

## Risk Factors Comparison 2025-03-20 to 2024-03-21 Form: 10-K

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

Strategic Risks That May Affect Our Business We may not be successful in executing our long- term strategy and growing our market share. For us to be successful in the future and maintain growth, we must be able to **grow** ~~continue increasing~~ our share of the big & tall men' s apparel market. Our growth is dependent on our ability to continue to build upon our DXL brand, maintain our existing customers and attract new customers. We have developed and are implementing long- term strategic initiatives to grow our business, **but the timeline of these initiatives is dependent, to a degree, on overall market conditions**. Our failure to execute our **long- term** strategy successfully could prevent **or delay** us from growing our market share, which could have a material adverse effect on our results of operations, cash flows and financial position, including if we **were are** unable to: • grow our store portfolio; • ~~develop an effective modern marketing program to build brand awareness~~ **to drive as well as increase** ~~increased~~ store and online traffic, ~~attract customers across all channels, and grow sales~~; • build successful collaborations and alliances, similar to our ~~alliance~~ **alliances** with UNTUCKit **and Nordstrom**; • grow our DXL digital business; • **maintain a** ~~launch an upgraded~~, state- of- the- art website; • predict and respond to fashion trends, while offering our customers a broad selection of merchandise in an extended selection of sizes; • grow our existing customer base; • hire qualified store management and store associates; • grow and then sustain the number of transactions, units- per- transaction and share of wallet; and • operate at appropriate operating margins. Our marketing programs and efforts to drive traffic and convert that traffic into an increased loyal customer base are critical to achieving market share growth within the big & tall men' s apparel market and may not be successful. Our ability to increase our share of the big & tall men' s apparel market is largely dependent on effectively marketing our brand and merchandise to all of our target customers in several diverse market segments so that they will become loyal shoppers who spend a greater portion of their wallets on our product offerings. In order to grow our market share, we depend on the success of our marketing and advertising in a variety of ways, including streaming media advertising, advertising events, our loyalty program, direct mail, and digital marketing, including social media and customer prospecting. Our business is directly impacted by the success of these efforts and those of our vendors. Future marketing efforts by us, our vendors or our other licensors, may be more costly than prior years and, if not successful, may negatively affect our ability to meet our sales goals and gain market share. ~~As part of our long- term strategy, we are planning to increase the amount that we expect to spend annually on our marketing efforts over the next few fiscal years, with marketing costs for fiscal 2024 expected to increase to 7.0%–7.5% of sales. There can be no assurance that our long- term strategy and the increased investment in marketing will grow our business or build brand awareness.~~ If our marketing campaigns **and strategies** are unable to drive traffic to our stores and website, the marketing costs incurred will have a negative impact on the Company' s profitability. Our direct business is a ~~significant~~ component of our growth strategy, and the failure to develop our digital infrastructure could disrupt our business and negatively impact our sales. We have made significant investments in capital spending and labor to develop our direct channels and increased investments in digital marketing to attract new customers. The growth of our overall sales is dependent on customers' continuing to expand their online purchases in addition to in- store purchases. While it is our objective to continue to grow this business, there can be no assurance that this growth will continue or be sustainable. Our success in growing our direct business will depend in part upon our development of an increasingly sophisticated e- commerce experience and infrastructure. Increasing sophistication requires that we provide additional website features, functionality and messaging in order to be competitive in the marketplace and maintain market share. ~~We continually~~ **By the end of fiscal 2024, we were in the final stages of launching our new** ~~update~~ **updated e- commerce platform. There can be no assurance that this change will drive additional traffic and conversion** ~~our- or that website features, but we cannot predict future trends and required functionality or our~~ ~~our adoption rate for customer~~ **customers** ~~preferences will~~ **respond positively to the changes**. In addition, we are vulnerable to additional risks and uncertainties associated with e- commerce sales, including security breaches, cyber- attacks, consumer privacy concerns, changes in state tax regimes and government regulation of internet activities. Our failure to respond to these risks and uncertainties appropriately could reduce our direct sales, increase our costs and diminish our growth prospects, which could negatively affect our operating results. If we are unable to develop and implement our integrated commerce initiatives successfully, our market share and financial results could be adversely affected. Our customer' s shopping behavior continues to evolve across multiple channels and we are working to meet his needs, with real time store inventory visibility, our mobile app, and BOPIS (buy online pick- up in stores). We consider ourselves a customer- centric integrated commerce retailer, and we continue to make ongoing investments in our information technology systems to support these evolving capabilities. Integrated commerce is rapidly evolving and our success depends on our ability to anticipate and implement innovations in sales and marketing technology and logistics in order to appeal to existing and potential customers who increasingly rely on multiple channels to meet their shopping needs. ~~Our~~ ~~In addition,~~ ~~our~~ competitors are also investing in these initiatives, some of which may be more successful than our initiatives. If the investment in our integrated commerce initiatives is not successful, **if** our systems are unable to support such initiatives, or if our competitors are more successful, our financial results and our market penetration may be adversely affected. Our business may be adversely affected if we are unable to manage and grow our store portfolio successfully. We lease all of our store locations. Renewing and renegotiating these leases at acceptable lease terms is critical to the profitability of our stores. ~~We~~ ~~While we~~ worked closely with our landlords to renegotiate and restructure a majority of our lease portfolio from the onset of the **COVID-19** pandemic; **however**, ~~there still may~~ **many of these renegotiated lease terms have renewed or are due** ~~be certain stores that may not be profitable and we may not be able to renew existing agreements~~ **at higher rates than we had during the**

**COVID-19 pandemic.** We will continue **to evaluate our renegotiate terms to optimize a store's portfolio to optimize store profitability.** As part of that evaluation, we may choose not to renew certain lease locations **when the opportunity arises.** One of our long-term strategic initiatives is to grow our store portfolio over the next several years and we have identified multiple white space opportunities in new or underpenetrated markets. We are also actively reviewing opportunities to relocate or convert the majority of our remaining Casual Male XL stores to DXL. If we are unable to find locations or obtain favorable lease terms, we may not be able to grow or maintain our current store base and the lack of store growth could negatively affect our ability to ~~growth~~ **grow** revenue and market share. **Depending on market conditions and our Company's performance, the pace at which we open store locations may have to be slowed or paused.** Operational Risks That May Affect Our Business. Our business may be adversely affected due to disruptions in the global supply chain. Disruptions in the global supply chain in foreign ports, the impact of climate change and shortages of vessels and shipping containers may impact our ability to import inventory in a timely manner. ~~Instability~~ **Recent events** in the Middle East ~~has have~~ made accessing the Suez Canal a risk, thereby prompting vessels to avoid this route, which adds time and cost. **Drought has left water levels lower than ever forcing Panama to reduce the volume of ships passing through the Panama Canal, leading to delays and increased shipping costs.** In addition, ~~statements from the current administration regarding potential~~ **ongoing war in Ukraine may cause additional** tariffs, sanctions, import / export restrictions and future actions **that** may have a negative impact on the supply chain and may limit the availability of certain raw materials and result in an increase of associated cost. ~~In~~ **Furthermore, in** the event that commercial transportation is curtailed or substantially delayed, we may not be able to maintain adequate inventory levels of important merchandise on a consistent basis, which would negatively impact our sales and potentially erode the confidence of our customer base, leading to loss of sales and an adverse impact on our results of operations. Furthermore, we may continue to incur incremental freight costs ~~which could negatively harm our gross margin rates.~~ **The recent discussion of tariffs on various products by the United States and other countries may create greater uncertainty with respect to trade policies and government regulations affecting trade between the United States and** The loss of, or disruption in, our centralized distribution center could negatively impact our business and operations. The majority of our merchandise for our stores and e-commerce operations is received into our centralized distribution center in Canton, Massachusetts, where it is then processed, sorted and shipped to our stores or directly to our customers. We depend in large part on the orderly operation of this receiving and distribution process, which depends, in turn, on adherence to shipping schedules and effective management of the distribution center. Although we believe that our receiving and distribution process is efficient and well-positioned to support our strategic plans, events beyond our control, such as disruptions in operations due to fire or other catastrophic events, employee matters or shipping problems, labor shortages, severe weather, the impact of climate change or disruptions in our distribution center, could result in delays in the delivery of merchandise to our stores or directly to our customers. With all of our management information systems centralized in our corporate headquarters, any disruption or destruction of our system infrastructure could materially affect our business. This type of disaster would be mitigated by our offsite storage and disaster recovery plans, but we would still incur business interruption that may impact our business for a significant period of time. Although we maintain business interruption and property insurance, we cannot be sure that our insurance will be sufficient ~~or that insurance proceeds will be timely paid to us~~ **in the event that** our distribution center is shut down for any reason or ~~if we incur higher costs and longer lead times in connection with a disruption relating to our distribution center.~~ **Our business may be adversely affected..... could negatively harm our gross margin rates.** We are dependent on third parties ~~to for the~~ **to** manufacture of the merchandise **that** we sell. We do not own or operate any manufacturing facilities and are therefore entirely dependent on third parties to manufacture the merchandise we sell. Without adequate supplies of merchandise to sell to our customers in the merchandise styles and fashions demanded by our particular customer base, sales would decrease materially and our business would suffer. We are dependent on these third parties' ability to fulfill our merchandise orders and meet our delivery terms. In the event that manufacturers are unable or unwilling to ship products to us in a timely manner or continue to manufacture products for us, we would have to rely on other current manufacturing sources or identify and qualify new manufacturers. We might not be able to identify or qualify such manufacturers for existing or new products in a timely manner and such manufacturers might not allocate sufficient capacity to us in order to meet our requirements. Our inability to secure adequate and timely supplies of private-label merchandise would negatively impact proper inventory levels, sales and gross margin rates, and ultimately, **our results of operations.** In addition, even if our current manufacturers continue to manufacture our products, they may not maintain adequate controls with respect to product specifications and quality and may not continue to produce products that are consistent with our standards. If we ~~were are~~ **were** forced to rely on manufacturers who produce products of inferior quality, then our brand and customer satisfaction would likely suffer which would negatively impact our business. These manufacturers may also increase the cost to us of the products we purchase from them. The United States Treasury Department has placed sanctions on China's Xinjiang Production and Construction Corporation ("XPCC") for serious human rights abuses against ethnic minorities in China's Xinjiang Uyghur Autonomous Region ("~~XUAR~~"). In addition, in January 2021, the ~~US U.S.~~ **US U.S.** Customs and Border Protection ("~~CBP~~") issued a Withhold Release Order on ~~Products~~ **products made made** in Xinjiang ~~region of China.~~ In response to the problems in Xinjiang, we developed a Compliance Certificate of Traceability for our cotton vendors. Although we prohibit our vendors from doing business with XPCC, we could be subject to penalties, fines or sanctions and our brand could be harmed if any of the vendors from which we purchase product is found to have done business, directly or indirectly, with XPCC. We work with a third-party audit vendor to ensure a responsible and ethical supply chain. We are and will continue to pursue our corporate responsibilities and create a positive effect on human rights as well as the environment. The Company publishes a Vendor Code of Conduct, which is a part of every agreement requiring compliance by the manufacturing facilities. If, despite third-party audits, the manufacturing facilities engage in workplace or human rights violations and we are unable to identify or correct it, it may negatively affect our business and harm our brand. Our business is highly competitive, and competitive factors may reduce our revenues and profit margins. The United States big & tall men's

apparel market is highly competitive with many national and regional department stores, mass merchandisers, specialty apparel retailers, discount stores and online retailers offering a broad range of apparel products similar to the products that we sell. Besides retail competitors, we consider any manufacturer of big & tall men's merchandise operating in outlet malls throughout the United States to be a competitor. It is also possible that another competitor, either a mass merchant or a men's specialty store or specialty apparel catalog, could gain market share in big & tall men's apparel due to more favorable pricing, locations, brand and fashion assortment and size availability. Many of our competitors and potential competitors may have substantially greater financial, manufacturing and marketing resources than we do. The presence in the marketplace of various fashion trends and the limited availability of shelf space also can affect competition. We may not be able to compete successfully with our competitors in the future and could lose market share. A significant loss of market share would adversely affect our revenues and results of operations. In addition, we maintain exclusivity arrangements with several of the brands that we carry. If we were to lose any of these exclusivity arrangements or brands altogether, our revenues may be adversely affected. Our business may be negatively impacted and we may be liable if third parties misappropriate proprietary information of our customers and breach our security systems. We may be harmed by security risks **that** we face in connection with our electronic processing and transmission of confidential customer information. The majority of our retail sales are settled through credit and debit card transactions. While our Board of Directors has a Cybersecurity and Data Privacy Committee **(the "Cyber Committee")** to oversee the monitoring and management of cyber risk and data privacy for our Company, and we have not had any security breaches to date, any breach could expose us to risks of loss, litigation, and liability and could adversely affect our operations **as well as**. **Any breach could also** cause our shoppers to stop shopping with us as a result of their lack of confidence in the security of their personally identifiable information, which could have a negative impact on our sales and profitability. We attempt to limit exposures to security breaches and sensitive customer data through the use of "tokenization" in connection with both in-store and online credit card transactions, which eliminates the storage of credit card numbers. Like many retailers, we have seen an increase in ~~cyberattack~~ **cyber-attack** attempts, predominantly through phishing and social engineering scams, and in particular, ransomware. While none of these attempts has been successful, there can be no assurance that our continued security measures will be effective or sufficient in the future. If third parties are able to penetrate our network security or otherwise misappropriate the personal information or credit card information of our customers, **or** if third parties gain unauthorized and improper access to such information, we could be subject to liability. **These Such liabilities liability** could include claims for unauthorized purchases with credit card information, impersonation or other similar fraud claims, or claims for other misuses of personal information, including unauthorized marketing purposes, and could ultimately result in litigation. Liability for misappropriation of this information could be significant. Further, if a third party were to use this proprietary customer information in order to compete with us, it could have a material adverse impact on our business and could result in litigation. **Our ability to operate and expand our business and to respond to changing business and economic conditions will depend depends** on the availability of adequate capital. The operation of our business, the rate of our expansion and our ability to respond to changing business and economic conditions ~~all~~ depend on the availability of adequate capital, which in turn depends on cash flow generated by our business and, if necessary, the availability of equity or debt capital. The amount that we are able to borrow and have outstanding under our credit facility at any given time is determined using an availability formula based on eligible assets. As a result, our ability to borrow is subject to certain risks and uncertainties, such as advance rates and the amount and quality of inventory, which could reduce the funds available to us under our credit facility. In addition, because of the disruptions in the supply chain, inventory levels may be lower than expected. This directly impacts our borrowing base and there can be no assurance that we can effectively manage the balance of maintaining inventory and sufficient availability, especially during peak selling periods. We cannot make assurances that our cash flow from operations or cash available under our credit facility will be sufficient to meet our needs. If we are unable to generate sufficient cash flows from operations in the future, we may have to obtain additional financing. If we incur additional indebtedness, that indebtedness may contain **significant** financial and other covenants that may significantly restrict our operations, **and** we cannot ensure **that** we would be able to obtain refinancing or that such additional financing would be on favorable terms. We may be unable to predict fashion trends and customer preferences successfully. Customer tastes and fashion trends are volatile and tend to change rapidly. Our success depends in large part upon our ability to predict effectively and respond to changing fashion tastes and consumer demands and to translate market trends to appropriate saleable product offerings. If we are unable to predict or respond to changing styles or trends successfully and misjudge the market for products or any new product lines, our sales will be impacted and we may be faced with a substantial amount of unsold inventory or missed opportunities. In response, we may be forced to rely on additional markdowns or promotional sales to dispose of excess, slow-moving inventory, which would decrease our revenues and margins. In addition, the failure to satisfy consumer demand, specifically in our DXL stores and from our website, could have serious ~~longer~~ **long**-term consequences **on our business**, such as an adverse impact on our brand value and the loss of market share to our competitors. The loss of any of our key trademarks or licenses could adversely affect demand for our products. We own and use a number of trademarks and operate under several trademark license agreements. We believe that certain of these trademarks have significant value and are instrumental in our ability to create and sustain demand for and to market our products. We cannot be certain that these trademarks and licensing agreements will remain in effect and enforceable or that any license agreements, upon expiration, can be renewed on acceptable terms or at all. In addition, any future disputes concerning these trademarks and licenses may cause us to incur significant litigation costs or force us to suspend use of the disputed trademarks. Fluctuations in the price, availability and quality of raw materials and finished goods could increase costs. Due to the **inflationary pressures** ~~aftermath of the COVID-19 pandemic, as well as the ban of Xinjiang cotton~~, we are seeing cost increases in labor, **occupancy** ~~and across~~ raw materials. We have secured raw materials in key item programs to reduce the impact on our gross margin. Fluctuations in the price, **the imposition of tariffs, the** availability and quality of fabrics or other raw materials used in the manufacturing of our merchandise could have a material adverse effect on our gross margin or on our

ability to meet our customers' demands. Several factors may affect our costs for raw materials including, among other things, demand, currency fluctuations, political instability, inflationary pressures, **tariffs**, fuel prices and weather, including the impact of global climate change. To the extent that we cannot offset these cost increases with other cost reductions or efficiencies, such **higher increased** costs will need to be passed on to our customers. Such increased costs could lead to reduced customer demand, which could have a material adverse effect on our results of operations and cash flow. If our long- lived assets become impaired, we may need to record significant non- cash impairment charges. Periodically, we review our long- lived assets for impairment whenever economic events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Specifically, if an individual store location is unable to generate sufficient future cash flows, we may be required to record a partial or full impairment of that store' s right- of- use assets and its property and equipment. In addition, significant negative industry or general economic trends, disruptions to our business and unexpected significant changes or planned changes in our use of the assets (such as store relocations or closures) may also result in impairment charges. **If any Due to the uncertainty that remains regarding the duration of the pandemic and its impact on our store locations, we may need to take additional impairment charges.** Any such impairment charges **are**, if significant, **it** could adversely affect our financial position and results of operations. **To to Environmental, Social And and Governance Issues** The effects of climate change may adversely impact our business. **There The is increasing** concern that a gradual rise in global average temperatures due to increased concentration of carbon dioxide and other greenhouse gases (" GHG") in the atmosphere **is very real and the belief that this** will cause significant changes in weather patterns **is widely held**. This **could appears to be result resulting** in an increase in the frequency, severity, and duration of extreme weather conditions and natural disasters, as well as water scarcity and poor water quality. These events could adversely impact the availability and price of cotton and other raw materials, **disrupt disrupting** the supply chain and our ability to secure merchandise. Further, extreme weather conditions caused by climate change could negatively impact our financial results if our retail locations are unable to open, customers are unable to travel or our distribution center is unable to fulfill orders or delivery inventory. These events could also create adverse economic conditions and impact consumer confidence and discretionary spending. As a result, the effects of climate change could have a long- term adverse impact on our business and results of operations. We are working to develop policies, standards and goals to help mitigate these risks, including working closely with our vendors and business partners to help identify such risks, develop standards and improve processes. We may be unable to achieve our environmental, social and governance **goals objectives**. We are committed to corporate social responsibility and sustainability, and we recognize the importance of environmental, social and governance (" ESG") issues. Our Sustainability **and Governance** Committee, comprising a cross- discipline of corporate management, has engaged with a third- party firm to assist us in the development of the Company' s ESG policies and initiatives. **Achievement of The ability to achieve** our **initiatives objectives** is subject to risks and uncertainties, and we may fail to achieve our objectives. We may also incur additional costs and require additional resources to implement such policies and initiatives. Our business is subject to evolving regulations and expectations with respect to **ESG environmental, social and governance** matters that may expose us to increased risks. An increased focus by local, state, regional, national, and international regulatory bodies on GHG emissions and climate change issues increases the risk to our business if we are unable to comply with the multiple and evolving policy changes. For example, in March 2024, the SEC adopted rules to enhance and standardize climate- related disclosures by public companies so that there is more consistent, comparable, and reliable information about the financial effects of climate- related risks on a public company' s operations and how it manages those risks. In addition, in October 2023, California enacted the Climate Corporate Data Accountability Act and the Climate Related Financial Risk Act that **will** require large public and private companies that do business within the state to disclose their Scopes 1, 2, and 3 GHG emissions, with third- party assurance of GHG emissions information for certain entities, and issue public reports on their climate- related financial risk and related mitigation measures. Investor advocacy groups, certain institutional investors, investment funds, other market participants, stockholders, and customers have focused increasingly on the ESG or sustainability practices of companies, including those associated with climate change. If our ESG practices do not meet investor or other industry stakeholder expectations and standards, which continue to evolve, our brand, reputation and employee retention may be negatively impacted **based on an assessment of our ESG practices**. Any disclosures **that** we make may include our policies and practices on a variety of social and ethical matters, including corporate governance, environmental compliance, employee health and safety practices, human capital management, product quality, supply chain management, and workforce inclusion and diversity. It is possible that stakeholders may not be satisfied with our **ESG environmental, social and governance** practices or the speed of their adoption. **We could also incur additional costs and require additional resources to monitor.** **General Risks That May Affect Our Business** Our business is seasonal and is affected by general political and economic conditions. Our business is seasonal. Historically, a significant portion of our operating income has been generated during our second and fourth quarters. If, for any reason, we miscalculate the demand for our products during these quarters, our sales in that quarter could decline, resulting in higher labor costs as a percentage of sales, lower margins and excess inventory, which could cause our annual operating results to suffer. Due to our seasonality, the possible adverse impact from such risks is potentially greater if any such risks occur during our second and fourth quarters. In addition, our operations may be negatively affected by local, regional or national political and economic conditions, such as levels of disposable consumer income, inflation, consumer debt, interest rates, consumer confidence and other macro issues. The volatile political environment, **including the upcoming U. S. presidential and congressional election in November 2024**, increases the chance of other legislative and regulatory changes at both the federal and state level that could affect us in ways we cannot predict. In addition, **about 46 % of the world' s population will be holding elections in 2024, the outcome of those elections may have long- term implications on global economies, conflicts, trade negotiations and policies that** may directly or indirectly affect our business. The global impact of **a health pandemic, similar to** the COVID- 19 pandemic **and its variants have had, and other global health pandemics** may have, an adverse effect on our business, financial results, liquidity, supply chain and workforce. The

COVID-19 pandemic and its variants caused global uncertainty and disruption and had a material impact on our business, predominately in fiscal 2020 and early fiscal 2021. Through fiscal 2023, but had the pandemic continued to have a lingering negative effect on the global economy that directly impacted our business, specifically as it related to the economy, rising interest rates, labor shortages, increased material costs, global supply chain issues, inflationary pressures, and changes in consumer spending behaviors beyond. Our business may be negatively impacted as it relates to the initial risk and uncertainty of a potential COVID-19 resurgence pandemic. With concerns about RSV, influenza, the measles, and avian flu in the new news, another variants or a new global health pandemic which could materially affect our financial results, access to sources of liquidity and inventory. Our success depends significantly on our key personnel and our ability to attract and retain additional personnel. Our future success is dependent on the personal efforts, performance and abilities of our key management, which includes our executive officers as well as members of our senior management. The loss of any of our senior management may result in a loss of organizational focus, poor operating execution, an inability to identify and execute strategic initiatives, an impairment in our ability to identify new store locations, and an inability to consummate possible acquisitions. The competition is intense for the type of highly skilled individuals with relevant industry experience that we require, and we may not be able to continue to attract and retain new employees of the caliber needed to achieve our objectives. Labor shortages or increases in labor costs due to new regulations could harm our business. Any Since the end of the pandemic, we have continued to experience labor shortages—shortage primarily, particularly those of which occur in our distribution facility and in our stores or. If such labor shortages continue, especially during peak-selling periods, it may negatively impact our ability to process inventory in a timely manner and effectively staff our stores. Because of the tight labor market, our hourly rates have increased to attract candidates. If we are unable to pass on these higher costs through price increases or reduced workforce hours, our margins and profitability may be adversely impacted, which could have a material adverse effect on our business, results of operations or financial condition. The Failure failure to comply with laws, rules and regulations could negatively affect our business operations and financial performance. Our business is subject to federal, state, and increasing local rules and regulations, such as state and local wage and hour laws, the U.S. Foreign Corrupt Practices Act, the Employee Retirement Income Security Act (“ERISA”), securities laws, import and export laws (including customs regulations), state privacy and information security regulations, unclaimed property laws, and many others. The effect of some Some of these laws and regulations may be to increase the cost of doing business and may have a material impact on our earnings. In addition, the complexity of the regulatory environment in which we operate and the related cost of compliance are both increasing due to legal and regulatory requirements and increased enforcement. We may also be subject to investigations or audits by governmental authorities and regulatory agencies, which can occur in the ordinary course of business or which can result from increased scrutiny from a particular agency towards an industry, country or practice. If we fail to comply with laws, rules and regulations or the manner in which they are interpreted or applied, we may be subject to government enforcement action, class action litigation or other litigation, damage to our reputation, civil and criminal liability, damages, fines and penalties, and increased cost costs of regulatory compliance, any of which could adversely affect our results of operations and financial performance.

Risks Related to Our Corporate Structure and Stock Our stock price has been and will likely continue to be volatile and fluctuate substantially. The market price of our common stock has been and will likely continue to fluctuate substantially as a result of many factors, some of which are beyond our control. For example, from September 8, 2021, when we relisted on the Nasdaq Global market, through February 2-1, 2024-2025, the reported price of our common stock has ranged from a low of \$ 3-2, 27-15 on July 1 December 19, 2022-2024, to a high of \$ 8.99 on November 17, 2021. Factors that could cause fluctuations in the market price of our common stock include the following:

- overall changes in the economy and general market volatility, including the effects of inflation and / or recession;
- news announcements regarding our quarterly or annual results of operations;
- quarterly comparable sales;
- acquisitions;
- competitive developments;
- governmental regulation (such as increased wage and paid benefits laws);
- litigation affecting us; or
- market views as to the prospects of the Company or the retail clothing industry generally.

Our certificate of incorporation, as amended, limits transfers of our common stock and may, along with state law, inhibit potential acquisition bids that could be beneficial to our stockholders. Our certificate of incorporation, as amended, contains provisions that restrict any person or entity from attempting to purchase our stock, without prior permission from the Board of Directors, to the extent that such transfer would (i) create or result in an individual or entity becoming a five-percent stockholder of our stock, or (ii) increase the stock ownership percentage of any existing five-percent stockholder. These provisions provide that any transfer that violates such provisions shall be null and void and would require the purported transferee, upon demand by us, to transfer the shares that exceed the five percent limit to an agent designated by us for the purpose of conducting a sale of such excess shares. These provisions would make the acquisition of our Company more expensive to the acquirer and could significantly delay, discourage, or prevent third parties from acquiring our Company without the approval of our Board of Directors. In addition, we are subject to certain provisions of Delaware law, which could also delay or make more difficult a merger, tender offer or proxy contest involving us. In particular, Section 203 of the Delaware General Corporation Law prohibits a Delaware corporation from engaging in certain business combinations with any interested stockholder for a period of three years unless specific conditions are met. In addition, certain provisions of Delaware law could have the effect of delaying, deferring or preventing a change in control of us our Company, including, without limitation, discouraging a proxy contest or making more difficult the acquisition of a substantial block of our common stock. The Such provisions could also limit the price that investors might be willing to pay in the future for shares of our common stock.