

Risk Factors Comparison 2025-05-15 to 2024-05-15 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text Section**

~~You~~ **Risk Factors** You should carefully consider the risks and uncertainties described below, together with all of the other information in this ~~annual report Form 10-K~~, including our consolidated financial statements and the related notes included elsewhere in this ~~annual report Form 10-K~~. If any of the following risks were realized, our business, financial condition, results of operations and prospects could be materially and adversely affected. In that event, the price of our common stock could decline, and you could lose part or all of your investment. Risks Related to Our ~~Business~~ **Business** Our ~~Our~~ sales could be severely impacted by decreases in consumer spending due to declines in consumer confidence ~~or~~ local economic conditions in our markets ~~or changes in consumer preferences~~. We depend upon consumers feeling confident about spending discretionary income on our products to drive our sales. Consumer spending may be adversely impacted by economic conditions, such as consumer confidence in future economic conditions, **income taxes, payroll taxes, rising or uncertain** interest and tax rates, continued inflation, employment levels, salary and wage levels, the availability of consumer credit, **consumer debt**, the level of housing, energy and food costs, general business conditions and other challenges affecting the global economy. ~~These risks~~ **A worsening of economic conditions could adversely affect discretionary consumer spending, which could, in turn, negatively impact our revenues and operating results. Declines in consumer spending may be exacerbated and result in decreased demand for our products** ~~retailers like us who focus on specialty footwear, apparel~~ **increased inventories, lower revenues, higher discounts, pricing pressure** and accessories **lower gross margins**. Our financial performance is **also** particularly susceptible to economic and other conditions in California, Texas and other states where we have a significant number of stores. Many of our stores operate in geographic areas where the local economies depend to a significant degree on oil and other commodity extraction, and many of our customers are employed in these industries. Our financial performance is accordingly susceptible to economic and other conditions relating to output and employment in these areas. Our financial performance also is impacted by conditions in the construction sector, domestic manufacturing and the transportation and warehouse sectors, the growth of which we believe is an important driver of our work wear business. ~~In addition~~ **Changes in consumer preferences and our failure to anticipate such consumer preferences and changing fashion trends could have a material adverse impact on our business. The specialty retail apparel business fluctuates according to changes in consumer preferences, which are dictated by fashion trends and season and may shift quickly. These fluctuations can materially impact our sales and gross margins. While we work to identify trends for products and product categories, as well as consumer preferences, on an ongoing basis and aim to offer inventory and shopping experiences that meet such trends and preferences, we may not do so effectively and / or on a timely basis. As a result, we are vulnerable to changes in consumer demand, pricing shifts and the timing and selection of merchandise purchases. Our future success depends, in part, upon our ability to anticipate, identify and respond to fashion trends and changing consumer preferences, as well as changes in consumer spending patterns, in a timely manner. Specifically**, our financial performance may be negatively affected if the popularity of the western and country lifestyle subsides, or if there is a general trend in consumer preferences away from boots and other western or country products in favor of another general category of footwear or attire. If this were to occur or if periods of decreased consumer spending persist, our sales could decrease, which could have a material adverse effect on our business, financial condition, results of operations and prospects. In addition, difficult economic conditions may exacerbate some of the other risks described in this Item 1A. Risk Factors, including those risks associated with increased competition, decreases in store traffic, brand reputation, the interruption of the production and flow of merchandise, the ability to achieve our growth strategies, and the ability to improve and expand our exclusive product offering. These risks could be exacerbated individually or collectively. Our business largely depends on a strong brand image, and if we are unable to maintain and enhance our brand image, particularly in new markets where we have limited brand recognition, we may be unable to increase or maintain our level of sales. We believe that our brand image and brand awareness have contributed significantly to the success of our business. We also believe that maintaining and enhancing our brand image, particularly in new markets where we have limited brand recognition, is important to maintaining and expanding our customer base. Our ability to successfully integrate newly opened stores into their surrounding communities, to expand into new markets and to maintain the strength and distinctiveness of our brand image in our existing markets will be adversely impacted if we fail to connect with our target customers. Maintaining and enhancing our brand image may require us to make substantial investments in areas such as merchandising, marketing, store operations, community relations, store graphics and employee training, which could adversely affect our cash flow and which may ultimately be unsuccessful. Furthermore, our brand image could be jeopardized if we fail to maintain high standards for merchandise quality, if we fail to comply with local laws and regulations or if we experience negative publicity or other negative events that affect our image and reputation. Some of these risks may be beyond our ability to control, such as the effects of negative publicity regarding our suppliers. Failure to successfully market and maintain our brand image in new and existing markets could harm our business, results of operations and financial condition. Most of our merchandise is produced in foreign countries, making the price and availability of our merchandise susceptible to international trade risks and other international conditions, including **tariffs**, supply chain disruptions or geopolitical conditions including the ongoing conflict between Russia and the Ukraine. The majority of our exclusive brand products are manufactured in foreign countries, including Mexico and China. In addition, we purchase most of our third- party branded merchandise from domestic suppliers that have a large portion of their merchandise made in foreign countries. ~~The~~ **See “ Changes to U. S. or other countries’ trade policies and tariff and import / export regulations or our failure to comply with such regulations may**

have an adverse effect on our business, financial condition, and results of operations” below for a description of risks associated with recently announced and / or implemented tariffs. In addition, the countries, specifically Mexico and China, in which our merchandise currently is manufactured or may be manufactured in the future could become subject to additional trade restrictions imposed by the United States, including increased tariffs or quotas, embargoes and customs restrictions, which could increase the cost or reduce the supply of products available to us and have a material adverse effect on our business, financial condition and results of operations. **Any** **Additionally, any** tariffs **by China or other foreign countries** on imports **of** from foreign countries, as well as changes in tax and trade policies such as a border adjustment tax or our products disallowance of certain tax deductions for imported merchandise could materially **also adversely affect our international e-commerce sales. Any** increase in our manufacturing costs, the ~~costs~~ **cost** of our imported merchandise or **limitation on the amount of merchandise we are able to purchase, our** ~~or~~ **income tax expense** **any decrease in our international e-commerce sales**, which would ~~could~~ have a material adverse effect on our financial condition and results of operations. **Any** tariffs by China or other foreign countries on imports of our products could also adversely affect our international e-commerce sales. Any increase in our manufacturing costs, the cost of our merchandise or limitation on the amount of merchandise we are able to purchase, or any decrease in our international e-commerce sales, could have a material adverse effect on our financial condition and results of operations. ~~Additionally~~, public health issues, such as a resurgence of COVID-19 or another pandemic, affecting China, Mexico or another foreign country from which a large portion of our third-party and exclusive brand merchandise is purchased and imported, may result in the temporary closure of our suppliers’ facilities or shipping ports, resulting in product delivery delays. These travel restrictions, factory closures and production and logistical constraints may result in, among other things, delayed shipments and increased shipping costs. These impacts on our supply chain could have a material adverse effect on our financial condition and results of operations. Furthermore, in response to the ongoing conflict between Russia and Ukraine, the United States has imposed and may further impose, and other countries may additionally impose, broad sanctions or other restrictive actions against governmental and other entities in Russia or other associated countries. While the existing sanctions do not materially impact our business or operations, additional sanctions may be imposed in the future that could impact our supply chain. Additionally, further escalation of geopolitical tensions could have a broader impact that extends into other markets where we do business. These impacts could have a material adverse effect on our financial condition and results of operations. **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 revenues, reduce our profitability, and negatively impact our business.** **17**Changes to U. S. or other countries’ trade policies and tariff and import / export regulations or our failure to comply with such regulations may have an adverse effect on our business, financial condition, and results of operations. Changes in the import and export policies, including trade restrictions, new or increased tariffs or quotas, embargoes, sanctions and countersanctions, safeguards or customs restrictions by the U. S. and / or other foreign governments, and / or general uncertainty about potential changes in such policies, could require us to change the way we conduct business, affect our merchandise margins, and adversely affect our financial condition, results of operations, reputation, and our relationships with customers, vendors, and employees in the short- or long- term. The U. S. government recently announced tariffs on product imports from certain countries, including Canada, Mexico, and China, then subsequently announced a 90- day suspension of such tariffs other than with respect to China. Thereafter, on May 12, 2025, the U. S. and China announced that the countries have agreed to a reduction in the previously- imposed tariffs for a 90- day period. These actions have resulted, and may further result, in retaliatory measures on U. S. goods. If implemented and maintained, these recently announced tariffs and the potential escalation of trade disputes could pose a risk to our business that could affect our revenue and cost of sourcing our merchandise. We are closely monitoring this evolving situation and evaluating our responses, which may include shifts in sourcing strategies, price adjustments, or other cost- mitigation measures. However, there can be no assurance that we will be able to fully mitigate the financial and competitive impacts of such tariffs or trade restrictions. At this time, the overall impact on our business related to these tariffs remains uncertain and depends on multiple factors, including the duration and potential expansion of current tariffs, future changes to tariff rates, scope, or enforcement, retaliatory measures by impacted exporting countries, inflationary effects and broader macroeconomic responses, changes to consumer purchasing behavior, and the effectiveness of our responses in managing these challenges. Further, actions we take to adapt to new tariffs or trade restrictions may increase risk or may cause us to modify our operations, which could be time- consuming and expensive; impact pricing of our merchandise, which could impact our sales, profitability, and our reputation; or cause us to forgo business opportunities. We face intense competition in our industry, and we may be unable to compete effectively. The retail industry for western and work wear is highly fragmented and characterized by primarily regional competitors. We estimate that there are thousands of independent specialty stores scattered across the country. We believe that we compete primarily with smaller regional chains and independent stores on the basis of product quality, brand recognition, price, customer service and the ability to identify and satisfy consumer demand. In addition, as we expand our e-commerce sales presence and as a result of consumers’ growing desire to shop online, we are competing to an increasing degree with online retailers and the e-commerce offerings of traditional competitors. There can be no assurance that our e-commerce expansion initiatives will be successful. We also compete with farm supply stores and mass merchants. Competition with some or all of these retailers could require us to lower our prices or risk losing customers. In addition, significant or unusual promotional activities by our competitors may force us to respond in- kind and adversely impact our operating cash flow and gross profit. As a result of these factors, current and future competition could have a material adverse effect on our financial condition and results of operations. Many of the mass merchants and online retailers that sell some western or work wear

products have greater financial, marketing and other resources than we currently do, and in the case of online retailers, lower overhead and overall cost structure. Therefore, these competitors may be able to devote greater resources to the marketing and sale of these products, generate national brand recognition or adopt more aggressive pricing policies than we can, which would put us at a competitive disadvantage if they decide to expand their offerings of these product lines. Moreover, we do not possess exclusive rights to many of the elements that comprise our in-store experience and product offerings. Our competitors may seek to emulate facets of our business strategy, including our in-store experience, which could result in a reduction of some competitive advantages or special appeal that we might possess. In addition, most of our suppliers sell products to us on a non-exclusive basis. As a result, our current and future competitors may be able to duplicate or improve on some or all of the product offerings that we believe are important in differentiating our stores, our e-commerce offerings and our customers' shopping experience. If our competitors were to duplicate or improve on some or all of our in-store experience, or our in-store and e-commerce product offerings, our competitive position and our business could suffer.

18 Additionally, our competitors may outpace us in incorporating new technologies, such as artificial intelligence ("AI"), into their product offerings and engagement with customers, which could affect our competitiveness and operational outcomes. Our efforts to utilize these technological advancements may not be successful, may result in substantial integration and maintenance costs, and may expose us to additional risks. Personal information within any dataset collected from our business for AI purposes may be vulnerable to unauthorized acquisition or access, compromise or loss, which could lead to heightened business and security costs, reputational damage, administrative penalties, significant legal and financial exposure. The content, analyses, or recommendations generated by AI programs, if deficient, inaccurate, or biased, could adversely impact our business, financial condition, and operational results, as well as our reputation. Moreover, ethical concerns associated with AI could lead to brand damage, competitive disadvantages, or legal repercussions. Any problems with our implementation or use of AI or other technological advancements could negatively impact our business or results of our operations.

Our failure to adapt to new challenges that arise when expanding into new geographic markets could adversely affect our ability to profitably operate those stores and maintain our brand image. Our expansion into new geographic markets could result in competitive, merchandising, distribution and other challenges that are different from those we encounter in the geographic markets in which we currently operate. In addition, to the extent that our store count increases, we may face risks associated with market saturation of our product offerings and locations. Our suppliers may also restrict their sales to us in new markets to the extent they are already saturating that market with their products through other retailers or their own stores. There can be no assurance that any newly opened stores will be received as well as, or achieve net sales or profitability levels comparable to those of, our existing stores in the time periods estimated by us, or at all. If our stores fail to achieve, or are unable to sustain, acceptable net sales and profitability levels, our business may be materially harmed, we may incur significant costs associated with closing those stores and our brand image may be negatively impacted. Our continued growth depends upon successfully opening new stores, and our failure to successfully open new stores could negatively affect our business and stock price. Our ability to successfully open and operate new stores is subject to a variety of risks and uncertainties, such as:

- identifying suitable store locations, the availability of which is beyond our control;
- obtaining acceptable lease terms;
- sourcing sufficient levels of inventory;
- selecting the appropriate merchandise to appeal to our customers;
- hiring, training and retaining store employees;
- assimilating new store employees into our corporate culture;
- marketing the new stores' locations and product offerings effectively;
- avoiding construction delays and cost overruns, and managing supply chain challenges, in connection with the build out of new stores;
- avoiding other costs in opening new stores, such as rebranding acquired locations and environmental liabilities;
- managing and expanding our infrastructure to accommodate growth; and
- integrating the new stores with our existing buying, distribution and other support operations.

19 Our failure to successfully address these challenges could have a material adverse effect on our financial condition and results of operations. We opened **60 stores in fiscal 2025**, 55 stores in fiscal 2024, **and** 45 stores in fiscal 2023, **and** 28 stores in fiscal 2022. We plan to continue to open new stores in the coming years; however, there can be no assurance that we will open new stores in fiscal **2025-2026** or thereafter, or that any such stores will be profitable. The expansion of our store base will place increased demands on our operational, managerial and administrative resources. These increased demands could cause us to operate our existing business less effectively, which in turn could cause the financial performance of our existing stores to deteriorate. **Although we attempt to open new stores in prominent locations, it is possible that locations which were prominent when we opened our stores may lose favor over time.**

In addition, we plan to open some new stores within existing markets. Some of these new stores may open close enough to our existing stores that a segment of customers will stop shopping at our existing stores and instead shop at the new stores, causing sales and profitability at those existing stores to decline. If this were to occur with a number of our stores, this could have a material adverse effect on our financial condition and results of operations. In addition to opening new stores, we may acquire and rebrand stores. Acquiring and integrating stores involves additional risks that could adversely affect our growth and results of operations. Newly acquired stores may be unprofitable and we may incur significant costs and expenses in connection with any acquisition including systems integration and costs relating to remerchandising and rebranding the acquired stores. Integrating newly acquired chains or individual stores may divert our senior management's attention from our core business. Our ability to integrate newly acquired stores will depend on the successful expansion of our existing financial controls, distribution model, information systems, management and human resources and on attracting, training and retaining qualified employees. **Any significant change in our distribution model remodel could initially have an adverse impact on our cash flows and results of operations.**

Our suppliers ship a portion of our in-store merchandise directly to our stores and a portion of our e-commerce merchandise to our e-commerce customers. In the future, as part of our long-term strategic planning, we may change our distribution model to increase the amount of merchandise that we self-distribute through a centralized distribution center or centers. Changing our distribution model to increase distributions from a centralized distribution center or centers to our stores

and to customers would initially involve significant capital expenditures, which could increase our borrowings and interest expense or temporarily reduce the rate at which we open new stores. **Experiences requires partnership with our landlords. If our partnerships with our landlords were to deteriorate, this could adversely affect the pace of opening new store experiences or acquiring and rebranding stores and / or require us to close existing stores.** In addition, if we are unable to successfully integrate a new distribution model into our operations, **there is an increase in events such as landlord bankruptcies, or mall foreclosures, competition between retailers could increase for remaining suitable store locations. Pursuing the wrong opportunities and any delays, cost increases, disruptions or other uncertainties related to those opportunities could adversely affect our results of operations. If our investments in new stores or remodeling or rebranding existing stores do not achieve appropriate returns, our financial condition and results of operations in a timely manner, our supply chain could be experience significant disruptions, which could reduce our sales and adversely affected impact our results of operations.** As we expand our business, we may be unable to generate significant amounts of cash from operations. As we expand our business, we will need significant amounts of cash from operations to pay our existing and future lease obligations, build out new store space, purchase inventory, pay personnel, and, if necessary, further invest in our infrastructure and facilities. We primarily rely on cash flow generated from existing stores and our e-commerce businesses, as well as debt financing, to fund our current operations and our growth. It typically takes several months and a significant amount of cash to open a new store. For example, our new store model requires an average net cash investment of approximately \$ 1.5-7 million. If we continue to open a large number of stores relatively close in time, the cost of these store openings and the cost of continuing operations could reduce our cash position. An increase in our net cash outflow for new stores could adversely affect our operations by reducing the amount of cash available to address other aspects of our business. We cannot assure you that any new stores that we open will become profitable in the anticipated time frame, or at all. We cannot assure you that our existing stores, which may be currently profitable, will not cease to be profitable in the future. If our business does not generate sufficient cash flow from operations to fund these activities, and sufficient funds are not otherwise available from our current credit facility or future credit facilities, we may need additional equity or debt financing. If such financing is not available to us on satisfactory terms, our ability to operate and expand our business or to respond to competitive pressures would be limited and we could be required to delay, curtail or eliminate planned store openings. Moreover, if we raise additional capital by issuing equity securities or securities convertible into equity securities, your ownership may be diluted. Any debt financing we may incur may impose covenants that restrict our operations, and will require interest payments that would create additional cash demands and financial risk for us. **18F 20Any significant change in our distribution model could initially have an adverse impact on our cash flows and results of operations. Our suppliers ship a portion of our in- store merchandise directly to our stores and a portion of our e-commerce merchandise to our e-commerce customers. In the future, as part of our long-term strategic planning, we may change our distribution model to increase the amount of merchandise that we self-distribute through a centralized distribution center or centers. Changing our distribution model to increase distributions from a centralized distribution center or centers to our stores and customers would initially involve significant capital expenditures, which could increase our borrowings and interest expense or temporarily reduce the rate at which we open new stores. In addition, if we are unable to successfully integrate a new distribution model into our operations in a timely manner, our supply chain could experience significant disruptions, which could reduce our sales and adversely impact our results of operations. If** we fail to maintain good relationships with our suppliers or if our suppliers are unable or unwilling to provide us with sufficient quantities of merchandise at acceptable prices, our business and operations may be adversely affected. Our business is largely dependent on continued good relationships with our suppliers, including suppliers for our third-party branded products and manufacturers for our exclusive brand products. During fiscal 2024-2025, merchandise purchased from our top three suppliers accounted for approximately 24-25 % of our consolidated sales. We operate on a purchase order basis for our exclusive brand and third-party branded merchandise and do not have long-term written agreements with our suppliers. Accordingly, our suppliers can refuse to sell us merchandise, limit the type or quantity of merchandise that they sell to us, enter into exclusivity arrangements with our competitors or raise prices at any time, which could have an adverse impact on our business. Deterioration in our relationships with our suppliers could have a material adverse impact on our business, and there can be no assurance that we will be able to acquire desired merchandise in sufficient quantities on terms acceptable to us in the future. Also, some of our suppliers sell products directly from their own retail stores or e-commerce websites, and therefore directly compete with us. These suppliers may decide at some point in the future to discontinue supplying their merchandise to us, supply us less desirable merchandise or raise prices on the products they do sell us, including as a result of inflationary impacts (which has been experienced over the last ~~twenty-three~~ **four six** months and is continuing). If we lose key suppliers and are unable to find alternative suppliers to provide us with substitute merchandise for lost products, our business may be adversely affected. Our efforts to continue to improve and expand our exclusive product offerings may be unsuccessful, and implementing these efforts may divert our operational, managerial, financial and administrative resources, which could harm our competitive position and reduce our revenue and profitability. We seek to continue to grow our business by improving and expanding our exclusive product offerings, which includes introducing new brands and growing and expanding our existing brands. The principal risks to our ability to successfully improve and expand our product offering are that: • introduction of new products may be delayed, which may allow our competitors to introduce similar products in a more timely fashion, which could hinder our ability to be viewed as the exclusive provider of certain western and work apparel brands and items; • the third-party suppliers of our exclusive product offerings may not maintain adequate controls with respect to product specifications and quality, which may lead to costly corrective action and damage to our brand image; • if our expanded exclusive product offerings fail to maintain and enhance our distinctive brand identity, our brand image may be diminished and our sales may decrease; and • these efforts may divert our management's attention from other aspects of our business and place a strain on our operational, managerial, financial and administrative resources, as well as our

information systems. In addition, our ability to successfully improve and expand our exclusive product offerings may be affected by economic and competitive conditions, changes in consumer spending patterns and changes in consumer preferences. **These efforts could be abandoned, cost more than anticipated and divert resources from other areas of our business, any of which could impact our competitive position and reduce our revenue and profitability. A rise in the cost of fabric, raw materials, labor or transportation due to inflation, trade relations, or otherwise could increase our cost of merchandise and cause our results of operations and margins to decline. Increases in the price, and fluctuations in the availability and quality of fabrics and raw materials, such as cotton and leather, that our suppliers use to manufacture our products, as well as the cost of labor and transportation, due to inflation or otherwise, could have adverse impacts on our cost of merchandise and our ability to meet our customers' demands. In particular, because key components of our products are cotton and leather, any increases in the cost of cotton or leather may significantly affect the cost of our products and could have an adverse impact on our cost of merchandise. The price and availability of such raw materials may fluctuate significantly, depending on many factors, including crop yields, weather patterns and other unforeseen events. For example, significant inflation-inflationary pressures have and may continue to impact the cost of labor, which cotton and other raw materials. Increased global uncertainty has also impacted been experienced over the last twenty-four months and is continuing, may in cause or exacerbate these-- the future impacts-- impact. Additionally, due to competitive labor conditions, we have experienced increases in the cost of labor, which may continue into availability and quality of the fabrics or the other raw materials used future. We may be unable to manufacture pass all or our any of merchandise, and compliance with sanctions, customs trade orders and sourcing laws, such as these those higher issued by the U. S. government related to the ongoing conflict in Russia and Ukraine and entities and individuals connected to China's Xinjiang Uyghur Autonomous Region, could impact the price of cotton in the marketplace and the supply chain. Fluctuations in the costs-- cost of transportation on to our customers, which could also have a material adverse effect on our profitability-- cost of sales and ability to meet customer demand. If the shipping operations of the third parties that we rely on for the transportation of our merchandise were disrupted, and we are unable to respond in a quick and efficient manner, our ability to replace inventory in our stores and process digital and third- party orders could be interrupted, potentially resulting in adverse impacts to sales or increased costs. Furthermore, we are susceptible to increases in fuel costs which may increase the cost of distribution. If we are not able to pass this cost on to our customers, our financial condition and results of operations could be adversely affected. In addition, we have experienced increasing wage pressures in recent years related to the cost of labor at our third- party manufacturers, at our distribution centers and at our stores. For example, recent government initiatives in the U. S. or changes to existing laws, such as the adoption and implementation of national, state, or local government proposals relating to increases in minimum wage rates, may increase our costs of doing business and adversely affect our results of operations. We may not be able to pass all or a portion of higher labor costs on to our customers, which could adversely affect our gross margin and results of operations.** We purchase merchandise based on sales projections and our purchase of too much or too little inventory may adversely affect our overall profitability. We must actively manage our purchase of inventory. We generally order our seasonal and exclusive brand merchandise several months in advance of it being received and offered for sale. If there is a significant decrease in demand for these products, or if we fail to accurately predict consumer demand, including by disproportionately increasing the penetration of our exclusive brand merchandise, we may be forced to rely on markdowns or promotional sales to dispose of excess inventory. This could have an adverse effect on our margins and operating income. Conversely, if we fail to purchase a sufficient quantity of merchandise, we may not have an adequate supply of products to meet consumer demand, thereby causing us to lose sales or adversely affecting our customer relationships. Any failure on our part to anticipate, identify and respond effectively to changing consumer demand and consumer shopping preferences could adversely affect our results of operations. We are also vulnerable to factors affecting inventory flow and availability of inventory. Impacts may be caused by natural disasters, unanticipated climate patterns and events, or inventory shrinkage due to theft (including by our employees, customers, or through organized retail crime). Such events may significantly impact anticipated customer demand or may impact availability of our inventory. If we are not able to adjust appropriately to such factors, our inventory management may be negatively affected, which could adversely impact our performance and our reputation. **22**We are subject to payment- related risks that could increase our operating costs, expose us to fraud or theft, subject us to potential liability and potentially disrupt our business. We accept payments using a variety of methods, including cash, checks, credit and debit cards, including our private- label credit card, gift cards, and various other online payment methods, including pay- over- time options. Acceptance of these payment methods subjects us to rules, regulations, contractual obligations and compliance requirements, including payment network rules and operating guidelines, data security standards and certification requirements, and rules governing electronic funds transfers. These requirements may change over time or be reinterpreted, making compliance more difficult or costly. For certain payment methods, including credit and debit cards, we pay interchange and other fees, which may increase over time and raise our operating costs. We rely on third parties to provide payment processing services, including the processing of credit cards, debit cards, and other forms of electronic payment. If these companies become unable to provide these services to us, or if their systems are compromised, it could potentially disrupt our business. The payment methods that we offer also subject us to potential fraud and theft by criminals, who are becoming increasingly more sophisticated, seeking to obtain unauthorized access to or exploit weaknesses that may exist in the payment systems. If we fail to comply with applicable rules or requirements for the payment methods we accept, or if payment- related data is compromised due to a breach or misuse of data, we may be liable for costs incurred by payment card issuing banks and other third parties or subject to fines and higher transaction fees, or our ability to accept or facilitate certain types of payments may be impaired. In addition, our customers could lose confidence in certain payment types, which may result in a shift to other payment types or potential changes to our payment systems that may result in higher costs. As a result, our business and results of operations could be adversely affected. If our management

information systems fail to operate or are unable to support our growth, our operations could be disrupted. We rely upon our management information systems in almost every aspect of our daily business operations. For example, our management information systems serve an integral part in enabling us to order merchandise, process merchandise at our distribution centers and retail stores, perform and track sales transactions, manage personnel, pay suppliers and employees, operate our e-commerce businesses and report financial and accounting information to management. In addition, we rely on our management information systems to enable us to leverage our costs as we grow. If our management information systems fail to operate or are unable to support our growth, our store operations and e-commerce businesses could be severely disrupted, and we could be required to make significant additional expenditures to remediate any such failure. ~~20~~ **We** rely on UPS and the United States Postal Service to deliver our e-commerce merchandise to our customers and our business could be negatively impacted by disruptions in the operations of these third-party service providers. We rely on UPS and the United States Postal Service to deliver our e-commerce merchandise to our customers. Relying on these third-party delivery services puts us at risk from disruptions in their operations, such as employee strikes, inclement weather, shutdowns or other delays and their inability to meet our shipping demands. If we are forced to use other delivery services, our costs could increase and we may be unable to meet shipment deadlines. Moreover, we may be unable to obtain terms as favorable as those received from the transportation providers we currently use, which would further increase our costs. In addition, if our products are not delivered to our customers on time, our customers may cancel their orders or we may lose business from these customers in the future. These circumstances may negatively impact our financial condition and results of operations. ~~Higher wage and benefit costs could adversely affect our business. Increased labor costs brought about by changes in federal or state minimum wage laws, other laws or regulations relating to employee benefits or prevailing market conditions, including highly competitive labor markets, could cause us to incur additional wage and benefit costs. Increased labor costs brought about by these factors would increase our expenses and have an adverse impact on our profitability, or could negatively impact the quality of our workforce if we fail to increase our wages competitively.~~ If we cannot attract, train and retain qualified employees, our business could be adversely affected. Our success depends upon the quality of the employees we hire. We seek to recruit people who are welcoming, friendly and service-oriented, and who often live the western lifestyle or have a genuine affinity for it. Employees in many positions must have knowledge of our merchandise and the skill necessary to excel in a customer service environment. The turnover rate in the retail industry is typically high and finding qualified candidates to fill positions may be difficult particularly in the current highly competitive labor markets. Our planned growth will require us to hire ~~and~~ **23** ~~and~~ train even more personnel. If we cannot attract, train and retain corporate employees, district managers, store managers and store associates with the qualifications we deem necessary, our ability to effectively operate and expand may be adversely affected. In addition, we rely on temporary and seasonal personnel to staff our distribution centers. We cannot guarantee that we will be able to find adequate temporary or seasonal personnel to staff our operations when needed, which may strain our existing personnel and negatively impact our operations. **Additionally, as automation, AI and similar technological advancements continue to evolve, we may need to compete for talent that is familiar with these advancements in technologies in order to compete effectively with our industry peers.** If we lose key management personnel, our operations could be negatively impacted. We depend upon the leadership and experience of our executive management team. If we are unable to retain ~~existing key~~ management personnel who are critical to our success, or effectively transition their responsibilities to other personnel, it could result in harm to our supplier and employee relationships, the loss of key information, expertise or know-how and unanticipated recruitment and training costs. ~~The loss of~~ **Additionally, efforts related to the search** services of any of our ~~or~~ **key recruitment of qualified individuals to replace** management personnel could have a material adverse effect on our ~~or~~ business and prospects, and could be viewed negatively by investors and analysts, which could cause the ~~transition~~ price of our ~~or~~ common stock **reallocation of responsibilities to another member of** decline. We may be unable to find qualified individuals to replace key management **may divert personnel on a timely basis, or our operational** effectively transition their responsibilities to others, **managerial, financial and administrative resources** without incurring increased costs or at all. We **Additionally, we** do not maintain key person life insurance covering any employee. If we lose the services of any of our key management personnel or we are unable to attract additional qualified personnel, we may be unable to successfully manage our business. ~~Another widespread health epidemic~~ **If we do not successfully manage the transition associated with the resignation of our former chief executive officer and the appointment of our new chief executive officer, it could materially have an adverse impact on our business.** As ~~previously disclosed~~ evidenced by the COVID-19 pandemic, ~~our the Company's former President and Chief Executive Officer resigned effective November 22, 2024, and the Company's Board of Directors appointed the Company's Chief Digital Officer, John Hazen, as Interim Chief Executive Officer. Following its internal and external executive search, the Company's Board of Directors approved the appointment of Mr. Hazen as the Company's permanent Chief Executive Officer, effective as of May 5, 2025. Although the Board is confident in the leadership of Mr. Hazen, leadership transitions can be inherently difficult to manage, and an inadequate transition may cause disruption to the Company's~~ business could be severely impacted by other widespread regional, national, or global health epidemics. Such events may cause customers to avoid public gathering places such as our stores or otherwise change their shopping behaviors. Additionally, these occurrences could adversely impact our business by disrupting production and delivery of products to our stores and by impacting our ability to appropriately staff our stores. ~~21~~ ~~The~~ **The** concentration of our stores and operations in certain geographic locations subjects us to regional economic conditions and natural disasters that could adversely affect our business. Our Store Support Center and distribution centers are located in California, Kansas, and Missouri. If we encounter any disruptions to our operations at these locations or if they were to shut down for any reason, including due to fire, tornado, earthquake or other natural disaster, then we may be prevented from effectively operating our stores and our e-commerce businesses. Furthermore, the risk of disruption or shutdown at our buildings in California are greater than they might be if they were located in another region, as southern California is prone to natural disasters such as earthquakes and wildfires.

Any disruption or shutdown at our locations could significantly impact our operations and have a material adverse effect on our financial condition and results of operations. In addition, of the 400-459 stores that we operated as of March 30-29, 2024-2025, 167-176 of these stores were located in Arizona, California and Texas. The geographic concentration of our stores may expose us to economic downturns or natural disasters in those states where our stores are located. For example, our stores located in North Dakota, Wyoming, Colorado, Texas and surrounding areas are likely to be adversely impacted by an economic downturn affecting the oil, gas, and commodities industries. Any similar events in states where our stores are concentrated could have a material adverse effect on our financial condition and results of operations. **The adoption of new** ~~We could be required to collect additional sales taxes or be subject to other tax~~ **legislation liabilities that may increase the costs our** ~~or fluctuations in~~ **customers would have to pay for our products** ~~tax obligations~~ **and adversely affect effective tax rate may result in volatility in** ~~our operating results~~ ~~An increasing number of~~ **operations** ~~states have considered or adopted laws that attempt to impose tax collection obligations on out-of-state retailers. In South Dakota v. Wayfair, Inc. et al (“Wayfair”), a case challenging existing law that online sellers are not required to collect sales and use tax unless they have a physical presence in the buyer’s state, the Supreme Court decided that states may adopt laws requiring sellers to collect sales and use tax, even in states where the seller has no physical presence. As a result of Wayfair, states or the federal government may adopt, or begin to enforce, laws requiring us to calculate, collect, and remit taxes on sales in their jurisdictions. A successful assertion by one or more states requiring us to collect taxes where we presently do not do so, or to collect more taxes in a jurisdiction in which we currently do collect some taxes, could result in substantial tax liabilities, including taxes on past sales, as well as penalties and interest. The imposition by state governments of sales tax collection obligations on out-of-state retailers could also create additional administrative burdens for us, put us at a competitive disadvantage if they do not impose similar obligations on our competitors and decrease our future sales, which could have a material adverse impact on our business and operating results. The adoption of new tax legislation could affect our financial performance.~~ We are subject to income and other taxes in the United States. Our effective tax rate in the future could be adversely affected by changes in the valuation of deferred tax assets and liabilities and changes in tax laws. More generally **24generally**, it is possible that U. S. federal income or other tax laws or the interpretation of tax laws will change. It is difficult to predict whether and when there will be tax law changes having a material adverse effect on our business, financial condition, results of operations and cash flows. **Additionally, at any time, many tax years are subject to audit by various taxing jurisdictions. The results of these audits and negotiations with taxing authorities may affect the ultimate settlement of these issues. As a result, we expect that throughout the year, there could be ongoing variability in our quarterly tax rates as taxable events occur and exposures are evaluated. In addition, our effective tax rate in any given financial reporting period may be materially impacted by changes in the mix and level of earnings or losses by taxing jurisdictions or by changes to existing accounting rules or regulations. Fluctuations in duties could also have a material impact on our financial condition, results of operations or cash flows.** We are required to make significant lease payments for our stores, Store Support Center and distribution centers, which may strain our cash flow. We do not own any real estate. Instead, we lease all of our retail store locations, as well as our Store Support Center and distribution centers. The store leases generally have a base lease term of five or 10 years, with one or more renewal periods of five years, on average, exercisable at our option. Many of our leases have early cancellation clauses ~~which that~~ permit us to terminate the lease if certain sales thresholds are not met in certain periods of time. Our costs under these leases are a significant amount of our expenses and are growing rapidly as we expand the number of locations and the cost of leasing existing locations rises. In fiscal 2024-2025, our total lease expense was \$ 103-129. 4-0 million, and we expect this amount to continue to increase as we open more stores. We are required to pay additional rent under some of our lease agreements based upon achieving certain sales thresholds for each store location. We are generally responsible for the payment of property taxes and insurance, utilities and common area maintenance fees. Many of our lease agreements ~~also~~ **also** contain provisions ~~which that~~ increase the rent payments on a set time schedule, causing the cash rent paid for a location to escalate over the term of the lease. In addition, rent costs could escalate when multi-year leases are renewed at the expiration of their lease term. These costs are significant, recurring and increasing, which places a consistent strain on our cash flow. We depend on cash flows from operations to pay our lease expenses and to fulfill our other cash needs. If our business does not generate sufficient cash flows from operating activities, and sufficient funds are not otherwise available to us from borrowings under our current credit facility, future credit facilities or from other sources, we may be unable to service our operating lease expenses, grow our business, respond to competitive challenges or fund our other liquidity and capital needs, which would harm our business. Additional sites that we lease are likely to be subject to similar long-term leases. If an existing or future store is not profitable, and we decide to close it, we may nonetheless be committed to perform our obligations under the applicable lease including, among other things, paying the base rent for the balance of the lease term. We may fail to identify suitable store locations, the availability of which is beyond our control, to replace such closed stores. In addition, as our leases expire, we may fail to negotiate renewals, either on commercially acceptable terms or at all, which could cause us to close stores in desirable locations. Of the store leases that will reach their termination date during fiscal 2025-2026, ~~thirteen~~ **twelve** of those leases do not contain an option to automatically extend the lease term. If we are unable to enter into new leases or renew existing leases on terms acceptable to us or be released from our obligations under leases for stores that we close, our business, profitability and results of operations may be harmed. We may be unable to maintain same store sales or net sales per square foot, which may cause our results of operations to decline. The investing public may use same store sales or net sales per square foot projections or results, over a certain period of time, such as on a quarterly or yearly basis, as an indicator of our profitability growth. See Item 7, Management’s Discussion and Analysis of Financial Condition and Results of Operations for further discussion of “same store sales.” ~~Our same store sales can vary significantly from period to period for a variety of reasons, such as the age of stores, temporary store closures, changing economic factors, including those caused by macroeconomic conditions, unseasonable weather, pricing, the timing of the release of new merchandise and promotional events and increased~~ **competition** ~~25~~ **competition**. These factors could cause same

store sales or net sales per square foot to decline period to period or fail to grow at expected rates, which could adversely affect our results of operations and cause the price of our common stock to be volatile during such periods. Any inability to balance our exclusive brand merchandise with the third- party branded merchandise that we sell may have an adverse effect on our net sales and gross profit. In fiscal 2024-2025, sales from our exclusive brand products accounted for approximately 37-38, 7-6% of our consolidated sales. As of March 30-29, 2024-2025, three of our five top selling brands were exclusive brands. Our exclusive brand merchandise has historically had a higher gross margin than the third- party branded merchandise that we offer. As a result, we intend to attempt to increase the penetration of our exclusive brands in the future. However, carrying our exclusive brands limits the amount of third- party branded merchandise that we can carry and, therefore, there is a risk that our customers' perception that we offer many major brands will decline or that our suppliers of third- party branded merchandise may decide to discontinue supplying, or reduce the supply of, their merchandise. If this occurs, it could have a material adverse effect on net sales and profitability. Our management information systems and databases could be disrupted by system security failures, cyber threats or by the failure of, or lack of access to, our Enterprise Resource Planning system. These disruptions could negatively impact our sales, increase our expenses, subject us to liability and / or harm our reputation. Hackers, computer programmers and internal users may be able to penetrate our network security and create system disruptions, cause shutdowns and misappropriate our confidential information or that of our employees and third parties, including our customers. Therefore, we could incur significant expenses addressing problems created by security breaches to our network. This risk is heightened because we collect and store customer information for marketing purposes, as well as debit and credit card information. We must, and do, take precautions to secure customer information and prevent unauthorized access to our database of confidential information. However, if unauthorized parties, including external hackers or computer programmers, gain access to our database, they may be able to steal this confidential information. Our failure to secure this information could result in costly litigation, adverse publicity or regulatory action, or result in customers discontinuing the use of debit or credit cards in our stores or e- commerce websites, or customers not shopping in our stores or on our e- commerce websites altogether. While we maintain cyber risk insurance, the costs relating to certain kinds of security incidents could be substantial, and our insurance may not be sufficient to cover all losses related to any future incidents involving our data or systems. These consequences could have a material adverse effect on our financial condition and results of operations. In addition, sophisticated hardware and operating system software and applications that we procure from third parties may contain defects in design or manufacture that could unexpectedly interfere with our operations. The cost to alleviate security risks and defects in software and hardware and to address any problems that occur could negatively impact our sales, distribution and other critical functions, as well as our financial results. In recent years, there has been increasing regulatory enforcement and litigation activity in the area of privacy, data protection and information security in various states in which we operate, including for example, the California Consumer Privacy Act of 2018 (the "CCPA"), which became effective on January 1, 2020. The CCPA requires certain companies to satisfy certain requirements regarding the handling of personal and sensitive data, including its use, protection and the ability of California residents whose data is stored to know specifically what data types each company has collected on them and, if they so choose, the right to demand that such companies delete their data. Failure to comply with the CCPA requirements could result in civil penalties. The CCPA also provides a private right of action that allows consumers to seek, either individually or as a class, statutory or actual damages and injunctive and other relief, if their sensitive personal information is subject to unauthorized access and exfiltration, theft or disclosure as a result of a business' s failure to implement and maintain required reasonable security procedures. New legislation or regulation such as the CCPA, including any potential comprehensive federal privacy legislation, as well as any associated inquiries or investigations or any other government actions, could be costly to comply with, result in negative publicity, increase our operating costs, require significant management time and attention, and subject us to remedies that may harm our business, including fines or demands or orders that we modify or cease existing business practices. We operate Aptos Retail on a software- as- a- service (SaaS) platform, and we use this system for integrated point- of- sale, merchandising, planning, sales audit, customer relationship management, inventory control, loss prevention, purchase order management and business intelligence. Accordingly, we depend on this system, and the third- party provider of this service, for many aspects of our operations. If this service provider or this system fails, or if we are unable to continue to have access to this system on commercially reasonable terms, or at all, our operations would be severely disrupted until an equivalent system could be identified, licensed or developed, and integrated into our operations. This disruption would have a material adverse effect on our business. If our suppliers and manufacturers fail to use acceptable labor or other practices, our reputation may be harmed, which could negatively impact our business. We purchase merchandise from independent third- party suppliers and manufacturers. If any of these suppliers have practices that are not legal or accepted in the U. S., consumers may develop a negative view of us, our brand image could be damaged and we could become the subject of boycotts by our customers or interest groups. Further, if the suppliers violate labor or other laws of their own country, these violations could cause disruptions or delays in their shipments of merchandise. For example, much of our merchandise is manufactured in China and Mexico, which have different labor practices than the U. S. We do not independently investigate whether our suppliers are operating in compliance with all applicable laws and therefore we rely upon the suppliers' representations set forth in our purchase orders and supplier agreements concerning the suppliers' compliance with such laws. In addition, regulatory developments regarding the use of " conflict minerals, " certain minerals originating from the Democratic Republic of Congo and adjoining countries, could affect the sourcing and availability of raw materials used by suppliers and subject us to costs associated with the regulations, including for the diligence pertaining to the presence of any conflict minerals used in our products, possible changes to products, processes or sources of our inputs, and reporting requirements. If our goods are manufactured using illegal or unacceptable labor practices in these countries, or other countries from which our suppliers source the products we purchase, our ability to supply merchandise for our stores without interruption, our brand image and, consequently, our sales may be adversely affected. Our e- commerce businesses subject us to numerous risks that

could have an adverse effect on our results of operations. Our e-commerce businesses and their continued growth subject us to certain risks that could have an adverse effect on our results of operations, including: • diversion of traffic from our stores; • increased e-commerce competition; • liability for online content; • government regulation of the Internet; and • risks related to the computer systems that operate our e-commerce websites and related support systems, including computer viruses, electronic data theft and similar disruptions. Our sales could be adversely affected by any disruption or downtime caused by the integration of new software or software upgrades. In addition, any data loss caused by such integration or upgrade could have a material adverse effect on our financial condition and results of operations. As we expand our e-commerce operations, we face the risk of increased losses from credit card fraud. We do not carry insurance against the risk of credit card fraud, so under current credit card practices, we may be liable for fraudulent credit card transactions even though the associated financial institution has approved payment of the orders. If we are unable to deter or control credit card fraud, or if credit card companies require more burdensome terms or refuse to accept credit card charges from us, our net income could be reduced. A breach of our e-commerce security measures could also reduce demand for our services, and expose us to potential liabilities. In addition, to the extent the threat of such attempted attacks and the sophistication thereof grows, we may be required to devote additional resources to preventative measures.

~~Our e-commerce operations may also subject us to taxation in jurisdictions where we currently do not collect sales and other similar taxes. See “We could be required to collect additional sales taxes or be subject to other tax liabilities that may increase the costs our customers would have to pay for our products and adversely affect our operating results” above.~~ In addition, we rely upon email distributions to advertise our stores and e-commerce businesses and use various data-mining techniques to effectively target these emails. Spam filters or other blocking applications designed to enable consumers to limit incoming email from advertisers may inhibit our ability to effectively reach large audiences of existing and potential customers via email. This may adversely affect our ability to generate new business and acquire new customers. The debt outstanding under our revolving credit facility has a variable rate of interest that may increase our cost of borrowing in the future. We maintain a senior secured asset-backed revolving credit facility for which Wells Fargo, National Association, is agent (the “Wells Fargo Revolver”), and the any debt outstanding thereunder bears interest at a variable rate of interest, and we may also incur additional debt in the future which rely on variable interest rates. Increases in these variable rates have occurred and may continue in the future, which increases our interest costs, which would likely reduce our cash flows.

~~As of March 29, 2025, the discontinuation of the London Interbank Offered Rate, or LIBOR, beginning in 2021-2025, our variable rate we did not have any outstanding indebtedness under the Wells Fargo Revolver. We may incur debt is currently indexed to the Secured Overnight Financing Rate, or SOFR. SOFR is a relatively new reference rate, has a very limited history and is based on short-term repurchase agreements, backed by Treasury securities. Changes in SOFR can be volatile and difficult to predict, and there can be no assurance that SOFR will perform similarly to the way LIBOR would have performed at any time.~~ **As of March 30, 2024, we did not have any outstanding indebtedness under the Wells Fargo Revolver. We may incur debt in the future under the Wells Fargo Revolver. Our obligation to pay interest under the Wells Fargo Revolver will reduce our available cash flow, limiting our flexibility to respond to changing business and economic conditions and increasing any additional borrowing costs.** As a result, the amount of interest we may pay on indebtedness is difficult to predict.

Our revolving credit facility contains restrictions and limitations that could significantly impact our ability to operate our business. The Wells Fargo Revolver contains covenants that, among other things, may, under certain circumstances, place limitations on the dollar amounts paid or other actions relating to: • payments in respect of, or redemptions or acquisitions of, debt or equity issued by Boot Barn or its subsidiaries, including the payment of dividends on our common stock; • incurring additional indebtedness; • incurring guarantee obligations; • creating liens on assets; • entering into sale and leaseback transactions; • making investments, loans or advances; • entering into hedging transactions; • engaging in mergers, consolidations or sales of all or substantially all of their respective assets; and • engaging in certain transactions with affiliates. In addition, the Company is required to satisfy a certain fixed charge coverage financial ratio as set forth in this agreement during such times as a covenant trigger event under this agreement shall exist. Our ability to satisfy this financial ratio, if in effect, will depend on our ongoing financial and operating performance, which in turn will be subject to economic conditions and to financial, market and competitive factors, many of which are beyond our control. Our ability to comply with this ratio in future periods will also depend on our ability to successfully implement our overall business strategy and realize contemplated synergies.

~~Various risks, uncertainties and events beyond our control could affect our ability to comply with the covenants contained in our current credit facility. Failure to comply with any of these covenants could result in a default under the Wells Fargo Revolver and under other agreements containing cross-default provisions. A default would permit lenders to accelerate the maturity of the revolving line of credit under this agreement and to foreclose upon any collateral securing the debt. Under these circumstances, we might not have sufficient funds or other resources to satisfy all of our obligations. In addition, the limitations imposed by financing agreements on our ability to incur additional debt and to take other actions might significantly impair our ability to obtain other financing.~~ **Our leverage may reduce our cash flow available to grow our business. As of March 30, 2024, we did not have any outstanding indebtedness under the Wells Fargo Revolver. We may incur debt in the future under the Wells Fargo Revolver. Our obligation to pay interest under the Wells Fargo Revolver will reduce our available cash flow, limiting our flexibility to respond to changing business and economic conditions and increasing any additional borrowing costs.** New accounting guidance or changes in the interpretation or application of existing accounting guidance could adversely affect our financial performance. The implementation of new accounting standards could require certain systems, internal processes and controls and other changes that could increase our operating costs and result in changes to our financial statements. U. S. generally accepted accounting principles and related accounting pronouncements, implementation guidelines and interpretations with regard to a wide range of matters that are relevant to our business involve many subjective assumptions, estimates and judgments by our management. Changes in these rules or their interpretation or in underlying management assumptions, estimates or judgments could significantly change our reported or expected financial performance. The outcome of such changes could include litigation or regulatory actions which could adversely affect our

financial condition and results of operations. Use of social media may adversely impact our reputation or subject us to fines or other penalties. ~~The use of social~~ **Social** media platforms, including blogs, social media websites and other forms of internet-based communication, **provide which allow individuals** access to a broad audience of consumers and other interested persons ; ~~has become commonplace~~. Negative commentary regarding us or the brands that we sell may be posted on social media platforms or similar devices at any time and may harm our reputation or business. Consumers value readily available information concerning retailers and their goods and services and often act on such information without further investigation and without regard to its accuracy. The harm may be immediate without affording us an opportunity for redress or correction. In addition, social media platforms provide users with access to such a broad audience that collective action against our stores, such as boycotts, can be more easily organized. If such actions were organized, we could suffer reputational damage as well as physical damage to our stores and merchandise. We also use social media platforms as marketing tools. For example, we maintain Facebook, Instagram, and ~~Twitter~~ **X** accounts. As laws and regulations rapidly evolve to govern the use of these platforms and devices, the failure by us, our employees or third parties acting at our direction to abide by applicable laws and regulations in the use of these platforms and devices could adversely impact our business, financial condition and results of operations or subject us to fines or other penalties. Our sales can significantly fluctuate based upon shopping seasons, which may cause our results of operations to fluctuate disproportionately on a quarterly basis. Because of a traditionally higher level of sales during the Christmas shopping season, our sales are typically higher in the third fiscal quarter than they are in the other fiscal quarters. We also incur significant additional costs and expenses during our third fiscal quarter due to increased staffing levels and higher purchase volumes. Accordingly, the results of a single fiscal quarter should not be relied on as an indication of our annual results or future performance. In addition, any factors that harm our third fiscal quarter results of operations could have a disproportionate effect on our results of operations for the entire fiscal year. We buy and stock merchandise based upon seasonal weather patterns and therefore unseasonable or extreme weather could negatively impact our sales, financial condition and results of operations. We buy and stock merchandise for sale based upon expected seasonal weather patterns. If we encounter unseasonable weather, such as warmer winters or cooler summers than would be considered typical, these weather ~~variations~~ **variations** could cause some of our merchandise to be inconsistent with what consumers wish to purchase, causing our sales to decline. In addition, weather conditions affect the demand for our products, which in turn has an impact on prices. In past years, weather conditions, including unseasonably warm weather in winter months, and extreme weather conditions, including snow and ice storms, flood and wind damage, hurricanes, tornadoes, extreme rain and droughts, have affected our sales and results of operations both positively and negatively. Furthermore, extended unseasonable ~~weather~~ **weather** conditions, particularly in California or Texas, will likely have a greater impact on our sales because of our store concentration in those regions. Our strategy is to remain flexible and to react to unseasonable and extreme weather conditions by adjusting our merchandise assortments and redirecting inventories to stores affected by the weather conditions. Should such a strategy not be effective, unseasonable or extreme weather may have a material adverse effect on our financial condition and results of operations. Litigation costs and the outcome of litigation could have a material adverse effect on our business. Our business is characterized by a high volume of customer traffic and by transactions involving a wide variety of product selections, each of which exposes us to a high risk of consumer litigation. From time to time we may be subject to litigation claims through the ordinary course of our business operations regarding, but not limited to, employment matters, compliance with the Americans with Disabilities Act of 1990, footwear, apparel and accessory safety standards, security of customer and employee personal information, contractual relations with suppliers **or landlords**, marketing and infringement of trademarks and other intellectual property rights. Litigation to defend ourselves against claims by third parties, or to enforce any rights that we may have against third parties, may be necessary, which could result in substantial costs and diversion of our resources, causing a material adverse effect on our business, financial condition, results of operations or cash flows. Our failure to maintain adequate internal controls over our financial and management systems may cause errors in our financial reporting. These errors may cause a loss of investor confidence and result in a decline in the price of our common stock. Our public company reporting obligations and our anticipated growth may place additional burdens on our financial and management systems, internal controls and employees. As a public company, we are required to maintain internal control over financial reporting. Pursuant to Section 404 of the Sarbanes-Oxley Act, we are required to file a report by management on the effectiveness of our internal control over financial reporting. Maintaining internal controls is time consuming and costly. If we identify any material weaknesses or deficiencies that aggregate to a material weakness in our internal controls, we will have to implement appropriate changes to these controls, which may require specific compliance training for our directors, officers and employees, require the hiring of additional finance, accounting, legal and other personnel, entail substantial costs to modify our existing accounting systems and take a significant period of time to complete. Such changes may not, however, be effective in maintaining the adequacy of our internal controls, and any failure to maintain that adequacy, or consequent inability to produce accurate financial statements on a timely basis, could increase our operating costs and could materially impair our ability to operate our business. If we are unable to maintain effective internal control over financial reporting, including because of an inability to remediate any such material weakness, or if our management is unable to report that our internal control over financial reporting is effective when required, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock could be negatively affected. As a result, our failure to maintain effective internal controls could result in us being subject to regulatory action and a loss of investor confidence in the reliability of our financial statements, both of which in turn could cause the market value of our common stock to decline and affect our ability to raise capital. If we fail to obtain and retain high-visibility sponsorship or endorsement arrangements with celebrities, or if the reputation of any of the celebrities that we partner with is impaired, our business may suffer. A component of our marketing program is to partner with well-known country music artists and other celebrities for sponsorship and endorsement arrangements. Although we have partnered with several well-known celebrities in this manner, some of these persons may not continue their endorsements, may not continue to succeed in

their fields or may engage in activities which could bring disrepute on themselves and, in turn, on us and our brand **image** **30image** and products. We also may not be able to attract and partner with new celebrities that may emerge in the future. Competition for endorsers is significant and adverse publicity regarding us or our industry could make it more difficult to attract and retain endorsers. Any of these failures by us or the celebrities that we partner with could adversely affect our business and revenues. **28We-We** may be subject to liability if we, or our suppliers, infringe upon the intellectual property rights of third parties. We may be subject to claims that our activities or the products that we sell infringe upon the intellectual property rights of others. Any such claims can be time consuming and costly to defend, and may divert our management's attention and resources, even if the claims are meritless. If we were to be found liable for any such infringement, we could be required to enter into costly settlements or license agreements and could be subject to injunctions preventing further infringement. Such infringement claims could harm our brand image. In addition, any payments that we are required to make and any injunction with which we are required to comply as a result of such infringement actions could adversely affect our financial results. We purchase merchandise from suppliers that may be subject to design copyrights or design patents, or otherwise may incorporate protected intellectual property. We are not involved in the manufacture of any of the merchandise we purchase from our suppliers for sale to our customers, and we do not independently investigate whether these suppliers legally hold intellectual property rights to merchandise that they are manufacturing or distributing. As a result, we rely upon the suppliers' representations set forth in our purchase orders and supplier agreements concerning their right to sell us the products that we purchase from them. If a third party claims to have licensing rights with respect to merchandise we purchased from a supplier, or if we acquire unlicensed merchandise, we could be obligated to remove such merchandise from our stores, incur costs associated with destruction of such merchandise if the distributor or supplier is unwilling or unable to reimburse us and be subject to liability under various civil and criminal causes of action, including actions to recover unpaid royalties and other damages and injunctions. Any of these results could harm our brand image and have a material adverse effect on our business and growth. If we are unable to protect our intellectual property rights, our financial results may be negatively impacted. Our success depends in large part on our brand image. Our name, logo, domain names and our exclusive brands and other intellectual property are valuable assets that differentiate us from our competitors. We currently rely on a combination of copyright, trademark, trade dress and unfair competition laws to establish and protect our intellectual property rights, but the steps taken by us to protect our proprietary rights may be inadequate to prevent infringement of our trademarks and proprietary rights by others, including imitation and misappropriation of our brand. Additional obstacles may arise as we expand our product lines and geographic scope. Moreover, litigation may be necessary to protect or enforce these intellectual property rights, which could result in substantial costs and diversion of our resources, causing a material adverse effect on our business, financial condition, results of operations or cash flows. The unauthorized use or misappropriation of our intellectual property or our failure to protect our intellectual property rights could damage our brand image and the goodwill we have created, which could cause our sales to decline. We have not registered any of our **trademarks in intellectual property outside of the U. S. with and the other countries where our products** exception of the Boot Barn tradenames which are **manufactured** registered in China and Hong Kong / or sold. **Our ability to prevent** other companies from using our **other** trademarks in foreign countries **-Use of is subject to these-- the other legal frameworks of such foreign countries and we may be unable to prevent such use. Such use of our** trademarks in foreign countries could negatively impact our identity in the U. S. and cause our sales to decline. Union attempts to organize our employees could negatively affect our business. Currently, none of our employees are represented by a union. However, if some or all of our workforce were to unionize and the terms of the collective bargaining agreement were significantly different from our current compensation arrangements, it could increase our costs and adversely impact our profitability. Moreover, participation in labor unions could put us at increased risk of labor strikes and disruption of our operations. Responding to unionization attempts may distract management and our workforce. Any of these changes could adversely affect our business, financial condition, results of operations or cash flows. **Issues-31Issues** with merchandise safety could damage our reputation, sales and financial results. Various governmental authorities in the jurisdictions where we do business regulate the safety of the merchandise **that** we sell to consumers. Regulations and standards in this area, including those related to the U. S. Consumer Product Safety Improvement Act of 2008, state regulations like California's Proposition 65, and similar legislation, **29impose-- impose** restrictions and requirements on the merchandise we sell in our stores and through our e-commerce websites. These regulations change from time to time as new federal, state or local regulations are enacted. If we or our vendors are unable to comply with regulatory requirements on a timely basis or at all, significant fines or penalties could be incurred or we could have to curtail some aspects of our sales or operations, which could have a material adverse effect on our business, financial condition, results of operations or cash flows. We rely on our vendors to provide quality merchandise that complies with applicable product safety laws and other applicable laws, but they may not comply with their obligations to do so. Although our arrangements with our vendors frequently provide for **our** indemnification for product liabilities, the vendors may fail to honor those obligations to an extent we consider sufficient or at all. Issues with the safety of merchandise or customer concerns about such issues, regardless of our fault, could cause damage to our reputation and could result in lost sales, uninsured product liability claims or losses, merchandise recalls and increased costs, and regulatory, civil or criminal fines or penalties, any of which could have a material adverse effect on our business, financial condition, results of operations or cash flows. Violations of or changes in laws, including employment laws and laws related to our merchandise, could make conducting our business more expensive or change the way we do business. We are subject to numerous regulations, including labor and employment, customs, truth-in-advertising, consumer protection, environmental and occupational safety requirements and zoning and occupancy laws and ordinances that regulate retailers generally, that govern the importation, promotion and sale of merchandise and / or that regulate the operation of stores and distribution centers. If these regulations were violated by our management, employees or suppliers, the costs of certain goods could increase, or we could experience delays in shipments of our goods, be subject to fines or penalties or suffer reputational harm, which could reduce

demand for our merchandise and hurt our business and results of operations. Similarly, changes in laws could make operating our business more expensive or require us to change the way we do business. In addition, changes in product safety or other consumer protection laws could lead to increased costs for certain merchandise, or additional labor costs associated with readying merchandise for sale. It may be difficult for us to foresee regulatory changes impacting our business and our actions needed to respond to changes in the law could be costly and may negatively impact our operations. We may engage in strategic transactions that could negatively impact our liquidity, increase our expenses and present significant distractions to our management. We have made strategic acquisitions in the past and may in the future consider strategic transactions and business arrangements, including, but not limited to, acquisitions, asset purchases, partnerships, joint ventures, restructurings, divestitures and investments. The success of such a transaction is based on our ability to make accurate assumptions regarding the valuation, operations, growth potential, integration and other factors relating to the respective business. Acquisitions may result in difficulties in assimilating acquired companies and may result in the diversion of our capital and our management's attention from other business issues and opportunities. We may be unable to successfully integrate operations that we acquire, including their personnel, financial systems, distribution, operations and general operating procedures. Any such transaction may require us to incur non-recurring or other charges, may increase our near- and long-term expenditures and may pose significant integration challenges or disrupt our management or business, which could harm our operations and financial results. **32** **The impact of war, acts of terrorism or, mass casualty events, social unrest, civil disturbance or disobedience could have a material adverse impact on our business. The impact of war, acts of terrorism, mass casualty events, social unrest could negatively affect, civil disturbance or business disobedience and the associated heightened security measures taken in response to these events have disrupted commerce. Further events of this nature, domestic or abroad, including international and domestic unrest and the ongoing conflicts between Russia and Ukraine or in the Middle East, may disrupt commerce and undermine consumer confidence and consumer spending by causing a decline in traffic, store closures and a decrease in digital demand adversely affecting our operating results. Furthermore, Terrorist terrorist attacks, threats of terrorist attacks or civil unrest involving public areas could cause people to avoid visiting some areas where our stores are located. Further, armed conflicts or acts of war throughout the world may create uncertainty, causing consumers to spend less on discretionary purchases, including on footwear, apparel and accessories, or disrupt our ability to obtain merchandise for our stores and e-commerce websites. Such decreases in consumer spending or disruptions in our ability to obtain merchandise would likely decrease our sales and materially adversely affect our financial condition and results of operations.** **30** **If our goodwill, intangible assets or long-lived assets become impaired, we may be required to record a significant charge to earnings. We have a significant amount of goodwill and indefinite-lived intangible assets. Our goodwill balance as of March 30-29, 2024-2025 was \$ 197. 5 million. Our intangible asset balance as of March 30-29, 2024-2025 was \$ 58. 7 million. We test goodwill and intangible assets for impairment at least annually or more frequently if indicators of impairment exist. Long-lived assets are tested for impairment only if indicators of impairment exist, such as significant negative industry or general economic trends. Goodwill, intangible assets and long-lived assets are considered to be impaired when the net book value of the asset exceeds its estimated fair value. An impairment of a significant portion of our goodwill, intangible assets or long-lived assets could materially adversely affect our financial condition and results of operations.** **Risks Related to Ownership of Our Common Stock** The market price and trading volume of our common stock have been and may continue to be volatile, which could result in rapid and substantial losses for our stockholders, who may lose all or part of their investment. The market for specialty retail stocks can be highly volatile. Since our IPO in October 2014 through May 2024-2025, our common stock has traded as high as \$ 134-176 . 50-64 and as low as \$ 5. 20. An active, liquid and orderly market for our common stock may not be sustained, which could depress the trading price of our common stock or cause it to be highly volatile or subject to wide fluctuations. The market price of our common stock has and may continue to fluctuate or may decline significantly in the future and you could lose all or part of your investment. Some of the factors that could negatively affect our share price or result in fluctuations in the price or trading volume of our common stock include: • variations in our quarterly or annual financial results and operating performance and the performance of our competitors; • publication of research reports or recommendations by securities or industry analysts about us, our competitors or our industry, or a lack of such securities analyst coverage; • our failure or our competitors' failure to meet analysts' projections or guidance; • downgrades by any securities analysts who follow our common stock; • our levels of same store sales; • sales or anticipated sales of large blocks of our common stock; • changes to our management team; **33** • regulatory developments negatively affecting our industry; • changes in stock market valuations of our competitors; • the development and sustainability of an active trading market for our common stock; • the public's response to press releases or other public announcements by us or third parties, including our filings with the SEC; • the performance and successful integration of any new stores that we open or acquire; • actions by competitors; • announcements by us or our competitors of new product offerings or significant acquisitions; **31** • short selling of our common stock by investors; • limited "public float" in the hands of a small number of persons whose sales or lack of sales of our common stock could result in positive or negative pricing pressure on the market price for our common stock; • fluctuations in the stock markets generally and in the market for shares in the retail sector particularly; and • changes in general market and economic conditions, including as a result of other geopolitical conditions, such as the ongoing **conflict-conflicts** between Russia and the Ukraine **or in the Middle East**. Further, securities class action litigation has often been initiated against companies following periods of volatility in their stock price. This type of litigation, should it materialize, could result in substantial costs and divert our management's attention and resources, and could also require us to make substantial payments to satisfy judgments or to settle litigation. The threat or filing of class action litigation could cause the price of our common stock to decline. Anti-takeover provisions in our corporate organizational documents and current credit facility and under Delaware law may delay, deter or prevent a takeover of us and the replacement or removal of our management, even if such a change of control would benefit our stockholders. The anti-takeover provisions under Delaware law, as well as the provisions

contained in our corporate organizational documents, may make an acquisition of us more difficult. For example: ● our amended and restated certificate of incorporation includes a provision authorizing our board of directors to issue blank check preferred stock without stockholder approval, which, if issued, would increase the number of outstanding shares of our capital stock and make it more difficult for a stockholder to acquire us; ● our amended and restated bylaws provide that director vacancies and newly created directorships can only be filled by an affirmative vote of a majority of directors then in office; ● our amended and restated bylaws require advance notice of stockholder proposals and director nominations; ● our amended and restated certificate of incorporation provides that our board of directors may adopt, amend, add to, modify or repeal our amended and restated bylaws without stockholder approval; **34** ● our amended and restated bylaws do not permit our stockholders to act by written consent without a meeting unless that action is taken with regard to a matter that has been approved by our board of directors or requires the approval only of certain classes or series of our stock; ● our amended and restated certificate of incorporation contains a requirement that, to the fullest extent permitted by law, certain proceedings against or involving us or our directors, officers or employees must be brought exclusively in the Court of Chancery of the State of Delaware unless we consent in writing to an alternative forum; ● our amended and restated bylaws do not permit our stockholders to call special meetings; and ● the General Corporation Law of the State of Delaware, ~~or the DGCL,~~ may prevent any stockholder or group of stockholders owning at least 15 % of our common stock from completing a merger or acquisition of us. **32-Our current credit facility also contains provisions that could have the effect of making it more difficult or less attractive for a third party to acquire control of us. Our current credit facility provides that a change of control constitutes an event of default under such credit facility and would permit the lenders to declare the indebtedness incurred thereunder to be immediately due and payable. Our future credit facilities may contain similar provisions. The need to repay all such indebtedness may deter potential third parties from acquiring us. Under these various provisions in our amended and restated certificate of incorporation, amended and restated bylaws and current credit facility, a takeover attempt or third- party acquisition of us, including a takeover attempt that may result in a premium over the market price for shares of our common stock, could be delayed, deferred or prevented. In addition, these provisions may prevent the market price of our common stock from increasing in response to actual or rumored takeover attempts and may also prevent changes in our management. As a result, these anti- takeover and change of control provisions may limit the price that investors are willing to pay in the future for shares of our common stock. If securities or industry analysts do not publish research and reports or publish inaccurate or unfavorable research and reports about our business, the price and trading volume of our common stock could decline. The trading market for our common stock is influenced by the research and reports that securities or industry analysts publish about us or our business. If securities or industry analyst coverage of one or more of the analysts who covers us downgrades our common stock or publishes inaccurate or unfavorable research about our business, the price of our common stock would likely decline. If one or more of these analysts ceases coverage of us or fails to publish reports on us regularly, demand for our common stock could decrease, which could cause the price of our common stock and trading volume to decline. We do not currently intend to pay cash dividends on our common stock, which may make our common stock less desirable to investors and decrease its value. Although we regularly evaluate our capital structure and opportunities to create value for our shareholders, we currently intend to retain all of our available funds for use in the operation and expansion of our business and do not anticipate paying any cash dividends on our common stock for the foreseeable future. Any future determination to pay cash dividends on our common stock will be at the discretion of our board of directors and will depend upon many factors, including our financial condition, results of operations and liquidity, legal requirements and restrictions that may be imposed by the terms of our current credit facility and in any future financing instruments. Therefore, you may only receive a return on your investment in our common stock if the market price increases above the price at which you purchased it, which may never occur. Our business could be impacted as a result of actions by activist stockholders or others. We may be subject, from time to time, to legal and business challenges in the operation of our company due to actions instituted by activist shareholders or others. Responding to such actions, which may include private engagement, publicity campaigns, proxy contests, efforts to force transactions not supported by our board, and litigation, could be 35**