

Velocity Acquisition Corp.'s Business Combination with BBQ Holding, LLC

JULY 20, 2021

Winston & Strawn LLP represented Velocity Acquisition Corp. (Nasdaq: VELO), a publicly traded special purpose acquisition company, in connection with its business combination agreement with BBQ Holding, LLC, a leading specialty e-commerce platform for higher-end BBQ grills, grilling accessories, and outdoor living products for both homeowners and professional builders ("BBQGuys" or the Company). As a result, BBQGuys will become a publicly listed company on NASDAQ under the new ticker symbol "BBQG." The transaction values the Company, which generated revenue of US\$264M in 2020, at a pro forma equity value of approximately US\$963M and an enterprise value of approximately US\$839M. Estimated cash proceeds to the Company from the transaction are expected to consist of Velocity's US\$230M of cash in trust (assuming no redemptions). The Company expects to use the proceeds from the transaction to invest in BBQGuys' key growth initiatives, including acquisitions, and provide additional working capital in addition to covering transaction-related costs. Upon the closing of the transaction, and assuming none of Velocity's public stockholders elect to redeem their shares, existing BBQGuys shareholders, including BVP, are expected to own 71% of the combined company, the Velocity sponsors are expected to own 5% of the combined company, and public stockholders are expected to own 24% of the combined company. As part of BVP's "Share the Gains" program, BVP's principals are allocating 10% of their carried interest to the non-senior management employees of BBQGuys (subject to vesting).

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