

Risk Factors Comparison 2025-02-28 to 2024-02-23 Form: 10-K

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

Risks Related to Our Business and Operations • the impact of the risks associated with international geopolitical conflicts **is**, ~~including continuing tensions between Taiwan and China, the Russian invasion of Ukraine, and the Israel– Palestine conflict on the global economy, energy supplies and raw materials are uncertain, but may prove to negatively impact our business and operations;~~ • our dependency on a limited number of suppliers for materials, component parts, and vehicle chassis could lead to an increase in material costs, disruptions in our supply chain, or reputational costs; • failure to effectively compete against competitors, enhance existing products or develop, manufacture and market new products, ~~such as artificial intelligence, machine learning, robotics, blockchain or other new approaches to data mining,~~ that respond to consumer needs and preferences and achieve market acceptance could result in a decrease in demand for our products and negatively impact our business and financial results; • our performance- defining products, and the bikes and powered vehicles into which many of them are incorporated, are discretionary purchases and may be adversely impacted by changes in the economy, a shrinking market for these powered vehicles, or a material decline in demand for the high- end bikes that make up a significant portion of our sales; • our business, financial condition and results of operations have been and may continue to be adversely affected by global public health epidemics or pandemics, including the ongoing effects of the COVID- 19 pandemic; • our business depends substantially on our ability to maintain our premium brand image, **the continued expansion of the market and demand for our products,** and to attract and retain experienced and qualified talent, ~~including our senior management team;~~ • changes in our customer, channel and product mix could place demands that are more rigorous on our infrastructure and cause our profitability percentages to fluctuate; • a disruption in the operations of our facilities or along our global supply chain, such as work stoppages, ~~or delays in our planned expansion of certain facilities, including labor strikes,~~ **or infrastructure issues**, could have a negative effect on our business, financial condition or results of operations; • we may not be able to sustain our past growth or successfully implement our growth strategy, which may have a negative effect on our business, financial condition or results of operations; **• our cost optimization efforts may not succeed or may be significantly delayed;** • the loss of the support of professional athletes for our products, or the inability to attract new professional athletes or disruption in relationships with dealers and distributors may harm our business; • our business is dependent in large part on our relationships with dealers and distributors and their success and the orders we receive from our OEM customers and from their success. The loss of all or a substantial portion of our sales to any of these customers, **including a group of relatively small number of customers that account for a substantial portion of our sales,** could have a material adverse impact on us and our results of operations; • our international operations are exposed to risks associated with conducting business globally, ~~including currency exchange rate fluctuations and policies related to global trade and tariffs;~~ • our sales could be impacted by the disruption of sales by other bike component manufacturers or if other bike component manufacturers enter into the specialty bike component markets **in which we operate;** • if we are unable to enforce our intellectual property rights, our reputation and sales could be adversely affected, while intellectual property disputes could lead to significant costs or the inability to sell products; • if we inaccurately forecast demand for our products or inaccurately predict OEM and dealer destocking and restocking cycles and production schedules, we may manufacture insufficient or excess quantities or our manufacturing costs could increase, ~~which could adversely affect our business;~~ • product recalls and significant product repair and / or replacement due to product warranty costs and claims have had, and in the future could have, a material adverse impact on our business; • an adverse determination in any material product liability claim against us could adversely affect our operating results or financial condition; • we and our employees are subject to certain risks in our manufacturing and in the testing of our products; • fuel shortages, or high prices for fuel, could have a negative effect on the use of powered vehicles that use our products; **• we do not control our suppliers, athletic programs, OEMs, other customers, or partners, or require them to comply with a formal code of conduct, and actions that they might take could harm our reputation and sales; • we may incur higher employee costs in the future;** • we rely on increasingly complex information systems for management of our **various manufacturing, distribution, sales and other** functions. If our information systems fail to perform these functions adequately, if we or our vendors or commercial partners experience an interruption in our operations, or if we are impacted by cybersecurity attacks or data privacy issues, our business could suffer; • we have grown and may continue to grow ~~in the future~~ through acquisitions, and we may not be able to effectively integrate businesses we acquire, or we may not be able to identify or complete ~~any~~ future acquisitions on favorable terms, or at all; • our operating results are subject to quarterly variations in our sales, which could make our operating results difficult to predict and could adversely affect the price of our common stock; • **qualitative data and limited sources support our beliefs regarding the future** growth in our sales and the mix of **the performance- defining product market and may** domestic versus export shipments from Taiwan could cause additional foreign tax credits to not be realizable, ~~reliable;~~ **potentially reducing our income and adversely affecting our cash flows;** • the current inflation affecting the economy and **changes in the Federal Reserve’s repeated interest rate rates** increases in response, could negatively impact our cash flows due to higher debt costs or negatively impact our customers’ ability to finance powered vehicles or bikes that include our products;

Risks Related to Our Indebtedness and Liquidity • our **amended credit agreement with Wells Fargo Bank, National Association, and other named lenders (“2022 Credit Facility”)** places operating restrictions on us and creates default risks, and the variable rate makes us more vulnerable to increases in interest rates; • we continue to have the ability to incur debt, **and** our levels of debt may affect our operations and our ability to pay the principal of and interest on our debt; • we may incur losses on interest rate swap and hedging arrangements;

Risks Related to Laws and Regulations • changes in tax laws and regulations or

other factors could cause our income tax obligations to increase, potentially reducing our net income and adversely affecting our cash flows; • we are subject to extensive U. S. federal and state, foreign and international safety, environmental, employment practices and other government regulations that may require us to incur expenses or modify product offerings in order to maintain compliance with such regulation, which could have a negative effect on our business and results of operations; • unpredictability in increasingly stringent emission standards and increasing focus on environmental, social and governance responsibility, including climate change, may impose additional costs and new risks on us; • we are subject to employment practice laws and regulations, and, as such, are exposed to litigation risks, ~~and~~; • ~~we may incur higher employee~~ **are subject to environmental laws and regulations and potential exposure, costs in the and liabilities due to laws and regulations regarding conflict minerals, environmental matters, land- use, and noise and air pollution may have a negative impact on our future sales and results of operations**; • we retain certain personal information about individuals and are subject to various privacy and consumer protection laws; • our vendors and any potential commercial partners may engage in misconduct or other improper activities, including non- compliance with regulatory standards and requirements; • **U. S. policies related to global trade and tariffs could have a material adverse effect on our results of operations**; • we are, and may in the future be, subject to legal proceedings, which could have a negative effect on our business and results of operations if the outcomes of these proceedings are adverse to us; Risks Related to Ownership of Our Common Stock • potential volatility in our trading price, publications by securities or industry analysts, and future issuances, sales, and the perception of such could cause our stock price and trading volume to decline; • anti- takeover provisions in our charter documents and Delaware law could discourage, delay or prevent a change in control of our Company; • **we cannot guarantee that our share repurchase program will be fully consummated or that it will enhance stockholder value, and the volatility of the price of our common stock could increase**; • our Amended and Restated Certificate of Incorporation designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain ~~types of~~ actions and proceedings ~~that may be~~ initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or ~~other employees~~; • ~~we cannot guarantee that our share repurchase program will be fully consummated or that it will enhance stockholder value, and the volatility of the price of our common stock could increase~~; and General Risk Factors • failure of our internal control over financial reporting could adversely affect our business and financial results. RISKS RELATED TO OUR BUSINESS AND OPERATIONS The impact of the risks associated with international geopolitical conflicts — including continuing tensions between Taiwan and China, the Russian ~~invasion of~~ **war in** Ukraine, and the Israel- Palestine conflict — on the global economy, energy supplies, and raw materials is uncertain, and may prove to negatively impact our business and operations. In recent years, diplomatic and trade relationships between the U. S. government and China have become increasingly frayed, and the threat of a takeover of Taiwan by China has increased. Since we have manufacturing in Taiwan and source products globally, our business, operations, and supply chains could be materially and adversely impacted by political, economic or other actions from China, or changes in China- Taiwan relations that impact Taiwan and its economy. In addition, we continue to monitor any adverse impact that the Israeli- Palestinian conflict, the conflict in Ukraine, ~~and~~ subsequent sanctions against Russia by the United States and European and Asian countries **, and geopolitical tensions or conflict that may arise out of the new U. S. Presidential administration** may have on the global economy, our business and operations, and our suppliers and customers. For example, a prolonged conflict may result in ongoing increased inflation, escalating energy prices and constrained availability, thereby increasing the costs of raw materials and production. To the extent that continuing political tensions may adversely affect our business, it may heighten many of the other risks described in our risk factors, such as those relating to data security, supply chain, volatility of price inputs, and market conditions; any of which could negatively affect our business and financial condition. We depend on a limited number of suppliers for some of our materials, component parts, and products. The loss of any of these suppliers or an increase in the cost of raw materials could harm our business. We depend on a limited number of suppliers for certain products and components. If our current suppliers — particularly, the minority of those that are “ single- source ” suppliers — cannot timely fulfill orders, or if we are required to transition to other suppliers, we could experience significant production delays or disruption to our business. We define a single- source supplier as a supplier from which we purchase all of a particular raw material or input used in our manufacturing operations, although other suppliers are available from which to purchase the same raw material or input of an equivalent substitute. For the majority of our products, we do not maintain long- term supply contracts with our suppliers and instead purchase these components on a purchase order basis. As a result, we cannot force suppliers to sell us the necessary components we use to manufacture our products, and we could face significant supply disruptions should they refuse to do so. As the majority of our bike component manufacturing occurs in Taiwan, we could experience difficulties locating qualified suppliers geographically closer to these facilities. Furthermore, such suppliers could experience difficulties in providing us with some or all of the materials we require, which could result in disruptions in our manufacturing operations. Similarly, all non- wood products sold by Marucci and wheels sold by Custom Wheel House are sourced from third- party suppliers, which could risk supply- chain challenges if those third- party suppliers are unable to fulfill production quotas. Our business, financial condition or results of operations could be materially and adversely impacted if we experience difficulties with our suppliers or manufacturing delays caused by our suppliers ~~, whether in connection with our manufacturing operations in the U. S. or in Taiwan~~. Our products require various raw materials (e. g., aluminum, magnesium, steel, carbon, and timber) for production output and manufacturing purposes. Historically, we effectively mitigated the impacts of price fluctuations for these components and raw materials on our business. However, if we experience material price increases of these components or raw materials in the future and are unable to pass on those increases to our customers, it could negatively affect our business, financial condition or operation results. For example, component or raw- material shortages and overall inflationary pressures may increase the prices of those components or raw materials, which could reduce our profit margins if our customers are unwilling to pay higher prices. In addition to our various single- source suppliers, we also rely on one “ sole- source ” supplier, Miyaki Corporation, or Miyaki. We define a sole- source

supplier as a supplier of a raw material or input for which there is no other supplier of the same product or an equivalent substitute. Miyaki is the exclusive producer of the Kashima coating for our suspension component tubes. As part of our agreement with Miyaki, we have been granted the exclusive right to use the trademark “KASHIMACOAT” on products comprising the aluminum finished parts for suspension components (e. g., tubes) and on related sales and marketing material worldwide, subject to certain exclusions. Although we believe we could obtain other coatings of comparable utility from other sources, if necessary, we could no longer obtain this specific Kashima coating or use the trademark “KASHIMACOAT” if Miyaki were to stop supplying us with this coating. The need to replace the Kashima coating could temporarily disrupt our business and harm our business, financial condition, or results of operations. Similarly, Marucci depends on a sole- source supplier for the manufacturing and finishing of select aluminum and composite metal bats. Any disruption or loss of our non- wood finishing supplier for our bats could temporarily diminish overall bat production output, which could negatively impact our business, financials, or results of operations. We also have OEM partners that supply vehicle chassis used in our upfitting operations. An OEM may encounter difficulties and may be unable to deliver chassis according to our production needs, or an OEM may choose to discontinue supplying chassis for other reasons. Any interruption or discontinuation in the availability of chassis may result in increased production costs, delays in the delivery of our products, or lost sales, which could have an adverse effect on our business or financial condition. If we are unable to continue to enhance existing products and develop, manufacture and market new products that respond to consumer needs and preferences and achieve market acceptance, we may experience a decrease in demand for our products, and our business and financial results could suffer. Our growth strategy involves the continuous development of innovative performance- defining products. We may not be able to compete as effectively with our competitors and ultimately satisfy the needs and preferences of our customers and the end users of our products, unless we can continue to enhance existing products and develop new, innovative products in the global markets in which we compete. In addition, we must continuously compete not only for end users who purchase our products through the dealers and distributors who are our customers, but also for the OEMs, which incorporate our products into their bikes and powered vehicles. These OEMs regularly evaluate our products against those of our competitors to determine if they are allowing the OEMs to achieve higher sales and market share on a cost- effective basis. Should one or more of our OEM customers determine that they could achieve overall better financial results by incorporating a competitor’ s new or existing product, they would likely do so, which could harm our business, financial condition, or results of operations. Product development requires significant financial, technological, and other resources. While we expended approximately \$ **60.3 million, \$ 53.2 million, and \$ 56.2 million and \$ 46.6 million** for our research and development efforts in fiscal years **2024, 2023, and 2022 and 2021**, respectively, there can be no assurance that this level of investment in research and development will be sufficient in the future to maintain our competitive advantage in product innovation, which could cause our business, financial condition or results of operations to suffer. Product improvements and new product introductions require significant planning, design, development, and testing at the technological, product, and manufacturing process levels, and we may experience unanticipated delays introducing our product improvements or new products. Our competitors’ new products may beat our products to market, be more effective and / or less expensive than our products, obtain better market acceptance, or render our products less desirable or obsolete. Any new products that we develop may not receive market acceptance or otherwise generate any meaningful sales or profits for us relative to our expectations. Given the competitive landscape, it is important that we are able to plan and deliver products that will appeal to our customers in a timely manner, in the quantity demanded, and at profitable business costs. We face intense competition in all product lines, including from some competitors that have greater financial and marketing resources. Failure to compete effectively against competitors would negatively impact our business and operating results. The industries in which we operate are highly competitive. We compete with a number of other manufacturers that produce and sell performance- defining products to OEMs and aftermarket dealers and distributors, including OEMs that produce their own lines of products for their own use. Our continued success depends on our ability to continue to compete effectively against our competitors, some of which have significantly greater financial, marketing and other resources than we have. Several of our competitors offer broader product lines to OEMs, which they may sell in connection with suspension products as part of a package offering. In addition, some of our subsidiaries compete in marketplaces that heavily rely on industry- specific brand awareness and distribution channels, and our past performance reaching consumers is not indicative of future results. In the future, our competitors may be able to maintain and grow brand strength and market share more effectively or quickly than we do by anticipating the course of market developments more accurately than we do, developing products that are superior to our products, creating manufacturing or distribution capabilities that are superior to ours, producing similar products at a lower cost than we can, or adapting more quickly than we do to new technologies or evolving regulatory, industry, or customer requirements, among other possibilities. In addition, we may encounter increased competition if our current competitors broaden their product offerings by beginning to produce additional types of performance- defining products or through competitor consolidations. We could also face competition from well- capitalized entrants into these product markets, as well as aggressive pricing tactics by other manufacturers trying to gain market share. As a result, our products may be unable to compete successfully with our competitors’ products, which could negatively affect our business, financial condition, or results of operations. If we are unable to anticipate and respond effectively to the threat of, and the opportunity presented by, new technological applications, such as artificial intelligence, machine learning, robotics, blockchain or other new approaches to data mining, we may be exposed to competitive risks related to the adoption and application of such technology. New products and technologies are important to operating our business. We may encounter competitive risks related to the adoption and application of new technology, such as artificial intelligence, by our competitors and other established market participants (for example, through disintermediation) start- up companies and others. We must consider developing and implementing technology solutions and technical expertise among our employees that anticipate and keep pace with rapid changes in technology, industry standards, client preferences and control standards. We may not be successful in anticipating or

responding to these developments on a timely and cost-effective basis, and our ideas may not be accepted in the marketplace. Additionally, the effort to gain technological expertise and develop new technologies in our business may require us to incur significant expenses. Our technological development projects may also not deliver the benefits we expect once they are completed or may be replaced or become obsolete more quickly than expected, which could result in the accelerated recognition of expenses. If we are unable to develop or implement new technologies as quickly as our competitors, or if our competitors develop more cost-effective technologies or product offerings, we could experience a material adverse effect on business, financial condition or results of operations. Our investments in new products and services may not generate the expected returns, which could hinder our ability to generate organic growth in the future. Our business is sensitive to economic conditions that impact consumer spending. Our performance-defining products, including the bikes and powered vehicles into which many of them are incorporated, are discretionary purchases and may be adversely impacted by changes in the economy. Our business depends substantially on global economic and market conditions. In particular, we believe that currently, a significant majority of the end users of our products live in North American and European countries. These areas historically experienced recessions, disruptions in banking and / or financial systems, and economic weakness and uncertainty. Today, there appears to be an increasing risk of recessions or inflationary economic impacts related to lingering effects of the global COVID-19 pandemic, geopolitical events, escalating energy costs, global supply chain disruptions, rising changing interest rates, and other economic changes. In addition, many of our products are recreational in nature and are generally discretionary purchases by consumers. Consumers are usually more willing to make discretionary purchases during periods of favorable general economic conditions and high consumer confidence. Discretionary spending may also be affected by many other factors, including interest rates, gas prices, the availability of consumer credit, taxes, and consumer confidence in future economic conditions. During periods of unfavorable economic conditions or periods when other negative market factors exist, consumer discretionary spending is typically reduced, which in turn could reduce our product sales and negatively affect our business, financial condition, or results of operations. There could also be a number of secondary effects resulting from an economic downturn, such as insolvency of our suppliers resulting in product delays, an inability of our OEM and distributor and dealer customers to obtain credit to finance purchases of our products, customers delaying payment to us for the purchase of our products due to financial hardship or an increase in bad debt expense. Any of these effects could negatively affect our business, financial condition, or results of operations. Our business, financial condition, and results of operations have been and may continue to be adversely affected by global public health epidemics or pandemics, including the ongoing effects of the COVID-19 pandemic. We continue to face various risks related to ongoing and potential public health issues, including epidemics, pandemics, and other outbreaks, including the ongoing effects of the COVID-19 pandemic. The impact of the COVID-19 pandemic, including changes in consumer behavior, COVID-19 pandemic fears and market downturns, and restrictions on business and individual activities, created significant volatility in the global economy and led to reduced economic activity. There have been extraordinary actions taken by international, federal, state, and local public health and governmental authorities, most of which are no longer in effect, to contain and combat the outbreak and spread of COVID-19 in regions throughout the world, including travel bans, quarantines, "stay-at-home" orders, and similar mandates for many individuals to substantially restrict daily activities and for many businesses to curtail or cease normal operations. These government Government - mandated closures, and "shelter-in-place" directives aimed at combating the spread of COVID-19 or future public health epidemics or pandemics, and/or an outbreak among, or quarantine of, the employees in any of our facilities caused and could continue to cause significant interruptions to, or temporary closures, of our operations. The spread of COVID-19 caused us to modify our business practices, including implementing and we may take further actions as may be required by government authorities or that we determine are in the best interests of our employees, customers, suppliers, vendors, and business partners. For example, as a result of the COVID-19 pandemic, the number of employees who work remotely or have a hybrid work schedule increased. It is possible that continued widespread remote work arrangements could negatively impact our operations, the execution of our business plans, productivity, the availability of key personnel and other employees necessary to conduct our business, and of third-party service providers who perform critical services for us, or otherwise cause operational failures due to changes in our normal business practices necessitated by the outbreak and related governmental actions. These impacts had affected and could continue to negatively affect our business, financial condition, results of operations, cash flows, and the trading price of our securities. Furthermore, the COVID-19 pandemic impacted and may further impact the broader and disrupt global economies and of affected countries, including negatively impacting economic growth, the proper functioning of financial and capital markets, foreign currency exchange rates, interest rates, and liquidity. If we are unable to maintain our premium brand image, our business may suffer as a result of brand degradation. Dealers, distributors, and customers select our products in part because of the premium brand reputation we hold with them and our end users. Therefore, our success depends on our ability to maintain and build the image of our brands. We focused on building our brands through producing products or acquiring businesses that produce products that we believe are innovative, high in performance, and highly reliable. In addition, some of our brands benefit from our strong relationships with our OEM customers and dealers and distributors and through marketing programs aimed at bike and powered vehicle enthusiasts in various media and other channels. For example, we sponsor a number of professional athletes, professional race teams, top college programs, and franchise clubs. In order to continue to enhance the image of our brands, we will need to maintain our position in the performance-defining products industry, continue to provide high-quality products and services and preserve our reputation. The rising popularity of social media and other consumer-oriented technologies creates new risks and challenges that could cause damage to our brands and reputation. Social media platforms make it easy for anyone to provide public feedback that can influence perceptions of our brands, and social media platforms can also accelerate and potentially amplify the scope of negative publicity. There can be no assurance that we will be able to maintain or enhance the strength of our brands in the future. Our brands could be adversely impacted by, among other

things: • failure to develop new products that are innovative, performance- oriented, and reliable; • internal product quality control issues; • product quality issues on the bikes and powered vehicles on which our products are installed; • product recalls; • high- profile component failures (such as a component failure during a race on a mountain bike ridden by one of our sponsored athletes); • negative publicity regarding our brands or our sponsored athletes or organizations, which could be amplified on social media; • high- profile injury or death to one of our sponsored athletes; • inconsistent uses of our brands and our other intellectual property assets, as well as failure to protect our intellectual property; • changes in consumer trends and perceptions; and • lack of investment in sponsorships, marketing, and public relations. Any adverse impact on our brands could in turn negatively affect our business, financial condition, or results of operations. Our growth in the Powered Vehicle and Aftermarket Applications Groups are dependent upon our continued ability to expand our product sales into powered vehicles that require performance- defining products and the continued expansion of the market for these powered vehicles. Our growth in the Powered Vehicle and Aftermarket Applications Groups are in part attributable to the expansion of the market for powered vehicles that require performance- defining products. Such market growth includes the creation of new classes of vehicles that can benefit from our products, such as trucks that are upfitted with products to enhance their off- road capability, and our ability to create products for these vehicles. Additionally, with our acquisitions of SCA, Tuscany, Outside Van, Shock Therapy, and Custom Wheel House, a growing portion of our sales are expected to be generated from providing upfitting solutions. In the event these markets stop expanding or contract due to economic factors, changes in consumer preferences, or other reasons, or we are unsuccessful in creating new products for these markets or other competitors successfully enter into these markets, we may fail to achieve future growth or our sales could decrease, and our business, financial condition or results of operations could be negatively affected. A significant portion of our Specialty Sports Group’ s sales are highly dependent on the demand for high- end bikes and Marucci products. A material decline in the demand for these bikes, bike suspension components, or Marucci products could have a material adverse effect on our business or results of operations. During 2023-2024, approximately 25-23% of our net sales were generated from the sale of bike products. Part of our success is attributed to the growth in the high- end bike industry, including increases in average retail sales prices, as better- performing product designs and technologies have been incorporated into these products. If the popularity of high- end or premium- priced bikes does not increase or declines, the number of bike enthusiasts seeking such bikes or premium- priced suspension products, wheels, cranks and other specialty components for their bikes does not increase or declines, or the average price point of these bikes declines, we may fail to achieve future growth or our sales could decrease, and our business, financial condition or results of operations could be negatively affected. In addition, if current bike enthusiasts stop purchasing our products due to changes in preferences, we may fail to achieve future growth or our sales could be decreased, and our business, financial condition or results of operations could be negatively affected. Additionally, in the fourth quarter of 2023, our Sport’ s-Specialty Sports Group expanded and diversified with the acquisition of Marucci. Part of Marucci’ s success derives from the demand for high- performing products, notably within the baseball and softball industry. If professional athletes and performance enthusiasts no longer demand Marucci’ s products, we could experience slower or declining growth or sales, which may adversely affect our business. For example, if Marucci experiences a material decline in demand among professional athletes, consumers who seek the same performance as the professionals may no longer desire Marucci equipment. Similarly, if overall demand for sporting products declines, Marucci sales could decrease and reduce future growth opportunities. A material decline in the demand for Marucci products may adversely impact our business, financial condition, or operation results. Our business depends substantially on our ability to attract and retain experienced and qualified talent,including our senior management team.We depend upon the contributions,talent,and leadership of our senior management team,particularly our Chief Executive Officer,Michael C.Dennison.We do not have a “ key person ” life insurance policy on Mr.Dennison or any other key employees.We believe that the top seven-nine members of our senior management team are crucial to establishing our focus and executing our corporate strategies,as they have extensive knowledge of our business, systems and processes.Given our senior management team’ s knowledge of our industry and the limited number of direct competitors in the industry,we believe that it could be difficult to find replacements should any of the members of our senior management team leave.We could also be adversely affected if we fail to attract and retain talent throughout our organization.For instance,we rely on skilled and well- trained engineers for the design and production of our products,as well as in our research and development functions.Competition for such individuals is intense,particularly in Taiwan,California,and Georgia,where several of our facilities are located.Our inability to attract or retain qualified employees in our design,production,or research and development functions or elsewhere in our Company could result in diminished quality of our products and delinquent production schedules or impede our ability to develop new products.Our failure to adequately address any of these issues could have a material adverse effect on our business,operating results,and financial condition.Changes in our customer, channel, and product mix could place demands that are more rigorous on our infrastructure and cause our profitability percentages to fluctuate. We may encounter changes to our customer base as a result of product alterations or market shifts. Additionally, we may pursue new customers, target different distribution channels, or penetrate new markets. Our product mix may encounter fluctuations depending on our customers’ purchasing behavior. Moreover, if we develop new products and retire past offerings, our product mix may change. We may leverage new or experimental sales channels to drive growth within our business. Any such changes to our customers, distribution channels, or product mix may place demands on our business that require more rigorous infrastructure and supply chain solutions. Our overall profitability and profitability percentages may fluctuate as we might have to adapt to any changes. For instance, if customers begin to require more lower- margin products from us and fewer higher- margin products, or place demands on our performance that increase our costs, our business, results of operations, and financial condition may be adversely affected. A disruption in the operations of our facilities ,or delays in our planned expansion of certain facilities, could have a negative effect on our business, financial condition, or results of operations. In the fourth quarter of 2021, we completed the construction of the Gainesville Facility in Hall County Georgia, to diversify our manufacturing

platform and provide additional long- term capacity to support growth in our Powered Vehicles Group. The Gainesville Facility is being used for manufacturing, warehousing, distribution and office space. In the first quarter of 2022, we completed the transition of our Watsonville Facility and the relocation of our powered vehicles suspension manufacturing to the Gainesville Facility. As a result, we have incurred costs associated with some duplication of facilities, equipment and personnel, the amount of which could vary materially from our projections. ~~Unforeseen difficulties in future expansion projects, whatever the cause, could have a material adverse effect on our business, customer relationships, financial condition, operating results, cash flow, and liquidity.~~ Equipment failures, delivery delays, or catastrophic loss at any of our facilities could lead to production or service disruptions, curtailments, or shutdowns. In the event of a stoppage in production or a slowdown in production due to high employee turnover or a labor dispute at any of our facilities, even if only temporary, or if we experience delays as a result of events that are beyond our control, delivery times to our customers could be severely affected. If there was a manufacturing disruption in any of our manufacturing facilities, we might be unable to meet product delivery requirements and our business, financial condition or results of operations could be negatively affected, even if the disruption was covered in whole or in part by our business interruption insurance. Any significant delay in deliveries to our customers could lead to increased returns or cancellations, expose us to damage claims from our customers or damage our brands, and, in turn, negatively affect our business, financial condition, or results of operations. Work stoppages, **infrastructure issues**, or other disruptions, including those that involve our customers, could adversely affect our operating results. A portion of our goods move through ports on the **coasts Western Coast** of the U. S. We have a global supply chain, and we import products from our third- party vendors and our Fox Taiwan facility into the U. S. largely through **these** ports on the **West Coast**. Dockworkers, none of whom are our employees, must offload freight from ships arriving at **these West Coast** ports. We do not control the activities of these employees or seaports, and we could suffer supply chain disruptions due to any disputes, capacity shortages, slowdowns, or shutdowns that may occur, as was experienced in February 2015, in relation to certain **ports on the West Coast of the U. S. In October 2024, the International Longshoremen’s Association (“ILA”), which negotiates on behalf of 45,000 dockworkers at three dozen ports from Maine to Texas and collectively handles about half of seaborne imports into the U. S., initiated a three-day member strike due to disagreements with the United States Maritime Alliance over their agreement, which expired on September 30, 2024. The ILA reached a tentative agreement on a new six- year master contract in January 2025, which was ratified by the dockworkers and will be formally signed by both parties in March 2025. However, if for some reason the agreement is not signed in March 2025, the ILA could strike again.** The 2015 strike lasted longer than we forecasted, and any similar labor dispute in the future or any slowdown or stoppage relating to the ongoing labor agreement negotiations, **including the threatened strike by the ILA**, could potentially have a negative effect on both our financial condition and results of operations. **Additionally, the Baltimore Francis Scott Key bridge accident in March 2024 leading to the suspension of activity in the Port of Baltimore caused rerouting of shipping vessels, which may create congestion and delays in other ports, including certain East Coast ports through which we import products, increase fuel costs for shipping, and have long- standing impacts on supply chains in the retail and manufacturing industries. While the Port of Baltimore opened to maritime traffic on June 10, 2024, the bridge that is not expected to be fully rebuilt until late 2028 and further work to clear out wreckage and maintenance of the port may continue to cause delays in the Port of Baltimore and other East Coast ports where activities are rerouted. The incident has also raised concerns regarding deteriorating infrastructure throughout the U. S., which may further cause shipping delays and harm results of operation as such infrastructure is replaced or updated with new safety measures.** Furthermore, the ongoing effects of the COVID- 19 pandemic increased uncertainty for global supply chains, as port congestion and shipping container shortages have become exacerbated, which could adversely affect our operating results. Work stoppages, labor disputes, and other disruptions involving our customers or otherwise could also adversely affect our operating results. For example, the United Auto Workers Union (“UAW”) 2023 strike impacted Ford Motor Company, General Motors, and Stellantis after the UAW was unable to reach a deal with the three automakers. Automotive OEMs are some of the largest customers of our powered vehicle suspension products. **The In 2023-2024, the UAW again threatened strike strikes against one of Ford Motor Company’s units and Stellantis. UAW strikes and threatened UAW strikes** may have lingering effects that could ~~continue to~~ impact the automotive industry. Any such lingering effects may adversely impact our own business, financial condition, or results of operation. Any future strikes, including ~~those~~ **any strikes** against our customers, are highly unpredictable and may negatively affect our business. The ultimate impact on our business, financial position, and results of operations will depend on factors beyond our control, including the duration and scope of labor strikes. **Our business depends substantially on our....., operating results, and financial condition.** We may not be able to sustain our past growth or successfully implement our growth strategy, which may have a negative effect on our business, financial condition, or results of operations. Our future growth will depend upon various factors, including the strength of the image of our brands, our ability to continue to produce innovative performance- defining products, consumer acceptance of our products, competitive conditions in the marketplace, our ability to make strategic acquisitions, the growth in emerging baseball and softball markets for Marucci products, the growth in emerging markets for products requiring high- end suspension products, and, in general, the continued growth of the high- end bike and powered vehicle markets into which we sell the majority of our products. Our beliefs regarding the future growth of markets for high- end suspension products and sporting equipment are based largely on qualitative judgments and limited sources, which may be unreliable. If we are unable to sustain our past growth or successfully implement our growth strategy, our business, financial condition, or results of operations could be negatively affected. **Our cost optimization efforts may not succeed or may be significantly delayed, which may impact our ability to deliver improved margins. Due to challenges in the OEM market and broader market conditions impacting discretionary consumer spending, we implemented certain immediate and longer- term actions to strengthen our business, including aggressive cost management and strategic operational improvements. We developed a plan to adjust our business structure to operate efficiently in a number of demand**

environments in order to protect margins and drive significant, and consistent, free cash flow to de-lever our balance sheet. We anticipate implementing this strategy across segments will improve margins, resulting in significant annualized cost reductions to strategically position ourselves to capitalize on opportunities in the future. However, our cost optimization strategy relies on a number of factors and may distract management, slow improvements to our products and services, and limit our ability to increase production quickly if demand accelerates in the future. We may not achieve the expected benefits of the cost optimization measures on our anticipated timeline, or at all. Failure to achieve our cost optimization targets could have a material adverse effect on our results of operations, liquidity and financial condition.

The professional athletes, athletic programs, and race teams who use our products are an important aspect of the image of our brands. The loss of the support of professional athletes for our products or the inability to attract new professional athletes may harm our business. If current or future professional athletes, athletic programs, and race teams do not use our products, our brands could lose value and our sales could decline. While our sponsorship agreements typically restrict our sponsored athletes and race teams from promoting, endorsing or using competitors' products that compete directly within our product categories during the term of the sponsorship agreements, we do not typically have long-term contracts with any of the athletes or race teams whom we sponsor. If we are unable to maintain our current relationships with these professional athletes, athletic programs, and race teams, these professional athletes and race teams are no longer popular, our sponsored athletes and race teams fail to have success, or we are unable to continue to attract the endorsement of new professional athletes and race teams in the future, the value of our brands and our sales could decline. We depend on our relationships with dealers, distributors, and retailers and their ability to sell and service our products. Any disruption in these relationships could harm our sales. We sell many of our products to dealers, distributors, and retailers, and we depend on their willingness and ability to market and sell our products to consumers and provide customer and product service as needed. We also rely on our dealers, distributors, and retailers to be knowledgeable about our products and their features. If we are not able to educate our dealers, distributors, and retailers so that they may effectively sell our products as part of a positive buying experience, or if they fail to implement effective retail sales initiatives, focus selling efforts on our competitors' products, reduce the quantity of our products that they sell or reduce their operations due to financial difficulties or otherwise, our brands and business could suffer. We do not control our dealers, distributors, or retailers, and many of our contracts allow these entities to offer our competitors' products. Our competitors may incentivize our dealers, distributors, and retailers, to favor their products. In addition, we do not have long-term contracts with a majority of our dealers, distributors, and retailers, and our dealers, distributors, and retailers are not obligated to purchase specified amounts of our products. In fact, the majority of our dealers, distributors, and retailers buy from us on a purchase-order basis. Consequently, with little or no notice, many of these dealers, distributors, and retailers may terminate their relationships with us or materially reduce their purchases of our products. If we were to lose one or more of our dealers, distributors, or retailers we would need to obtain a new dealer, distributor, or retailer, as applicable, to cover the particular location or product line, which may not be possible on favorable terms or at all. Alternatively, we could use our own sales force to replace a dealer, distributor, or retailer, but expanding our sales force into new locations takes significant time and resources and may be unsuccessful. Further, many of our international distribution contracts contain exclusivity arrangements, which may prevent us from replacing or supplementing our current distributors under certain circumstances. We are a supplier in the high-end bike and powered vehicles markets, and our business largely depends on the orders we receive from our OEM customers and on their success. As a supplier to OEM customers, we largely depend on the success of our OEM customers' businesses. Model year changes by our OEM customers or production disruptions or hiatuses may adversely impact our sales or cause our sales to vary from quarter to quarter. In addition, losses in market share individually or a decline in the overall market of our OEM customers or the discontinuance by our OEM customers of their products which incorporate our products could negatively impact our business, financial condition, or results of operations. A relatively small number of customers account for a substantial portion of our sales. The loss of all or a significant portion of our sales to any of these customers, whether through the temporary or permanent discontinuation of their products which incorporate our products or otherwise, or the loss of market share by these customers could have a material adverse impact on us and our results of operations. Net sales attributable to our five largest OEM customers, which can vary from year to year, collectively accounted for approximately **28 %**, 27 %, **and** 23 % ~~and 24 %~~ of our net sales in fiscal years **2024**, 2023 ~~and~~ 2022 ~~and 2021~~. The loss of all or a substantial portion of our sales to any of these OEM customers, whether through the temporary or permanent discontinuation of their products which incorporate our products or otherwise, the loss of market share by these customers, manufacturing or other problems, including disruptions related to the lingering effects of the COVID-19 pandemic or labor strikes, could have a material impact on our business, financial condition, or results of operations. Currency exchange rate fluctuations could impact gross margins and expenses. Foreign currency fluctuations could have an adverse effect on our business, financial condition, or results of operations. U. S. government policy — including **changes in interest rate rates increases** by the Federal Reserve — may impact the exchange rate between the U. S. Dollar and foreign currencies. We sell our products inside and outside of the U. S., primarily in U. S. Dollars and New Taiwan Dollars. However, some of the OEMs purchasing products from us sell their products in Europe and other foreign markets using the Euro and other foreign currencies. As a result, as the U. S. Dollar appreciates against these foreign currencies, our products will become relatively more expensive for these OEMs. Accordingly, competitive products that our OEM customers can purchase in other currencies may become more attractive, and we could lose sales as these OEMs seek to replace our products with cheaper alternatives. In addition, should the U. S. Dollar depreciate significantly, this could have the effect of decreasing our gross margins and adversely impact our business, financial condition, or results of operations. With a majority of our manufacturing operations for our bike products occurring in Taiwan, a percentage of our sales and expenses are denominated in the New Taiwan Dollar. Should the New Taiwan Dollar appreciate against the U. S. Dollar, this could have the effect of decreasing our sales, increasing our expenses, and decreasing our profitability. Additionally, a portion of our operations take place in Canada and a percentage of our sales and expenses are denominated in Canadian Dollars. Our operating

profitability could be negatively impacted as a result of changes in the exchange rate between the U. S. Dollar and the Canadian Dollar. Our international operations are exposed to risks associated with conducting business globally. As a result of our international presence, we are exposed to increased risks inherent in conducting business outside of the U. S. In addition to foreign currency risks, these risks include: • difficulty in transporting materials internationally, including labor disputes at **East and West Coast** ports, which handle a large amount of our products; • political, economic, or other actions from China or changes in China- Taiwan relations could impact Taiwan and its economy, which may adversely affect our operations in Taiwan, our customers, and our supply chain; • geopolitical regional conflicts, including the impact of the Russian **invasion of war in** Ukraine and the Israel- Palestine conflict on the global economy, energy supplies and raw materials, terrorist activity, political unrest, civil strife, acts of war, and other political uncertainty; • increased difficulty in protecting our intellectual property rights and trade secrets; • changes in tax laws and the interpretation of those laws; • exposure to local economic conditions; • unexpected government action or changes in legal or regulatory requirements; • changes in tariffs, quotas, trade barriers, and other similar restrictions on sales; • the effects of any anti- American sentiments on our brands or sales of our products; • increased difficulty in ensuring compliance by employees, agents, and contractors with our policies as well as with the laws of multiple jurisdictions, including but not limited to the U. S. Foreign Corrupt Practices Act, local and international environmental, health and safety laws, and increasingly complex regulations relating to the conduct of international commerce; • increased difficulty in controlling and monitoring foreign operations from the U. S., including increased difficulty in identifying and recruiting qualified personnel for our foreign operations; and • increased difficulty in staffing and managing foreign operations or international sales. An adverse change in any of these conditions could have a negative effect upon our business, financial condition, or results of operations. Our sales could be adversely impacted by the disruption or cessation of sales by other ~~bike component~~ manufacturers or if other ~~bike component~~ manufacturers enter the specialty ~~bike component~~ market **markets in which we operate**. Most bikes that incorporate our suspension products are built using products and components manufactured by other bike component manufacturers. **We face similar concerns with manufacturers in our other lines of business.** If those other ~~bike component~~ manufacturers stopped selling or producing the products and components for which ~~the finished bikes that incorporates~~ our products depend on, our sales may be adversely affected. Similarly, if those other ~~bike component~~ manufacturers experience sales disruptions, lose their competitive position in the marketplace, or face reputational damage, customers could migrate to complementary ~~bike~~ products, some of which may be incompatible with our suspension products or directly compete with our products. Moreover, other ~~bike component~~ manufacturers could begin manufacturing **products such as** bike suspension products, wheels, or cranks, or bundle their ~~bike~~ components with competitors' products. In any of these scenarios, our sales could decline, which may negatively impact our business, financial condition, or results of operation. We have been and may become subject to intellectual property disputes that could cause us to incur significant costs, pay significant damages, or prohibit us from selling our products. As we develop new products or attempt to use our brands in connection with new products, we seek to avoid infringing upon our competitors' valid patents and other intellectual property rights. However, from time to time, third parties alleged, or may allege in the future, that our products or trademarks infringe upon their proprietary rights. We will evaluate any such claims and, where appropriate, may obtain or seek to obtain licenses or other business arrangements. To date, there have been no significant interruptions in our business as a result of any claims of infringement, and we do not hold patent infringement insurance. Any claim, regardless of its merit, could be expensive and time- consuming to defend and distract management from our business. Moreover, if our products or brands are found to infringe third- party intellectual property rights, we may be unable to obtain a license to use such technology or associated intellectual property rights on acceptable terms. A court determination that our brands, products, or manufacturing processes infringe the intellectual property rights of others could result in significant liability and / or require us to make material changes to our products and / or manufacturing processes or preclude our ability to use certain brands. In most circumstances, we are not indemnified for our use of a licensor' s intellectual property if such intellectual property is found to be infringing. Any of the foregoing results could require us to redesign our products or defend legal actions, which could cause us to incur substantial costs that could negatively affect our business, financial condition, or results of operations. If we are unable to enforce our intellectual property rights, our reputation and sales could be adversely affected. Intellectual property is an important component of our business. We patent our proprietary technologies related to vehicle suspension and other products in the U. S. and various foreign patent offices. Additionally, we registered or applied for trademarks and service marks with the U. S. Patent and Trademark Office and a number of foreign countries — including the marks FOX ®, RACE FACE ®, and MARUCCI ® — to be used with certain goods and services. When appropriate, we may assert our rights against those who infringe on our patents, trademarks, trade dress, or other intellectual property. However, we may not be successful in enforcing our patents or asserting trademark, trade name or trade dress protection with respect to our brand names and our product designs, and third parties may seek to oppose or challenge our patents or trademark registrations. Further, these legal efforts may not successfully reduce sales of suspension products by those infringing. In addition, our pending patent applications may not result in the issuance of patents, and even issued patents may be contested, circumvented, or invalidated and may not provide us with proprietary protection or competitive advantages. If our efforts to develop and enforce our intellectual property are unsuccessful, or if a third party misappropriates our rights, this may adversely affect our business, financial condition, or results of operations. Additionally, intellectual property protection may be unavailable or limited in some foreign countries where laws or law enforcement practices may not protect our proprietary rights as fully as in the U. S., and it may be more difficult for us to successfully challenge the use of our proprietary rights by other parties in these countries. Furthermore, other competitors may be able to successfully produce products that imitate certain of our products without infringing upon any of our patents, trademarks, or trade dress. The failure to prevent or limit infringements and imitations could have a permanent negative impact on the pricing of our products or reduce our product sales and product margins, even if we are ultimately successful in limiting the distribution of a product that infringes our rights, which in turn may affect our business, financial condition, or results of operations.

Although we enter into non-disclosure agreements with employees, OEMs, distributors, and others to protect our confidential information and trade secrets, we may be unable to prevent such parties from breaching these agreements with us and using our intellectual property in an unauthorized manner. If our efforts to protect our intellectual property are unsuccessful or a third party misappropriates our rights, our business may be adversely affected. Defending our intellectual property rights can be very expensive and time-consuming, and there is no assurance that we will be successful. If we inaccurately forecast demand for our products or inaccurately predict OEM and dealer destocking and restocking cycles and production schedules, we may manufacture insufficient or excess quantities or our manufacturing costs could increase, which could adversely affect our business. We plan our manufacturing capacity based on the forecasted demand for our products. In the OEM channel, our forecasts are largely based on the number of our product specifications for new bikes and powered vehicles and on projections from our OEM customers. In the aftermarket channel, our forecasts are based partially on discussions with our dealers and distributors as well as our own assessment of markets. Our forecasts are also dependent on OEM and dealer destocking and restocking cycles and OEM production schedules, which are subject to change. If we incorrectly forecast demand, we may incur capacity issues in our manufacturing plant and supply chain, increased material costs, increased freight costs, additional overtime, and costs associated with excess inventory — all of which, in turn, adversely impact our cost of sales and our gross margin. Economic weakness and uncertainty in the U. S., Europe, and other international markets may make accurate forecasting particularly challenging. In the future, if actual demand for our products exceeds forecasted demand, the margins on our incremental sales in excess of anticipated sales may be lower due to temporary higher costs, which could decrease our overall margins. While we generally manufacture our products upon receipt of customer orders, if actual demand is less than the forecasted demand for our products and we already manufactured the products or committed to purchase materials in support of forecasted demand, we could be forced to hold excess inventories. In short, either excess or insufficient production due to inaccurate forecasting could have a negative effect on our business, financial condition, or results of operations. Product recalls, and significant product repair and / or replacement due to product warranty costs and claims have had, and in the future could have, a material adverse impact on our business. Unless otherwise required by law, we generally provide a limited warranty for our products for a one, two- or three- year period beginning on: (i) in the case of OEM sales, the date the bike or powered vehicle is purchased from an authorized OEM where our product is incorporated as original equipment on the purchased bike or powered vehicle; (ii) in the case of aftermarket **non-OEM** sales, the date the product is originally purchased from an authorized dealer; or (iii) in the case of upfitting sales, the date of the retail sale to an end customer. From time to time, our customers may negotiate for longer or different warranty coverage. In the ordinary course of business, we incur warranty costs and reserve against such costs in our financial statements. However, there is a risk that a product could underperform and require us to adjust our warranty reserves or incur costs in excess of these reserves, which could adversely affect our results of operations. If any of our products are, or are alleged to be, defective, we may be required to participate in a recall involving such products. Our products and items where our products are incorporated as original equipment on the purchased item are frequently subject to regulation by various agencies, including, for example, the National Highway Traffic Safety Administration (the “NHTSA”), the U. S. Consumer Product Safety Commission (the “CPSC”) and / or similar state and international regulatory authorities. We have in the past, and may have in the future, recalls (both voluntary and involuntary) of our products or of items that incorporate our products. In the case of OEM sales, each manufacturer has its own practices regarding product recalls and other product liability actions that could involve its suppliers. Additionally, as suppliers become more integrally involved in the design process and assume a greater role in the overall system design, OEMs could potentially look to us to share in the cost if faced with recalls and product liability claims. Although we carry product liability and product recall insurance, no assurance can be made that such insurance will provide adequate coverage against any potential claims, such insurance is available in the appropriate markets or that we will be able to obtain such insurance on acceptable terms in the future. In addition to the direct costs related to these or other recalls, our aftermarket and OEM sales could be adversely affected if we do not have a ready replacement product for such recalled products. Such recall events could also adversely affect the image of our brands and have a negative effect on our relationships with our OEMs, sponsored athletes and race teams, or otherwise have a negative effect on our business, financial condition or results of operations. An adverse determination in any material product liability claim against us could adversely affect our operating results or financial condition. The use of our products by consumers, often under extreme conditions, exposes us to risks associated with product liability claims. If our products are defective or used incorrectly by our customers, bodily injury, property damage or other injury, including death, may result in, and could give rise to product liability claims against us, which could adversely affect our brands’ image or reputation. We encountered product liability claims in the past and carry product liability insurance to help protect us against the costs of such claims, although our insurance may be insufficient to cover all losses. Any losses that we may suffer from product liability claims, and the effect that any product liability litigation may have upon the reputation and marketability of our products, may have a negative impact on our business, financial condition, or results of operations. We and our employees are subject to certain risks in our manufacturing and in the testing of our products. As of **December 29, January 3, 2023-2025**, we employed approximately **4,300-100** employees worldwide, a large percentage of which work at our manufacturing facilities. Our business involves complex manufacturing processes that can be inherently dangerous. Although we employ safety procedures in the design and operation of our facilities, there is a risk that an accident or death could occur in one of our facilities. In addition, prior to the introduction of new products, our employees test the products under rigorous conditions, which involve the risk of injury or death. Any accident could result in manufacturing or product delays, which could negatively affect our business, financial condition or results of operations. The outcome of litigation is difficult to assess or quantify, and the cost to defend litigation can be significant. As a result, the costs to defend any action or the potential liability resulting from any such accident or death or arising out of any other litigation, and any negative publicity associated therewith, could have a negative effect on our business, financial condition, or results of operations. Fuel shortages, or high fuel prices, could have a

negative effect on the use of powered vehicles that use our products. Gasoline or diesel fuel is required to operate most powered vehicles that use our products. There can be no assurance that the supply of these fuels will continue uninterrupted, that rationing will not be imposed, or that the price of or tax on these petroleum products will not significantly increase. For example, there have been significant increases in gasoline and diesel fuel prices due to geopolitical developments, including the impacts resulting from the Russian **invasion of war in** Ukraine, and there are heightened uncertainties regarding the future price and availability of gasoline and diesel fuel. Future shortages of gasoline and diesel fuel and substantial increases in the price of fuel could have a material adverse effect on our powered vehicle product category, which could have a negative effect on our business, financial condition, or results of operations. We do not control our suppliers, athletic programs, OEMs, other customers, or partners, or require them to comply with a formal code of conduct, and actions that they might take could harm our reputation and sales. We do not control our suppliers, athletic programs, OEMs, other customers or partners, or their labor, environmental, or other practices. A violation of labor, environmental, intellectual property or other laws by our suppliers, OEMs, other customers or partners, or a failure of these parties to follow generally accepted ethical business practices, could create negative publicity and harm our reputation. In addition, we may be required to seek alternative suppliers or partners if these violations or failures were to occur. We do not inspect or audit compliance of our suppliers, athletic programs, OEMs, customers, or partners with these laws or practices, and we do not require our suppliers, OEMs, customers or partners to comply with a formal code of conduct. Any conduct or actions that our suppliers take could reduce demand for our products, harm our ability to meet demand or harm our reputation, brand image, business, financial condition or results of operations. We may incur higher employee costs in the future. We are subject to government- mandated wage and benefit laws and regulations in various countries and jurisdictions. As we expand internationally, we are also subject to applicable laws in each such jurisdiction. Increases in the mandated wage in any or all of the jurisdictions in which we operate could subject us to increased costs, thereby impacting our business, financial condition, or results of operations. Further, the evolving labor market and increased ability for employees in our industry and other industries to work from home or have remote work arrangements may impact the turnover of our employees, potentially making it more difficult for us to compete. We maintain a self- insured healthcare plan for our employees based in the U. S. We have insurance coverage in place for individual claims above a specified amount in any year. Inflation in healthcare costs, as well as additional costs we may incur as a result of current or future federal or state healthcare legislation and regulations, could significantly increase our employee healthcare costs in the future. Continued increases in our employee costs could adversely affect our earnings, financial condition, and liquidity. We rely on increasingly complex information systems to manage our manufacturing, distribution, sales, and other functions. If our information systems fail to perform these functions adequately or if we experience an interruption in our operations, our business could suffer. All of our major operations, including manufacturing, distribution, sales, and accounting, depend on our complex information systems. Our information systems are vulnerable to damage or interruption from, among other things: • earthquake, fire, flood, hurricane, and other natural disasters; • power loss, computer systems failure, internet and telecommunications or data network failure; and • hackers, computer viruses, software bugs, implementing new functions or releases of software. Any damage or significant disruption in the operation of such systems or the failure of our information systems to perform as expected could disrupt our operations, reduce our efficiency, delay our fulfillment of customer orders, or require significant unanticipated expenditures to correct, and thereby have a negative effect on our business, financial condition, or results of operations. Enterprise Resource Planning (“ ERP ”) implementations are complex and time- consuming projects that involve substantial expenditures on system software and implementation activities. ERP implementations also require transformation of business and financial processes in order to reap the benefits of the ERP system. Any such future transformation, due to acquisition integration or business growth and consolidation, involves risks inherent in the conversion to a new computer system, including loss of information and potential disruption to our normal operations. Our business and results of operations may be adversely affected if we experience operating problems or cost overruns during the ERP implementation process, or if the ERP system and the associated process changes do not give rise to the benefits that we expect. Additionally, if we do not effectively implement the ERP system as planned or the system does not operate as intended, the effectiveness of our internal control over financial reporting could be adversely affected. Our operations may be impaired if our technology systems fail to perform adequately, and we could be negatively impacted by cybersecurity attacks. Information technology systems are critically important to operating our business. We rely on information technology systems to manage business data, communications, supply chain, order entry and fulfillment, and other business processes. The failure of any of the information technology systems to perform as anticipated could disrupt our business and could result in transaction errors, processing inefficiencies and the loss of sales and customers, which could materially adversely affect our business, financial condition, or results of operations. The information technology systems described above are also ~~potentially~~ vulnerable to unauthorized access, computer viruses, ransomware attacks and other similar types of malicious activities and cyber- attacks, including attempts by others to gain access to our proprietary or sensitive information, and ranging from individual attempts to advanced persistent threats. Further, ransomware attacks are becoming increasingly prevalent and severe. To alleviate the financial, operational, and reputational impact of a ransomware attack, it may be preferable to make extortion payments, but we may be unwilling or unable to do so, including, for example, if applicable laws or regulations prohibit such payments. **The Given the persistent and advanced nature of cybersecurity threats, we continue to invest in upgraded programs, implement advanced features, and establish adequate controls to stop or curtail these threats. However, investing in upgraded programs, advanced programs and adequate controls is expensive and an ongoing, rapidly changing challenge and the** procedures and controls we use to monitor these threats and mitigate our exposure may not be sufficient to prevent cybersecurity incidents. The results of these incidents could include misstated financial data, theft of trade secrets or other intellectual property, liability for disclosure of confidential customer, supplier or employee information, increased costs arising from the implementation of additional security protective measures, litigation and reputational damage, which could materially adversely affect our financial condition, business or results of operations. Any

remedial costs or other liabilities related to cybersecurity incidents may not be fully insured or indemnified by other means. Moreover, we or our third- party vendors or business partners may be more vulnerable to such attacks in remote work environments, which increased in response to the COVID- 19 pandemic. We are subject to evolving privacy laws in the U. S. and other jurisdictions that could adversely impact our business and require that we incur substantial costs. The use of personal information by our business is highly regulated. We are subject to various laws and regulations that are continuously evolving and developing regarding privacy, data protection, and data security, including those related to the collection, storage, handling, use, disclosure, transfer, and security of personal data. The European Union’ s General Data Protection Regulation (“ GDPR ”), and similar regulations implemented in other non- U. S. geographies, add a broad array of requirements with respect to personal data, including the public disclosure of significant data breaches, and imposes substantial penalties for noncompliance. The California Consumer Privacy Act (as amended, the “ CCPA ”) imposes additional obligations and consumer privacy rights with respect to the personal information of California residents. The CCPA provides civil penalties for violations, as well as a private right of action for data breaches. Furthermore, there is a trend toward more stringent privacy legislation in the U. S., as ~~12-19~~ states across the country have enacted privacy laws of broad applicability and others are considering and proposing similar laws. Privacy laws, both domestically and internationally, are changing rapidly, which may add additional complexity, variation in requirements, restrictions, and potential legal risk, require additional investment in resources for compliance programs, and result in increased compliance costs and / or changes in business marketing practices and policies. If we, our third- party service providers, or those with whom we share personal information fail to comply with such laws and regulations, such as the GDPR and the CCPA, our reputation could be damaged, possibly resulting in lost business, and we could be subjected to additional legal risk or financial losses as a result of non- compliance. Our vendors’ and commercial partners’ information technology systems may fail or suffer security breaches, which could result in a material disruption of our operations. Despite the implementation of security measures, our vendors’ or commercial partners’ information technology systems are vulnerable to damage from computer viruses, ransomware software viruses and other similar types of malicious activities, unauthorized access, natural disasters, and electrical failures. Such events could cause disruptions in our operations. To the extent that any disruption or security breach were to result in a loss of, or damage to, our data, or inappropriate disclosure of confidential or proprietary information, we could be subject to litigation and reputational harm, which could materially adversely affect our financial condition, business, or results of operations. We have grown and may continue to grow in the future through acquisitions. Growth by acquisitions involves risks, and we may not be able to effectively integrate businesses we acquire, or we may not be able to identify or consummate any future acquisitions on favorable terms, or at all. We completed several acquisitions over the past several years, including our acquisition of SCA Performance Holdings, Inc. in March 2020, Outside Van and Sola Sport Pty Ltd. (“ Sola Sport ”) in May 2021, Shock Therapy in December 2021, Custom Wheel House, LLC in March 2023, and Marucci Sports, LLC in November 2023, **and Marzocchi Suspension S. r. l. in December 2024**. Additionally, we intend to selectively evaluate additional acquisitions in the future. Any acquisitions that we made and might make are subject to various risks and uncertainties and could have a negative impact on our business, financial condition, or results of operations. These risks include the inability to integrate effectively the operations, products, technologies, and personnel of the acquired companies (some of which may be spread out in different geographic regions), the inability to achieve anticipated cost savings or operating synergies, the earn- outs we may contractually obligate ourselves to pay, and the risk we may not be able to effectively manage our operations at an increased scale of operations resulting from such acquisitions. In the event we do complete acquisitions in the future, such acquisitions could affect our cash flows and net income as we expend funds, increase indebtedness, and incur additional expenses in connection with pursuing acquisitions. We may also issue shares of our common stock or other securities from time to time as consideration for future acquisitions and investments. We may not be able to identify or consummate any future acquisitions on favorable terms, or at all. Our operating results are subject to quarterly variations in our sales, which could make our operating results difficult to predict and could adversely affect the price of our common stock. We experienced, and expect to continue to experience, substantial quarterly variations in our sales and net income. Our quarterly results of operations fluctuate, in some cases significantly, as a result of a variety of other factors, including, among other things: • the timing of new product releases or other significant announcements by us or our competitors; • new advertising initiatives; • fluctuations in raw materials and component costs; and • changes in our practices with respect to building inventory. As a result of these quarterly fluctuations, comparisons of our operating results between different quarters within a single year are not necessarily meaningful and may not be accurate indicators of our future performance. Any future quarterly fluctuations that we report may differ from the expectations of market analysts and investors, which could cause the price of our common stock to fluctuate significantly. We also believe that the seasonal nature of our business may have been overshadowed throughout the past few years due to the rapid growth in sales we experienced during those periods. Qualitative data and limited sources support our beliefs regarding the future growth of the performance- defining product market and may not be reliable. A reduction or lack of continued growth in the popularity of high- end bikes, powered vehicles, **baseball diamond sports**, or in the number of consumers who are willing to pay premium prices for well- designed, performance- oriented equipment in the markets in which we sell our products could adversely affect our product sales and profits, financial condition, or results of operations. We generate virtually all of our revenues from sales of performance- defining products. Our beliefs regarding the outlook of the performance- defining product market come from qualitative data and limited sources, which may be unreliable. If our beliefs regarding the opportunities in the market for our products are incorrect or the number of consumers who we believe are willing to pay premium prices for well- designed, performance- oriented equipment in the markets in which we sell our products does not increase or declines, we may fail to achieve future growth and our business, financial condition, or results of operations could be negatively affected. Because of the current inflation affecting the economy and the Federal Reserve’ s **changes in interest rate rates increases** in response, we may be harmed in the future. We believe inflation, and actions taken by the Federal Reserve in response, currently pose a risk to us in a

number of ways. General inflation in the United States has risen to levels not experienced in recent decades, including rising energy prices, prices for consumer goods, interest rates, wages, and currency volatility and downgrades by rating agencies to the U. S. government' s credit rating or concerns about its credit and deficit levels in general, could cause interest rates and borrowing costs to rise. These increases and any fiscal or other policy interventions by the U. S. government in reaction to such events could negatively impact our business by increasing our operating costs and our borrowing costs as well as decreasing capital. Specifically, the Federal Reserve increased benchmark interest rates multiple times in 2022 and 2023. While the Federal Reserve ~~reduced~~ ~~did not increase~~ benchmark interest rates ~~in at the June 2023~~ ~~2024~~ ~~or September 2023 meeting~~, it indicated it may ~~continue~~ ~~decide~~ to raise benchmark interest rates in ~~2024~~ ~~2025~~ in an effort to curb the upward inflationary pressure on the cost of goods and services across the U. S. The raw materials and other supplies we use to produce our products experienced increasing prices during recent periods as a result of inflation. In response, we increased the prices we charge customers for our products. While these price adjustments have not caused a reduction in sales thus far, continued increases in inflation rates may result in a reduction of customers or sales volumes. Additionally, if the Federal Reserve ~~continues~~ ~~resumes~~ raising interest rates, the result could be a recession, which could slow demand for our products, hinder our sales growth, or cause sales to decline in future periods. As of the date of this Annual Report, we cannot predict how extensive the inflation or the effects of the Federal Reserve' s responses thereto will be, its duration, or the ultimate impact on us. Additionally, the U. S. government' s credit and deficit concerns, the European sovereign debt crisis, and the potential trade war with China, could further cause interest rates to be volatile, which may negatively impact our ability to access the debt markets on favorable terms.

RISKS RELATED TO OUR INDEBTEDNESS AND LIQUIDITY The 2022 Credit Facility places operating restrictions on us and creates default risks. The 2022 Credit Facility with Wells Fargo Bank, National Association, and other named lenders contains covenants that restrict our operating activities. These covenants, among other things, limit our ability to: • pay dividends or make distributions to our stockholders or redeem our stock; • incur additional indebtedness or permit additional encumbrances on our assets; and • make acquisitions, complete mergers or sales of assets, or engage in new businesses. These restrictions may interfere with our ability to obtain financing or engage in other business activities, which may have a material adverse effect on our business, financial condition, or results of operations. If we are unable to comply with the covenants contained in the 2022 Credit Facility, it could constitute an event of default, and our lenders could declare all borrowings outstanding, together with accrued and unpaid interest, to be immediately due and payable. If we are unable to repay or otherwise refinance these borrowings when due, our lenders could sell the collateral securing the 2022 Credit Facility, which constitutes substantially all of our assets. We continue to have the ability to incur debt, and our levels of debt may affect our operations and our ability to pay the principal of and interest on our debt. In the future, we may be able to incur substantial additional debt from amendments to the 2022 Credit Facility, additional lending sources subject to the restrictions contained in the 2022 Credit Facility, or because of certain debt instruments we may issue. As of ~~December 29~~ ~~January 3~~, ~~2023~~ ~~2025~~, we had \$ ~~743~~ ~~705~~ ~~.5~~ ~~1~~ million of indebtedness, ~~and~~ \$ ~~280~~ ~~496~~ ~~.0~~ ~~8~~ million in revolving credit ~~and~~ \$ ~~200.0~~ million in ~~delayed draw term loan~~ available to borrow under the 2022 Credit Facility. Our ability to borrow under the 2022 Credit Facility fluctuates from time to time due to, among other factors, our borrowings under the 2022 Credit Facility. Our indebtedness could be costly or have adverse consequences, such as: • requiring us to dedicate a substantial portion of our cash flows from operations to payments on our debt; • limiting our ability to obtain future financing for working capital, capital expenditures, acquisitions, debt obligations and other general corporate requirements; • making us more vulnerable to adverse conditions in the general economy or our industry and to fluctuations in our operating results, including affecting our ability to comply with and maintain any financial tests and ratios required under our indebtedness; • limiting our flexibility to engage in certain transactions or to plan for, or react to, changes in our business and industry; • putting us at a disadvantage compared to competitors that have less relative or less restrictive debt; and • subjecting us to additional restrictive financial and other covenants. If we incur substantial additional indebtedness in the future, these higher levels of indebtedness may affect our ability to pay the principal of and interest on existing indebtedness and our creditworthiness generally. Our outstanding indebtedness under the 2022 Credit Facility bears interest at a variable rate, which makes us more vulnerable to increases in interest rates and could cause our interest expense to increase and decrease cash available for operations and other purposes. Borrowings under the 2022 Credit Facility bear interest on a variable rate, which increases and decreases based upon changes in the underlying interest rate and / or our leverage ratio. Any such increases in the interest rate or increases of our borrowings under the 2022 Credit Facility will increase our interest expense. The Federal Reserve increased benchmark interest rates multiple times in 2022 and 2023. While the Federal Reserve ~~reduced~~ ~~did not increase~~ benchmark interest rates ~~in at the June 2023~~ ~~2024~~ ~~or September 2023 meeting~~, it indicated it may ~~continue~~ ~~decide~~ to raise benchmark interest rates in ~~2024~~ ~~2025~~ in an effort to curb the upward inflationary pressure on the cost of goods and services across the U. S. Increases in these rates increase our interest expense and reduce our funds available for operations and other purposes. Although from time to time we may enter into agreements to hedge a portion of our interest rate exposure, such as the 2022 Interest Rate Swap Agreement, these agreements may be costly and may not protect against all interest rate fluctuations. Accordingly, we may experience material increases in our interest expense as a result of increases in interest rate levels generally. Refer to Note 11. Derivatives and Hedging for additional information regarding the interest rate swap arrangement. As of ~~December 29~~ ~~January 3~~, ~~2023~~ ~~2025~~, we had \$ ~~750~~ ~~713~~ ~~.0~~ ~~7~~ million of interest-bearing indebtedness outstanding under the 2022 Credit Facility. Based on the \$ ~~650~~ ~~213~~ ~~.0~~ ~~7~~ million of variable interest rate indebtedness that was outstanding under the 2022 Credit Facility as of ~~December 29~~ ~~January 3~~, ~~2023~~ ~~2025~~, after giving effect to our interest rate swap, a hypothetical 100 basis point increase or decrease in the interest rate would have resulted in an approximately \$ ~~6~~ ~~2~~ ~~.5~~ ~~1~~ million increase or decrease in interest expense for the year ended ~~December 29~~ ~~January 3~~, ~~2023~~ ~~2025~~, respectively. We may incur losses on interest rate swap and hedging arrangements. We may periodically enter into agreements to reduce the risks associated with increases in interest rates, such as our ~~2022 Swap~~ ~~swap~~ ~~Agreement~~ ~~agreements~~. Although these agreements may partially protect against rising interest rates, they also may reduce the benefits to us if interest rates decline. **RISKS**

RELATED TO LAWS AND REGULATIONS Changes in tax laws and regulations or other factors could cause our income tax obligations to increase, potentially reducing our net income and adversely affecting our cash flows. We are subject to income tax requirements in various jurisdictions in the U. S. and internationally. In preparing our financial statements, we provide for income taxes based on current tax laws and regulations and the estimated taxable income within each of these jurisdictions. Our income tax obligations may be higher, which could materially impact our net income and cash flows due to numerous factors, such as: • changes to tax laws or interpretations proposed by the current administration in the U. S.; • modifications to the U. S. tax reform enacted in December 2017; • revisions to estimates regarding our ability to utilize foreign tax credits, particularly increases in revenues generated in Taiwan or changes in the export potential from Taiwan; • increases in applicable tax rates; and • actions by tax authorities in jurisdictions in which we operate. We are subject to extensive U. S. federal and state, foreign and international safety, environmental, employment practices, and other government regulations that may require us to incur expenses or modify product offerings to maintain compliance with such regulations, which could have a negative effect on our business and results of operations. We are subject to extensive laws and regulations relating to safety, environmental, and other laws and regulations promulgated by the U. S. federal and state governments, as well as foreign and international regulatory authorities. Although we believe that our products, policies, and processes comply with applicable safety, environmental, and other standards and related regulations, future regulations may require additional safety standards that would require additional expenses and / or modification of product offerings to maintain such compliance. Failure to comply with applicable regulations could result in fines, increased expenses to modify our products, and reputational harm, all of which could have an adverse effect on our business, financial condition, or results of operations. Moreover, certain of our product offerings require us to comply with the rules and regulations of various standards of standard- setting organizations, such as the CPSC, the NHTSA, and the European Committee for Standardization. Failure to comply with the requirements of such organizations could result in the loss of certain customer contracts, fines and penalties, or both, which could have an adverse effect on our business, financial condition, or results of operations. Unpredictability in the adoption, implementation, and enforcement of increasingly stringent emission standards by multiple jurisdictions could adversely affect our business. A portion of our products are subject to extensive statutory and regulatory requirements governing emission and noise, including standards imposed by the Environmental Protection Agency, the European Union, state regulatory agencies (such as the California Air Resources Board (“ CARB ”)), and other regulatory agencies around the world. We made, and continue to make, capital and research expenditures to ensure certain of our products comply with these emission standards. Developing products to meet numerous changing government regulatory requirements, with different implementation timelines and emission requirements, makes developing products efficiently for multiple markets complicated and could result in additional costs that may be difficult to recover in certain markets. In some cases, we may be required to develop new products to comply with new regulations, particularly those relating to air emissions. **We work cooperatively with consultants and CARB to comply with current CARB regulations that may apply to our modified vehicles. Depending on the results of modified vehicle emissions testing, there is some chance that we could be limited in types of modifications and products sold into California, or have to adjust our business model for California sales in a way that makes such modified vehicles uneconomical and / or unachievable.** The successful development and introduction of new and enhanced products in order to comply with new regulatory requirements are subject to other risks, such as delays in product development, cost overruns, and unanticipated technical and manufacturing difficulties. In addition to these risks, the nature and timing of government implementation and enforcement of increasingly stringent emission standards is unpredictable. Any delays in implementation or enforcement could result in the products we developed or modified to comply with these standards becoming unnecessary or becoming necessary later than expected, which in turn could delay, diminish, or eliminate the expected return and may adversely affect our business. Increasing focus on environmental, social, and governance responsibility may impose additional costs on us and expose us to new risks. Regulators, stockholders, and other interested constituencies focus increasingly on the environmental, social, and governance practices of companies. For example, in March ~~2022~~ **2024**, the SEC ~~proposed~~ **adopted** new rules for extensive and prescriptive climate- related disclosure in annual reports and registration statements, which would also require the inclusion of certain climate- related financial metrics in a note to companies’ audited financial statements. **Further Following a number of challenges to the rules by federal courts and prior statements that the SEC would vigorously defend the validity of the rule, the SEC, under new administration, changed course in February 2025, stating that it would no longer defend the rules and the rules would be removed under new leadership. While we may no longer face the stringent reporting requirements under SEC rules**, our customers may require us to implement environmental, social, or governance responsibility procedures or standards before they will continue to do business with us. Additionally, we may face reputational challenges in the event our environmental, social, or governance responsibility procedures or standards do not meet the standards set by certain constituencies. The occurrence of any of the foregoing could have a material adverse effect on the price of our shares and our business, financial condition, and results of operations. Climate change and related regulatory responses may adversely impact our business. There is increasing concern that a gradual increase in global average temperatures due to the increased concentration of carbon dioxide and other greenhouse gases in the atmosphere will cause significant changes in weather patterns around the globe and an increase in the frequency and severity of natural disasters. Changes in weather patterns and an increased frequency, intensity, and duration of extreme weather conditions could, among other things, (a) disrupt the operation of our supply chain since our bike suspension manufacturing is entirely located in Taiwan, which is prone to typhoons, (b) increase our product costs and impact the types and amounts of products that consumers purchase since the majority of our products are used in outdoor recreation, and (c) affect Marucci’ s wood bat production since our timber supply could be impacted by adverse weather conditions. In addition, a number of our facilities are located in California, a state that frequently experiences earthquakes and ~~wildfires and~~ has recently experienced **increasingly** frequent and severe **wildfires**, flooding, **and landslides**. As a result, the effects of climate change could have a long- term adverse impact on our business ~~and results of~~

operations. In many of the countries in which we operate, governmental bodies are increasingly enacting legislation and regulations in response to the potential impacts of climate change. For example, many nations agreed to limit greenhouse gas emissions pursuant to the United Nations Framework Convention on Climate Change, also known as the “Kyoto Protocol” and other initiatives. In December 2015, the U. S. and 194 other countries adopted the Paris Agreement, committing to work towards addressing climate change and agreeing to a monitoring and review process for greenhouse gas emissions. Although the U. S. withdrew from the Paris Agreement in November 2020, **the U. S. officially rejoined the Paris Agreement in February 2021, and then announced an intent to again withdraw from the Paris Agreement** following the change in Presidential ~~administrations~~ **administration and, the U. S.** may, in the future, choose to join other international agreements targeting greenhouse gas emissions. ~~In addition, in January 2021, President Biden issued an executive order directing all federal agencies to review and take action to address any federal regulations, orders, guidance documents, policies, and any similar agency actions promulgated during the prior administration that may be inconsistent with the current administration’s policies and to confront the climate crisis. President Biden also issued an executive order solely targeting climate change.~~ The adoption of legislation or regulatory programs at the federal level or other government action to reduce emissions of greenhouse gases, **such as the programs implemented under the Biden Administration to address the climate crises,** could have the potential to impact our operations directly or indirectly as a result of required compliance by our suppliers and us. In addition, we may choose to take voluntary steps to mitigate our impact on climate change. As a result, we may experience increases in energy, production, transportation, raw material costs, capital expenditures, or insurance premiums and deductibles. Inconsistency of legislation and regulations among jurisdictions may also affect the costs of compliance with such laws and regulations. Any assessment of the potential impact of future climate change legislation, regulations, or industry standards, as well as any international treaties and accords, is uncertain given the scope of potential regulatory change in the countries in which we operate. We are subject to employment practice laws and regulations. As such, we are exposed to litigation risks and may incur higher employee costs in the future. We are subject to extensive laws and regulations relating to employment practices, including wage and hour, wrongful termination, and discrimination. Complying with such laws and regulations, and defending against allegations of our failure to comply (including meritless allegations), can be expensive and time- consuming. We believe that our policies and processes comply with applicable employment standards and related regulations; however, we are subject to risks of litigation by employees and others that might involve allegations of illegal, unfair, or inconsistent employment practices, including wage and hour violations, employment discrimination, misclassification of independent contractors as employees, wrongful termination, and other concerns, which could require additional expenditures. We are subject to environmental laws and regulation and potential exposure for environmental costs and liabilities. Our operations, facilities, and properties are subject to a variety of foreign, federal, state, and local laws and regulations relating to health, safety, and the protection of the environment. These environmental laws and regulations include those relating to the use, generation, storage, handling, transportation, treatment, and disposal of solid and hazardous materials and wastes, emissions to air, discharges to waters and the investigation and remediation of contamination. Many of these laws impose strict, retroactive, joint and several liability upon owners and operators of properties, including with respect to environmental matters that occurred prior to the time the party became an owner or operator. In addition, we may have liability with respect to third- party sites to which we send waste for disposal. Failure to comply with such laws and regulations can result in significant fines, penalties, costs, liabilities, or restrictions on operations that could negatively affect our business, financial condition, or results of operations. From time to time, we have been involved in administrative or legal proceedings relating to environmental, health, or safety matters and incurred expenditures relating to such matters in the past. We believe that our operations are in substantial compliance with applicable environmental laws and regulations. However, additional environmental issues relating to presently known or unknown matters could give rise to currently unanticipated investigation, assessment, or expenditures. Compliance with laws or regulations that are more stringent, as well as different interpretations of existing laws, more vigorous enforcement by regulators or unanticipated events, could require additional expenditures that may materially affect our business, financial condition, or results of operations. Federal, state, local, foreign, and international laws and regulations relating to environmental matters, land- use, and noise and air pollution may have a negative impact on our future sales and results of operations. The products in our powered vehicles category are used in vehicles that are subject to numerous federal, state, local, foreign, and international laws and regulations relating to noise and air pollution. Powered vehicles, and even bikes, have become subject to laws and regulations prohibiting their use on certain lands and trails. For example, in San Mateo County, California, mountain bikes are not allowed on county trails, and ATV and side- by- sides riding is not allowed in Zion National Park, among many other national and state parks. In addition, recreational snowmobiling has been restricted in some national parks and federal lands in Canada, the U. S., and other countries. If more of these laws and regulations are passed and the users of our products lose convenient locations to ride their mountain bikes and powered vehicles, our sales could decrease, and our business, financial condition, or results of operations could suffer. Regulations related to conflict minerals may force us to continue to incur additional expenses and otherwise adversely impact our business. The SEC rules regarding disclosure of the use of tin, tantalum, tungsten, and gold, known as conflict minerals, in products manufactured by public companies require ongoing due diligence to determine whether such minerals originated from the Democratic Republic of Congo (“DRC”), or an adjoining country and whether such minerals helped finance the armed conflict in the DRC. As a public company, we are required to comply with the reporting obligations annually. There are costs associated with complying with these disclosure requirements, including costs to determine the origin of conflict minerals in our products. The effect of such rules on customer, supplier, or consumer behavior could adversely affect the sourcing, supply, and pricing of materials used in our products. As a result, we may also incur costs with respect to potential changes to products, processes, or sources of supply. We may face disqualification as a supplier for customers and reputational challenges if our due diligence procedures do not enable us to verify the origins for all conflict minerals used in our products or to determine if such conflict minerals are conflict- free. Accordingly, these rules could have a

material adverse effect on our business, results of operations, or financial condition. We retain certain personal information about individuals and are subject to various privacy and consumer protection laws. We collect personal information for various purposes and through various methods, including from third parties and directly from consumers through our website, at events and sales, and via telephone and email. Certain individuals may object to the processing of this data, request the deletion of this data, or opt out of the sharing of this data, any of which may negatively impact our ability to provide effective customer service or otherwise impact our operations. Collection and use of personal information in conducting our business may be subject to federal and / or state laws and regulations in the U. S. and foreign jurisdictions including, in particular, various jurisdictions in Europe, and such laws and regulations may restrict our processing of such personal information and may hinder our ability to attract new customers or market to existing customers. We may incur significant expenses to comply with privacy, consumer protection, and security standards and protocols imposed by law, regulation, industry standards, or contractual obligations. Our vendors and any potential commercial partners may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements. Our vendors and any potential commercial partners expose us to the risk of fraud or other misconduct. Misconduct by these parties could include intentional, reckless, and / or negligent conduct or disclosure of unauthorized activities to us that violate federal and / or state data privacy, security, and consumer protection laws and regulations in the U. S. and abroad. Such misconduct could result in regulatory sanctions and cause serious harm to our reputation. U. S. policies related to global trade and tariffs could have a material adverse effect on our results of operations. The current domestic and international political environment, including existing and potential changes to U. S. policies related to global trade and tariffs, have resulted in uncertainty surrounding the future state of the global economy. In 2018, the U. S. imposed tariffs of 25 % on steel and 10 % on aluminum, with only a handful of countries exempt from the increase. **The new Trump administration recently enhanced these measures by increasing the tariff on aluminum to 25 %, expanding the products on which the tariffs will be assessed to include derivative products containing steel or aluminum, and terminating all countrywide exemptions and the product specific exemption process.** Throughout the ~~first~~ **Trump Administration administration**, the U. S. and China imposed a variety of tariffs on most goods traded between the two countries. The U. S. and the European Union also imposed tariffs on each other' s products stemming from a dispute at the World Trade Organization related to aircraft. The ~~Biden Administration~~ **administration** and U. S. Congress ~~have~~ created significant uncertainty about their review of tariffs and future relationships between the U. S. and other countries with respect to regulations. **Since taking office, the new Trump administration has implemented various new strategies regarding tariffs. President Trump invoked the International Emergency Economic Powers Act to impose 25 % tariffs on products from Mexico and 25 % tariffs on products from Canada (with a lower 10 % tariff on Canadian energy and energy resources) but delayed implementation of those tariffs based on agreed actions by both countries. President Trump also imposed a 10 % tariff on all imports from China and Hong Kong under the International Emergency Economic Powers Act. Most recently, the Trump administration suggested the idea of " reciprocal taxes ", in which the U. S. matches the import duties levied by other countries, which is an alternative to standard " universal tariffs, " where all imports are taxed at the same punitive rate. While reciprocal tariffs are thought be lower than universal tax rates, and therefore to have a lower impact on consumers, reciprocal tariffs may create an administrative burden and will cause retailers to make difficult decisions as to how to pay the tariff or absorb the cost into their profit margins. Recently, a coalition of U. S. producers of aluminum extrusions filed a petition with U. S. trade authorities requesting the imposition of anti-dumping duties against imports of aluminum extrusions from 15 countries. Following hearings in October 2024, the U. S. International Trade Commission determined that the aluminum extrusions do not harm U. S. industry and, therefore, the U. S. Department of Commerce will not issue antidumping or countervailing duty orders for applicable countries. While we face no immediate consequences on the import of aluminum extrusions, because the U. S. producers challenged the USITC determination at the U. S. Court of International Trade and aluminum is one of the primary raw materials used in the production of our products, our operating results could be adversely impacted by the future imposition of duties on extruded aluminum.** While we have limited exposure to implemented tariffs at this time, any expansion in the types of tariffs implemented has the potential to negatively impact our supply chain costs and the operating performance of our customers, which in turn may negatively affect our sales, gross margin, and operating performance. Additionally, there is a risk that continued U. S. tariffs on imports could be met with additional retaliatory tariffs on U. S.- produced exports and that the broader trade uncertainty could intensify. This has the potential to significantly impact global trade and economic conditions in many of the regions where we do business and have a material adverse effect on our results of operations. **In addition, with respect to sourcing products and raw materials from third- party suppliers in other countries, our ability to timely or successfully import such products or those made with such raw materials may be adversely affected by changes in U. S. laws. As a result, products we import into the U. S. could be held for inspection by U. S. Customs and Border Patrol (" U. S. CBP ") based on a suspicion of noncompliance. Additionally, the Uyghur Forced Labor Prevention Act (" UFLPA ") empowers the U. S. Customs and Border Protection Agency (the " U. S. CBP ") to withhold release of items produced in whole or in part in countries or by companies included on the UFLPA entities list, creating a presumption that such goods were produced using forced labor. In January 2025, the Department of Homeland Security added to the UFLPA entity list, marking the largest single expansion of the list to date, and including a large supplier of critical minerals and one of the world' s largest textile manufacturers, both linked to forced labor practices in the People' s Republic of China. Although we do not believe that our suppliers source materials from entities included on the UFLPA for the products they sell to us or use to manufacture our products and we could be subject to penalties, fines or sanctions if any of the suppliers from which we purchase goods is found to have dealings, directly or indirectly, with entities on the UFLPA entities list. We are committed to complying with the UFLPA and have taken significant steps to assess and mitigate risks within our supply chain. Given the complexity and multi- tiered nature of global supply chains, achieving full**

traceability for every supplier and sub-supplier presents substantial challenges. However, we are continuously working to enhance our due diligence processes, leveraging available data and supplier engagement to ensure compliance to the fullest extent possible. While any detentions or detentions we have experienced have not resulted in any material impact on our business to date, future detentions, as result of noncompliance or in connection with forced labor enforcement (including noncompliance by or enforcement against our suppliers and manufacturers), could result in unexpected (i) delays or rejections of products scheduled for delivery to us, which could in turn affect the timing or our ability to deliver products to our customers; (ii) supply chain disruptions and increased operating costs; (iii) damage to our customer relationships; and / or (iv) negative publicity that harms our reputation, any of which could have a material impact on our business and negatively affect our ultimate financial results.

We are, and may in the future be, subject to legal proceedings. If the outcomes of these proceedings are adverse to us, it could have a material adverse effect on our business, financial condition and results of operations. We are subject to various litigation matters from time to time, the outcome of which could have a material adverse effect on our business, financial condition and results of operations. Regardless of merit, these litigation matters and any potential future claims against the Company may be both time consuming and disruptive to the Company's operations and cause significant expense, increased insurance costs, reputational harm and diversion of management attention. Claims arising out of actual or alleged violations of law could be asserted against us by individuals, either individually or through class actions, by governmental entities in civil or criminal investigations and proceedings or by other entities. These claims could be asserted under a variety of laws, including but not limited to consumer protection laws and regulations, product liability laws, intellectual property laws, environmental laws, privacy laws, labor and employment laws, securities laws and employee benefit laws. These actions could expose us to adverse publicity and to substantial monetary damages and legal defense costs, injunctive relief and criminal and civil fines and penalties, including but not limited to suspension or revocation of licenses to conduct business. For example, a class action ~~is~~ **and two stockholder derivative complaints are** pending in the United States District Court for the Northern District of Georgia in Atlanta asserting claims on behalf of a putative class of Company stockholders against the Company and certain of its current and former officers alleging violations of federal securities laws **and fiduciary duties**. See Part I, Item 3. "Legal Proceedings" for more information about this class action and **stockholder derivative complaints and** other legal proceedings to which we may be subject.

RISKS RELATED TO OWNERSHIP OF OUR COMMON STOCK The trading price of our common stock may be volatile, and you might be unable to sell your shares at or above the price you pay for the shares. The trading price of our common stock could be volatile, and you could lose all or part of your investment in our common stock. For example, from January 21, 2021-2022 through December 29-January 3, 2023-2025, our stock price fluctuated between \$ ~~190-171~~ **29-80** and \$ ~~49-28~~ **12-33** per share, and such volatility may continue in the future. Factors affecting the trading price of our common stock could include: • variations in our operating results or those of our competitors; • new product or other significant announcements by us or our competitors; • changes in our product mix; • changes in consumer preferences; • fluctuations in currency exchange rates; • the gain or loss of significant customers; • recruitment or departure of key personnel; • changes in the estimates of our operating results or changes in recommendations by any securities analysts that elect to follow our common stock; • changes in general economic conditions as well as conditions affecting our industry in particular; and • sales of our common stock by us, our significant stockholders, or our directors or executive officers. In addition, in recent years, the stock market experienced significant price fluctuations. Fluctuations in the overall stock market generally or with respect to companies in our industry could cause the trading price of our common stock to fluctuate for reasons unrelated to our business, operating results, or financial condition. Further, some companies with volatile market prices for their securities have had securities class actions filed against them. A lawsuit filed against us, regardless of its merits or outcome, could cause us to incur substantial costs and divert management's attention. Future issuances and sales of our shares, or the perception that such sales may occur, could cause our stock price to decline. The issuance of additional shares of our common stock, such as the follow-on offering of approximately 2.8 million shares of common stock that we completed in June 2020, could dilute the ownership interest of our common stockholders and could depress the market price of shares of our common stock. Our Amended and Restated Certificate of Incorporation authorizes us to issue 90,000,000 shares of common stock, 41, ~~953-683~~ **938-905** of which shares were outstanding as of ~~December 29-January 3, 2023-2025~~. In the future, we may issue additional shares of common stock or other equity or debt securities convertible into common stock in connection with financings, acquisitions, registration statements, or otherwise. After our IPO in 2013 and, more recently, in May 2022, we filed registration statements under the Securities Act to register shares of our common stock that we may issue under our equity plans. As a result, all such shares can be freely sold in the public market upon issuance, subject to any vesting or contractual lock-up agreements. We also have a number of institutional stockholders that own significant blocks of our common stock. If one or more of these stockholders were to sell large portions of their holdings in a relatively short time, for liquidity or other reasons, the prevailing price of shares of our common stock could be negatively affected. If securities or industry analysts do not publish research or publish unfavorable research about our business, our stock price and trading volume could decline. The trading market for our common stock depends in part on the research and reports that securities or industry analysts publish about our business or us. If one or more of the analysts who covers us downgrades our stock or publishes unfavorable research about our business or our industry, our stock price would likely decline. If one or more of these analysts ceases coverage of our Company or fails to publish reports on us regularly, demand for our stock could decrease, which could cause our stock price and trading volume to decline. Anti-takeover provisions in our charter documents and Delaware law could discourage, delay, or prevent a change in control of our Company. Our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws (together, our "Charter Documents"), as well as Delaware law, contain provisions that may discourage, delay or prevent a change in our management or control over us that stockholders may consider favorable. Among other things, these provisions: • authorize the issuance of "blank check" preferred stock that could be issued by our Board of Directors to discourage a takeover attempt; • establish a classified

Board of Directors, as a result of which the successors to the directors whose terms have expired will be elected to serve from the time of election and qualification until the third annual meeting following their election; • require that directors be removed from office only for cause; • provide that vacancies on our Board of Directors, including newly created directorships, may be filled only by a majority vote of directors then in office; • provide that no action be taken by stockholders by written consent; • provide that special meetings of our stockholders may be called only by our Board of Directors, our Chairperson of the Board of Directors, our Lead Director (if we do not have a Chairperson or the Chairperson is disabled), our Chief Executive Officer or our President (in the absence of a Chief Executive Officer); • require supermajority stockholder voting for our stockholders to effect certain amendments to our Charter Documents; and • establish advance notice requirements for nominations for elections to our Board of Directors or for proposing other matters that can be acted upon by stockholders at stockholder meetings. In addition, we are subject to Section 203 of the General Corporation Law of the State of Delaware (“ DGCL ”), which generally prohibits a Delaware corporation from engaging in a broad range of business combinations with a stockholder owning 15 % or more of such corporation’s outstanding voting stock for a period of three years following the date on which such stockholder became an “ interested ” stockholder. In order for us to consummate a business combination with an interested stockholder within three years of the date on which the stockholder became interested, either: (i) the business combination or the transaction that resulted in the stockholder becoming interested must be approved by our Board of Directors prior to the date the stockholder became interested; (ii) the interested stockholder must own at least 85 % of our outstanding voting stock at the time the transaction commences (excluding voting stock owned by directors who are also officers and certain employee stock plans); or (iii) the business combination must be approved by our Board of Directors and authorized by at least two-thirds of our stockholders (excluding the interested stockholder) at a special or annual meeting (not by written consent). This provision could have the effect of delaying or preventing a change in control, whether or not it is desired by or beneficial to our stockholders. Any delay or prevention of a change in control transaction or changes in our Board of Directors and management could deter potential acquirers or prevent the completion of a transaction in which our stockholders could receive a substantial premium over the then- current market price for their shares of our common stock. We cannot guarantee that our share repurchase program will be fully consummated or that it will enhance long- term stockholder value, and share repurchases could increase the volatility of the price of our common stock. Pursuant to the ~~new~~ share repurchase program authorized by our Board of Directors on November 1, 2023, we are authorized to repurchase up to \$ 300. 0 million of outstanding shares of our common stock through various methods, including, but not limited to, open market, privately negotiated, or accelerated share repurchase transactions. This program will expire on November 1, 2028, and may be suspended or discontinued at any time. We are not obligated to repurchase a specified number or dollar of shares, and the timing, manner, price, and actual amount of share repurchases will be made at management’s discretion at prices management considers to be attractive and in the best interests of both the Company and its stockholders, subject to the availability of stock, general market conditions, the trading price of the stock, alternative uses for capital, and the Company’s financial performance. The program does not obligate the Company to acquire a minimum amount of shares. The timing of repurchases pursuant to our share repurchase program could affect our stock price and increase its volatility. We cannot guarantee that we will repurchase shares, and there can be no assurance that any repurchases pursuant to our stock repurchase program will enhance stockholder value because the market price of our common stock may decline below the levels at which we repurchase such shares. In addition, there is no guarantee that our stock repurchases in the past or in the future will be able to successfully mitigate the dilutive effect of recent and future employee stock option exercises and restricted stock unit vesting. The amounts and timing of the repurchases may also be influenced by general market conditions, regulatory developments (including recent legislative actions which, subject to certain conditions, ~~may impose~~ **imposed** an excise tax of 1 % on our stock repurchases), and the prevailing price and trading volumes of our common stock. If our financial condition deteriorates or we decide to use our cash for other purposes, we may suspend repurchase activity at any time. Our Amended and Restated Certificate of Incorporation designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders’ ability to obtain a favorable judicial forum for disputes with us or our directors, officers or other employees. Our Amended and Restated Certificate of Incorporation provides that, with certain limited exceptions, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for: (i) any derivative action or proceeding brought on our behalf; (ii) any action asserting a claim of breach of fiduciary duty owed by any director, officer or other employee of our Company owed to us or our stockholders; (iii) any action asserting a claim against us arising pursuant to any provision of the DGCL or our Charter Documents; (iv) any action to interpret, apply, enforce or determine the validity of our Charter Documents; or (v) any action asserting a claim governed by the internal affairs doctrine. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock is deemed to have received notice of and consented to the foregoing provisions. 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 our directors, officers, or other employees, which may discourage such lawsuits against us and our directors, officers, and employees. Alternatively, if a court were to find this choice of forum provision inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business, financial condition or results of operations. GENERAL RISK FACTORS Failure of our internal controls over financial reporting could adversely affect our business and financial results. Our management is responsible for establishing and maintaining effective internal control over financial reporting under Section 404 of the Sarbanes- Oxley Act of 2002, as amended. Internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of financial reporting for external purposes in accordance with generally accepted accounting principles in the United States (“ GAAP ”). Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that we would prevent or detect a misstatement of our financial statements or fraud. Any failure to maintain an

effective system of internal control over financial reporting could limit our ability to report our financial results accurately and timely or to detect and prevent fraud. The identification of a material weakness could indicate a lack of controls adequate to generate accurate financial statements that, in turn, could cause a loss of investor confidence and a decline in the market price of our common stock. We cannot assure you that we will be able to timely remediate any material weaknesses that may be identified in future periods or maintain all of the controls necessary for continued compliance. Likewise, we cannot assure you that we will be able to retain sufficient skilled finance and accounting personnel, especially in light of the increased demand for such personnel among publicly traded companies.