to the reduction) or, if the amount is greater, at the level in effect immediately prior to the Change in Control.

(c) "Board" means the Board of Directors of the Company.

(d) "Cause" has the meaning set forth in the Participant's Participation Agreement or, if no definition is set forth, means the following:

The Participant (i) entering a plea of no-contest with respect to, or being convicted (including by a plea of guilty) of a felony, whether or not related to the Participant's employment with the Company; (ii) committing (x) any illegal conduct that results in material damage or harm to the business, financial condition, reputation or assets of the Company or any person that, directly or indirectly, through one or more intermediaries controls, is controlled by, or is under common control with, the Company (each, a "Company Affiliate") (y) or any action involving dishonesty, fraud or moral turpitude, with respect to the Company or any Company Affiliate or any of their employees, customers or suppliers; (iii) engaging in gross misconduct or being grossly negligent with respect to the performance of the Participant's duties; (iv) failing to cooperate with a bona fide internal investigation or investigation by regulatory or law enforcement authorities, after being instructed by the Company or any Company Affiliate to cooperate, or destroying or failing to preserve documents or other material reasonably known to be relevant to such an investigation, or inducing other persons to fail to cooperate or to destroy or fail to produce documents or other material; (v) materially violating the Company's

written conduct policies, including but not limited to the Company's Code of Conduct and Ethics; (vi) materially breaching any agreement with the Company, including the Participant's employment agreement with the Company (with the exception of a material breach based on the reasonable good faith belief that such act is or was in the best interests of the Company or any Company Affiliate); (vii) willfully making a material and unauthorized disclosure of confidential information with respect to the Company or any Company Affiliate; (viii) either failing or refusing to perform any of the Participant's duties; (ix) making disparaging, derogatory or detrimental comments about the Company or any Company Affiliate; (x) engaging in a pattern of conduct that is detrimental to the reputation of the Company or any Company Affiliate; or (xi) abusing alcohol, prescribed medication or illegal drugs (whether or not at the workplace). The Company will give the Participant written notice prior to termination of employment pursuant to sub-paragraphs (iii), (iv), (v), (vi), (vii), (viii), (ix), (x) or (xi) of the foregoing, setting forth the nature of any alleged failure, breach or refusal in reasonable detail and the conduct required to cure. Except for a failure, breach or refusal which, by its nature, cannot reasonably be expected to be cured, the Participant shall have 20 business days from the giving of such notice within which to cure any failure, breach or refusal under sub-paragraphs (iii), (iv), (v), (vi), (vii), (viii), (ix), (x) or (xi) of the foregoing; *provided*, *however*, that if the Company or any Company Affiliate reasonably expects irreparable injury from a delay of 20 business days, the Company may give the Participant notice of such shorter period within which to cure as is reasonable under the circumstances.

(e) "Change in Control" means the occurrence of any of the following events:

(i) Change in Ownership of the Company. A change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group ("Person"), acquires ownership of the stock of the Company that, together with the stock held by such Person, constitutes more than 50% of the total voting power of the stock of the Company; provided, however, that for purposes of this subsection, (A) the acquisition of additional stock by any one Person, who is considered to own more than 50% of the total voting power of the stock of the Company will not be considered a Change in Control, and (B) any acquisition of stock of the Company by Petrus or any Petrus Affiliate will be disregarded for purposes of determining whether a Change in Control has occurred pursuant to this subsection (i). Further, if the stockholders of the Company immediately before such change in ownership continue to retain immediately after the change in ownership, in substantially the same proportions as their ownership of shares of the Company's voting stock immediately prior to the change in ownership, direct or indirect beneficial ownership of 50% or more of the total voting power of the stock of the Company or of the ultimate parent entity of the Company, such event will not be considered a Change in Control under this subsection (i). For this purpose, indirect beneficial ownership will include, without limitation, an interest resulting from ownership of the voting securities of one or more corporations or other business entities which own the Company, as the case may be, either directly or through one or more subsidiary corporations or other business entities. For the avoidance of doubt, increases in the percentage of total voting power owned by the Petrus or any Petrus Affiliate, irrespective of the circumstances, shall not constitute an acquisition that creates a Change in Control under this subsection (i); or

(ii) Change in Effective Control of the Company. A change in the effective control of the Company which occurs on the date that a majority of members of the Board is replaced during any 12-month period by Directors whose appointment or election is not endorsed by a majority

of the members of the Board prior to the date of the appointment or election. For purposes of this subsection (ii), if any Person is considered to be in effective control of the Company, the acquisition of additional control of the Company by the same Person will not be considered a Change in Control; or

(iii) Change in Ownership of a Substantial Portion of the Company's Assets. A change in the ownership of a substantial portion of the Company's assets which occurs on the date that any Person acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such Person) assets from the Company that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, however, that for purposes of this subsection (iii), the following will not constitute a change in the ownership of a substantial portion of the Company's assets: (A) a transfer to an entity that is controlled by the Company's stockholders immediately after the transfer, or (B) a transfer of assets by the Company to: (1) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's stock, (2) an entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by the Company, (3) a Person, that owns, directly or indirectly, 50% or more of the total value or voting power of all the outstanding stock of the Company, or (4) an entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a Person described in this subsection (iii)(B)(3). For purposes of this subsection (iii), gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

For purposes of this definition, persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company.

Notwithstanding the foregoing, a transaction will not be deemed a Change in Control unless the transaction qualifies as a "change in control event" within the meaning of Section 409A.

Further and for the avoidance of doubt, a transaction will not constitute a Change in Control if: (x) its primary purpose is to change the jurisdiction of the Company's incorporation, or (y) its primary purpose is to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

(f) "Change in Control Period" means the time period beginning on the date that is 3 months prior to a Change in Control and ending on the date that is 18 months following a Change in Control.

(g) "Code" means the Internal Revenue Code of 1986, as amended.

(h) "Company" means Cricut, Inc., a Delaware corporation, and any successor that assumes the obligations of the Company under the Plan, by way of merger, acquisition, consolidation or other transaction.

(i) "Compensation Committee" means the Compensation Committee of the Board.

(j) "Director" means a member of the Board.

(k) "Disability" means "Disability" as defined in the Company's long-term disability plan or policy then in effect with respect to that Participant, as such plan or policy may be in effect from time to time, and, if there is no such plan or policy, a total and permanent disability as defined in Code Section 22(e)(3).

(l) "Equity Awards" means a Participant's outstanding stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, performance stock units and any other Company equity compensation awards.

(m) "ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

(n) "Good Reason" has the meaning set forth in the Participant's Participation Agreement or, if no definition is set forth, means the occurrence of one or more of the following (through a single action or series of actions), without the Participant's written consent, with respect to Participant, provided that the Company receives, within 30 days following the occurrence of any of the events set forth in clauses (i) through (iv) below, written notice from Participant indicating the specific basis for Participant's belief that Participant are entitled to terminate employment for Good Reason, the Company fails to cure the event constituting Good Reason within 30 days after receipt of such written notice thereof, and Participant terminates employment immediately following expiration of such cure period or the Company's written notice to Participant that it will decline to cure the condition: (i) the Company's material, adverse alteration of the nature or the status of the Participant's position, duties, responsibilities or authority; (ii) the Company's material breach of the Participant's employment agreement with the Company; (iii) a material reduction of the Participant's base salary; (iv) a relocation of the Participant's principal work location to a facility or a location more than 50 miles from his or her prior work location, except for a relocation to the Company's principal office in Utah.

(o) "Participant" means an employee of the Company or of any subsidiary of the Company who (a) has been designated by the Administrator to participate in the Plan either by position or by name and (b) has timely and properly executed and delivered a Participation Agreement to the Company.

(p) "Participation Agreement" means the individual agreement (as will be provided in separate cover as Appendix A) provided by the Administrator to a Participant under the Plan, which has been signed and accepted by the Participant.

(q) "Petrus" means Petrus Trust Company, LTA.

(r) "Petrus Affiliate" means any corporation or any other entity (including, but not limited to, trusts, partnerships and joint ventures) controlling, controlled by, or under common control with Petrus.

(s) "Plan" means the Cricut, Inc. Executive Change in Control and Severance Plan, as set forth in this document, and as hereafter amended from time to time.

(t) "Qualifying Termination" unless otherwise defined in the Participant's Participation Agreement, means a termination of a Participant's employment with the Company (or any parent or subsidiary of the Company) within the Change in Control Period by (i) the Participant for Good Reason, or (ii) the Company (or any parent or subsidiary of the Company) for a reason other than Cause, the Participant's death or Disability.

(u) "Section 409A Limit" means 200% of the lesser of: (i) the Participant's annualized compensation based upon the annual rate of pay paid to the Participant during the Participant's taxable year preceding the Participant's taxable year of the Participant's termination of employment as determined under, and with such adjustments as are set forth in, Treasury Regulation 1.409A-1(b)(9)(iii)(A)(1) and any Internal Revenue Service guidance issued with respect thereto; or (ii) the maximum amount that may be taken into account under a qualified plan pursuant to Section 401(a)(17) of the Code for the year in which the Participant's employment is terminated.

(v) "Severance Benefits" means the compensation and other benefits that the Participant will be provided in the circumstances described in Section 4.

3. Eligibility for Severance Benefits. A Participant is eligible for Severance Benefits, as described in Section 4, only if he or she experiences a Qualifying Termination.

4. Qualifying Termination. Upon a Qualifying Termination, then, subject to the Participant's compliance with Section 6, the Participant will be eligible to receive the following Severance Benefits as described in Participant's Participation Agreement, subject to the terms and conditions of the Plan and the Participant's Participation Agreement:

(a) Cash Severance Benefits. Cash severance equal to the amount, if any, set forth in the Participant's Participation Agreement and payable in cash at the time(s) specified the Participant's Participation Agreement.

(b) Equity Award Vesting Acceleration Benefit. Only to the extent specifically provided in the Participant's Participation Agreement, a portion of Participant's Equity Awards will vest and, to the extent applicable, become immediately exercisable.

5. Limitation on Payments. In the event that the severance and other benefits provided for in this Plan or otherwise payable to a Participant (i) constitute "parachute payments" within the meaning of Section 280G of the Code ("280G Payments"), and (ii) but for this Section 5, would be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then the 280G Payments will be either:

(x) delivered in full, or

(y) delivered as to such lesser extent which would result in no portion of such benefits being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable

federal, state and local income taxes and the excise tax imposed by Section 4999, results in the receipt by Participant on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be taxable under Section 4999 of the Code. If a reduction in the 280G Payments is necessary so that no portion of such benefits are subject to the Excise Tax, reduction will occur in the following order: (i) cancellation of equity awards granted "contingent on a change in ownership or control" (within the meaning of Code Section 280G); (ii) a pro rata reduction of (A) cash payments that are subject to Section 409A as deferred compensation and (B) cash payments not subject to Section 409A; (iii) a pro rata reduction of (A) employee benefits that are subject to Section 409A as deferred compensation and (B) employee benefits not subject to Section 409A; and (iv) a pro rata cancellation of (A) accelerated vesting of equity awards that are subject to Section 409A as deferred compensation and (B) equity awards not subject to Section 409A. In the event that acceleration of vesting of equity awards is to be cancelled, such acceleration of vesting will be cancelled in the reverse order of the date of grant of a Participant's equity awards.

A nationally recognized professional services firm selected by the Company, the Company's legal counsel or such other person or entity to which the parties mutually agree (the "Firm") will make any determination required under this Section 5. Such determinations will be made in writing by the Firm and any good faith determinations of the Firm will be conclusive and binding upon Participant and the Company. For purposes of making the calculations required by this Section 5 the Firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. Participant and the Company will furnish to the Firm such information and documents as the Firm may reasonably request in order to make a determination under this Section 5. The Company will bear all costs the Firm may incur in connection with any calculations contemplated by this Section 5.

6. Conditions to Receipt of Severance.

(a) Release Agreement. As a condition to receiving the Severance Benefits, each Participant will be required to sign and not revoke a separation and release of claims agreement in substantially the form attached hereto as Appendix B but subject to any revisions that the Company deems in its discretion to be necessary or advisable to comply with applicable law or regulation (the "Release"). In all cases, the Release must become effective and irrevocable no later than the 60th day following the Participant's Qualifying Termination (the "Release Deadline Date"). If the Release does not become effective and irrevocable by the Release Deadline Date, the Participant will forfeit any right to the Severance Benefits. In no event will the Severance Benefits be paid or provided until the Release becomes effective and irrevocable.

(b) Confidential Information. A Participant's receipt of Severance Benefits will be subject to the Participant continuing to comply with the terms of any confidentiality, proprietary information and inventions agreement between the Participant and the Company.

(c) Mutual Non-Disparagement.

(i) As a condition to receiving Severance Benefits under this Plan, the Participant agrees that following the Participant's termination, the Participant will not knowingly and

materially disparage, libel, slander, or otherwise make any materially derogatory statements regarding the Company or any of its officers or directors. Notwithstanding the foregoing, nothing contained in the Plan will be deemed to restrict the Participant from providing information to any governmental or regulatory agency or body (or in any way limit the content of any such information) to the extent the Participant is required to provide such information pursuant a subpoena or as otherwise required by applicable law or regulation, or in accordance with any governmental investigation or audit relating to the Company.

(ii) The Company agrees that during the period following the Participant's termination that the Participant is entitled to receive Severance Benefits under this Plan, the Company's executive officers and directors will not knowingly and materially disparage, libel, slander, or otherwise make any materially derogatory statements regarding the Participant. Notwithstanding the foregoing, nothing contained in the Plan will be deemed to restrict any of the Company's executive officers and directors from providing information to any governmental or regulatory agency or body (or in any way limit the content of any such information) to the extent the Company and/or any of its executive officers or directors is required to provide such information pursuant a subpoena or as otherwise required by applicable law or regulation, or in accordance with any governmental investigation or audit relating to the Company. For the avoidance of doubt, this Section 6(c)(ii) shall cease to apply upon the Participant's failure to comply with any of the requirements to receive the Severance Benefits (including, but not limited to, compliance with Section 6(c)(i)).

(d) Other Requirements. If a Participant, at any time, violates any provisions of the Plan (including the provisions of this Section 6), Severance Benefits under this Plan shall terminate immediately for such Participant, and (without limiting any legal rights of the Company) any prior payments will be returned to the Company.

7. Timing of Severance Benefits. Unless otherwise provided in a Participant's Participation Agreement, provided that the Release becomes effective and irrevocable by the Release Deadline Date and subject to Section 9, the Severance Benefits will be paid, or in the case of installments, will commence, on the first Company payroll date following the Release Deadline Date (such payment date, the "Severance Start Date"), and any Severance Benefits otherwise payable to the Participant during the period immediately following the Participant's termination of employment with the Company through the Severance Start Date will be paid in a lump sum to the Participant on the Severance Start Date, with any remaining payments to be made as provided in this Plan and the Participant's Participation Agreement.

8. Exclusive Benefit. Except as otherwise specifically provided in Appendix A, the Severance Benefits shall be the exclusive benefit for a Participant related to termination of employment with the Company (or any parent or subsidiary).

9. Section 409A.

(a) Notwithstanding anything to the contrary in this Plan, no Severance Benefits to be paid or provided to a Participant, if any, under this Plan that, when considered together with any other severance payments or separation benefits, are considered deferred compensation under

Section 409A of the Code, and the final regulations and any guidance promulgated thereunder ("Section 409A") (together, the "Deferred Payments") will be paid or provided until the Participant has a "separation from service" within the meaning of Section 409A. Similarly, no Severance Benefits payable to a Participant, if any, under this Plan that otherwise would be exempt from Section 409A pursuant to Treasury Regulation Section 1.409A-1(b)(9) will be payable until the Participant has a "separation from service" within the meaning of Section 409A.

(b) It is intended that none of the Severance Benefits will constitute Deferred Payments but rather will be exempt from Section 409A as a payment that would fall within the "short-term deferral period" as described in Section 9(d) below or resulting from an involuntary separation from service as described in Section 9(e) below. In no event will a Participant have discretion to determine the taxable year of payment of any Deferred Payment.

(c) Notwithstanding anything to the contrary in this Plan, if a Participant is a "specified employee" within the meaning of Section 409A at the time of the Participant's separation from service (other than due to death), then the Deferred Payments, if any, that are payable within the first 6 months following the Participant's separation from service, will become payable on the date 6 months and 1 day following the date of the Participant's separation from service. All subsequent Deferred Payments, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, in the event of the Participant's death following the Participant's separation from service, but before the 6 month anniversary of the separation from service, then any payments delayed in accordance with this paragraph will be payable in a lump sum as soon as administratively practicable after the date of the Participant's death and all other Deferred Payments will be payable in accordance with the payment schedule applicable to each payment or benefit. Each payment and benefit payable under this Plan is intended to constitute a separate payment under Section 1.409A-2(b)(2) of the Treasury Regulations.

(d) Any amount paid under this Plan that satisfies the requirements of the "short-term deferral" rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations will not constitute Deferred Payments for purposes of this Section 9.

(e) Any amount paid under this Plan that qualifies as a payment made as a result of an involuntary separation from service pursuant to Section 1.409A-1(b)(9)(iii) of the Treasury Regulations that does not exceed the Section 409A Limit will not constitute Deferred Payments for purposes of this Section 9.

(f) The foregoing provisions are intended to comply with or be exempt from the requirements of Section 409A so that none of the Severance Benefits will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted to so comply or be exempt. Notwithstanding anything to the contrary in the Plan, including but not limited to Sections 11 and 13, the Company reserves the right to amend the Plan as it deems necessary or advisable, in its sole discretion and without the consent of the Participants, to comply with Section 409A or to avoid income recognition under Section 409A prior to the actual payment of Severance Benefits or imposition of any additional tax. In no event will the Company reimburse a Participant for any taxes or other costs that may be imposed on the Participant as result of Section 409A.

10. Withholdings. The Company will withhold from any Severance Benefits all applicable U.S. federal, state, local and non-U.S. taxes required to be withheld and any other required payroll deductions.

11. Administration. The Company is the administrator of the Plan (within the meaning of section 3(16)(A) of ERISA). The Plan will be administered and interpreted by the Administrator (in his or her sole discretion). The Administrator is the "named fiduciary" of the Plan for purposes of ERISA and will be subject to the fiduciary standards of ERISA when acting in such capacity. Any decision made or other action taken by the Administrator with respect to the Plan, and any interpretation by the Administrator of any term or condition of the Plan, or any related document, will be conclusive and binding on all persons and be given the maximum possible deference allowed by law. In accordance with Section 2(a), the Administrator (a) may, in its sole discretion and on such terms and conditions as it may provide, delegate in writing to one or more officers of the Company all or any portion of its authority or responsibility with respect to the Plan, and (b) has the authority to act for the Company (in a non-fiduciary capacity) as to any matter pertaining to the Plan; *provided, however*, that any Plan amendment or termination or any other action that reasonably could be expected to increase materially the cost of the Plan must be approved by the Board.

12. Eligibility to Participate. To the extent that the Administrator has delegated administrative authority or responsibility to one or more officers of the Company in accordance with Sections 2(a) and 11, each such officer will not be excluded from participating in the Plan if otherwise eligible, but he or she is not entitled to act upon or make determinations regarding any matters pertaining specifically to his or her own benefit or eligibility under the Plan. The Administrator will act upon and make determinations regarding any matters pertaining specifically to the benefit or eligibility of each such officer under the Plan.

13. Amendment or Termination. The Company, by action of the Administrator, reserves the right to amend or terminate the Plan at any time, without advance notice to any Participant and without regard to the effect of the amendment or termination on any Participant or on any other individual, subject to the following; provided, however, that any amendment or termination of the Plan that is materially detrimental to a Participant prior to such amendment or termination of the Plan will not be effective with respect to such Participant without such Participant's prior written consent. Any amendment or termination of the Plan will be in writing. Notwithstanding the foregoing, any amendment to the Plan that (a) causes an individual to cease to be a Participant, or (b) reduces or alters to the detriment of the Participant the Severance Benefits potentially payable to that Participant (including, without limitation, imposing additional conditions or modifying the timing of payment), will not be effective without that Participant's written consent. Any action of the Company in amending or terminating the Plan will be taken in a non-fiduciary capacity.

14. Claims and Appeals.

(a) Claims Procedure. Any employee or other person who believes he or she is entitled to any Severance Benefits may submit a claim in writing to the Administrator within 90 days of the earlier of (i) the date the claimant learned the amount of his or her Severance Benefits or (ii) the date the claimant learned that he or she will not be entitled to any Severance Benefits. If the claim is

denied (in full or in part), the claimant will be provided a written notice explaining the specific reasons for the denial and referring to the provisions of the Plan on which the denial is based. The notice also will describe any additional information needed to support the claim and the Plan's procedures for appealing the denial. The denial notice will be provided within 90 days after the claim is received. If special circumstances require an extension of time (up to 90 days), written notice of the extension will be given within the initial 90-day period. This notice of extension will indicate the special circumstances requiring the extension of time and the date by which the Administrator expects to render its decision on the claim.

(b) Appeal Procedure. If the claimant's claim is denied, the claimant (or his or her authorized representative) may apply in writing to the Administrator for a review of the decision denying the claim. Review must be requested within 60 days following the date the claimant received the written notice of their claim denial or else the claimant loses the right to review. The claimant (or representative) then has the right to review and obtain copies of all documents and other information relevant to the claim, upon request and at no charge, and to submit issues and comments in writing. The Administrator will provide written notice of its decision on review within 60 days after it receives a review request. If additional time (up to 60 days) is needed to review the request, the claimant (or representative) will be given written notice of the reason for the delay. This notice of extension will indicate the special circumstances requiring the extension of time and the date by which the Administrator expects to render its decision. If the claim is denied (in full or in part), the claimant will be provided a written notice explaining the specific reasons for the denial and referring to the provisions of the Plan on which the denial is based. The notice also will include a statement that the claimant will be provided, upon request and free of charge, reasonable access to, and copies of, all documents and other information relevant to the claim and a statement regarding the claimant's right to bring an action under Section 502(a) of ERISA.

15. Attorneys' Fees. The parties shall each bear their own expenses, legal fees and other fees incurred in connection with this Plan.

16. Source of Payments. All payments under the Plan will be paid from the general funds of the Company; no separate fund will be established under the Plan, and the Plan will have no assets. No right of any person to receive any payment under the Plan will be any greater than the right of any other general unsecured creditor of the Company.

17. Inalienability. In no event may any current or former employee of the Company or any of its subsidiaries or affiliates sell, transfer, anticipate, assign or otherwise dispose of any right or interest under the Plan. At no time will any such right or interest be subject to the claims of creditors nor liable to attachment, execution or other legal process.

18. No Enlargement of Employment Rights. Neither the establishment or maintenance or amendment of the Plan, nor the making of any benefit payment hereunder, will be construed to confer upon any individual any right to continue to be an employee of the Company. The Company expressly reserves the right to discharge any of its employees at any time, with or without cause. However, as described in the Plan, a Participant may be entitled to Severance Benefits depending upon the circumstances of his or her termination of employment.

19. Successors. Any successor to the Company of all or substantially all of the Company's business and/or assets (whether direct or indirect and whether by purchase, merger, consolidation, liquidation or other transaction) will assume the obligations under the Plan and agree expressly to perform the obligations under the Plan in the same manner and to the same extent as the Company would be required to perform such obligations in the absence of a succession. For all purposes under the Plan, the term "Company" will include any successor to the Company's business and/or assets which become bound by the terms of the Plan by operation of law, or otherwise.

20. Applicable Law. The provisions of the Plan will be construed, administered and enforced in accordance with ERISA and, to the extent applicable, the internal substantive laws of the state of Utah (but not its conflict of laws provisions).

21. Severability. If any provision of the Plan is held invalid or unenforceable, its invalidity or unenforceability will not affect any other provision of the Plan, and the Plan will be construed and enforced as if such provision had not been included.

22. Headings. Headings in this Plan document are for purposes of reference only and will not limit or otherwise affect the meaning hereof.

23. Indemnification. The Company hereby agrees to indemnify and hold harmless the officers and employees of the Company, and the members of its Board, from all losses, claims, costs or other liabilities arising from their acts or omissions in connection with the administration, amendment or termination of the Plan, to the maximum extent permitted by applicable law. This indemnity will cover all such liabilities, including judgments, settlements and costs of defense. The Company will provide this indemnity from its own funds to the extent that insurance does not cover such liabilities. This indemnity is in addition to and not in lieu of any other indemnity provided to such person by the Company.

24. ARBITRATION. THE PARTIES AGREE THAT ANY AND ALL DISPUTES ARISING OUT OF THE TERMS OF THIS PLAN, THEIR INTERPRETATION, PARTICIPANT'S EMPLOYMENT WITH THE COMPANY OR THE TERMS OF EMPLOYMENT THEREOF, AND ANY OF THE MATTERS HEREIN RELEASED, SHALL BE SUBJECT TO BINDING ARBITRATION UNDER THE FEDERAL ARBITRATION ACT (THE "FAA"). THE FAA'S SUBSTANTIVE AND PROCEDURAL RULES SHALL GOVERN AND APPLY TO THIS ARBITRATION AGREEMENT WITH FULL FORCE AND EFFECT, AND ANY STATE COURT OF COMPETENT JURISDICTION MAY STAY PROCEEDINGS PENDING ARBITRATION OR COMPEL ARBITRATION IN THE SAME MANNER AS A FEDERAL COURT UNDER THE FAA. EMPLOYEE AGREES THAT, TO THE FULLEST EXTENT PERMITTED BY LAW, EMPLOYEE MAY BRING ANY SUCH ARBITRATION PROCEEDING ONLY IN EMPLOYEE'S INDIVIDUAL CAPACITY. ANY ARBITRATION WILL OCCUR IN UTAH, BEFORE JAMS, PURSUANT TO ITS EMPLOYMENT ARBITRATION RULES & PROCEDURES ("JAMS RULES"), EXCEPT AS EXPRESSLY PROVIDED IN THIS SECTION 24. THE PARTIES AGREE THAT THE ARBITRATOR SHALL HAVE THE POWER TO DECIDE ANY MOTIONS BROUGHT BY ANY PARTY TO THE ARBITRATION, INCLUDING MOTIONS FOR SUMMARY JUDGMENT AND/OR ADJUDICATION, AND MOTIONS TO DISMISS AND DEMURRERS, APPLYING THE STANDARDS SET FORTH UNDER THE UTAH RULES OF CIVIL PROCEDURE. THE PARTIES AGREE THAT THE ARBITRATOR SHALL ISSUE A WRITTEN DECISION ON THE MERITS. THE PARTIES ALSO AGREE THAT THE ARBITRATOR SHALL HAVE THE POWER TO AWARD ANY REMEDIES AVAILABLE UNDER APPLICABLE LAW,

AND THAT THE ARBITRATOR MAY AWARD ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY, WHERE PERMITTED BY APPLICABLE LAW. THE ARBITRATOR MAY GRANT INJUNCTIONS AND OTHER RELIEF IN SUCH DISPUTES. THE ARBITRATOR SHALL APPLY SUBSTANTIVE UTAH LAW TO ANY DISPUTE OR CLAIM, WITHOUT REFERENCE TO ANY CONFLICT-OF-LAW PROVISIONS OF ANY JURISDICTION. THE DECISION OF THE ARBITRATOR SHALL BE FINAL, CONCLUSIVE, AND BINDING ON THE PARTIES TO THE ARBITRATION. THE PARTIES AGREE THAT THE PREVAILING PARTY IN ANY ARBITRATION SHALL BE ENTITLED TO INJUNCTIVE RELIEF IN ANY COURT OF COMPETENT JURISDICTION TO ENFORCE THE ARBITRATION AWARD. THE PARTIES TO THE ARBITRATION SHALL EACH PAY AN EQUAL SHARE OF THE COSTS AND EXPENSES OF SUCH ARBITRATION, AND EACH PARTY SHALL SEPARATELY PAY FOR ITS RESPECTIVE COUNSEL FEES AND EXPENSES; PROVIDED, HOWEVER, THAT THE ARBITRATOR SHALL AWARD ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY, EXCEPT AS PROHIBITED BY LAW. THE PARTIES HEREBY AGREE TO WAIVE THEIR RIGHT TO HAVE ANY DISPUTE BETWEEN THEM RESOLVED IN A COURT OF LAW BY A JUDGE OR JURY. NOTWITHSTANDING THE FOREGOING, THIS SECTION WILL NOT PREVENT EITHER PARTY FROM SEEKING INJUNCTIVE RELIEF (OR ANY OTHER PROVISIONAL REMEDY) FROM ANY COURT HAVING JURISDICTION OVER THE PARTIES AND THE SUBJECT MATTER OF THEIR DISPUTE RELATING TO THE PLAN AND THE AGREEMENTS INCORPORATED HEREIN BY REFERENCE. SHOULD ANY PART OF THE ARBITRATION AGREEMENT CONTAINED IN THIS PARAGRAPH

CONFLICT WITH ANY OTHER ARBITRATION AGREEMENT BETWEEN THE PARTIES, THE PARTIES AGREE THAT THIS ARBITRATION AGREEMENT SHALL GOVERN.

25. Additional Information.

Plan Name:	Cricut, Inc. Executive Change in Control and Severance Plan
Plan Sponsor:	Cricut, Inc. 10855 South River Front Parkway South Jordan, Utah 84095 (385) 351-0633
Identification Numbers:	EIN: 87-0282025 PLAN:
Plan Year:	Company's fiscal year
Plan Administrator:	Cricut, Inc. *Attention:* Administrator of the Cricut, Inc. Executive Change in Control and Severance Plan 10855 South River Front Parkway South Jordan, Utah 84095 (385) 351-0633
Agent for Service of Legal Process:	Cricut, Inc. *Attention:* General Counsel 10855 South River Front Parkway South Jordan, Utah 84095 (385) 351-0633 Service of process also may be made upon the Administrator.
Type of Plan	Severance Plan/Employee Welfare Benefit Plan
Plan Costs	The cost of the Plan is paid by the Company.

26. Statement of ERISA Rights.

As a Participant under the Plan, you have certain rights and protections under ERISA:

You may examine (without charge) all Plan documents, including any amendments and copies of all documents filed with the U.S. Department of Labor. These documents are available for your review in the Company's human resources department.

You may obtain copies of all Plan documents and other Plan information upon written request to the Administrator. A reasonable charge may be made for such copies.

In addition to creating rights for Participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate the Plan (called "fiduciaries") have a duty to do so prudently and in the interests of you and the other Participants. No one, including the Company or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit under the Plan or exercising your rights under ERISA. If your claim for a severance benefit is denied, in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the denial of your claim reviewed. (The claim review procedure is explained in Section 14 above.)

Under ERISA, there are steps you can take to enforce the above rights. For example, if you request materials and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Administrator to provide the materials and to pay you up to $110 a day until you receive the materials, unless the materials were not sent due to reasons beyond the control of the Administrator. If you have a claim which is denied or ignored, in whole or in part, you may file suit in a federal court. If it should happen that you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court.

In any case, the court will decide who will pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds that your claim is frivolous.

If you have any questions regarding the Plan, please contact the Administrator. If you have any questions about this statement or about your rights under ERISA, you may contact the nearest area office of the Employee Benefits Security Administration (formerly the Pension and Welfare Benefits Administration), U.S. Department of Labor, listed in your telephone directory, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W. Washington, D.C. 20210. You also may obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

Appendix A

Cricut, Inc. Executive Change in Control and Severance Plan
Participation Agreement

Cricut, Inc. (the "Company") is pleased to inform you, the undersigned, that you have been selected to participate in the Company's Executive Change in Control and Severance Plan (the "Plan") as a Participant.

A copy of the Plan was delivered to you with this Participation Agreement. Your participation in the Plan is subject to all of the terms and conditions of the Plan. The capitalized terms used but not defined herein will have the meanings ascribed to them in the Plan.

The Plan describes in detail certain circumstances under which you may become eligible for Severance Benefits. As described more fully in the Plan, you may become eligible for certain Severance Benefits if you experience a Qualifying Termination.

1. Qualifying Termination. Upon your Qualifying Termination, subject to the terms and conditions of the Plan, you will receive:

(a) Cash Severance Benefits. A lump-sum payment equal to 12 months of your Base Salary (less applicable withholding taxes) plus 100% of your target annual bonus as in effect for the fiscal year in which your Qualifying Termination occurs, which will be paid on the later of (i) Severance Start Date or (ii) on or as soon as administratively practicable following the closing date of the applicable Change in Control.

(b) Equity Award Vesting Acceleration. 100% of your then-outstanding and unvested Equity Awards will become vested in full and, to the extent applicable, become immediately exercisable (it being understood that forfeiture of any equity awards due to termination of employment will be tolled to the extent necessary to implement this section (c)). If, however, an outstanding Equity Award is to vest and/or the amount of the award to vest is to be determined based on the achievement of performance criteria, then, unless otherwise determined by the applicable agreement governing the Equity Award, the Equity Award will vest as to 100% of the amount of the Equity Award assuming the performance criteria had been achieved at target levels for the relevant performance period(s).

2. Exclusive Benefit. In accordance with Section 8 of the Plan, the benefits, if any, provided under this Plan will be the exclusive benefits for a Participant related to his or her termination of employment with the Company and/or a change in control of the Company and will supersede and replace any severance and/or change in control benefits set forth in any offer letter, employment or severance agreement and/or other agreement between the Participant and the Company, including any equity award agreement. For the avoidance of doubt, if a Participant was otherwise eligible to participate in any other Company severance and/or change in control plan

(whether or not subject to ERISA), then participation in this Plan will supersede and replace eligibility in such other plan, except as otherwise provided in this paragraph.[1]

In order to receive any Severance Benefits for which you otherwise become eligible under the Plan, you must sign and deliver to the Company the Release, which must have become effective and irrevocable within the requisite period, and otherwise comply with the requirements under Section 6 of the Plan.

By your signature below, you and the Company agree that your participation in the Plan is governed by this Participation Agreement and the provisions of the Plan. Your signature below confirms that: (1) you have received a copy of the Executive Change in Control and Severance Plan and Summary Plan Description; (2) you have carefully read this Participation Agreement and the Executive Change in Control and Severance Plan and Summary Plan Description and you acknowledge and agree to its terms in accordance with the terms of the Plan and this Participation Agreement; and (3) decisions and determinations by the Administrator under the Plan will be final and binding on you and your successors.

[Signature page follows]

1 NTD: To be updated for any executive who does not elect to participate in the tender and instead keeps his or her single-trigger CIC acceleration rights.

CRICUT, INC.	**PARTICIPANT**
Signature	Signature
Name	Name
Title	Date

Attachment: Cricut, Inc. Executive Change in Control and Severance Plan and Summary Plan Description

[Signature page to the Participation Agreement]

Appendix B

Cricut, Inc. Executive Change in Control and Severance Plan
Release

SEPARATION AGREEMENT AND RELEASE

This Separation Agreement and Release ("Agreement") is made by and between [●] ("Employee") and Cricut, Inc. (the "Company") (collectively referred to as the "Parties" or individually referred to as a "Party").

WHEREAS, Employee was employed at-will by the Company;

WHEREAS, Employee signed Restrictive Covenant Agreement with the Company on [●] (the "Confidentiality Agreement");

WHEREAS, the Company previously granted the Employee Equity Awards, each subject to an award agreement between the Company and Employee (each, an "Award Agreement") and the Company's [2021 Equity Incentive Plan] (the "Plan" and, together with the Award Agreements);

WHEREAS, Employee separated from employment with the Company effective [●] (the "Separation Date");

WHEREAS, Employee is a participant in the Company's Executive Change in Control and Severance Plan (the "Severance Plan") pursuant to a Participation Agreement with the Company dated ____ (the "Participation Agreement");

WHEREAS, any capitalized terms used but not defined in this Agreement will have the meanings given to them in the Plan; and

WHEREAS, the Parties wish to resolve any and all disputes, claims, complaints, grievances, charges, actions, petitions, and demands that the Employee may have against the Company and any of the Releasees (as defined below), including, but not limited to, any and all claims arising out of or in any way related to Employee's employment with or separation from the Company;

NOW, THEREFORE, in consideration of the mutual promises made herein, the Company and Employee hereby agree as follows:

COVENANTS

1. Consideration. In consideration of Employee's execution of this Agreement and Employee's fulfillment of all of its terms and conditions, the Company agrees as follows:

[**For a termination occurring prior to a Change in Control:**

a. Cash Severance Benefits. If a Change in Control occurs within 3 months after the Separation Date, pursuant to 4(a) of the Severance Plan and Section 1(a) of the Participation Agreement, the Company agrees to pay Employee a lump sum amount of $[_____] (which represents [12] months of Employee's Base Salary plus 100% of Employee's target annual bonus as in effect for the fiscal year in which the Separation Date occurs) less applicable withholdings. Such payment will be made to Employee in accordance with, and subject to the terms and conditions of, the Severance Plan and the Participation Agreement.

b. Equity Award Vesting Acceleration. If a Change in Control occurs within 3 months after the Separation Date, Employee's Equity Awards will be subject to the vesting acceleration provided under Section 4(b) of the Severance Plan and Section 1(b) of the Participation Agreement (the "Equity Award Vesting Acceleration").

c. General. Employee acknowledges that without this Agreement, Employee is otherwise not entitled to the consideration listed in this Section 1.

[**For a termination occurring on or within 18 months following a Change in Control:**

a. Cash Severance Benefits. Pursuant to 4(a) of the Severance Plan and Section 1(a) of the Participation Agreement, the Company agrees to pay Employee a lump sum amount of $[_____] (which represents [12] months of Employee's Base Salary plus 100% of Employee's target annual bonus as in effect for the fiscal year in which the Separation Date occurs) less applicable withholdings. Such payment will be made to Employee in accordance with, and subject to the terms and conditions of, the Severance Plan and the Participation Agreement.

b. Equity Award Vesting Acceleration. Employee's Equity Awards will be subject to the vesting acceleration provided under Section 4(b) of the Severance Plan and Section 1(b) of the Participation Agreement (the "Equity Award Vesting Acceleration").

c. General. Employee acknowledges that without this Agreement, Employee is otherwise not entitled to the consideration listed in this Section 1.

2. [Equity Awards. The Parties agree that for purposes of determining the number of shares subject to Employee's Equity Awards that have vested, Employee will be considered to have vested only up to the Separation Date and pursuant to the Equity Award Vesting Acceleration, if applicable. Employee acknowledges that as of the Separation Date (but prior to the application of the Equity Award Vesting Acceleration, if applicable), each of Employee's Equity Awards will have vested only as to the number of shares indicated below and no more. The exercise of the vested

portions of Employee's options (if any) and any shares acquired through Employee's Equity Awards shall continue to be governed by the terms and conditions of the Equity Agreements.

a. [_____]]

3. Benefits. Employee's health insurance benefits shall cease no later than [●], subject to Employee's right to continue Employee's health insurance under COBRA. Employee's participation in all benefits and incidents of employment, including, but not limited to, vesting in stock options, and the accrual of bonuses, vacation, and paid time off, ceased as of the Separation Date.

4. Payment of Salary and Receipt of All Benefits. Employee acknowledges and represents that, other than the consideration set forth in this Agreement, the Company and its agents have paid or provided all salary, wages, bonuses, accrued vacation/paid time off, notice periods, premiums, leaves, housing allowances, relocation costs, interest, severance, outplacement costs, fees, reimbursable expenses, commissions, stock, stock options, vesting, and any and all other benefits and compensation due to Employee.

5. Release of Claims. Employee agrees that the foregoing consideration represents settlement in full of all outstanding obligations owed to Employee by the Company and its current and former officers, directors, employees, agents, investors, attorneys, shareholders, administrators, affiliates, benefit plans, plan administrators, insurers, trustees, divisions, and subsidiaries, and predecessor and successor corporations and assigns (collectively, the "Releasees"). Employee, on Employee's own behalf and on behalf of Employee's respective heirs, family members, executors, agents, and assigns, hereby and forever releases the Releasees from, and agrees not to sue concerning, or in any manner to institute, prosecute, or pursue, any claim, complaint, charge, duty, obligation, or cause of action relating to any matters of any kind, whether presently known or unknown, suspected or unsuspected, that Employee may possess against any of the Releasees arising from any omissions, acts, facts, or damages that have occurred up until and including the date Employee signs this Agreement, including, without limitation:

a. any and all claims relating to or arising from Employee's employment relationship with the Company and the termination of that relationship;

b. any and all claims relating to, or arising from, Employee's right to purchase, or actual purchase of shares of stock of the Company, including, without limitation, any claims for fraud, misrepresentation, breach of fiduciary duty, breach of duty under applicable state corporate law, and securities fraud under any state or federal law;

c. any and all claims under the law of any jurisdiction, including, but not limited to, wrongful discharge of employment; constructive discharge from employment; termination in violation of public policy; discrimination; harassment; retaliation; breach of contract, both express and implied; breach of covenant of good faith and fair dealing, both express and implied; promissory estoppel; negligent or intentional infliction of emotional distress; fraud; negligent or intentional

misrepresentation; negligent or intentional interference with contract or prospective economic advantage; unfair business practices; defamation; libel; slander; negligence; personal injury; assault; battery; invasion of privacy; false imprisonment; conversion; and disability benefits;

d. any and all claims for violation of any federal, state, or municipal statute, including, but not limited to, the following, each as may be amended, and except as prohibited by law: Title VII of the Civil Rights Act of 1964; the Civil Rights Act of 1991; the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Equal Pay Act; the Fair Labor Standards Act; the Fair Credit Reporting Act; the Age Discrimination in Employment Act of 1967; the Older Workers Benefit Protection Act; the Employee Retirement Income Security Act of 1974; the Worker Adjustment and Retraining Notification Act; the Family and Medical Leave Act; the Uniformed Services Employment and Reemployment Rights Act; the Immigration Reform and Control Act; the National Labor Relations Act; the Utah Antidiscrimination Act; the Utah Employment Relations and Collective Bargaining Act; the Utah Right to Work Act; the Utah Drug and Alcohol Testing Act; the Utah Minimum Wage Act; the Utah Protection of Activities in Private Vehicles Act; the Utah Employment Selection Procedures Act; and the Utah Occupational Safety and Health Act;

e. any and all claims for violation of the federal or any state constitution;

f. any and all claims arising out of any other laws and regulations relating to employment or employment discrimination;

g. any claim for any loss, cost, damage, or expense arising out of any dispute over the nonwithholding or other tax treatment of any of the proceeds received by Employee as a result of this Agreement; and

h. any and all claims for attorneys' fees and costs.

Employee agrees that the release set forth in this section shall be and remain in effect in all respects as a complete general release as to the matters released. This release does not extend to any obligations incurred under this Agreement. This release does not release claims that cannot be released as a matter of law, including any Protected Activity (as defined below). Any and all disputed wage claims that are released herein shall be subject to binding arbitration in accordance with Section 17, except as required by applicable law. This release does not extend to any right Employee may have to unemployment compensation benefits, workers' compensation benefits, or compensation under the Utah Occupational Disease Act.

6. Unknown Claims. Employee acknowledges that Employee has been advised to consult with legal counsel and that Employee is familiar with the principle that a general release does not extend to claims that the releaser does not know or suspect to exist in Employee's favor at the time of executing the release, which, if known by Employee, must have materially affected Employee's settlement with the Releasees. Employee, being aware of said principle, agrees to expressly waive any rights Employee may have to that effect, as well as under any other statute or common law principles of similar effect.

7. No Pending or Future Lawsuits. Employee represents that Employee has no lawsuits, claims, or actions pending in Employee's name, or on behalf of any other person or entity, against the Company or any of the other Releasees. Employee also represents that Employee does not intend to bring any claims on Employee's own behalf or on behalf of any other person or entity against the Company or any of the other Releasees.

8. Application for Employment. Employee understands and agrees that, as a condition of this Agreement, Employee shall not be entitled to any employment with the Company, and Employee hereby waives any right, or alleged right, of employment or re-employment with the Company. Employee further agrees not to apply for employment with the Company and not otherwise pursue an independent contractor or vendor relationship with the Company.

9. Confidentiality. Subject to Section 20 below governing Protected Activity, Employee agrees to maintain in complete confidence the existence of this Agreement, the contents and terms of this Agreement, and the consideration for this Agreement (hereinafter collectively referred to as "Separation Information"). Except as required by law, Employee may disclose Separation Information only to Employee's immediate family members, the Court in any proceedings to enforce the terms of this Agreement, Employee's counsel, and Employee's accountant and any professional tax advisor to the extent that they need to know the Separation Information in order to provide advice on tax treatment or to prepare tax returns, and must prevent disclosure of any Separation Information to all other third parties. Employee agrees that Employee will not publicize, directly or indirectly, any Separation Information.

10. Trade Secrets and Confidential Information/Company Property. Employee reaffirms and agrees to observe and abide by the terms of the Confidentiality Agreement, specifically including the provisions therein regarding nondisclosure of the Company's trade secrets and confidential and proprietary information, and all restrictive covenants. Employee specifically acknowledges and agrees that any violation of the restrictive covenants in the Confidentiality Agreement shall constitute a material breach of this Agreement. Employee's signature below constitutes Employee's certification under penalty of perjury that Employee has returned all documents and other items provided to Employee by the Company, developed or obtained by Employee in connection with Employee's employment with the Company, or otherwise belonging to the Company, including, but not limited to, all passwords to any software or other programs or data that Employee used in performing services for the Company.

11. No Cooperation. Subject to Section 20 below governing Protected Activity, Employee agrees that Employee will not knowingly encourage, counsel, or assist any attorneys or their clients in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints by any third party against any of the Releasees, unless under a subpoena or other court order to do so. Employee agrees both to immediately notify the Company upon receipt of any such subpoena or court order, and to furnish, within three (3) business days of its receipt, a copy of such subpoena or other court order. If approached by anyone for counsel or assistance in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints

against any of the Releasees, Employee shall state no more than that Employee cannot provide counsel or assistance.

12. Nondisparagement. The Parties agree to and reaffirm the covenants set forth in Section 6(c) of the Severance Plan.

13. Breach. In addition to the rights provided in the "Attorneys' Fees" section below, Employee acknowledges and agrees that any material breach of this Agreement or of any provision of the Confidentiality Agreement shall entitle the Company immediately to recover and/or cease providing the consideration provided to Employee under this Agreement and to obtain damages, provided, however, that the Company shall not recover One Hundred Dollars ($100.00) of the consideration already paid pursuant to this Agreement, and such amount shall serve as full and complete consideration for the promises and obligations assumed by Employee under this Agreement and the Confidentiality Agreement.

14. No Admission of Liability. Employee understands and acknowledges that this Agreement constitutes a compromise and settlement of any and all actual or potential disputed claims by Employee. No action taken by the Company hereto, either previously or in connection with this Agreement, shall be deemed or construed to be (a) an admission of the truth or falsity of any actual or potential claims or (b) an acknowledgment or admission by the Company of any fault or liability whatsoever to Employee or to any third party.

15. Nonsolicitation. Employee agrees that for a period of twelve (12) months immediately following the Effective Date of this Agreement, Employee shall not directly or indirectly solicit any of the Company's employees to leave their employment at the Company.

16. Costs. The Parties shall each bear their own costs, attorneys' fees, and other fees incurred in connection with the preparation of this Agreement.

17. ARBITRATION. THE PARTIES AGREE THAT ANY AND ALL DISPUTES ARISING OUT OF THE TERMS OF THIS AGREEMENT, THEIR INTERPRETATION, EMPLOYEE'S EMPLOYMENT WITH THE COMPANY OR THE TERMS THEREOF, AND ANY OF THE MATTERS HEREIN RELEASED, SHALL BE SUBJECT TO BINDING ARBITRATION UNDER THE FEDERAL ARBITRATION ACT (THE "FAA"). THE FAA'S SUBSTANTIVE AND PROCEDURAL RULES SHALL GOVERN AND APPLY TO THIS ARBITRATION AGREEMENT WITH FULL FORCE AND EFFECT, AND ANY STATE COURT OF COMPETENT JURISDICTION MAY STAY PROCEEDINGS PENDING ARBITRATION OR COMPEL ARBITRATION IN THE SAME MANNER AS A FEDERAL COURT UNDER THE FAA. EMPLOYEE AGREES THAT, TO THE FULLEST EXTENT PERMITTED BY LAW, EMPLOYEE MAY BRING ANY SUCH ARBITRATION PROCEEDING ONLY IN EMPLOYEE'S INDIVIDUAL CAPACITY. ANY ARBITRATION WILL OCCUR IN UTAH, BEFORE JAMS, PURSUANT TO ITS EMPLOYMENT ARBITRATION RULES & PROCEDURES ("JAMS RULES"), EXCEPT AS EXPRESSLY PROVIDED IN THIS SECTION 17. THE PARTIES AGREE THAT THE ARBITRATOR SHALL HAVE THE POWER TO DECIDE ANY MOTIONS BROUGHT BY ANY PARTY TO THE ARBITRATION, INCLUDING MOTIONS FOR SUMMARY JUDGMENT AND/OR ADJUDICATION, AND MOTIONS TO DISMISS AND DEMURRERS, APPLYING THE STANDARDS SET FORTH UNDER THE UTAH RULES OF CIVIL PROCEDURE.

THE PARTIES AGREE THAT THE ARBITRATOR SHALL ISSUE A WRITTEN DECISION ON THE MERITS. THE PARTIES ALSO AGREE THAT THE ARBITRATOR SHALL HAVE THE POWER TO AWARD ANY REMEDIES AVAILABLE UNDER APPLICABLE LAW, AND THAT THE ARBITRATOR MAY AWARD ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY, WHERE PERMITTED BY APPLICABLE LAW. THE ARBITRATOR MAY GRANT INJUNCTIONS AND OTHER RELIEF IN SUCH DISPUTES. THE ARBITRATOR SHALL APPLY SUBSTANTIVE UTAH LAW TO ANY DISPUTE OR CLAIM, WITHOUT REFERENCE TO ANY CONFLICT-OF-LAW PROVISIONS OF ANY JURISDICTION. THE DECISION OF THE ARBITRATOR SHALL BE FINAL, CONCLUSIVE, AND BINDING ON THE PARTIES TO THE ARBITRATION. THE PARTIES AGREE THAT THE PREVAILING PARTY IN ANY ARBITRATION SHALL BE ENTITLED TO INJUNCTIVE RELIEF IN ANY COURT OF COMPETENT JURISDICTION TO ENFORCE THE ARBITRATION AWARD. THE PARTIES TO THE ARBITRATION SHALL EACH PAY AN EQUAL SHARE OF THE COSTS AND EXPENSES OF SUCH ARBITRATION, AND EACH PARTY SHALL SEPARATELY PAY FOR ITS RESPECTIVE COUNSEL FEES AND EXPENSES; PROVIDED, HOWEVER, THAT THE ARBITRATOR SHALL AWARD ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY, EXCEPT AS PROHIBITED BY LAW. THE PARTIES HEREBY AGREE TO WAIVE THEIR RIGHT TO HAVE ANY DISPUTE BETWEEN THEM RESOLVED IN A COURT OF LAW BY A JUDGE OR JURY. NOTWITHSTANDING THE FOREGOING, THIS SECTION WILL NOT PREVENT EITHER PARTY FROM SEEKING INJUNCTIVE RELIEF (OR ANY OTHER PROVISIONAL REMEDY) FROM ANY COURT HAVING JURISDICTION OVER THE PARTIES AND THE SUBJECT MATTER OF THEIR DISPUTE RELATING TO THIS AGREEMENT AND THE AGREEMENTS INCORPORATED HEREIN BY REFERENCE. SHOULD ANY PART OF THE ARBITRATION AGREEMENT CONTAINED IN THIS PARAGRAPH CONFLICT WITH ANY OTHER ARBITRATION AGREEMENT BETWEEN THE PARTIES, THE PARTIES AGREE THAT THIS ARBITRATION AGREEMENT SHALL GOVERN.

18. Tax Consequences. The Company makes no representations or warranties with respect to the tax consequences of the payments and any other consideration provided to Employee or made on Employee's behalf under the terms of this Agreement. Employee agrees and understands that Employee is responsible for payment, if any, of local, state, and/or federal taxes on the payments and any other consideration provided hereunder by the Company and any penalties or assessments thereon. Employee further agrees to indemnify and hold the Releasees harmless from any claims, demands, deficiencies, penalties, interest, assessments, executions, judgments, or recoveries by any government agency against the Company for any amounts claimed due on account of (a) Employee's failure to pay or delayed payment of, federal or state taxes, or (b) damages sustained by the Company by reason of any such claims, including attorneys' fees and costs.

19. Authority. The Company represents and warrants that the undersigned has the authority to act on behalf of the Company and to bind the Company and all who may claim through it to the terms and conditions of this Agreement. Employee represents and warrants that Employee has the capacity to act on Employee's own behalf and on behalf of all who might claim through Employee to bind them to the terms and conditions of this Agreement. Each Party warrants and represents that there are no liens or claims of lien or assignments in law or equity or otherwise of or against any of the claims or causes of action released herein.

20. Protected Activity Not Prohibited. Employee understands that nothing in this Agreement shall in any way limit or prohibit Employee from engaging in any Protected Activity. For purposes of this Agreement, "Protected Activity" shall mean filing a charge, complaint, or report with, or otherwise communicating, cooperating, or participating in any investigation or proceeding that may be conducted by, any federal, state or local government agency or commission, including the Securities and Exchange Commission, the Equal Employment Opportunity Commission, the Occupational Safety and Health Administration, and the National Labor Relations Board ("Government Agencies"). Employee understands that in connection with such Protected Activity, Employee is permitted to disclose documents or other information as permitted by law, and without giving notice to, or receiving authorization from, the Company. Notwithstanding the foregoing, Employee agrees to take all reasonable precautions to prevent any unauthorized use or disclosure of any information that may constitute Company confidential information to any parties other than the Government Agencies. Employee further understands that "Protected Activity" does not include the disclosure of any Company attorney-client privileged communications or attorney work product. Any language in the Confidentiality Agreement regarding Employee's right to engage in Protected Activity that conflicts with, or is contrary to, this paragraph is superseded by this Agreement. In addition, pursuant to the Defend Trade Secrets Act of 2016, Employee is notified that an individual will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (a) is made in confidence to a federal, state, or local government official (directly or indirectly) or to an attorney *solely* for the purpose of reporting or investigating a suspected violation of law, or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if (and only if) such filing is made under seal. In addition, an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the individual's attorney and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order. Finally, nothing in this Agreement constitutes a waiver of any rights Employee may have under the Sarbanes-Oxley Act or Section 7 of the National Labor Relations Act.

21. No Representations. Employee represents that Employee has had an opportunity to consult with an attorney, and has carefully read and understands the scope and effect of the provisions of this Agreement. Employee has not relied upon any representations or statements made by the Company that are not specifically set forth in this Agreement.

22. Section 409A. It is intended that this Agreement comply with, or be exempt from, Code Section 409A and the final regulations and official guidance thereunder ("Section 409A") and any ambiguities herein will be interpreted to so comply and/or be exempt from Section 409A. The Company and Employee will work together in good faith to consider either (i) amendments to this Agreement; or (ii) revisions to this Agreement with respect to the payment of any awards, which are necessary or appropriate to avoid imposition of any additional tax or income recognition prior to the actual payment to Employee under Section 409A. In no event will the Releasees reimburse Employee for any taxes that may be imposed on Employee as a result of Section 409A.

23. Severability. In the event that any provision or any portion of any provision hereof or any surviving agreement made a part hereof becomes or is declared by a court of competent jurisdiction or arbitrator to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect without said provision or portion of provision.

24. Attorneys' Fees. In the event that either Party brings an action to enforce or effect its rights under this Agreement, the prevailing Party shall be entitled to recover its costs and expenses, including the costs of mediation, arbitration, litigation, court fees, and reasonable attorneys' fees incurred in connection with such an action.

25. Entire Agreement. This Agreement represents the entire agreement and understanding between the Company and Employee concerning the subject matter of this Agreement and Employee's employment with and separation from the Company and the events leading thereto and associated therewith, and supersedes and replaces any and all prior agreements and understandings concerning the subject matter of this Agreement and Employee's relationship with the Company, with the exception of the Confidentiality Agreement and the Equity Agreements.

26. No Oral Modification. This Agreement may only be amended in a writing signed by Employee and the Company's Chief Executive Officer.

27. Governing Law. This Agreement shall be governed by the laws of the State of Utah, without regard for choice-of-law provisions. Employee consents to personal and exclusive jurisdiction and venue in the State of Utah.

28. Effective Date. [Employee understands that this Agreement shall be null and void if not executed by Employee within seven (7) days. This Agreement will become effective on the date it has been signed by both Parties (the "Effective Date").]

29. Counterparts. This Agreement may be executed in counterparts and by facsimile, and each counterpart and facsimile shall have the same force and effect as an original and shall constitute an effective, binding agreement on the part of each of the undersigned

[*The remainder of this page is intentionally left blank; signature page follows*]

30. Voluntary Execution of Agreement. Employee understands and agrees that Employee executed this Agreement voluntarily, without any duress or undue influence on the part or behalf of the Company or any third party, with the full intent of releasing all of Employee's claims against the Company and any of the other Releasees. Employee acknowledges that:

(a) Employee has read this Agreement;

(b) Employee has been represented in the preparation, negotiation, and execution of this Agreement by legal counsel of Employee's own choice or has elected not to retain legal counsel;

(c) Employee understands the terms and consequences of this Agreement and of the releases it contains;

(d) Employee is fully aware of the legal and binding effect of this Agreement; and

(e) Employee has not relied upon any representations or statements made by the Company that are not specifically set forth in this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the respective dates set forth below.

Dated: _____

_____
[EMPLOYEE]

CRICUT, INC.

Dated: _____

By: _____
[*Company Signatory*]
[*Title*]

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

Cricut, Inc.
South Jordan, Utah

We hereby consent to the use in the Prospectus constituting a part of this Registration Statement of our report dated March 4, 2021 (except for the “Forward Stock Split” paragraph of Note 16, as to which the date is March 16, 2021), relating to the consolidated financial statements of Cricut, Inc., which is contained in that Prospectus.

We also consent to the reference to us under the caption “Experts” in the Prospectus.

/s/ BDO USA, LLP

Salt Lake City, Utah
March 16, 2021