

Risk Factors Comparison 2025-02-26 to 2024-02-27 Form: 10-K

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You should carefully consider the risks described below and the other information contained in this report and other filings that we make from time to time with the SEC, including our consolidated financial statements and accompanying notes. Any of the following risks could materially and adversely affect our business, financial condition, results of operations or liquidity. These risks are not the only risks we face. Our business, financial condition, results of operations or liquidity could also be adversely affected by additional factors that apply to all companies generally or by risks not currently known to us or that we currently view to be immaterial. We can provide no assurance and make no representation that our risk mitigation efforts, although we believe they are reasonable, will be successful.

Risks Related to Our Business and Operations ~~The termination of our partnership with Walmart, including the transition period and other wind down activities, will have an impact on our business, revenues, profitability and cash flows, which impact could be material. Following receipt of notice of non-renewal by Walmart on July 20, 2023, our partnership with Walmart, which includes supplying and operating Vision Centers in select Walmart stores and arranging for the provision of optometric services at certain Walmart locations in California, ended effective as of February 23, 2024. Additionally, the agreements governing our provision of contact lens distribution and related services to Walmart and Sam's Club will terminate effective as of June 30, 2024 and the Company will also wind down its remaining AC Lens operations, including the closure of its Ohio distribution center, which largely supported the whole distribution and e-commerce contact lens services that we provided to Walmart and Sam's Club. The termination of the Walmart partnership and the wind down of AC Lens operations will result in a reduction of our revenues, profitability and cash flows, and therefore, will adversely affect our business, financial condition and results of operations, which could be material. In addition, in connection with the termination of these agreements, we recorded impairment charges of \$ 79.7 million for the year ended December 30, 2023, including \$ 60.1 million related to goodwill, \$ 9.1 million related to contracts and relationships, and \$ 10.5 million related to property & equipment, which adversely impacted our profitability during this period. Additional asset impairment charges may be possible as we further evaluate the effect of the termination on our business. Certain of these agreements include pre-termination transition and post-termination obligations of the parties, including a solicitation period for Walmart to offer employment or similar arrangements to certain associates and optometrists from specified Vision Centers. The transition period presents numerous risks and may cause disruption to these businesses including, without limitation, a potential reduction in sales, productivity and focus, and may make it harder to retain associates and optometrists, which in turn could adversely affect our financial condition and results of operations. The termination of the Walmart partnership and related wind down of AC Lens operations could negatively impact other parts of our business, including, without limitation, impairing our ability to attract and retain management, associates and optometrists, to compete for managed vision care contracts, to obtain favorable terms from vendors, or to generate cash to fund our business. While we are seeking to reduce costs and replace any lost business with new America's Best or Eyeglass World stores and by other means, including outsourcing certain services, we may not be successful in our efforts. In addition, the termination of the Walmart partnership has adversely affected, and may continue to adversely affect, the market price of our common stock, regardless of our actual operating performance during the transition period and thereafter. Market volatility, an overall decline in the health of the economy, **global macroeconomic conditions** and other factors ~~impacting~~ **may affect** consumer spending **or behavior**, including inflation, uncertainty in financial markets, recessionary conditions, escalated interest rates, the timing and issuance of tax refunds, governmental instability, war and natural disasters, may affect consumer purchases, which could reduce demand for our products and materially harm our sales, profitability and financial condition. Our business depends on consumer demand for our products and, consequently, is sensitive to a number of factors that influence consumer **behavior**, confidence and spending, ~~such as~~ **including whether consumers make purchases, their choice of price point, their appetite for upgrades or add-on services, or the frequency with which they have an eye exam or replace their eyeglasses. Conditions that have affected, or may in the future affect, consumer sentiment include** general economic conditions, consumer disposable income, energy and fuel prices, recession and fears of recession, unemployment, minimum wages, availability of consumer credit, consumer debt levels, conditions in the housing market, interest rates, tax rates and policies, inflation, consumer confidence in future economic conditions ~~and political conditions~~, developments related to the U. S. federal debt ceiling, **political conditions** ~~the Israel-Hamas conflict~~, impacts of climate change, inclement weather, natural disasters, terrorism, cybersecurity incidents, outbreak of viruses or widespread illness and consumer perceptions of personal well-being and security. **In recent** ~~Over the past few~~ years, global markets and economic conditions have been challenging, particularly in light of rising **elevated** interest rates and historic inflation throughout 2023 and ~~global conflict~~, which has created continued economic uncertainty. **Additionally, uncertainty and market volatility have been magnified as a result of potential shifts in U. S. and foreign trade, economic, and other policies following the election of a new U. S. president for a term that commenced in 2025, coupled with a consolidation of party control of both chambers of Congress, which has led to new legislative and regulatory initiatives and the roll-back of certain initiatives of the previous presidential administration, which may impact our business and our clients' businesses in unpredictable ways, including as a result of the potential implementation of more restrictive trade policies, higher tariffs or the renegotiation of existing trade agreements.** These conditions have impacted customer demand and may continue to have similar impacts in the future. Reduced customer confidence and spending cutbacks may result in reduced demand for our merchandise and may force us to mark down inventory, increase selling and promotional expenses or, if part of a prolonged or pervasive economic downturn, may slow the~~

pace of new store openings or cause current stores to close. Additionally, our business is seasonal in nature, with the first and second quarters typically representing a higher portion of net sales to us than other quarters, due in part to the issuance of tax refunds that many consumers have historically utilized for eyewear and eye care spending in the first half of the year. As such, a significant downward trend in the first half of the year could have a substantial negative impact on our annual financial results. ~~From time to time, we have also temporarily closed certain stores due to widespread health concerns like the COVID-19 pandemic, hurricanes and other severe weather, natural disasters or civil unrest. Such store closures due to factors that are outside of our control could materially adversely affect our sales and profitability.~~ Furthermore, **the customers we serve may be disproportionately** our target market of value-seeking and lower income consumers, is sensitive to a number of these and other factors outside of our control. A continuation of these or other similar circumstances could have a material negative impact on our financial performance. **Global political, socio-economic, cultural, and geopolitical issues can also impact macroeconomic conditions and consumer sentiment and could have a material adverse impact on our financial results. These issues include, but are not limited to, ongoing conflicts across the globe such as in Russia-Ukraine and the Middle East, and relations between Taiwan and China, as well as disruptions caused by terrorist activities or otherwise. Further escalation of these geopolitical conflicts, including increased trade barriers or restrictions on global trade, could result in, among other things, cyberattacks, supply disruptions, lower consumer demand, and changes to foreign exchange rates and financial markets, any of which may adversely affect our business and financial condition. In addition, the effects of the ongoing conflicts could also heighten many of the other risk factors described herein. We may not be successful in implementing our transformation initiatives, or in anticipating the impact of important strategic initiatives, and our plans for implementing such initiatives may be altered or delayed due to various factors, which may have an adverse impact on our business and financial results. We may not be able to implement our transformation initiatives in accordance with our expectations or in a way that generates expected returns, which may result in an adverse impact on our business and financial results. These strategic initiatives, which include a focus on implementing new pricing architecture, enhancing the customer and patient experience, and optimizing cost structure, are designed to strengthen our core business, improve our results of operations, and drive long-term shareholder value. In addition to other factors listed in this risk factors section, the challenges of company-wide coordination and alignment or our inability to identify or act on opportunities to deliver anticipated cost savings may adversely affect the successful implementation of these initiatives, which could have a material adverse impact on our business and financial results. The implementation, timing and results of these complex strategic initiatives are subject to various risks and uncertainties, which may require that we make significant estimates and assumptions in our planning. These initiatives place significant demands on our accounting, financial, information technology, and other systems, and on our business overall. We are dependent on our management's ability to oversee these initiatives effectively and implement them successfully. If our estimates and assumptions about our initiatives are incorrect, or if we miscalculate the resources or time, we need to complete them or fail to execute on them effectively, our pursuit of these initiatives may increase our costs and reduce our margins and profitability. To be effective, our transformation initiatives have required, and will continue to require, significant investment in cross-functional operations and management focus, along with supporting investments. If we are unable to attract and retain employees or contract with third parties having the specialized skills needed to support our efforts, or implement improvements to systems in a timely manner, our ability to compete and our results of operations could be adversely affected. In addition, if initiatives related to our new store concepts and improved customer experience do not appeal to our customers or if we are unable to consistently meet our brand execution promises in a cost-effective manner, we may experience a loss of customer confidence or lost sales, which could adversely affect our reputation and results of operations. A failure to properly execute our plans and business strategies, delays in executing our plans and business strategies, increased costs associated with executing on our plans and business strategies, or failure to identify alternative strategies could have a material adverse effect on our business, financial position, results of operations, and cash flows.** Failure to recruit and retain vision care professionals for in-store roles or to provide remote care offerings could adversely affect our business, financial condition and results of operations. Our ability to hire and / or contract with vision care professionals for in-store roles and remote care offerings is critical to our operations as well as our growth strategy. Our operations, like those of many of our competitors, depend on our ability to offer both eyewear and eye exams, which requires the availability of optometrists in or near our stores. Many states require that opticians be licensed to dispense and fit eyeglasses and contact lenses. Failure to have vision care professionals available in or near our stores could adversely affect our ability to win managed vision care contracts. Additionally, as we enable remote medicine solutions at an increased number of our stores, the ability to hire and retain vision care professionals for such remote care offerings and the continued successful installation, implementation and operation of the applicable equipment and remote medicine technology platform is essential to the expansion of our remote medicine strategy. The inability to attract and retain vision care professionals or enable and maintain remote medicine at applicable locations, could have a material adverse effect on our business, financial condition and results of operations. Competition for vision care professionals has increased, especially with the increased demand for optometrists in the current constrained labor market. We compete with other optical retail companies, health systems and group practices for vision care professionals. Failure to attract, hire and retain vision care professionals, or to design and successfully implement more flexibility to meet the expectations of prospective and existing vision care professionals, could have a material adverse effect on our business, financial condition and results of operations. There can be no assurance that flexibility initiatives provided to vision care professionals, including with respect to scheduling, will be successful in attracting or retaining vision care professionals or addressing constraints in exam capacity. **In recent years** ~~Due to the COVID-19 pandemic and related effects,~~ we **have** experienced an ~~unexpected~~ **increased** degree of vision care professional shortages and related exam capacity constraints, which continued over the course of **2023-2024**, and may continue into **2024-2025** and beyond, despite increased

recruitment and retention efforts including wage investments and other enhanced compensation efforts. Such efforts have increased, and may continue to increase, our operating costs which could adversely impact our results, and ultimately may be unsuccessful. In addition, due to these same factors, we experienced wage pressure for our vision care professionals and associates in **2023-2024**, which we expect to continue in **2024-2025**, and which may continue thereafter. Additionally, our ability to recruit, hire and / or contract with vision care professionals is closely regulated. For example, there is a risk that state authorities in some jurisdictions may find that our contractual relationships with optometrists or professional corporations or similar entities that employ optometrists, violate laws prohibiting the corporate practice of medicine / optometry, in which case we could be required to restructure these arrangements, which may make it more difficult for us to attract and retain vision care professionals. See Item 1. “ Business- Government Regulation. ” A material change in our relationship with vision care professionals, whether resulting from constraints in exam capacity, a dispute with an eye care practitioner or a group of eye care practitioners controlling multiple practice locations, a government or regulatory authority challenging our operating structure or our relationship with vision care professionals, or other changes to applicable laws or regulations (or interpretations of the same), or the loss of these relationships, could impair our ability to provide services to our customers, cause our customers to go elsewhere for their optical needs, or result in legal sanctions against us. In addition, a limited number of professional corporations or similar entities provide for the vision care services at a number of our retail locations, exposing us to some concentration risk. A material change to any of the foregoing relationships could have a material adverse effect on our business, financial condition and results of operations. Any difficulties or delays in securing the services of these professionals could also adversely affect our relationships with our Host partners. The optical retail industry is highly competitive, and if we do not compete successfully, our business may be adversely impacted. We operate in the highly competitive optical retail industry and we may be unable to successfully compete against existing or future competitors. Our inability to respond effectively to competitive pressure or improved performance by our competitors could result in lost market share and have a material adverse effect on our business, financial condition and results of operations. For additional information on our competitive environment and our major competitors, see Part I. Item 1. “ Business- Competition. ” Some of our competitors are larger or vertically integrated and engaged in the manufacture and distribution of eyewear as well as managed care. Larger competitors who have greater financial and operational resources, greater brand recognition or broader geographic presence than we do, have large marketing and advertising spends and may be able to offer more competitive prices. Vertically integrated competitors may advantageously leverage their structure, making it more difficult for others in the industry, including us, to compete. We purchase many of our products from suppliers who are affiliates of our competitors. We also compete for managed vision care contracts with certain of our competitors who are affiliates of managed care payors. The termination of one or more relationships we have with these larger vertically integrated competitors could have a material adverse effect on our business, financial condition and results of operations. In addition, if any of our competitors were to consolidate operations, such consolidation would exacerbate the aforementioned risks. While we strive to evolve in line with changing consumer shopping habits and new technologies, our business and results of operations may be adversely affected if we are not able to effectively respond to changes in the retail markets at the same rate as our competitors.

The COVID- 19 pandemic and related impacts,have had,and may in the future continue to have,a material adverse impact on our business.The COVID- 19 pandemic and the related actions taken by governments and the private sector to contain and combat the outbreak and spread of COVID- 19 adversely affected global economies,financial markets and the overall environment for our business.As a result of the pandemic,we have seen shifts in consumer behaviors and preferences,as well as impacts in the demand for our products.In the event of a resurgence or another pandemic,the extent to which these may impact our future results of operations and overall financial performance remains uncertain.The global macroeconomic effects of pandemics,including weakened economic conditions,consumer spending and supply chain disruptions,and financial market volatility have continued,and may continue for an indefinite period of time.We refer you to “ Management’ s Discussion and Analysis of Financial Position and Results of Operations ” for a more detailed discussion of the actual operational and financial impacts that we have experienced due to COVID- 19. Our success depends upon our marketing,advertising and promotional efforts.If we are unable to implement them successfully or efficiently,or if our competitors are more effective than we are,we may experience a material adverse effect on our business,financial condition and results of operations.We use marketing and promotional programs to attract customers to our stores and to encourage purchases by our customers.If we fail to successfully or efficiently develop and implement marketing,advertising and promotional strategies or to incorporate innovative approaches in such endeavors,we may be unable to achieve and maintain brand awareness,and customer traffic to our stores and / or websites may be reduced.We may not be able to advertise cost- effectively in new or smaller markets in which we have lower store density,which could slow growth at such stores.Changes in the amount and degree of promotional intensity or merchandising strategy by our competitors could cause us to have difficulties in retaining existing customers and attracting new customers.If the efficacy of our marketing or promotional activities declines or if such activities of our competitors are more effective than ours,or if for any other reason we lose the loyalty of our customers,we may experience a material adverse effect on our business,financial condition and results of operations. ~~Our success depends substantially on the value of our owned brands,and failure to maintain,protect,and enhance their value could have a negative impact on our business,financial condition,and results of operations.~~We believe we have built a strong reputation for delivering exceptional value and convenience to our customers through our owned brands,America’ s Best and Eyeglass World.To be successful in the future,we believe we must preserve,grow,and leverage the value of our owned brands across all sales channels.We expect to invest substantial resources to promote and maintain our brands,but there is no guarantee that our brand development strategies will enhance the recognition of our brands or lead to increased sales.The strength of our brands will depend largely on our ability to provide products and services at competitive prices.Brand promotion activities may not yield increased net revenue,and even if they do,the increased net revenue may not offset the expenses we incur in promoting and

maintaining our brands and reputation. If our efforts to cost-effectively promote and maintain our brands are not successful. If we fail to open and operate new stores in a timely and cost-effective manner or fail to successfully enter new markets, our financial performance could be materially and adversely affected. Achieving our growth strategy depends, in large part, on growing our store base and expanding our operations, both in new and existing markets, and operating our new stores successfully. The success of our contemplated expansion depends on many factors, including, among others, our ability to:

- recruit and retain qualified vision care professionals (who may be licensed or unlicensed, depending on state regulations) for any new store;
- address regulatory, competitive, merchandising, marketing, distribution and other challenges encountered in connection with expansion into new markets where we have limited historical experience;
- hire, train and retain an expanded workforce of store managers and other personnel;
- maintain adequate laboratory, distribution facility, information technology and other operational system capabilities;
- successfully integrate new stores into our existing management structure and operations, including information technology integration;
- negotiate acceptable lease terms at suitable retail locations;
- source sufficient levels of inventory at acceptable costs;
- obtain necessary permits and licenses;
- construct and open our stores on a timely basis;
- generate sufficient levels of cash or obtain financing on acceptable terms to support our expansion;
- participate in managed care arrangements for new stores;
- achieve and maintain brand awareness in new and existing markets; and
- identify and satisfy the merchandise, lifestyle and other preferences of our customers.

Accordingly, we cannot assure you that we will achieve our planned growth or that our new stores will perform as expected or achieve net sales or profitability levels comparable to those of our existing stores in the time periods estimated by us or at all. **Additionally, in fiscal year 2025, we plan to temporarily moderate new store openings, after which time we expect to return to our more recent store opening cadence as strategic initiatives begin to take hold.** Our failure to implement our growth strategy and to successfully open and operate new stores in the time frames and at the costs estimated by us, **or failure to return to our more recent store opening cadence in the expected time period or at all,** could have a material adverse effect on our business, financial condition and results of operations. **Our growth is dependent on** **If the performance of our Host and Legacy brands declines or our ability we are unable to maintain or extend our increase sales in existing stores and to successfully reinvest in existing stores.** **Existing store sales growth is critical to strong** operating results relationships with our Host partners, our business, profitability and **is dependent on a variety of factors** cash flows may be adversely affected and we may be required to incur impairment charges. Historically, we derived revenues **including merchandise quality, relevance and availability, doctor availability, store** operating cash flows from our relationships with our Host and Legacy partners through our operations of 225 Vision Centers in select Walmart stores until February 2024, and **customer satisfaction** as of December 30, 2023, 29 Vista Optical locations within select Fred Meyer stores and 54 Vista Optical locations on select military bases. **In addition** With respect to the loss of business related to our Vision Centers, **increased competition** see “The termination of our partnership with Walmart, including the transition period, will have a significant impact on our business, revenues, profitability and cash flows, which impact could be material” above. Termination or expiration of our Host agreements would result in a reduction of our revenues and operating cash flows, which could be material and which could adversely affect our business, financial condition **sales. We have begun several strategic initiatives to increase our sales and results profitability, some of operations which remain in the early stages. For example, we recently concluded a comprehensive review of our store portfolio and announced plans to take action on 43 stores, including closing 39 stores by the end of fiscal 2026 and converting** impairment of the intangible assets. Additionally, the loss of our **four Eyeglass World stores** Vista Optical locations could impair our ability to attract and retain management and retail associates, compete for managed vision care contracts, obtain favorable terms, such as discounts and rebates, from optical vendors and generate cash to fund our business and service our debt obligations. We may seek to replace any lost Host or Legacy locations with new America’s Best **by the end of fiscal 2024. We intend to allocate capital in fiscal 2025 to increase investments in enhancing the overall patient and customer experience in or our existing Eyeglass World stores but we may not be able. If such store closures fail to support deliver** the carrying value of **expected Adjusted EBITDA improvement in** the intangible assets **timeframe expected, or at all** these brands or replace the lost revenues and cash flows. At December 30, 2023, the carrying value of intangible assets at our **or if we are unable to successfully reallocate capital to enhance** Host and Legacy brands was \$ 20.1 million and \$ 0.1 million, respectively. We review the carrying value of our goodwill and intangibles for impairment annually, or more frequently when impairment indicators exist **existing stores**. The impairment test requires us to analyze a number of factors, **it** including evaluating the useful life of intangible assets, and make estimates that require judgment. Future changes in the business profitability, expected cash flows, changes in our business strategy and external market conditions, among other factors, could require us to record impairment charges for goodwill or intangible assets, which could lead to decreased assets and reduced net income. If a significant write-down were required, the charge could have a material adverse effect on our **business, financial condition and results of operations. For more information, see Part II. Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and Part II. Item 8. Note 1 “Business and Significant Accounting Policies.”** If we are unable to successfully implement our pricing strategies, it could have an adverse impact on our **business. Our continued success depends in part on our ability to adjust our pricing strategies to respond quickly and effectively to shifting economic and competitive conditions as well as evolving customer preferences. From time to time, and increasingly in connection with our new transformation initiatives, we have taken and may continue to take pricing actions and introduce limited-time promotions or new offers designed to increase demand traffic, awareness and drive sales. For example, effective January 26, 2025, we implemented a \$ 10 price increase to each of our America’s Best signature offer and our Eyeglass World opening offer. There can be no assurance that future cost increases will be fully absorbed by our customers without any resulting change to their demand for our products and services. Additionally, many factors, including operating results costs, constraints, or changes, and stockholders our current and future competitors’ pricing equity, and marketing strategies, could impact the trading price of significantly affect our pricing**

strategies, which may prevent us from competing effectively. If our pricing strategies are not successful, our or common stock are not as successful as those of our competitors, our sales and market share could decrease and could have an adverse effect on our sales and financial condition. We are a low- cost provider and our business model relies on the low cost of inputs. Factors such as wage rate increases, inflation, cost increases, increases in the price of raw materials and energy prices could have a material adverse effect on our business, financial condition and results of operations. Increases in compensation, wage pressure and other expenses for vision care professionals, as well as our other associates, have adversely affected, and may continue to adversely affect, our profitability. Increases in minimum wages and other wage and hour regulations and labor shortages can exacerbate this risk. **In recent years** Since the beginning of the COVID-19 pandemic, we have experienced an increasingly competitive labor market for vision care professionals and increased preferences for adjusted work schedules, resulting in the demand for optometrists exceeding supply in certain areas during fiscal year **2023-2024** and causing constraints in exam capacity. Due to these factors, we experienced wage pressure for our vision care professionals and associates in **2023-2024**, which we expect to continue in **2024-2025** and may continue thereafter. Targeted wage investments, including increases in compensation and other expenses for our optometrists and associates, along with other initiatives, were implemented in response to these factors that have and will continue to impact our costs applicable to revenue and selling, general and administrative expenses. The costs associated with employment or retention of vision care professionals may increase further, potentially materially. See “ Failure to recruit and retain vision care professionals could adversely affect our business, financial condition and results of operations ” above. Additional tariffs or other future cost increases, such as increases in the cost of merchandise, shipping rates, raw material prices, freight costs and store occupancy costs, may also reduce our profitability. These cost increases may be the result of inflationary pressures which could further reduce our sales or profitability. Increases in other operating costs, including changes in energy prices and lease and utility costs, may increase our cost of products sold or selling, general and administrative expenses. Our low- price model and competitive pressures in the optical retail industry may inhibit our ability to reflect these increased costs in the price of our products, in which case such increased costs could have a material adverse effect on our business, financial condition and results of operations. We require significant capital to fund our expanding business. If we are unable to maintain sufficient levels of cash flow from our operations, we may not be able to execute or sustain our growth strategy or we may require additional financing, which may not be available to us on satisfactory terms or at all. To support our expanding business and execute our growth strategy, we need significant amounts of capital, including funds to pay our lease obligations, build out new store spaces, laboratories and distribution centers, implement and operate remote medicine technology and EHR platforms, purchase inventory, pay personnel and further invest in our infrastructure and facilities, including investments in transitioning and updating our **enterprise resource planning (“ERP”)** and other technological systems and capabilities. In **2024-2025**, we intend to continue to progress **both** our ERP initiatives and to expand the installation of the EHR platform to the remaining America’ s Best locations **and our CRM initiatives**. We cannot guarantee that these projects will be completed on time or within established budgets. Any delay or increased costs could have a material adverse effect on our business, financial condition and results of operations. Further, our plans to grow our store base may create cash flow pressure if new locations do not perform as projected. We have primarily depended, and expect to continue to primarily depend, on cash flow from operations to fund our business and growth plans. If we do not generate sufficient cash flow from operations, we may need to obtain additional equity or debt financing **or utilize our revolving credit facility**. Tightening in the credit markets, low liquidity, volatility in the capital markets or a downturn in the economy could result in diminished availability of credit, higher cost of borrowing or lack of confidence in the equity markets, any of which may make it more difficult to obtain additional financing on terms that are favorable to us. If such financing is not available to us, or is not available on satisfactory terms, our ability to operate and expand our business could be curtailed and we may need to delay, limit or eliminate planned store openings or operations or other elements of our growth strategy. Our growth strategy could strain our existing resources and cause the performance of our existing stores to suffer. Our planned expansion has placed, and continues to place, increased demands on our existing operational, managerial, supply- chain and administrative resources. These increased demands could strain our resources and cause us to operate our business less effectively, which in turn could cause the performance of our new and existing stores to suffer. **We** As our store base grows, we **will** need to continually evaluate the adequacy of **, and opportunity to upgrade,** our laboratory, distribution and information technology capabilities, including those related to **our remote medicine offerings**. Our laboratories and distribution **centers- center** have a finite capacity and, to the extent we grow beyond this capacity, we will need to expand our current laboratories and / or distribution **centers- center** or add new laboratories and / or distribution capabilities, the cost of which could be material. ~~Implementing new operating capabilities or changing existing operating capabilities could present challenges we do not anticipate and could negatively affect our business, financial condition and results of operations.~~ Should we open additional laboratories or distribution centers, any related construction or expansion projects entail risks which could cause delays and cost overruns, such as unavailability of suitable space, shortages of materials, shortages of skilled labor or work stoppages, unforeseen construction, scheduling, engineering, environmental or geological problems, weather interference, fires or other casualty losses, and unanticipated cost increases. We cannot guarantee that any project will be completed on time or within established budgets. Any delay or increased costs associated with any project could adversely affect the financial and overall performance of our existing and planned new stores. **Implementing new operating capabilities or changing existing operating capabilities could present challenges we do not anticipate and could negatively affect our business, financial condition and results of operations.** We cannot anticipate all of the demands that our expanding operations will impose on our business, personnel and systems and our failure to address such demands or to profitably manage our growth could have a material adverse effect on our business, financial condition and results of operations. In addition, opening new stores in our established markets may result in inadvertent oversaturation, temporarily or permanently divert customers and sales from our existing stores to new stores and reduce comparable store sales, thus adversely affecting our overall financial performance.

Furthermore, we have opened and expect to continue to open America's Best and Eyeglass World stores in close proximity to one another. However, we may not be able to effectively manage stores of both brands in the same market, and this close proximity may cause the performance of such America's Best and / or Eyeglass World stores to suffer. In addition, oversaturation, or the risk of oversaturation, may reduce or adversely affect the number or location of stores we plan to open, and could thereby materially and adversely affect our growth plans overall or in particular markets. From time to time, we update the whitespace analysis prepared for us through an established partnership with a third-party real estate data analytics firm. There are many variables that impact this analysis and there can be no guarantee that updates will lead to the same or greater whitespace opportunity, which could impact our ability to execute our growth strategy. ~~The COVID-19 pandemic and related..... financial condition and results of operations.~~ We are subject to risks associated with leasing substantial amounts of space, including future increases in occupancy costs. We lease our America's Best and Eyeglass World store locations, our corporate office, the FirstSight corporate office, our laboratories in Georgia, Texas and Utah, and our distribution ~~centers-~~ **center.** ~~We Additionally, we are still obligated under the leased- lease space for the a distribution center in Ohio that was previously used in our~~ AC Lens **business; this** corporate office through February 2024, and the lease related to our Ohio ~~distribution center~~ expires in March 2028. We also lease our Vista Optical locations inside Fred Meyer stores. As a result, we are susceptible to changes in the property rental market and increases in our occupancy costs. The success of our business depends, in part, on our ability to identify suitable premises for our stores and to negotiate acceptable lease terms. We may not be able to renew or extend our existing store leases on acceptable terms, or at all, and may have to abandon desirable locations or renew leases on unfavorable terms. In addition, tenants at shopping centers in which we are located or have executed leases, or to which our locations are near, may fail to open or may cease operations. Decreases in total tenant occupancy in shopping centers in which we are located, or to which our locations are near, may affect traffic at our stores. In addition, the potential default or bankruptcy of landlords in existing or pending leasehold locations may affect our ability to maintain or renew our existing leases. Any of these factors could have a material adverse impact on our operations. Most of our store leases provide for a minimum rent and typically include escalating rent increases over time. In certain circumstances we pay a percentage rent based upon sales after certain minimum thresholds are achieved. Our failure to achieve these thresholds could cause our occupancy costs for these locations to increase materially on a percentage of sales basis. The leases generally require us to pay insurance, utilities, real estate taxes and common area maintenance expenses, which are highly variable over time. Our substantial lease obligations could have significant negative consequences, including: • requiring that a substantial portion of our available cash be applied to pay our rental obligations, reducing cash available for other purposes and reducing our operating profitability; • increasing our vulnerability to general adverse economic and industry conditions; • limiting our flexibility in planning for, or reacting to changes in, our business or in the industry in which we compete; and • limiting our ability to obtain additional financing. If we are not able to make the required payments under our leases, landlords with a contractual or statutory security interest in the assets of the relevant stores may, among other things, repossess those assets, which could adversely affect our ability to conduct our operations. Further, the substantial majority of our leased sites are both currently and in the future expected to be subject to long-term noncancelable leases. If an existing or future store is not profitable and we decide to close it, we may nonetheless be obligated to perform our obligations under the applicable lease including, among other things, paying the base rent and other charges for the balance of the lease term. Even if a lease has an early cancellation clause, we may not satisfy the contractual requirements for early cancellation under that lease and / or be required to pay substantial termination fees. As we expand our store base, particularly in certain markets that are more expensive, such as California and the Northeast, our lease expense and our cash outlays for rent under lease agreements may increase. Our inability 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, could materially and adversely affect our business, financial condition and results of operations. ~~Certain technological advances, greater availability of, or increased consumer preferences for, vision correction alternatives to prescription eyeglasses or contact lenses, or future drug development for the correction of vision-related problems may reduce the demand for our products and adversely impact our business and profitability. Technological advances in vision care, including the development of artificial intelligence, remote medicine and other new or improved products, as well as future drug development for the correction of vision-related problems, could significantly change how eye exams may be conducted and make our existing products less attractive or even obsolete. Although we have enabled remote medicine technologies in a number of locations to enable the provision of eye examinations by remote doctors to patients in our stores, several companies have developed technologies for, and some companies are incorporating the remote delivery of, eye examinations and eye refractions more broadly. If consumers accept the use of these technologies, they could become less likely to obtain an in-person eye examination and therefore less likely to shop at our retail locations. Additionally, the greater availability and acceptance, or reductions in the cost, of vision correction alternatives to prescription eyeglasses and contact lenses, such as corneal refractive surgery procedures, photo-refractive keratotomy, or PRK and LASIK, may reduce the demand for our products, lower our sales and thereby adversely impact our business and profitability. If we fail to retain our existing senior management team or attract qualified new personnel, such failure could have a material adverse effect on our business, financial condition and results of operations. Our business requires disciplined execution at all levels of our organization. This execution requires an experienced and talented management team. If we were to lose the benefit of the experience, efforts and abilities of key executive personnel, it could have a material adverse effect on our business, financial condition and results of operations. Competition for skilled and experienced management is intense, and we may not be successful in attracting and retaining new qualified personnel required to grow and operate our business profitably. Our profitability and cash flows may be negatively affected if we are not successful in managing our inventory balances and inventory shrinkage. Efficient inventory management is a key component of our business success and profitability. To be successful, we must maintain sufficient inventory levels to meet our customers' demands without allowing those levels to increase to such an extent that the costs to distribution centers, laboratories and stores to hold the goods~~

unduly impacts our financial results. If our buying and distribution decisions do not accurately predict customer trends or spending levels in general or at particular stores, or if we inappropriately price products, we may have to take unanticipated markdowns and discounts to dispose of obsolete or excess inventory or record potential write-downs relating to the value of obsolete or excess inventory. Conversely, if we underestimate future demand for a particular product or do not respond quickly enough to replenish our best-performing products, we may have a shortfall in inventory of such products, likely leading to unfulfilled orders, reduced revenue and customer dissatisfaction. Our business is partly dependent on our ability to strategically source a sufficient volume and variety of brand name merchandise at opportunistic pricing. Some of our products are sourced from suppliers or at significantly reduced prices. We are not always able to purchase specific merchandise on a recurring basis and we may not have control over the supply, design, cost or availability of some products we offer for sale in our stores. We also compete with other retailers for discounted merchandise to sell in our stores. To the extent that certain of our suppliers are better able to manage their inventory levels and reduce the amount of their excess inventory, the amount of discount merchandise available to us could also be materially reduced, potentially compromising our profit margin for procured merchandise. Maintaining adequate inventory requires significant attention and monitoring of market trends, local markets, developments with suppliers and our distribution network, and it is not certain that we will be effective in our inventory management. We are subject to the risk of inventory loss or theft and we may experience higher rates of inventory shrinkage or incur increased security costs to combat inventory theft. In addition, any casualty or disruption to our laboratories, distribution centers or stores may damage or destroy our inventory located there. As we expand our operations, it may be more difficult to effectively manage our inventory. If we are not successful in managing our inventory balances, it could have a material adverse effect on our business, financial condition and results of operations. Our operating results and inventory levels fluctuate on a seasonal basis. Our business is subject to seasonal fluctuation. We typically realize a higher portion of net sales during the first half of the fiscal year, due to, among other things, the timing of tax refunds and the impact of healthcare plan resets after the close of the prior year. Adverse events, such as higher unemployment, lapses in or the lack of insurance coverage, delays in the issuance of tax refunds, deteriorating economic conditions, public transportation disruptions, or unanticipated adverse weather or travel conditions, can deter consumers from shopping. Any significant decrease in net sales during the first half of the fiscal year could have a material adverse effect on us and could negatively impact our annual results. In addition, in order to prepare for our peak shopping quarters, we must increase the staffing at our stores and order and keep in stock more merchandise than we carry during other parts of the year. This staffing increase and inventory build-up may require us to expend cash faster than it is generated by our operations during this period. Any unanticipated decrease in demand for our products during such period could require us to sell excess inventory at a substantial markdown, which could have a material adverse effect on our business, financial condition and results of operations. Our e-commerce and omni-channel business faces distinct risks, and our failure to successfully manage those risks could have a negative impact on our profitability. As an e-commerce and omni-channel retailer, we encounter risks and difficulties frequently experienced by Internet-based businesses. The successful operation of our business and our ability to provide a positive shopping experience that will generate orders and drive subsequent visits depends on efficient and uninterrupted operation of our order-taking and fulfillment operations. Risks associated with our e-commerce and omni-channel business include: • uncertainties associated with our websites, mobile applications and in-store systems, including changes in required technology interfaces, website downtime and other technical failures, costs and technical issues as we upgrade our website software, inadequate system capacity, computer viruses, human error, security breaches, legal claims related to our website operations, and e-commerce fulfillment; • disruptions in telephone service or power outages; • reliance on third parties for computer hardware and software, web-hosting, and delivery of merchandise to our customers; • rapid technology changes; • time and costs associated with training and implementing new technologies and systems; • credit or debit card fraud and other payment processing related issues; • changes in applicable federal, state and international regulations; • liability for online content; • cybersecurity and consumer and HIPAA privacy concerns and regulations; and • natural disasters or adverse weather conditions. In addition, we have contractual relationships with certain third parties whereby we host websites for the online sale of contact lenses and other optical products and perform related back office functions for these parties. We could be exposed to contractual liability to these third parties in the event of a failure, security breach or disruption to these websites or our failure to properly provide the services called for by these agreements. Our online sales also expose us to broader applicability of regulations, as well as additional regulations, such as the prescription verification and other requirements under the FCLCA, rules relating to registration of internet sellers, certain requirements under the Treasury Department's OFAC, FCPA, anti-money laundering and trade sanction laws, and similar anti-corruption, anti-bribery and international trade laws. Problems in any of these areas could result in a reduction in sales, increased costs, sanctions or penalties, or damage to our reputation and brands. In addition, we must keep up to date with competitive technology trends, including the use of new or improved technology, creative user interfaces and other e-commerce marketing tools such as paid search and mobile applications, among others, which may increase our costs and which may not increase sales or attract customers. Our competitors, some of whom have greater resources than we do, may also be able to benefit from changes in e-commerce technologies, which could harm our competitive position. If we are unable to allow real-time and accurate visibility to product availability when customers are ready to purchase, quickly and efficiently fulfill our customers' orders using the fulfillment and payment methods they demand, provide a convenient and consistent experience for our customers regardless of the ultimate sales channel or effectively manage our online sales, our ability to compete and our results of operations could be adversely affected. Furthermore, if our e-commerce and omni-channel business successfully grows, it may do so in part by attracting existing customers, rather than new customers, who choose to purchase products from us online rather than from our brick and mortar stores, thereby detracting from the financial performance of our stores. **Changing climate and weather patterns leading to severe weather and disasters may cause significant business interruptions and expenditures.** Severe weather conditions and other natural phenomena resulting from changing weather patterns and rising sea levels or other

causes, including hurricanes, floods, fires, landslides, extreme temperatures, ~~major or extended winter storms~~, significant precipitation, and earthquakes, may result in damage to our stores or other facilities and unavailability of our workforce. Additionally, shifts in weather patterns caused by climate change are expected to increase the frequency, severity or duration of certain adverse weather conditions, which could cause more significant business interruptions that result in increased costs, increased liabilities, and decreased revenues. Such losses could materially and adversely affect our business, financial condition and results of operations. Climate change may also have indirect effects on our business, including for example, leading to increased costs (or unavailability) of property or other insurance policies. Additionally, **new changes in federal or state additional legal, legislative legislation and regulatory regulation on requirements to reduce or mitigate the effects of climate change on the environment** could result in increased capital expenditures to improve the energy efficiency of our existing stores and other facilities and could also require us to spend more on new stores or facilities without a corresponding increase in revenue. ~~In addition~~ We depend on our distribution centers and optical laboratories. The loss of, or disruption in the operations of, one or more of these facilities may adversely affect our ability to process and fulfill customer orders and deliver our products in a timely manner, or at all, and may result in quality issues, which would adversely affect our reputation, our business and our profitability. Substantially all of our inventory is shipped directly from suppliers to our ~~two~~ distribution centers ~~center~~ in Lawrenceville, Georgia ~~and Columbus, Ohio~~. Inventory is then processed, sorted and shipped using third-party carriers to our stores, to our laboratories for further processing or to our online customers. We operate laboratory facilities in Lawrenceville, Georgia; St. Cloud, Minnesota; Plano, Texas; and Salt Lake City, Utah. We also have outsourcing relationships with third-party laboratories in Mexico. These laboratories process most of the lenses ordered by customers in our stores, as well as on our websites. Once processed at the laboratories, the finished products are returned to our distribution centers for shipment to stores ~~and our customers or our business partners~~. **Additionally in connection with the MSA Termination, in 2024, we transitioned the contact lens fulfillment and as distribution services previously conducted by AC Lens to a third-party vendor of an ongoing effort to reduce exposure to China, we recently terminated our outsourced laboratory relationship in China.** 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 our distribution centers. Increases in transportation costs (including increases in fuel costs), increased shipping costs, issues with overseas shipments, supplier-side delays, reductions in the transportation capacity of carriers, labor strikes or shortages in the transportation industry, disruptions to the national and international transportation infrastructure, and unexpected delivery interruptions or delays also have the potential to derail our distribution process. We face additional risks related to our international outsourcing laboratory relationships, including port of entry risks such as longshoremen strikes, import restrictions, foreign government regulations, trade restrictions, customs and duties. If we change the transportation companies we use, we may face logistical difficulties that could adversely affect deliveries and we could incur costs and expend resources in connection with such change. We also may not be able to obtain terms as favorable as those received from the third-party transportation providers we currently use, which could increase our costs. We also may not anticipate changing demands on our distribution system, including the effect of any expansion we may need to implement in our distribution centers. Events beyond our control, including, but not limited to, disruptions in operations due to natural or man-made disasters, inclement weather conditions, accidents, system failures, or public health emergencies could also result in delays in our receipt of inventory or the delivery of merchandise between our stores, our optical laboratories and our distribution centers, significantly higher costs and longer lead times, or an adverse effect on our ability to fulfill customer orders in a timely manner. Any disruption to our laboratories' operations may reduce or impair the quality of assembled eyeglasses. The inability to fulfill, or any delays in processing, customer orders through our laboratory network or any quality issues could result in the loss of customers, issuances of refunds or credits and may also adversely affect our reputation. The insurance we maintain for business interruption may not cover all risk or be sufficient to cover all of our potential losses or may not continue to be available to us on acceptable terms, if at all, and any insurance proceeds may not be paid to us in a timely manner. **If the performance of our Host brands declines or we are unable to maintain or extend our operating relationships with our Host partners, our business, profitability and cash flows may be adversely affected and we may be required to incur impairment charges. We derive revenues and operating cash flows from our relationships with our Host partners through our operation of, as of December 28, 2024, 29 Vista Optical locations within select Fred Meyer stores and 53 Vista Optical locations on select military bases. Termination or expiration of our Host agreements would result in a reduction of our revenues and operating cash flows, which could be material and which could adversely affect our business, financial condition and results of operations including an impairment of the intangible assets. Additionally, the loss of our Vista Optical locations could impair our ability to attract and retain management and retail associates, compete for managed vision care contracts, obtain favorable terms, such as discounts and rebates, from optical vendors and generate cash to fund our business and service our debt obligations. We may seek to replace any lost Host locations with new America's Best or Eyeglass World stores but we may not be able to support the carrying value of the intangible assets at these brands or replace the lost revenues and cash flows. At December 28, 2024, the carrying value of intangible assets at our Host brands was \$ 8.2 million. We review the carrying value of our goodwill and intangibles for impairment annually, or more frequently when impairment indicators exist. The impairment test requires us to analyze a number of factors, including evaluating the useful life of intangible assets, and make estimates that require judgment. Future changes in the business profitability, expected cash flows, our business strategy and external market conditions, among other factors, could require us to record impairment charges for goodwill or intangible assets, which could lead to decreased assets and reduced net income. If a significant write down were required, the charge could have a material adverse effect on our operating results and stockholders' equity, and could impact the trading price of our common stock. During fiscal year 2024, we recorded a \$ 10.5 million impairment of our Fred Meyer contracts and relationships intangible asset due to the decision to close certain Fred Meyer stores as part of our store**

fleet review. The termination of our partnership with Walmart has had, and may continue to have, an impact on our business, revenues, profitability and cash flows, which impact could be material. Following receipt of notice of non-renewal by Walmart on July 20, 2023, our partnership with Walmart, which included supplying and operating Vision Centers in select Walmart stores and arranging for the provision of optometric services at certain Walmart locations in California, ended effective as of February 23, 2024. Additionally, the agreements governing our provision of contact lens distribution and related services to Walmart and Sam's Club terminated during the second quarter of 2024 and the Company has wound down substantially all of its AC Lens operations, including the closure of its Ohio distribution center, which largely supported the wholesale distribution and e-commerce contact lens services that we provided to Walmart and Sam's Club. A dedicated e-commerce website that was previously managed by AC Lens was transitioned to NVI. The termination of the Walmart partnership and the wind down of AC Lens operations resulted in a reduction of our revenues, profitability and cash flows, which has affected, and may continue to affect, our business, financial condition and results of operations. The termination of the Walmart partnership and related wind down of AC Lens operations could continue to have a negative impact on other parts of our business, including, without limitation, impairing our ability to attract and retain management, associates and optometrists, to compete for managed vision care contracts, to obtain favorable terms from vendors, or to generate cash to fund our business. In addition, the termination of the Walmart partnership has adversely affected, and may continue to adversely affect, the market price of our common stock, regardless of our actual operating performance. We may incur losses arising from our investments in technological innovators in the optical retail industry, including artificial intelligence, which would negatively affect our financial results. We are regularly presented with opportunities to invest **in technological innovators in the optical retail industry**. We have ~~recently~~ invested in an entity specializing in applying artificial intelligence- powered screening and diagnostic tools to retinal imaging and historically have invested in certain venture- backed emerging companies and technological innovators across the optical retail industry. Such investments could include equity or debt instruments in companies that may be non- marketable. The success of these companies may depend on product development, market acceptance, operational efficiency and other key business factors. If any of these companies fail, we could lose all or part of our investment in that company. If we determine that impairment indicators exist and that there are other- than- temporary declines in the fair value of the investment, we may be required to write down the investments to their fair value and recognize the related write- down as an investment loss. **Sustainability** Environmental, social and governance (“ESG”) issues, including those related to climate change, could have a material adverse effect on our business, financial condition and results of operations. Investors, customers, employees and other stakeholders have increasingly focused on the **ESG sustainability** practices of companies in recent years. As we published our ~~third~~ **fourth** Corporate Responsibility Report in ~~2023~~ **2024** and continue to develop our corporate responsibility strategy, our **ESG sustainability** practices will be evaluated against stakeholders' evolving expectations and standards for responsible corporate citizenship. If our practices in the areas of social impact, employee empowerment, environmental stewardship and corporate governance fail to meet such expectations and standards, our reputation or employee and customer retention may be negatively impacted. Additionally, increased regulatory requirements regarding climate and **ESG sustainability** disclosures, as well as environmental stewardship, could also lead to increased operational costs. ~~If we do not adapt to new~~ **Conversely, anti- ESG sentiment has gained momentum across the United States, at both the federal and state levels. Sustainability** regulations have resulted in, and may continue to result in, increased general and administrative expenses and increased management time and attention spent complying with **meeting such regulations and expectations and if we fail to** meet evolving **and divergent** stakeholder expectations on **ESG sustainability** issues, investors may reconsider their investment in the company and customers may choose to find alternative providers, which could have a material adverse effect on our business, financial condition and results of operations. **Changing climate and weather patterns leading..... facilities without a corresponding increase in revenue**. Risks Related to Our Dependence on Third Parties Our future operational success depends on our ability to develop, maintain and extend relationships with managed vision care companies, vision insurance providers and other third- party payors. An increasing percentage of our customers receive vision insurance coverage through managed care payors. These payors represent an increasingly significant portion of our overall revenues and our revenue growth and represented approximately **35-40 % and 37 %** of our ~~overall~~ **revenues from continuing operations** in fiscal ~~year~~ **years 2024 and 2023**, respectively. While we have relationships with almost all vision care insurers in the U. S. and with all of the major carriers, a relatively small number of payors currently comprise the majority of our managed care revenues, subjecting us to concentration risk. Our future operational success could depend on our ability to negotiate contracts with managed vision care companies, vision insurance providers and other third- party payors, several of whom have significant market share. As our managed care business continues to expand, we have incurred, and expect to incur, additional costs related to this area of our business. In addition, as our managed care business continues to grow closer to overall industry penetration levels, we expect our associated revenue growth rate to slow over time. We may be unable to establish or maintain satisfactory relationships with managed care and other third- party payors. In addition, many managed care payors have existing provider structures in place that they may be unable or unwilling to change. Some vertically- integrated payors also have their own networks, and these payors may take actions to maintain or protect these networks in ways that negatively affect us, including by increasing costs or not allowing our new or existing stores to participate in their networks. Increasing consolidation in the optical retail industry may give such payors greater market power which may adversely affect our ability to negotiate reimbursement rates under managed care arrangements. Our inability to enter into arrangements with managed care payors in the future or to maintain existing relationships with managed care payors on commercially reasonable terms could have a material adverse effect on our business, financial condition and results of operations. In addition, delays in receiving or the failure to receive reimbursements under our managed care arrangements, significant changes to the economics of a managed care contract or relationship, or the loss of a significant managed care

contract or relationship could have a significant negative impact on our business, financial condition and results of operations. We face risks associated with vendors from whom our products are sourced and are dependent on a limited number of suppliers. We purchase all of our merchandise from domestic and international vendors **and, in 2024, we transitioned the contact lens fulfillment and distribution services previously conducted by AC Lens to a third-party vendor**. For our business to be successful, our suppliers must be willing and able to provide us with products in substantial quantities, in compliance with regulatory requirements, at acceptable costs and on a timely basis. Our ability to obtain a sufficient selection or volume of merchandise on a timely basis at competitive prices could suffer as a result of any deterioration or change in our vendor relationships or events that adversely affect our vendors. Other than our contracts for the supply of eyeglass lenses and our private label contact lenses, we typically do not enter into long-term contracts with our vendors and, as such, we operate without significant contractual assurances of continued supply, pricing or access to new products. Any of our vendors could discontinue supplying us with desired products in sufficient quantities or offer us less favorable terms on future transactions for a variety of reasons. The benefits we currently experience from our vendor relationships could be adversely affected if our vendors: • discontinue selling merchandise to us; • enter into arrangements with competitors that could impair our ability to sell their products, including by giving our competitors exclusivity arrangements or limiting our access to certain products; • sell similar or identical products to our competitors with similar or better pricing, some of whom may already purchase merchandise in significantly greater volume and at lower prices than we do; • raise the prices they charge us; • refuse to allow us to return merchandise purchased from them; • change pricing terms to require us to pay on delivery or upfront, including as a result of changes in the credit relationships some of our vendors have with their various lending institutions; • lengthen their lead times; or • initiate or expand sales of their products to retail customers directly through their own stores, catalogs or on the Internet and compete with us directly. Events that adversely impact our vendors could impair our ability to obtain adequate and timely supplies. Such events include, among others, difficulties or problems associated with our vendors' business, the financial instability and labor problems of vendors, merchandise quality and safety issues, natural or man-made disasters, inclement weather conditions, war, acts of terrorism and other political instability, economic conditions, shipment issues, the availability of raw materials, and increased production costs. Our vendors may be forced to reduce their production, shut down their operations or file for bankruptcy. The occurrence of one or more of these events could impact our ability to get products to our customers, result in disruptions to our operations, increase our costs and decrease our profitability. We also source merchandise directly from suppliers outside of the U. S. Additionally, a significant amount of our domestically-purchased merchandise is manufactured abroad. Global sourcing and foreign trade involve numerous factors and uncertainties beyond our control including increased shipping costs, the imposition of additional import or trade restrictions, including legal or economic restrictions on overseas suppliers' ability to produce and deliver products, increased custom duties and tariffs, unforeseen delays in customs clearance of goods, more restrictive quotas, loss of a most favored nation trading status, currency exchange rates, transportation delays, port of entry issues and foreign government regulations, political instability, public health emergencies, and economic uncertainties in the countries from which we or our vendors source our products. Moreover, negative press or reports about internationally manufactured products may sway public opinion, and thus customer confidence, away from the products sold in our stores. These and other issues affecting our international vendors or internationally manufactured merchandise could have a material adverse effect on our business, financial condition and results of operations. If the U. S. were to withdraw from or materially modify any other international trade agreement to which it is a party or if the U. S. imposes significant additional tariffs or other restrictions on imports from Mexico, where our outsourced optical laboratories are located, or China, where the majority of our frames are sourced and manufactured, it could have an adverse impact on our business. Any such tariffs, restrictions or other changes could lead to additional costs, delays in shipments, embargoes or other uncertainties that could negatively impact our relationships with our international vendors and labs and materially adversely affect our business, including by requiring us to increase our prices and identify alternative sources for merchandise and labs. For example, we source merchandise from suppliers located in China and a significant amount of domestically-purchased merchandise is manufactured in China. Historically, tariffs have not materially affected our financial results, and we believe that less than 10 % of costs applicable to revenue are subject to tariffs on Chinese imports; however, tariff rates are subject to change and have varied over the past few years. Effective September 1, 2019, the U. S. government implemented a 15 % tariff on specified products imported into the U. S. from China and, effective February 14, 2020, the 15 % tariff was reduced to 7.5 %. In June 2020, the U. S. government granted a temporary exclusion for plastic and metal frames with a retroactive effective date of September 1, 2019, and such exclusion expired in September 2020. **Given** ~~Most recently, in February 2025, the current~~ **U. S. government imposed an additional 10 % tariff on imports from China, on top of existing tariff burdens. The commencement of a new U. S. presidential --- president administration for a term that commenced in 2025, there is coupled with a consolidation of party control of both chambers of Congress, has ushered in significant** ~~uncertainty as to whether~~ **regarding trade policies and a potential trade war between** ~~there -- the~~ **will be any changes to U. S. government trade policy and what the other countries resulting impacts of those changes may be.** While we have implemented mitigation plans and continue to focus on additional mitigation strategies to offset the impact of tariffs, **including the termination of our outsourced laboratory relationship with China in early 2024 in connection with the termination of our partnership with Walmart and as part of an ongoing effort to reduce exposure to China,** costs with respect to products subject to these tariffs have increased. If we are unable to mitigate the full impact of the enacted tariffs or if there is a further escalation of tariffs, costs on a significant portion of our products may increase further and our financial results may be negatively affected. ~~In connection with the MSA Termination, and as part of an ongoing effort to reduce exposure to China, we recently terminated our outsourced laboratory relationship in China.~~ Material changes in the pricing practices of our suppliers could negatively impact our profitability. For example, we have in the past been subject to the unilateral pricing policies implemented by certain contact lens manufacturers, which mandated the minimum prices at which certain contact lenses could be sold to consumers. Such

manufacturers could refuse to supply us with their products if they deem us in breach of such policies. Our vendors may also increase their pricing if their raw materials ~~became~~ **become** more expensive **or to offset the impact of tariffs**. The raw materials used to manufacture our products are subject to availability constraints and price volatility. Our vendors may pass the increase in sourcing costs to us through price increases, thereby impacting our margins. We have faced such price increases previously and could face material changes in the future, impacting our ability to continue to provide our products to customers at competitive prices. In addition, some of our vendors may not have the capacity to supply us with sufficient merchandise to keep pace with our growth plans, especially if we need significantly greater amounts of inventory. In such cases, our ability to pursue our growth strategy will depend in part upon our ability to develop new vendor relationships. Some of our suppliers are owned by vertically- integrated companies with retail divisions that compete with us and, as such, we are exposed to the risk that these suppliers may not be willing, or may become unwilling, to sell their products to us on acceptable terms, or at all. We rely on a limited number of vendors to supply the majority of our eyeglass lenses and contact lenses and are thus exposed to concentration of supplier risk. In particular, we have agreed to exclusively purchase almost all of our eyeglass lenses from one supplier. During fiscal year ~~2023~~ **2024**, ~~89~~ **approximately 82** % of lens expenditures were from this vendor and ~~92~~ **approximately 94** % of contact lens expenditures were with three vendors. We are less exposed to a supplier risk for our eyeglass frames as only ~~60~~ **approximately 54** % of frame expenditures were with two vendors. If we were to lose any significant supplier, we may be unable to establish additional or replacement sources for our products that meet our quality controls and standards in a timely manner, on commercially reasonable terms or at all. As a few major suppliers dominate the optical retail industry, the risks associated with finding alternative sources may be exacerbated. We rely heavily on our information technology systems, as well as those of our vendors, for our business to effectively operate and to safeguard confidential information; any significant failure, inadequacy, interruption or security breach could adversely affect our business, financial condition and operations. We rely heavily on our information technology systems for many functions across our operations, including ERP, managing our supply chain and inventory, processing customer transactions in our stores, allocating lens processing jobs to the appropriate laboratories, providing and maintaining our remote medicine and EHR platforms, our financial accounting and reporting systems, maintenance of certain of our cybersecurity programs, CRM and customer engagement efforts, operating our websites, growing our omni- channel and e- commerce business, and human resources administration. Our ability to effectively manage our business and coordinate the sourcing, distribution and sale of our products depends significantly on the reliability and capacity of these systems. We also collect, process and store sensitive and confidential information, including our proprietary business information and that of our customers, associates, suppliers and business partners. The secure processing, maintenance and transmission of this information is critical to our operations. Our systems may be subject to damage or interruption from power outages or damages, telecommunications problems, data corruption, software errors, network failures, acts of war or terrorist attacks, fire, flood, ransomware attacks, and natural disasters. Our existing safety systems, data backup, access protection, user management and information technology emergency planning may not be sufficient to prevent data loss or long- term network outages. In addition, we may need to upgrade our existing information technology systems or choose to incorporate new technology systems from time to time in order for such systems to support the increasing needs of our expanding business. Costs and potential problems or interruptions associated with the implementation of new or upgraded systems and technology or with maintenance or adequate support of existing systems could disrupt or reduce the efficiency of our operations. In particular, we are in the process of implementing a new ERP system. This system will replace many of our existing operating and financial systems. The implementation is a major undertaking, both financially and from a management and personnel perspective. Any material disruptions, delays or deficiencies in the design and implementation of our new ERP system could adversely affect our ability to process orders, ship products, provide services and customer support, send invoices and track payments, fulfill contractual obligations or otherwise operate our business. Our systems and those of our third- party service providers and business partners may be vulnerable to security breaches, attacks by hackers, acts of vandalism, computer viruses, misplaced or lost data, human errors, or other similar events and are from time to time subject to such incidents. Security breaches, computer malware and computer hacking have become more prevalent across industries and are increasing in their frequency, level of persistence, sophistication and intensity, and are being conducted by sophisticated, organized groups and individuals. We may face increased cybersecurity risks due to our reliance on Internet technology and the increased number of employees working remotely following the pandemic. If unauthorized parties gain access to our networks or databases or those of our third- party service providers or business partners they may be able to steal, publish, delete, use inappropriately or modify our private and sensitive third- party information including protected health information, payment card information and personal identification information. In addition, associates may intentionally or inadvertently cause data or security breaches that result in unauthorized release of sensitive or confidential information. Because the techniques used to circumvent security systems can be highly sophisticated, change frequently, are often not recognized until launched against a target and may originate from less regulated and remote areas around the world, we may be unable to proactively address all possible vulnerabilities or implement adequate preventive measures for all situations. Like most corporations, our systems are a target of attacks. Although the incidents that we have experienced to date have not had a material effect on our business, there can be no assurance that such incidents will not have a material adverse effect on us in the future. Any such breach, attack, virus or other event could result in costly investigations and litigation exceeding applicable insurance coverage or contractual rights available to us, civil or criminal penalties, operational changes or other response measures, loss of consumer confidence in our security measures, or negative publicity that could adversely affect our financial condition, results of operations and reputation. Any material disruption or slowdown of our systems or those of our third- party service providers and business partners, could have a material adverse effect on our business, financial condition and results of operations. We rely on third- party coverage and reimbursement, including government programs, for an increasing portion of our revenues, the future reduction of which could adversely affect our results of operations. We rely on third- party coverage and reimbursement,

including government and private insurance plans, such as managed vision care plans, for an increasing portion of our net revenue. We are generally reimbursed for the vision care services and products that we provide through payment systems managed by private insurance companies, managed care organizations and governmental agencies. Coverage and payment levels are determined at each third- party payor' s discretion, and we have limited control over third- party payor' s decision- making with respect to coverage and payment levels. Coverage restrictions and reductions in reimbursement levels or payment methodologies may negatively impact our sales and profits. Many third- party payors may continue to explore cost- containment strategies that may potentially impact coverage and / or payment levels for our services and products and impose utilization restrictions and risk- based compensation arrangements. We cannot provide any assurances that we will be able to maintain or increase our participation in managed care arrangements or that we will be adequately reimbursed by managed care payors, vision insurance providers and other third- party payors for the services we provide and the products we sell. From time to time, vision care insurance payors may make changes to their EDI claim systems. Such changes may require us to update our processes and could impact our ability to submit claims or to timely receive reimbursements from our managed care partners. If claims for payment are disputed by managed care payors or if we fail to timely or accurately submit claims, we may not receive payment for such claims in a timely manner or at all, which could negatively impact our relationship with managed care organizations and could require us to take write- offs or otherwise have a significant negative impact on our business, financial condition and results of operations. Furthermore, any changes to or repeal of the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, or any other significant changes to the healthcare regulatory landscape, **that may be supported by the current presidential and congressional administrations that recently assumed office,** may reduce or eliminate coverage or reimbursement rates of insurance- funded eye exams or eyewear. Risks Related to Our Legal and Regulatory Environment We are subject to extensive state, local and federal vision care and healthcare laws and regulations and failure to adhere to such laws and regulations would adversely affect our business. We are subject to extensive state, local and federal vision care and healthcare laws and regulations. See Part I. Item 1. " Business- Government Regulation. " The laws applicable to us are also subject to evolving interpretations. As such, we must monitor our compliance with laws in every jurisdiction in which we operate on an ongoing basis and we cannot guarantee that subsequent interpretation of, or changes to, the applicable laws will not negatively affect our business operations. For example, the arrangements we have implemented with optometrists and professional corporations or similar entities owned by eye care practitioners could subject us to scrutiny by federal and state regulatory bodies regarding federal and state anti- kickback, fraud and abuse, or other laws. In addition, our failure, or the failure of vision care professionals who are our associates or with whom we have contractual arrangements, to obtain and maintain appropriate licenses could result in the unavailability of vision care professionals in or near our stores, loss of sales and / or the closure of our stores without licensed professionals, as well as fines and penalties for dispensing prescription eyewear without such licensed professionals. Additionally, our ability to recruit, hire and / or contract with vision care professionals is closely regulated. For example, there is a risk that state authorities in some jurisdictions may find that our contractual relationships with optometrists or professional corporations or similar entities that employ optometrists violate laws prohibiting the corporate practice of medicine / optometry, in which case we may be required to restructure these arrangements, which may make it more difficult for us to attract and retain their services. State legislators and regulators may also be reluctant to accept telehealth and remote medicine as an additional way to provide access to quality patient care. **Recently, there** **There is a** ~~has been an increase in legislative and rulemaking activity that creates~~ disparity across jurisdictions with respect to how telehealth is regulated and how we are able to implement our remote medicine solution. Our ability to launch our remote medicine solution in certain jurisdictions or in the most cost- efficient manner is highly dependent on the evolution of these state- by- state requirements and restrictions. Some states have taken positions on telehealth that significantly limit our ability to deploy our current remote medicine solution, or that prohibit the use of telehealth by optometrists to conduct eye examinations. The ever- changing regulatory landscape may cause disruption as we launch our remote medicine solution in various states, causing us to significantly reconfigure the solution or potentially decide to not deploy the solution in that particular state. This may have an abrupt and material effect on our business operations or financial status. If a legal challenge to our chosen remote medicine solution were successful, and we are unable to modify the model to comply with the requirements and still meet the needs of patients and optometrists, this may have a material effect on our business operations or financial status in that jurisdiction. We cannot provide any assurances that we will not be subject to reprimands, sanctions, probation, fines, suspension or revocation of operating or business permits, or that our ability to offer remote medicine services in that jurisdiction will not be challenged. We also may be the subject of administrative complaints or actions in the future. Our ability to recruit optometrists who are willing and able to provide telehealth services where permitted may be affected by their respective licensing authorities or state optometry boards or association' s view on telehealth practice. We must continuously monitor legislative and rulemaking activities for changes in telehealth requirements and work with various stakeholders to educate lawmakers on how remote optometry services may be provided safely and effectively. We cannot guarantee that our interpretation of existing or future requirements is aligned with how regulators may interpret such requirements, and we cannot assure that, if challenged, our current remote medicine solution will be found to be in compliance with the law. We must comply with the FCLCA and its implementing regulations with respect to verifying contact lens prescriptions in connection with our online sales of contact lenses. Our extended warranty plans may subject us to state laws, which vary by state, that regulate the sale of product service contracts or insurance- like arrangements. It is possible that regulators in certain states could determine that our warranty plans should be subject to these laws and mandate that we comply with various registration, disclosure and financial requirements. In such event, we could be required to incur enhanced compliance costs, or be at risk of cease and desist orders and monetary penalties. Our participation in federal healthcare programs, such as Medicare and Medicaid, requires us to comply with laws regarding the way in which we conduct business and submit claims. These laws include the federal Anti- Kickback Statute, which attaches criminal liability to unlawful inducements for the referral of business reimbursable under

federally- funded healthcare programs; the federal physician self- referral laws, which attach repayment and monetary damages where a healthcare service provider seeks reimbursement for providing certain services to a patient who was referred by a physician that has certain types of direct or indirect financial relationships with such service provider; and the FCA, which attaches per- claim liability and potentially treble damages to the filing of false claims for payment under federally funded programs. Many states have also adopted similar laws that apply to any third- party payor including commercial plans. Our operating results could be negatively impacted by developments in these areas due to the costs of compliance in addition to possible civil and criminal penalties, litigation and exclusion from government healthcare programs in the event of deemed noncompliance. In addition, a person who offers or transfers to a federal healthcare program beneficiary any remuneration, including the transfer of items or services for free or other than fair market value, that the person knows or should know is likely to influence the beneficiary' s selection of a particular provider, practitioner or supplier of Medicare or Medicaid payable items or services, may be liable for significant civil monetary penalties. Although this prohibition applies only to federal healthcare program beneficiaries; the provision of free items and services to patients covered by commercial payors may implicate applicable state laws related to, among other things, unlawful schemes to defraud, excessive fees for services, tortious interference with patient contracts, and statutory or common law fraud. In addition, state regulators or boards of optometry may also challenge our promotional practices, including America' s Best' s bundled offers, as, among other things, violating applicable state laws regarding unfair competition, false advertising to consumers or corporate practice of optometry prohibitions. To the extent our promotional programs are found to be inconsistent with applicable laws, we may be required to restructure or discontinue such programs, or be subject to other significant penalties. Eyeglasses and contact lenses are regulated as medical devices in the U. S. by the FDA, and under the FDC Act, such medical devices must meet a number of regulatory requirements. We do not hold any marketing authorizations for the eyeglasses and contact lenses that we sell as we serve as the retailer for third- party manufacturers' devices. We cannot provide assurance that such third- party manufacturers' eyeglasses or contact lenses we sell comply with these regulatory requirements. We also engage in certain manufacturing, repackaging and relabeling activities that subject us to direct oversight by the FDA under the FDC Act and its implementing regulations. If we, or any of the third- party manufacturers whose products we sell, fail to comply with applicable requirements, we or they may be subject to legal action by the U. S. Department of Justice, on behalf of the FDA and / or various forms of FDA enforcement and compliance actions, which include recalls, fines, penalties, injunctions, seizures, prosecutions, adverse publicity (such as FDA press releases) or other adverse actions. Our failure to comply with applicable regulations could have severe consequences, including the closure of our stores, possible breaches of the agreements relating to certain of our brands, changes to our way of doing business and the imposition of fines and penalties. We are subject to managed vision care laws and regulations. We are engaged in managed vision care, both as a managed care entity through our subsidiary, FirstSight, and as a provider to managed care payors and insurers, and are subject to additional regulations as a result. FirstSight is licensed as a single- service HMO and is subject to the managed care laws of the State of California and is comprehensively regulated by the DMHC. FirstSight' s failure to comply with the regulations and requirements under such managed care laws may result in the imposition of various sanctions, including the suspension or revocation of FirstSight' s license, civil penalties and appointment of a receiver, among others. Material changes to the operations of FirstSight, including the opening of America' s Best locations outside of defined service areas, must be approved by the DMHC. This approval process can be complex and can cause delays in the projected opening of our stores. The sale of managed care products by FirstSight is essential to our America' s Best operations in California, and the suspension or loss of our license or our failure to otherwise comply with applicable regulatory requirements could have a material adverse impact on such business in California. In addition, our Eyecare Club programs may be subject to regulation under managed care and related state laws, including those of California, where these programs are offered by FirstSight. Our Eyecare Club programs may also subject us to state statutes regulating discount medical plans, requiring the licensing or registration of organizations that provide discounted access to health care providers. It is possible that state regulators could determine that we are operating as a discount medical plan and as such are subject to various registration, disclosure and solvency requirements. We could incur increased compliance costs as a result. We would also be subject to the risk of cease and desist orders and monetary penalties. We are subject to rapidly changing and increasingly stringent laws, regulations, contractual obligations, and industry standards relating to privacy, data security and data protection. The restrictions and costs imposed by these laws and other obligations, or our actual or perceived failure to comply with them, could subject us to liabilities that adversely affect our business, operations and financial performance. We are subject to HIPAA, the HITECH Act and the health data privacy, security and breach notification regulations issued pursuant to these statutes, which govern our collection, use, access, disclosure, transmission and / or storage of PHI, in connection with the sales of our products and services, customer service, billing and employment practices, as well as our operations as a business associate to multiple healthcare providers. HIPAA has several rules with which we must comply, including the HIPAA Privacy, Security, and Breach Notification rules. Each of these rules sets forth specific standards and controls that covered entities and business associates must implement, and ongoing implementation of these requirements take significant time, effort and resources, including external resources to audit compliance against these rules. While we take precautions to detect and prevent non- compliance among our employees, subcontractors and service providers, it is not always possible to identify and deter misconduct related to unauthorized access, use, disclosure or destruction of PHI. In addition, there are existing state privacy, security and breach notification laws and regulations that apply to both PHI and PII collected and / or processed by us. These existing laws and regulations may be amended and states may adopt new laws or regulations regarding consumer data privacy and individual rights to their data (such as rights to request a business for access to, deletion or modification of, or a portable copy of such individual' s personal information). In the states that have already implemented comprehensive consumer privacy and data protection laws, individuals also have the right to receive detailed information about how their personal information is used and shared with service providers, contractors, and third parties. Moreover, such individuals can opt out of the sharing of their

personal information and restrict the use of cookies and similar tracking technologies for non-essential purposes. Our failure to effectively implement the required or addressable data privacy and security safeguards, breach notification procedures, and implement consumer data rights processes, or our failure to accurately anticipate the application or interpretation of these statutes, regulations and standards, could lead to invalidation or modification of our agreements with optometrists or professional corporations or similar entities owned by eye care practitioners, create material civil and / or criminal liability for us or require us to change our business practices, which could result in adverse publicity and loss of consumer trust, and have a material adverse effect on our business, financial condition and results of operations. The regulatory environment surrounding information security and privacy is increasingly demanding, with the frequent imposition of new and changing requirements across our business. For instance, as an entity that collects and maintains PII and PHI, we could be forced, in the event of a data breach, to report the breach not only to affected customers, but also to various public agencies and media outlets, potentially harming our reputation and our business. Our business partners may have contractual rights of indemnification against us or seek to terminate our contracts with them in the event that their customer or proprietary business information is released as a result of a breach of our information technology. Additionally, business partners may also face a data breach, allowing for our customer or proprietary business information to be released, which could result in a loss of consumer confidence in our security measures, harm our business and also lead to costly investigations and litigation. Such a breach also may not be adequately covered under contractual rights of indemnification or by cyber insurance. Further, if we are unable to comply with the security standards established by banks and the payment card industry, we may be subject to fines, restrictions or expulsion from card acceptance programs, which could adversely affect our retail operations. As privacy and information security laws and regulations change and vary from state to state, we may incur additional compliance costs. We could be adversely affected by product liability, product recall or personal injury issues. We could be adversely impacted by the supply of defective products, including the infiltration of counterfeit products into the supply chain and contamination or product mishandling issues. Product liability or personal injury claims may be asserted against us with respect to any of the products we sell or services we provide. The provision of professional eye care services by the vision care professionals employed by us or with whom we have contractual arrangements also increases our exposure to professional liability claims. There is a risk that these claims may exceed, or fall outside the scope of, our insurance coverage. In addition, a government or other regulatory agency could require us or one of our vendors or suppliers to remove a particular product from the market for, among other reasons, failure to adhere to product safety requirements or quality control standards. Product recalls can result in the disposal or write-off of merchandise, harm our reputation and cause us to lose customers, particularly if those recalls cause consumers to question the performance, quality, safety or reliability of our products. Any significant returns or warranty claims, as well as the timing of such returns or claims, could result in significant additional costs to us and could adversely affect our results of operations. We rely on our suppliers to control the quality of both eyeglass components and contact lenses. We are not involved in the manufacture of the merchandise we purchase from our vendors for sale to our customers, and we do not independently investigate whether these vendors legally hold sufficient intellectual property rights to the merchandise that they are manufacturing or distributing. Our ability to seek recourse for liabilities and recover costs from our vendors depends on our contractual rights as well as on the financial condition and integrity of the vendors. Moreover, we engage in certain manufacturing, repackaging and relabeling activities at our optical laboratories and at certain Eyeglass World stores. If the products that we manufacture, repackage or relabel are defective or otherwise result in product liability or personal injury claims against us, our business could be adversely affected and we could be subject to adverse regulatory action. If our merchandise or services do not meet applicable governmental safety standards or our customers' expectations regarding quality or safety, we could experience lost sales and increased costs, be exposed to legal and reputational risk, or face fines or penalties which could materially adversely affect our financial results. Failure to comply with laws, regulations and enforcement activities or changes in statutory, regulatory, accounting and other legal requirements could potentially impact our operating and financial results. In addition to the vision care and healthcare laws and regulations discussed above, we are subject to numerous federal, state, local and foreign laws and governmental regulations including those relating to environmental protection, building, land use and zoning requirements, workplace regulations, **public accommodation**, wage and hour, privacy and information security, consumer protection, immigration, and employment matters. If we fail to comply with existing or future laws or regulations, or if these laws or regulations are violated by importers, manufacturers or distributors, we may be subject to governmental or judicial fines or sanctions, while incurring substantial legal fees and costs. In addition, our capital expenditures could increase due to remediation measures that may be required if we are found to be noncompliant with any existing or future laws or regulations. Further, the FTC has authority to investigate and prosecute practices that constitute "unfair trade practices," "deceptive trade practices" or "unfair methods of competition." State attorneys general typically have comparable authority and many states also permit private plaintiffs to bring actions on the basis of these laws. Federal and state consumer protection laws and regulations may apply to our operations and retail offers. For example, our America's Best offer of a "free" eye exam is subject to compliance with laws and regulations governing the use of this term. Our transactions with vendors engaged in international trade including the non-U.S. laboratories we contract with may subject us to the FCPA and trade sanction laws, and similar anti-corruption, anti-bribery and international trade laws, any violation of which could create substantial liability for us and also harm our reputation. Our four laboratories in the U.S. and our in-store laboratories at Eyeglass World locations subject us to various federal, state and local laws, regulations and other requirements pertaining to protection of the environment, public health and associate safety, including regulations governing the management of hazardous substances and the maintenance of safe working conditions, such as the Occupational Safety and Health Act of 1970, as amended. These laws also apply generally to all of our properties. Our failure to comply with these laws can subject us to criminal and civil liabilities. In connection with our Vista Optical military locations, we must comply with regulations governing the occupancy of military bases. In connection with our philanthropic endeavors, we must also comply with additional federal, state and local tax and other laws and regulations. Additionally, because we accept debit and credit cards

for payment, we are subject to the PCI Standard issued by the Payment Card Industry Security Standards Council, with respect to payment card information. The PCI Standard contains compliance guidelines with regard to our security surrounding the physical and electronic storage, processing and transmission of cardholder data. Compliance with the PCI Standard and implementing related procedures, technology and information security measures requires significant resources and ongoing attention. Costs and potential problems and interruptions associated with the implementation of new or upgraded systems and technology such as those necessary to achieve compliance with the PCI Standard or with maintenance or adequate support of existing systems could also disrupt or reduce the efficiency of our operations. We rely on third- party vendors to handle PCI matters and ensure compliance. Any material interruptions or failures in our payment- related systems could have a material adverse effect on our business, financial condition and results of operations. If there are amendments to the PCI Standard, the cost of compliance with new requirements could also be substantial and we may suffer loss of critical data and interruptions or delays in our operations as a result. Adverse judgments or settlements resulting from legal proceedings relating to our business operations could materially adversely affect our business, financial condition and results of operations. From time to time, we are subject to allegations, and may be party to legal claims and regulatory proceedings, relating to our business operations. See Part I. Item 3. “ Legal Proceedings. ” Such allegations, claims and proceedings may be brought by third parties, including our shareholders, customers, associates, governmental or regulatory bodies, or competitors and may include class actions. Defending against such claims and proceedings is costly and time consuming and may divert management’ s attention and resources from our normal business operations, and the outcome of many of these claims and proceedings cannot be predicted. If any of these claims or proceedings were to be determined adversely to us, if a judgment, a fine or a settlement involving a payment of a material sum of money were to occur, or if injunctive relief were issued against us, our business, financial condition and results of operations could be materially adversely affected. We are and may in the future be the target of securities- related litigation. Litigation can divert our management’ s attention and resources, result in substantial costs, and have an adverse effect on our business, results of operations, financial condition and stock price. We maintain director and officer insurance to mitigate the risks associated with potential claims; however, we are responsible for meeting certain deductibles under such policies, and there can be no assurance that our insurance coverage will adequately protect us from all claims made against us. Further, as a result of the litigation, the costs of insurance may increase, and the availability of coverage may decrease. As a result, we may not be able to maintain our current levels of insurance at a reasonable cost, or at all, which might make it more difficult to attract qualified candidates to serve as executive officers or directors. There also may be adverse publicity associated with litigation that could negatively affect customer perception of our business and materially damage our reputation. We may not be able to adequately protect our intellectual property, which could harm the value of our brand and adversely affect our business. Our ability to implement our business plan successfully depends in part on our ability to further build brand recognition using our trademarks, service marks and other proprietary intellectual property, including our name and logos. While it is our policy to protect and defend vigorously our rights to our intellectual property, we cannot predict whether steps taken by us to protect our intellectual property rights will be adequate to prevent infringement or misappropriation of these rights. It may be difficult for us to prevent others from copying elements of our products and any litigation to enforce our rights could be costly, divert attention of management and may not ultimately be successful. Although we believe that we have sufficient rights to all of our trademarks, service marks and other intellectual property rights, we may face claims of infringement that could interfere with our ability to market and promote our brands. Any such litigation may be costly and divert resources from our business. Moreover, if we are unable to successfully defend against such claims, we may be prevented from using our trademarks, service marks or other intellectual property rights in the future and may be liable for damages, which in turn could materially adversely affect our business, financial condition or results of operations.

Risks Related to Our Indebtedness We have a significant amount of indebtedness which could adversely affect our business and financial position, including by limiting our business flexibility and preventing us from meeting our debt obligations. We have a significant amount of indebtedness. As of December 30, 2023, 2023-2024, we had approximately \$ 448,339,700 million of aggregate principal amount of indebtedness associated with our first lien term loan in the aggregate principal amount of \$ 146,254,320 million (the “ Term Loan A ”) due in 2028, subject to springing maturity, and \$ 302,84,580 million of 2.50 % convertible senior notes due on May 15, 2025 (the “ 2025 Notes ”) outstanding (excluding finance lease obligations). Our leverage could have a number of consequences for us, including:

- requiring us to utilize a substantial portion of our cash flows from operations to make payments on our indebtedness, reducing the availability of our cash flows to fund working capital, capital expenditures, general corporate and other purposes;
- increasing our vulnerability to adverse economic, industry or competitive developments;
- making it more difficult for us to satisfy our obligations with respect to our indebtedness, and any failure to comply with the obligations of any of our debt instruments, including any financial maintenance and restrictive covenants, could result in an event of default under the agreements governing our indebtedness;
- restricting us from capitalizing on business opportunities;
- limiting our ability to obtain additional financing for working capital, capital expenditures, execution of our business strategy, debt service requirements, acquisitions or other general corporate purposes; and
- limiting our flexibility in planning for, or reacting to, changes in our business or market conditions and placing us at a competitive disadvantage compared to our competitors who are less highly leveraged and who, therefore, may be able to take advantage of opportunities that our leverage prevents us from exploiting. Our ability to make principal and interest payments on and to refinance our indebtedness will depend on our ability to generate cash in the future and is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. If we cannot generate sufficient cash flow from operations to make scheduled principal and interest payments in the future, we may need to refinance all or a portion of our indebtedness on or before maturity, sell assets, delay capital expenditures or seek additional equity. The terms of our existing or future debt agreements may also restrict us from effecting any of these alternatives. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. In

addition to refinancing, we may elect to deploy capital to reduce outstanding debt and such capital deployment would reduce our ability to use funds for other purposes. For example, we repurchased \$ 100.0 million aggregate principal amount of our 2025 Notes in November 2023, and **the in August 2024, we repurchased an additional \$ 217.7 million of our 2025 Notes for an aggregate cash repurchase price of approximately \$ 215.0 million plus accrued and unpaid interest on such notes.** **The** Company is continuing to evaluate its alternatives in light of the impending maturity date of the 2025 Notes on May 15, 2025, including, repayment, refinancing and further repurchase prior to maturity. **Additionally, from and after February 15, 2025, The Company may also elect to pay all or a portion of the conversion price relating to the 2025 Notes in are convertible into cash up to the extent a holder elects to amount of \$ 1,000, with any excess amount convert convertible into shares, based on the applicable conversion rate at such time.** Further, changes in the credit and capital markets, including market disruptions and interest rate fluctuations, may increase the cost of financing, make it more difficult to obtain favorable terms, or restrict our access to these sources of future liquidity. In addition, any failure to make scheduled payments of interest and principal on our outstanding indebtedness would likely result in a reduction of our credit rating, which could harm our ability to incur additional indebtedness on commercially reasonable terms or at all. Our inability to generate sufficient cash flow to satisfy our debt service obligations, or to refinance or restructure our obligations on commercially reasonable terms or at all, could have a material adverse effect on our business, financial condition and results of operations, as well as on our ability to satisfy our obligations in respect of our indebtedness. A change in interest rates may adversely affect our business. As of December 30-28, 2023-2024, our \$ 146.3 million of term loan borrowings of \$ 254.2 million were subject to variable interest rates and we had total borrowings of \$ 448-339.7-0 million with a weighted average borrowing rate of 3-6.4-5%. **Our, inclusive of the effects of our interest rate collar matured in . In fiscal year 2021-2024, following the maturity and we currently have no hedging of the interest our variable rate debt. An increase swaps, the interest rate collar hedged some of the variability in our interest rates -A, whether because of an increase in market interest rates or a decrease in our creditworthiness, the applicable rate below a certain threshold could increase require payments to the counterparty cost of servicing our debt interest rate collar derivative and could materially reduce our profitability and cash flows. An increase in interest rates, whether because of an increase in market interest rates or a decrease in our creditworthiness, could increase the cost of servicing our debt and could materially reduce our profitability and cash flows. Moreover, at on January 1, 2022, the publication of the one-week and two-months U. S. Dollar LIBOR maturities and all non-U. S. Dollar LIBOR maturities ceased and the remaining U. S. Dollar LIBOR maturities ceased immediately after June 30, 2023. Accordingly, many of our existing LIBOR obligations that were not already replaced by a different rate, transitioned to another benchmark after June 30, 2023. At this time, it is not possible to predict the full effect that the recent discontinuance of LIBOR, or the establishment of alternative reference rates such as SOFR, will have on us or our borrowing costs and such changes may result in an increase in the cost of our variable rate indebtedness. SOFR is a relatively new reference rate and its composition and characteristics are not the same as LIBOR. Given the limited history of this rate and potential volatility as compared to other benchmark or market rates, the future performance of this rate cannot be predicted based on historical performance. Our credit agreement contains restrictions that limit our flexibility in operating our business. Our credit agreement imposes significant operating and financial restrictions. These covenants may limit our ability and the ability of our subsidiaries, under certain circumstances, to, among other things:**

- incur additional indebtedness;
- create or incur liens;
- engage in certain fundamental changes, including mergers or consolidations;
- sell or transfer assets;
- pay dividends and distributions on our subsidiaries' capital stock;
- make acquisitions, investments, loans or advances;
- pay or modify the terms of certain indebtedness;
- engage in certain transactions with affiliates; and
- enter into negative pledge clauses and clauses restricting subsidiary distributions.

Our credit agreement also contains certain customary affirmative covenants and events of default, including a change of control and financial maintenance covenants prohibiting us from exceeding a certain total leverage ratio or falling below a certain interest coverage ratio. As a result of these covenants and restrictions, we are limited in how we conduct our business, and we may be unable to raise additional debt or equity financing to compete effectively or to take advantage of new business opportunities. The terms of any future indebtedness we may incur could include more restrictive covenants. We cannot guarantee that we will be able to maintain compliance with these covenants in the future and, if we fail to do so, that we will be able to obtain waivers from the lenders and / or amend the covenants. Our failure to comply with the restrictive covenants described above as well as others contained in our future debt instruments from time to time could result in an event of default, which, if not cured or waived, could result in our being required to repay these borrowings before their maturity dates. In addition, any event of default or declaration of acceleration under one debt instrument could also result in an event of default under one or more of our other debt instruments. If we are unable to repay, refinance or restructure our indebtedness under our secured debt, the holders of such debt could proceed against the collateral securing that indebtedness. If we are forced to refinance these borrowings on less favorable terms or if we are unable to repay, refinance or restructure such indebtedness, our financial condition and results of operations could be adversely affected. Conversion of the 2025 Notes could dilute the ownership interest of existing stockholders or may otherwise depress the price of our common stock. As of December 30-28, 2023-2024, \$ 302-84.5-8 million aggregate principal amount of our 2025 Notes were outstanding. **The From and after February 15, 2025, the 2025 Notes are convertible into cash up to the amount of \$ 1,000, with any excess amount convertible into shares of common stock or a combination of cash and shares of common stock at our election, based on the applicable conversion rate at such time. Prior to As of February 15, 2025, the 2025 Notes are convertible at the option of the holders of such notes under certain circumstances as provided in the governing indenture and, as of December 30, 2023, those circumstances were not in effect. As of December 30, 2023, based on the initial conversion rate of the 2025 Notes, which is subject to adjustment, and the trading price of shares of our common stock, the 2025 Notes are would not be convertible into 9.7 million shares of our common stock with. However, if the trading price of our common stock materially increases before the maturity date of the 2025 Notes and a maximum possible holder elects to convert its 2025 Notes, we may be required to issuance--- issue a number of 12.4 million shares of our common stock equivalent to**

such excess amount divided by the volume-weighted average price of our common stock over the relevant observation period (as described in the indenture governing our 2025 Notes).

The conversion of some or all of the 2025 Notes could dilute the ownership interests of existing stockholders to the extent we elect to deliver shares of our common stock upon conversion of any of the 2025 Notes. Any sales in the public market of the common stock issuable upon such conversion could adversely affect prevailing market prices of our common stock. Risks Related to Ownership of Common Stock Our stock price may be volatile or may decline regardless of our operating performance. The trading price of our common stock may be volatile and subject to fluctuations due to a number of factors, most of which we cannot control, including those listed under these “Risk Factors,” and the following: • actual or anticipated variations in our results of operations; • changes in expectations as to our future financial performance, including financial estimates and investment recommendations by securities analysts and investors; • additions or departures of key management personnel; • strategic actions by us or our competitors, including announcements by us, our competitors, our suppliers or our Host and Legacy organizations of significant contracts, price reductions, new products or technologies, acquisitions, joint marketing relationships, joint ventures, other strategic relationships, or capital commitments; • changes in general economic or market conditions or trends in our industry or the economy as a whole and, in particular, in the consumer spending environment; • changes in business or regulatory conditions; • investor perceptions of or the investment opportunity associated with our common stock relative to other investment alternatives; • the public’s response to press releases or other public announcements by us or third parties, including our filings with the SEC; • announcements relating to litigation or governmental investigations; • guidance, if any, that we provide to the public, any changes in this guidance or our failure to meet this guidance; Furthermore, the stock market may experience extreme volatility that, in some cases, may be unrelated or disproportionate to the operating performance of particular companies. These broad market and industry fluctuations may adversely affect the market price of our common stock, regardless of our actual operating performance. In addition, price volatility may be greater if the public float and trading volume of our common stock is low. Because we have no current plans to pay cash dividends on our common stock, investors may not receive any return on investment unless they sell their common stock for a price greater than that which they paid for it. We have no current plans to pay cash dividends on our common stock. The declaration, amount and payment of any future dividends on our common stock will be at the sole discretion of our Board of Directors. Our Board of Directors may take into account general and economic conditions, our financial condition and results of operations, our available cash and current and anticipated cash needs, capital requirements, contractual, legal, tax and regulatory restrictions and implications on the payment of dividends by us to our stockholders or by our subsidiaries to us, including restrictions under our credit agreement and other indebtedness we may incur, and such other factors as our Board of Directors may deem relevant. As a result, investors may not receive any return on an investment in our common stock unless they sell our common stock for a price greater than their purchase price. We are a holding company with no operations of our own and, as such, we depend on our subsidiaries for cash to fund all of our operations and expenses, including future dividend payments, if any. Our operations are conducted entirely through our subsidiaries and our ability to generate cash to meet our debt service obligations or to make future dividend payments, if any, is highly dependent on the earnings and the receipt of funds from our subsidiaries via dividends or intercompany loans. We do not currently expect to declare or pay dividends on our common stock for the foreseeable future; however, to the extent that we determine in the future to pay dividends on our common stock, the agreements governing our indebtedness may restrict the ability of our subsidiaries to pay dividends or otherwise transfer assets to us. Anti-takeover provisions in our organizational documents could delay or prevent a change of control. Certain provisions of our amended and restated certificate of incorporation and amended and restated bylaws may have an anti-takeover effect and may delay, defer or prevent a merger, acquisition, tender offer, takeover attempt, or other change of control transaction that a stockholder might consider in its best interest, including those attempts that might result in a premium over the market price for the shares held by our stockholders. These provisions provide for, among other things: • the ability of our Board of Directors to issue one or more series of preferred stock; • advance notice requirements for nominations of directors by stockholders and for stockholders to include matters to be considered at our annual meetings; and • certain limitations on convening special stockholder meetings. These anti-takeover provisions could make it more difficult for a third party to acquire us, even if the third party’s offer may be considered beneficial by many of our stockholders. As a result, our stockholders may be limited in their ability to obtain a premium for their shares. Our Board of Directors is authorized to issue and designate shares of our preferred stock in additional series without stockholder approval. Our amended and restated certificate of incorporation authorizes our Board of Directors, without the approval of our stockholders, to issue 50,000,000 shares of our preferred stock, subject to limitations prescribed by applicable law, rules and regulations and the provisions of our amended and restated certificate of incorporation, as shares of preferred stock in series, to establish from time to time the number of shares to be included in each such series and to fix the designation, powers, preferences and rights of the shares of each such series and the qualifications, limitations or restrictions thereof. The powers, preferences and rights of these additional series of preferred stock may be senior to or in parity with our common stock, which may reduce its value. Our certificate of incorporation provides, subject to limited exceptions, that the Court of Chancery of the State of Delaware will be the sole and exclusive forum for certain stockholder litigation matters, which could limit our stockholders’ ability to obtain a favorable judicial forum for disputes with us or our directors, officers, associates or stockholders. Our amended and restated certificate of incorporation provides, subject to limited exceptions, that unless we consent to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall, to the fullest extent permitted by law, be the sole and exclusive forum for any (i) derivative action or proceeding brought on behalf of our company, (ii) action asserting a claim of breach of a fiduciary duty owed by any director, officer, or other associate or stockholder of our company to the Company or our stockholders, creditors or other constituents, (iii) action asserting a claim against the Company or any director or officer of the Company arising pursuant to any provision of the Delaware General Corporation Law, or the DGCL, or our amended and restated certificate of incorporation or our amended and restated bylaws or as to which the DGCL

confers jurisdiction on the Court of Chancery of the State of Delaware, or (iv) action asserting a claim against the Company or any director or officer of the Company governed by the internal affairs doctrine. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and consented to the forum provisions in our amended and restated certificate of incorporation. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, other associates or stockholders which may discourage lawsuits with respect to such claims. Application of the choice of forum provision may be limited in some instances by law. Section 27 of the Securities Exchange Act of 1934 ("Exchange Act") provides for exclusive federal court jurisdiction over Exchange Act claims. Accordingly, to the extent the exclusive forum provision is held to cover a shareholder derivative action asserting claims under the Exchange Act, such claims could not be brought in the Delaware Court of Chancery and would instead be within the jurisdiction of the federal district court for the District of Delaware. Section 22 of the Securities Act of 1933 ("Securities Act") creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. Moreover, our stockholders will not be deemed by operation of our choice of forum provision to have waived our compliance with the federal securities laws and the regulations promulgated thereunder. Alternatively, if a court were to find the choice of forum provision contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, operating results and financial condition. If securities or industry analysts do not publish research or reports about our business or if they downgrade our stock or our sector, our stock price and trading volume could decline. The trading market for our common stock relies in part on the research and reports that industry or financial analysts publish about us or our business. We do not control these analysts. Furthermore, if one or more of the analysts who do cover us downgrade our stock or our industry, or change their views regarding the stock of any of our competitors, or publish inaccurate or unfavorable research about our business, the price of our stock could decline. If one or more of these analysts stop covering us or fail to publish reports on us regularly, we could lose visibility in the market, which in turn could cause our stock price or trading volume to decline.