Risk Factors Comparison 2024-04-01 to 2023-03-24 Form: 10-K

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

You should carefully consider these risks, as well as the additional risks described in other documents we file with the **United States Securities and Exchange Commission (the "** SEC **")** in the future, including subsequent Annual Reports on Form 10- K and Quarterly Reports on Form 10- Q, which may from time to time amend, supplement or supersede the risks and uncertainties we disclose. We also operate in a very competitive and rapidly changing environment. New risks emerge from time to time and it is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in, or implied by, any forward- looking statements. The forward- looking statements included herein are based on current expectations of our management based on available information and are believed to be reasonable. In light of the significant risks and uncertainties inherent in the forward- looking statements included herein, the inclusion of such information should not be regarded as a representation by us or any other person that such results will be achieved, and readers are cautioned not to place undue reliance on such forward- looking statements, which speak only as of the date hereof. Except as required by law, we undertake no obligation to revise the forward- looking statements contained herein **, whether** to reflect events or circumstances after the date hereof ~~or~~ to reflect the occurrence of unanticipated events **or otherwise** . You should read this Annual Report on Form 10- K and the other documents we file with the SEC with the understanding that our actual future results, levels of activity, performance and achievements may be materially different from what we expect. We qualify all of our forward- looking statements by the cautionary statements referenced above. ~~SUMMARY~~ **iiSUMMARY** OF RISK FACTORS An investment in our securities involves various risks and you are urged to carefully consider the risks discussed under Item 1A " Risk Factors, " in this Annual Report on Form 10- K prior to making an investment in our securities. If any of the risks below or in Item 1A " Risk Factors " occurs, our business could be materially and adversely affected. As more fully described in Item 1A " Risk Factors, " the principal risks and uncertainties that may affect our business, financial condition and results of operations include, but are not limited to, the following: Risks Related to Operating a Global Business • Our business is global in scope and can be impacted by factors beyond our control. • ~~We may be affected by sanctions and export controls targeting Russia. •~~ Currency fluctuations could adversely impact our business. • Our business may be impacted by weather conditions and other natural events. ~~ii~~ • Changes to income tax or trade laws and policies could affect our business. • We could be impacted by errors in our assumptions, estimates and judgments related to income tax matters. **• Changes in income tax laws or other unanticipated income tax liabilities could adversely affect our financial results. • We may be affected by sanctions and export controls targeting Russia.** Risks Related to our Business Strategy • Failure to execute growth initiatives, including **completion or integration of** acquisitions and alliances, could harm our business. • Failure to successfully develop and manage new stores and design concepts could harm our business **. • We face risks associated with our joint ventures and strategic partnerships** . • We may not fully realize expected cost savings and / or operating efficiencies related to cost- saving initiatives. Risks Related to Macroeconomic Conditions • ~~Public health crises have harmed, and may continue to harm, our business. •~~ Slowing in- person customer traffic could reduce our sales, increase pressure on our margins and leave us with excess inventory. • Failure to successfully develop an omnichannel shopping experience could harm our business. • Poor or uncertain economic conditions have harmed, and could in the future harm, our business. • Fluctuations and volatility in the price of input costs may impact **our business. • Public health crises have harmed, and may in the future harm,** our business. Risks Related to Brand Reputation, Relevance and Protection • Failure to identify and rapidly respond to consumers' fashion tastes and shopping preferences could harm our business. • Failure to protect our reputation could harm our business. • We depend on our intellectual property and our methods of protecting it may not be adequate. • Failure to appropriately address emerging environmental, social and governance concerns could harm our business. Risks Related to Third Party Relationships • Our licensees' conduct could harm our business. • Our success depends on the strength of our relationships with our suppliers and manufacturers. Risks Related to Data Privacy and Cybersecurity • A **cybersecurity incident** ~~data privacy breach~~ or failure to comply with privacy obligations could harm our business. • A disruption in our ~~computer~~ **information** systems ~~and~~ **or** websites could harm our business. Risks Related to Competition • We may face difficulties competing successfully in the apparel industry. • Our Americas Wholesale business is highly concentrated. **iii** Risks Related to Legal, Governmental and Regulatory Matters • Proxy contests and activist investor activity could harm our business. • Violation of, or changes to, laws or regulations directly or through a licensee or supplier could adversely affect our business. • Litigation or ~~other~~ regulatory proceedings could result in ~~unexpected obligations~~ **substantial charges** and diversion of time. Risks Related to Inventory, Human Capital and Supply Chain Management • Failure to retain and attract management and other key personnel could harm our business. • Increases in labor costs, including wages, could harm our business. • Events affecting consumer demand, the failure of our vendors to timely supply products, our failure to effectively market or merchandise products or open new or remodeled stores on schedule could result in excess inventory. ~~iii~~ • Failure to deliver merchandise timely to our distribution facilities, stores and wholesale customers could harm our business. • A disruption at our distribution facilities could harm our business. Risks Related to Credit, Indebtedness and Investment in our Stock • Failure to satisfy the obligations under our $ ~~300~~ **48** million, 2. ~~0~~ **00** % convertible senior notes, due 2024 (the " **2024 Notes") or our $ 340 million, 3. 75 % convertible senior notes, due 2028, including $ 275 million that we exchanged and issued during April 2023 (the " Initial 2028** Notes " **) and $ 65 million that we exchanged during January 2024 (the " Additional 2028 Notes ", and together with " Initial 2028 Notes ", the " 2028 Notes "; collectively with the" 2024 Notes", the" Notes"**), including our ability to settle the liability in cash could harm our business. • Provisions in the indenture for the

Notes could delay or prevent an otherwise beneficial takeover of us. • The ~~conditional~~ conversion ~~feature~~ **features** of the Notes, if triggered, may adversely affect our business. • Our repurchases **, issuances or sales** of shares of our common stock may affect the value of the Notes and our common stock **. • We are subject to risks related to the Notes' hedge transactions** . • Adverse developments affecting financial institutions with whom we maintain cash balances could adversely impact our liquidity and financial performance. • Difficulties in the credit markets could impact our customers, suppliers and business partners and harm our business. • Our indebtedness and liabilities expose us to risks that could harm our business. • **Regulatory actions may adversely affect the value of the Notes and our common stock. • Conversion of the Notes or exercise of our warrants may dilute the ownership of existing stockholders. •** Fluctuations in quarterly performance could have an adverse effect on our earnings and our stock price. • We cannot ensure that we will continue paying dividends at the current rates or at all. • Our ~~Founding Board Members~~ **Co- Founders** own a significant percentage of our common stock and their interests may differ from other stockholders. WEBSITE REFERENCES In this Annual Report on Form 10- K, we make references to our website at http: / / investors. guess. com and http: / / sustainability. guess. com. References to our website through this Form 10- K are provided for convenience only and the content on our website does not constitute a part of, and shall not be deemed incorporated by reference into, this Annual Report on Form 10- K. PART I ITEM 1. Business. General Unless the context indicates otherwise, the terms " we, " " us, " " our " or the " Company " in this Form 10- K refer to Guess?, Inc. (" GUESS? ") and its subsidiaries on a consolidated basis. We design, market, distribute and license one of the world' s leading lifestyle collections of contemporary apparel and accessories for men, women and children that reflect the American lifestyle and European fashion sensibilities. Our apparel is marketed under numerous trademarks including GUESS, GUESS?, GUESS U. S. A., GUESS ~~Jeans~~ **JEANS** , GUESS? and Triangle Design, MARCIANO, Question Mark and Triangle Design, a stylized G and a stylized M, GUESS Kids, Baby GUESS, YES, G by GUESS (GbG), GUESS by MARCIANO and Gc. The lines include full collections of clothing, including jeans, pants, skirts, dresses, activewear, shorts, blouses, shirts, jackets, knitwear and intimate apparel. In addition, we selectively grant licenses to design, manufacture and distribute a broad range of products that complement our apparel lines, including eyewear, watches, handbags, footwear, kids' and infants' apparel, outerwear, fragrance, jewelry and other fashion accessories. We also grant licenses to certain wholesale partners to operate and sell our products through licensed retail stores. Our products are sold through direct- to- consumer, wholesale and licensing distribution channels. Our core customers are style- conscious consumers comprised of three target consumer groups: Heritage, Millennials and Generation Z. Our Heritage customers, typically aged 40 years and older, are very loyal and have been shopping with us for years. We appeal to these customers through GUESS and specialty product lines that include MARCIANO, a more sophisticated fashion line targeted to women and men. Our Millennial customers are typically between the ages of 25 to 39 and Generation Z customers are typically between the ages of 10 to 24 years old. These two target consumer groups shop streetwear and vintage inspired trends, viewing GUESS as accessible luxury. **Our recent initiative to launch GUESS JEANS as its own brand is specifically targeted to our Millennial and Generation Z customers, however, these products should appeal to a much wider customer base. In February 2024, we, along with global brand management firm WHP Global, entered into a definitive agreement to acquire rag & bone. The planned acquisition is expected to further diversify our portfolio with complementary customer bases and price points. The acquisition is subject to customary closing conditions and is expected to close during the first quarter of fiscal 2025.** We were founded in 1981 and currently operate as a Delaware corporation. We operate on a 52 / 53- week fiscal year calendar, which ends on the Saturday nearest to January 31 of each year. All references herein to " fiscal ~~2023~~ **2024** , " " fiscal ~~2022~~ **2023** , " and " fiscal ~~2021~~ **2022** " represent the ~~results of~~ **53- week fiscal year ending February 3, 2024, and** the 52- week fiscal years ended January 28, 2023 ~~,~~ **and** January 29, 2022 ~~, and January 30,~~ **. The additional week in fiscal** ~~2021~~ **2024 occurred during the fourth quarter ended February 3, 2024** . References to " fiscal ~~2024~~ **2025** " represent the ~~53~~ **52** - week fiscal year ending February ~~3~~ **1** , ~~2024~~ **2025** . Business Strengths We believe we have several business strengths that set us apart from our competition, including: Brand Equity. The GUESS? brand is an integral part of our business, a significant strategic asset and a primary source of sustainable competitive advantage. The GUESS? brand communicates a distinctive image that is fun, fashionable and sexy. We have developed and maintained this image worldwide through our consistent emphasis on innovative and distinctive product designs and through our award- winning advertising, under the creative leadership and vision of Paul Marciano, our Chief Creative Officer and Director. Brand loyalty, name awareness, perceived quality, strong brand images, public relations, publicity, promotional events and trademarks all contribute to the reputation and integrity of the GUESS? brand. Global Diversification. The global success of the GUESS? brand has reduced our reliance on any particular geographic region. This geographic diversification provides broad opportunities for long- term growth, even during regional economic slowdowns. The percentage of our revenue generated from outside of the U. S. has grown from approximately 32 % of our total revenues for the year ended December 31, 2005 to approximately ~~74~~ **77** % of our total revenues for the year ended ~~January 28~~ **February 3** , ~~2023~~ **2024** . As of ~~January 28~~ **February 3** , ~~2023~~ **2024** , we directly operated 1, ~~046~~ **002** retail stores in the Americas, Europe and Asia. Our partners operated ~~562~~ **551** additional retail stores worldwide. As of ~~January 28~~ **February 3** , ~~2023~~ **2024** , we and our partners operated in approximately 100 countries worldwide. We continue to evaluate the different businesses in our global portfolio, directing capital investments to those with more profit potential. Multiple Distribution Channels. We use direct- to- consumer, wholesale and licensing distribution channels to sell our products globally. This allows us to maintain a critical balance as our operating results do not depend solely on the performance of any single channel. The use of multiple channels also allows us to adapt quickly to changes in the distribution environment in any particular region. Direct- to- Consumer. Our direct- to- consumer network is omni- channel, made up of both directly operated brick- and- mortar retail stores and concessions as well as integrated e- commerce sites that create a seamless shopping experience for our customers. **•** Directly operated retail stores and concessions. Distribution through our directly operated retail stores and concessions allows us to influence the merchandising and presentation of our products, enhance our brand image, build brand equity and test new product design concepts. Our store locations vary country by country depending on the type of locations available. In general, our stores average approximately ~~4~~ **2** , 900 square feet in **Europe and the Middle East, approximately 4, 800 square feet in** the Americas ~~,~~ **and** approximately 2, **300** ~~600 square feet in Europe and the Middle East and approximately 2, 400~~ square feet in Asia and the Pacific. Concessions generally average **600** ~~1, 100~~ square feet and are located primarily in South Korea and Greater China. As part of our omni- channel initiative, retail store sales in certain regions may be fulfilled from one of our numerous retail store locations or from our distribution centers. Our directly operated retail stores and concessions were: Year ~~EndedJan~~ **EndedFeb 3, 2024Jan** 28, 2023Jan 29, ~~2022Jan 30, 2021RegionStoresConcessionsStoresConcessionsStoresConcessionsUnited~~ **2022RegionStoresConcessionsStoresConcessionsStoresConcessionsUnited** ~~States240~~ **States231 — 240** — 245 — ~~249~~ **Canada 53** — ~~Canada~~ 62 — 74 — ~~76 —~~ Central and South ~~America69~~ **America72** 29 69 29 ~~70 27~~ **69 29** Total ~~Americas371~~ **Americas356 29 371** 29 388 29 ~~395 27~~ Europe and the Middle ~~East560~~ **East543 57 560** 54 556 50 ~~507 44~~ Asia and the ~~Pacific115~~ **Pacific103 134 115** 129 124 99 ~~144 101~~ Total1 **, 002 220 1** , 046 212 1, 068 178 **•** ~~1, 046 172~~ e- Commerce. As of ~~January 28~~ **February 3** , ~~2023~~ **2024** , we operated retail websites in the Americas, Europe and Asia. We have e- commerce available to 50 countries and in 13 languages around the world. Our websites act as virtual storefronts that both sell our products and promote our brands. Designed as customer shopping centers, these sites showcase our products in an easy- to- navigate format, allowing customers to see and purchase our collections of apparel and accessories. These virtual stores have not only expanded our direct- to- consumer distribution channel, but they have also improved customer relations and are fun and entertaining alternative- shopping environments. As part of our omni- channel initiative, e- commerce orders in certain regions may be fulfilled from our distribution centers, or from our retail stores, or both. Wholesale Distribution. We sell through both domestic and international wholesale distribution channels as well as retail stores and concessions operated by certain wholesale partners. **•** Wholesale. In Europe, our products are sold in stores ranging from large, well- known department stores like El Corte Inglès, Galeries Lafayette and Printemps to small upscale multi- brand boutiques. Because our European wholesale business is more fragmented, we generally rely on a large number of smaller regional distributors and agents to distribute our products. In the Americas, our wholesale customers consist primarily of department stores, including Macy' s, Liverpool and Hudson' s Bay, and select specialty retailers and upscale boutiques, which have the image and merchandising expertise that we require for the effective presentation of our products. Through our foreign subsidiaries and our network of international distributors, our products are also available in major cities throughout Africa, Asia, Australia and the Middle East. **•** Licensed stores and concessions. We also sell product to retail partners who operate licensed retail stores and concessions, which allows us to expand our international operations with a lower level of capital investment while still closely monitoring store development and merchandise programs and marketing activations in order to protect the integrity of the GUESS? brand. Licensed retail stores and concessions operated by our retail partners were: Year ~~EndedYear EndedYear EndedJan~~ **EndedFeb 3, 2024Jan** 28, 2023Jan 29, ~~2022Jan 30, 2021RegionStoresConcessionsStoresConcessionsStoresConcessionsUnited~~ **2022RegionStoresConcessionsStoresConcessionsStoresConcessionsUnited** States — — — ~~1 2~~ **— —** 1 Central and South ~~America34~~ **America29** — 34 — ~~35~~ **34** — Total ~~Americas34~~ **Americas29 — 34** — 34 1 ~~37 1~~ Europe and the Middle ~~East234~~ **East227 — 234** — 223 — ~~218 —~~ Asia and the ~~Pacific294~~ **Pacific295 113 294** 121 306 158 ~~269 203 Total562~~ **Total551 113 562** 121 563 159 ~~524 204~~ Licensing Operations. The desirability of the GUESS? brand name among consumers has allowed us to selectively expand our product offerings and global markets through trademark licensing arrangements, with minimal capital investment or on- going operating expenses. We currently have various domestic and international licenses that include eyewear, watches, handbags, footwear, kids' and infants' apparel, outerwear, undergarments and sleepwear, fragrance, jewelry and other fashion accessories; and include licenses for the design, manufacture and distribution of GUESS? branded products in markets which include Africa, Asia, Australia, Europe, the Middle East, Central America, North America and South America. Multiple Store Concepts. Our products are sold around the world primarily through six different store concepts, namely our GUESS? full- price retail stores, our GUESS? factory outlet stores, our GUESS? Accessories stores, our G by GUESS (GbG) stores, our MARCIANO stores and our GUESS? Kids stores ~~. During fiscal 2021, we integrated our G by GUESS brand into our Factory business over time in order to drive further efficiencies~~ . We and our partners also have a small number of underwear, Gc watch and footwear concept stores. This allows us to target the various demographics in each region through dedicated store concepts that market each brand or concept specifically to the desired customer population. Having multiple store concepts also allows us to target our newer brands and concepts in different markets than our flagship GUESS? store concept **. We expect to launch GUESS JEANS as a new store concept in fiscal 2025. Pending Acquisition. On February 16, 2024, we announced a definitive agreement to acquire New York- based fashion brand rag & bone. Under the terms of the agreement, we will acquire all the rag & bone operating assets and assume the related operating liabilities of the business. In addition, a joint venture owned 50 % each by us and WHP Global (" WHP ") will acquire rag & bone' s intellectual property. Since its origins in New York in 2002, rag & bone has established itself as a leader in the American fashion scene, directly operating 34 stores in the U. S. and two stores in the U. K., and also available in high- end boutiques, department stores and through e- commerce globally. As part of the GUESS? portfolio, the rag & bone team will continue to be based in New York City and will operate as an autonomous fashion brand with a focus on continuing to provide unique and timeless collections to its customers. Concurrent with the closing of the transaction, we plan to enter into a license agreement with our WHP joint venture, which will grant us the exclusive right to use rag & bone intellectual property to manufacture licensed products worldwide and to sell licensed products in specified territories in exchange for our payment of a royalty fee. We expect our joint venture with WHP will enable rag & bone to maximize global expansion by benefiting from both GUESS? and WHP' s platforms and distribution and license partners all over the world. We expect to contribute approximately $ 56. 5 million for the acquisition, subject to customary closing price adjustments. There is also the potential for an incremental earnout consideration of which we will be responsible for a maximum of $ 12. 8 million, based on preset levels of sales and EBITDA performance over the course of rag & bone' s 2024 fiscal year. The acquisition is subject to customary closing conditions and is expected to close during the first quarter of fiscal 2025** .

Business Segments Our businesses are grouped into five reportable segments for management and internal financial reporting purposes: **Europe,** Americas Retail, Americas Wholesale, **Asia and Licensing. The** Europe **segment includes our retail** , ~~Asia~~ **e- commerce** and ~~Licensing~~ **wholesale operations in Europe and the Middle East** . The Americas Retail segment includes our retail and e- commerce operations in the Americas. The Americas Wholesale segment includes our wholesale operations in the Americas ~~. The Europe segment includes our retail, e- commerce and wholesale operations in Europe and the Middle East~~ . The Asia segment includes our retail, e- commerce and wholesale operations in Asia and the Pacific. The Licensing segment includes our worldwide licensing operations. Refer to “ Part IV. Financial Statements – Note 17 – Segment Information ” in this Form 10- K for disclosures about our segment financial information. ~~retail stores and concessions and e- commerce sites.• Retail stores and concessions.Our European retail stores and concessions are primarily comprised of a mix of directly operated GUESS?retail and outlet stores,MARCIANO retail stores,GUESS?Accessories retail and outlet stores,GUESS?Footwear stores and GUESS?Kids stores.During fiscal 2024,we opened 16 new stores and closed 33 stores,ending the year with 543~~ **54** ~~directly operated stores in Europe and the Middle East.This store count does not include 57~~ directly operated concessions in Europe.Certain of our European stores require initial investments in the form of key money to secure prime store locations.These amounts are paid to landlords or existing lessees in certain circumstances. ~~We also expect to acquire two rag & bone stores in the U.K.as part of the pending rag & bone acquisition.•~~ e- Commerce.Our Europe segment also includes our directly operated retail and other marketplace websites.In Europe,similar to the Americas,our e- commerce sites operate as virtual storefronts that,combined with our retail stores,provide a seamless shopping experience to the consumer to sell our products and promote our brands.We have deployed omni- channel initiatives in our European markets,including “ buy online,ship from store ” and “ buy in store,deliver by e- commerce.” We currently offer interactive content online and via mobile,and are planning to expand to smartphone applications.European Wholesale Distribution.We sell our products both through wholesale distribution channels and through licensed retail stores and concessions operated by our wholesale partners throughout Europe and the Middle East.Our European wholesale business generally relies on a large number of smaller regional distributors and agents to distribute our products primarily to smaller independent multi- brand boutiques.Our products are also sold directly to large,well- known department stores like El Corte Inglès,Galeries Lafayette and Printemps.The type of customer varies from region to region depending on both the prominence of the GUESS?brand in each region and the dominance of a particular type of retail channel in each region.In countries where the brand is well known,we operate through showrooms where agents and distributors can view our line and place orders.We currently have showrooms in key cities such as Barcelona,Düsseldorf ~~,Istanbul~~ ,Lugano,Munich,Paris,Lisbon,Florence,Moscow and Warsaw.We sell both our apparel and certain accessories products under our GUESS?and MARCIANO brand concepts through our wholesale channel,operating primarily through two seasons,Spring / Summer and Fall / Winter.Generally,our Spring / Summer sales campaign is from April to September with the related shipments occurring primarily from November to April.The Fall / Winter sales campaign is from November to April with the related shipments occurring primarily from May to October.We may take advantage of early- season demand and potential reorders by offering a pre- collection assortment which ships at the beginning of each season.Customers retain the ability to request early shipment of backlog orders,delay shipments or cancel orders depending on their needs.Revenues from sales to our wholesale licensed stores are also recognized as wholesale sales within our European wholesale operations.During fiscal ~~2024~~ **2023** ,our partners opened ~~18~~ **22** new **licensed retail stores and closed 11 stores,ending the year with 234 licensed retail stores in Europe and the Middle East.Asia Segment In our Asia segment,we sell our products through direct- to- consumer and wholesale channels throughout Asia and the Pacific.Asian Direct- to- Consumer.Our Asian direct- to- consumer network is comprised of brick- and- mortar retail stores and concessions and e- commerce sites.Retail stores and concessions.Our Asian retail stores and concessions include a mix of directly operated GUESS?,GUESS?Footwear,GUESS? Accessories,GUESS?Kids and MARCIANO stores.During fiscal 2023,we opened 13** Americas Retail Segment In our Americas Retail segment, we sell our products direct- to- consumer through a network of directly operated retail and factory outlet stores and e- commerce sites in the Americas. **•** Retail stores and concessions. Our Americas Retail stores and concessions are comprised of a mix of GUESS? retail stores, GUESS? factory outlet stores, G by GUESS (GbG) stores, GUESS? Accessories stores and MARCIANO stores. During fiscal ~~2021~~ **2024** ~~, we integrated our G by GUESS brand into our Factory business over time in order to drive further efficiencies. During fiscal 2023~~ , we opened ~~11~~ **8** new stores and closed ~~28~~ **23** stores in the Americas, ending the year with ~~371~~ **356** stores. This store count does not include 29 **directly operated** concessions in Mexico. We directly operated our retail stores and concessions in Mexico and Brazil through our majority- owned joint ventures. **We also expect to acquire 34 rag & bone stores in the U. S. as part of the pending rag & bone acquisition. •** e- Commerce. Our Americas Retail segment also includes our directly operated retail and other marketplace websites in the U. S., Canada, Mexico and Brazil. These websites operate as virtual storefronts that, combined with our retail stores, provide a seamless shopping experience to the consumer to sell our products and promote our brands. They also provide information about fashion trends and a mechanism for customer feedback while promoting customer loyalty and enhancing our brand identity through interactive content online and through smartphone applications. Our U. S. and Canadian online sites are fully integrated with our customer relationship management (“ CRM ”) system and loyalty programs. Omni- channel initiatives that we have already deployed in the U. S. and Canada include “ buy online, pick- up in stores ” or “ buy online, return in stores ” and “ order from store ” as well as mobile- optimized commerce sites and smartphone applications. In the U. S. and Canada, e- commerce orders may be fulfilled from our distribution centers, or from our retail stores, or both. Americas Wholesale Segment In our Americas Wholesale segment, we sell our products through wholesale channels throughout the Americas and to third- party distributors based in Central and South America as well as licensed retail locations operated by our wholesale partners. Our Americas Wholesale business generally experiences stronger performance from July through November. Our Americas Wholesale customers consist primarily of department stores, select specialty retailers, upscale boutiques as well as select off- price retailers. Our products were sold to consumers through approximately 1, **350 and 1,** 450 major doors in the Americas **as of**

February 3, 2024 and January 28, 2023, respectively , as well as through our customers' e- commerce sites ~~, as of both January 28, 2023 and January 29, 2022~~ . As of ~~January 28~~ **February 3** , ~~2023~~ **2024** , these locations included approximately 700 " shop- in- shops " — designated selling areas within a department store — offering a wide array of our products and incorporating GUESS? signage and fixture designs. These shop- in- shops, managed by the department stores, allow us to reinforce the GUESS? brand image with our customers. Many department stores have more than one shop- in- shop, with each one featuring women' s, men' s or kids' apparel or handbags. We also sell product to licensed retail stores and concessions operated by certain wholesale customers. **During fiscal** ~~As of January 28, 2023~~ **2024** , ~~we had 34~~ **our partners opened one new licensed retail store and closed six stores, ending the year with 29** licensed retail stores in the Americas, all of which were located in Central and South America. Our Americas Wholesale merchandising strategy is to focus on trend- right products supported by key fashion basics. We have sales representatives in New York, Los Angeles, Toronto, Montreal, Mexico City and Vancouver who coordinate with customers to determine the inventory level and product mix that should be carried in each store. Additionally, we use merchandise coordinators who work with the stores to ensure that our products are displayed appropriately. During fiscal ~~2023~~ **2024** , our two largest wholesale customers accounted for a total of approximately 3 **. 8** % of our consolidated net revenue. ~~Europe~~ **Asia** Segment In our ~~Europe~~ **Asia** segment, we sell our products through direct- to- consumer and wholesale channels throughout ~~Europe~~ **Asia** and the **Pacific** ~~Middle East~~ . ~~European~~ **Asian** Direct- to- Consumer. Our ~~European~~ **Asian** direct- to- consumer network is comprised of brick- and- mortar retail stores and concessions and e- commerce sites. **•** Retail stores and concessions. Our ~~European~~ **Asian** retail stores and concessions **include** ~~are primarily comprised of~~ a mix of directly operated GUESS? ~~retail and outlet stores~~ , ~~MARCIANO retail stores~~ **GUESS? Footwear** , GUESS? Accessories ~~retail and outlet stores~~ , ~~GUESS? Footwear stores and~~ GUESS? Kids **and MARCIANO** stores. During fiscal ~~2023~~ **2024** , we opened ~~46~~ **six** new stores and closed ~~42~~ **18** stores, ~~ending~~ **including stores transferred to and from our partners and other store relocations and remodels. We ended** the year with ~~560~~ **103** directly operated stores in ~~Europe~~ **Asia** and the **Pacific** ~~Middle East~~ . This store count does not include 54 directly operated concessions in Europe....... During fiscal 2023, we opened ~~13~~ **134** ~~new stores and closed 22 stores, including stores transferred to and from our partners and other store relocations and remodels. We ended the year with 115 directly operated stores in Asia and the Pacific. This store count does not include 129~~ directly operated apparel and accessory concessions. Concessions are widely used in Asia and generally represent directly managed areas within a department store setting. **•** e- Commerce. We also have e- commerce sites throughout Asia which operate as virtual storefronts that, combined with our retail stores, provide a seamless shopping experience to the consumer to sell our products and promote our brands. Asian Wholesale Distribution. Our Asian wholesale customer base is comprised primarily of a small number of selected distributors with which we have contractual distribution arrangements and licensed stores and concessions operated by our wholesale partners. During fiscal ~~2023~~ **2024** , our partners opened ~~14~~ **25** new licensed retail stores and closed ~~26~~ **24** stores, including stores transferred to and from our partners and other store relocations and remodels. We ended the year with ~~294~~ **295** licensed retail stores. This store count does not include ~~121~~ **113** apparel and accessory concessions operated by our partners in Asia. Licensing Segment Our Licensing segment includes our worldwide licensing operations. The desirability of the GUESS? brand name among consumers has allowed us to selectively expand our product offerings and global markets through trademark licensing arrangements, with minimal capital investment or on- going operating expenses. We currently have various domestic and international licenses that include eyewear, watches, handbags, footwear, kids' and infants' apparel, outerwear, undergarments and sleepwear, fragrance, jewelry and other fashion accessories; and include licenses for the design, manufacture and distribution of GUESS? branded products in markets which include Africa, Asia, Australia, Europe, the Middle East, Central America, North America and South America. Our trademark license agreements customarily provide for a multi- year initial term generally ranging from three to ten years, and may contain options to renew prior to expiration for an additional multi- year period. The typical license agreement requires that the licensee pay us the greater of a royalty based on a percentage of the licensee' s net sales of licensed products or a guaranteed annual minimum royalty that typically increases over the term of the license agreement. In addition, several of our key license agreements provide for specified, fixed cash rights payments over and above our normal, ongoing royalty payments. Generally, licensees are required to spend a percentage of the net sales of licensed products for advertising and promotion of the licensed products and, in many cases, we place the ads on behalf of the licensee and are reimbursed. Additionally, licensees also make contributions to advertising funds, as a percentage of their sales, or may elect to increase their contribution to support specific brand- building initiatives. In addition, to protect and increase the value of our trademarks, our license agreements include strict quality control and manufacturing standards. Our licensing personnel meet regularly with licensees to ensure consistency with our overall merchandising and design strategies in order to protect the GUESS? trademarks and brand. As part of this process, our licensing department reviews in advance GUESS? third- party licensed products, advertising and promotional materials. We strategically reposition our existing licensing portfolio by monitoring and evaluating the performance of our licensees worldwide. For instance, between 2005 and 2013, we acquired several of our European apparel licensees. As a result, we now directly manage our adult and children' s apparel businesses in Europe. Strategic Partnerships We evaluate opportunities for strategic acquisitions and alliances and pursue those that we believe will support and contribute to our overall strategic initiatives and / or will leverage our global infrastructure and network of licensees and wholesale partners. Similarly, when existing investments and alliances no longer align with strategic initiatives or as other circumstances warrant, we will evaluate various exit opportunities. As of the date of this Annual Report, we have majority- owned joint ventures in Brazil, the Canary Islands, Mexico ~~,~~ **(which also operates through subsidiaries in Chile and Peru) and** Portugal ~~, Russia~~ and a minority- owned joint venture in South Africa. These joint ventures allow us to accelerate expansion, revitalize certain regions, and provide enhanced development of our retail and wholesale channels in these regions **. Following the closing of our pending rag & bone acquisition, we will also hold a 50 % interest in a joint venture with WHP, as described above. Concurrent with the acquisition transactions mentioned above, we plan to enter into a license agreement granting us the exclusive right to use**

rag & bone intellectual property to manufacture licensed products worldwide and to sell licensed products in specified territories in exchange for our payment of a royalty fee . Apparel products are designed by in- house design teams that collaborate to share ideas for products that can be sold throughout our global markets and are inspired by our GUESS? heritage. Our design teams seek to identify ~~global~~ **and reinterpret seasonal** fashion trends **through** ~~and interpret them~~ - **the** ~~for~~ **iconic lens of** the ~~style~~ **Guess brand, while always keeping our consumer at the center of our choices. The teams research market trends through travel, social media, trend forecast services, fabric shows, sample archives and best** - **selling styles** ~~conscious consumer while retaining the distinctive GUESS? image. They travel throughout the world in order to monitor fashion trends and discover new fabrics~~ . These ~~fabrics~~ **efforts** , ~~together~~ **combined** with ~~the trends observed by~~ our ~~designers~~ **Guess brand DNA** , serve as the primary source of inspiration for our lines and collections. In fiscal 2021, we developed our first ever global line of apparel products and in fiscal 2022, we developed our first ever global line across all product categories including accessories. In addition to driving efficiencies, ~~this~~ **these** ~~initiative~~ **initiatives** ~~is expected to help~~ **helped to** elevate our brand by allowing us to offer products to our customers across all markets from one line while still addressing each local market' s need. We also maintain a fashion library consisting of vintage and contemporary garments as another source of creative concepts. In addition, our design teams work closely with members of our sales, merchandising and retail operations teams to further refine our products to meet the particular needs of our markets. **To aid in a sustainable creative process, our design teams utilize 3D software to reduce color repetitions in sample making and to reduce express courier fees. This process also enables our sales teams to use digital sales books, allowing our buyers and visual teams to easily merchandise their product assortments options and guidelines to stores.** Global Sourcing and Supply Chain We source products through numerous suppliers, many of whom have established long- term relationships with us. We seek to achieve efficient and timely delivery of our products, combining global and local sourcing. Almost all of our products are acquired as full package purchases where we design and source product and the vendor delivers the finished product. We believe that our balanced global supply chain, with deep vendor partnerships, provides us with a competitive advantage where we have the flexibility to respond to increased demand throughout the world. We believe that our new global apparel line of products will help improve product development costs by reducing the number of styles and help drive efficiencies in product costs by consolidating orders from multiple regions. Our sourcing strategy provides us with the opportunity to leverage costs and improve speed- to- market. As an ongoing strategic initiative, we leave a larger portion of our buys open prior to each season to improve the efficiency of our speed- to- market by allowing us to design and produce closer to market delivery. This allows us to better react to emerging fashion trends in the market. We are also continuously searching for new suppliers and sourcing opportunities in reaction to the latest trends. We have developed IT systems to capture and share key performance indicators with our partners to drive ongoing improvements. During fiscal ~~2023~~ **2024** , we continued to tightly manage our vendor base to around 140 core suppliers. Given the global instability and challenges within the supply chain and geopolitical environment, we are building an agile and lean supply chain by identifying new suppliers that can contribute to reduce our dependency on certain countries of origin. Additionally, offering an assortment of global products continues to be an area of focus. As a global brand, we maintain skilled sourcing teams in North America, Europe and Asia. We are committed to sourcing our products in a responsible manner, respecting both the countries in which we conduct business and the business partners that produce our products. Our global supply chain Social Responsibility program reflects our strong commitment to help our suppliers implement best practices in safe and decent work and achieve meaningful improvements in the lives of their workers. Our program highlights three areas — factory approvals, factory monitoring and remediation, and supplier training and education. All directly- sourced supplier factories go through a strict approval process before being authorized to work with Guess. To support and ensure our social compliance, we communicate our expectations to our partners through our Global Suppliers Code of Conduct (" Guess CoC "), which sets the minimum requirements for all factories where Guess branded items are manufactured. Although local customs vary in different regions of the world, we believe that the issues of business ethics, human rights, health, safety and environmental stewardship transcend geographical boundaries. Initial assessments of compliance allow us to engage and educate new suppliers on our standards and create the groundwork for strong relationships based on continuous improvement. If deficiencies are discovered, personnel in each region are empowered to work with the respective business partner to take a corrective course of action. Additionally, the goal of this process is to educate individuals, build strategic relationships and improve business practices over the long- term. We also believe in a proactive educational approach, providing many types of training to factory personnel with the aim to increase their awareness of Guess CoC best practices and build compliance capacity. In addition, we are committed to increased sourcing of environmentally preferred materials as part of our sustainability commitments to reduce reliance on virgin raw materials, support industry innovation and best practices in land use and agriculture, and reduce waste. We are actively engaging our partners to transition to more sustainable materials, as well as to advance production processes through education. Advertising and Marketing Our advertising, public relations and marketing strategy is designed to promote a consistent high impact image which endures regardless of changing consumer trends. While our advertising promotes products, the primary emphasis is on brand image. Since our inception, Paul Marciano, our Chief Creative Officer and Director, has had principal responsibility for the GUESS? brand image and creative vision. Throughout our history, we have maintained a high degree of consistency in our advertisements by using similar themes and images, including our signature black and white print advertisements and iconic logos. We deploy a variety of media focused on national and international contemporary fashion / beauty, lifestyle and celebrity outlets. In recent years, we have also expanded our efforts into influencer marketing, digital advertising with leading fashion and lifestyle websites and advertising on social media platforms, including YouTube, Facebook, Instagram, ~~Twitter~~ **X** , Pinterest, Reddit, Snapchat, TikTok and global search engines. Our smartphone applications provide a unique mobile media experience by combining fashion, e- commerce, personalized product recommendations, targeted promotions and ~~social~~ **customer** loyalty rewards to drive mobile brand engagement. We also require our licensees and distributors to invest a percentage of their net sales of licensed products and net purchases of GUESS? products in Company- approved advertising, promotion and marketing **initiatives** . By retaining control over our advertising programs, we are able to maintain the integrity of our brands while realizing substantial cost savings compared to outside agencies. We will continue to regularly assess and implement marketing initiatives that we believe will build brand equity and grow our business by investing in marketing programs to build awareness and drive customer traffic to our stores, websites and smartphone applications. We plan to further ~~strengthen communications~~ **deepen relationships** with customers through an emphasis on digital marketing, and through our websites, loyalty programs, direct catalog and marketing mailings. We also plan to strengthen communities on various social media platforms, which enable us to provide timely information in an entertaining fashion to consumers about our history, products, special events, promotions and store locations, while allowing us to receive and respond directly to customer feedback. As part of these initiatives, we ~~currently~~ have **implemented tiered CRM** loyalty programs in North America, Europe and Asia covering ~~all of~~ our **portfolio of** brands. The **point- based** programs are designed to reward our members by earning points for purchases that can be redeemed on future purchases either in our stores or online. In addition to earning rewards with the program, our loyalty members may receive other benefits including invitations to special VIP events in our stores, double points during their birthday month and access to seasonal savings, depending on their purchasing tier. Our Guess List loyalty program has experienced growth in its overall member engagement numbers through the introduction of experiential ~~rewards~~ **incentives** and unique member content. The programs are also used to promote new products to our customers which in turn increases traffic in the stores and online. The loyalty programs generate substantial repeat business that might otherwise go to competing brands. We continue to enhance our ~~loyalty~~ **CRM** program ~~offerings~~ by ~~understanding~~ **keeping abreast on** our members' interests and needs by strategically marketing to this large and growing customer base. Quality Control Our quality control program is designed to ensure that products meet our high- quality standards. We test the quality of our raw materials prior to production and inspect prototypes of each product before production runs commence. We also perform random in- line quality control checks during and after production before the garments leave the contractor. Final random inspections occur when the garments are received in our distribution centers. We believe that our policy of inspecting our products is important to maintain the quality, consistency and reputation of our products. We have an on- site quality assurance collaboration with an external expert provider for a large portion of our European and North American purchase orders. During fiscal ~~2023~~ **2024** , we continued to expand the program for additional purchase orders in Europe and North America. The objective is to stop product quality issues at the origin before investing in the transportation of the goods to the final destinations. Product Integrity and Testing Protocol During fiscal ~~2023~~ **2024** , we published new protocols covering all our major regions, which provide minimum product integrity and other testing for apparel, footwear, accessories and handbags to help ensure our products continue to meet or exceed our customers' expectations. Logistics We utilize distribution centers at strategically located sites. Our U. S. distribution center is based in Louisville, Kentucky, where we use fully integrated and automated distribution systems. The bar code scanning of merchandise and distribution cartons, together with radio frequency communications, provide timely, controlled, accurate and instantaneous updates to our distribution information systems. Additionally, the U. S. business is partnered with Customs Trade Partnership Against Terrorism (" CTPAT "), which expedites movement of goods into our U. S. trade lanes. We have been CTPAT certified for several years, and complete our recertification annually. **We are transitioning the operation of our U. S. distribution center, which is currently owner- operated, to a third- party logistics provider during the first half of fiscal 2025.** Distribution of our products in Canada is handled primarily from our operated distribution centers in Montreal, Quebec. In Europe, distribution of our products is handled primarily by third- party distributors through distribution facilities in Italy, the Netherlands, Poland and Spain. We also utilize smaller distribution facilities throughout Europe. We utilize several third- party operated distribution warehouses that service the Asia region. The apparel industry is highly competitive and fragmented and is subject to rapidly changing consumer demands and preferences. We believe that our success depends in large part upon our ability to anticipate, gauge and respond to changing consumer demands and fashion trends in a timely manner and upon the continued appeal to consumers of the GUESS? brand. We compete with numerous apparel retailers, manufacturers and distributors, both domestically and internationally, as well as several well- known designers. Our licensed apparel and accessories also compete with a substantial number of well- known brands. Although the level and nature of competition differs among our product categories and geographic regions, we believe that we differentiate ourselves from our competitors by offering a global lifestyle brand on the basis of our global brand image and wide product assortment comprising both apparel and accessories. We also believe that our geographic diversification, multiple distribution channels and multiple store concepts help to set us apart from our competition. Information Systems We believe that high levels of automation and technology are essential to maintain our competitive position and support our strategic objectives. We continue to invest in new technologies and update computer hardware, network infrastructure, system applications and ~~cyber- security~~ **cybersecurity** . Our computer information systems consist of a full range of financial, distribution, merchandising, point- of- sales, customer relationship management, supply chain, digital platform, enterprise resource planning and other systems. During fiscal ~~2023~~ **2024** , we improved and stabilized our digital platforms, implemented more payment methods, continued to improve our web front, expanded our shopping channels, enhanced our omni- channel experience and continued to develop mobile- based initiatives to support our wholesale and direct- to- consumer businesses. We completed store infrastructure upgrades, including in- store Wi-Fi for customer access, in preparation for the adoption of new technology and continued to improve upon mobile point of sale check out, Salesforce Customer 360, endless aisle, and real time inventory and sales dashboard. We have implemented a more advanced inventory planning and allocation tool in Europe and are rolling out to other regions for more accurate inventory management. During fiscal 2023, in order to accommodate company global operation and business continuity initiatives, we also upgraded our network infrastructure globally to have a seamless global office, and improved our disaster recovery process. We are also continuing to enhance our product life cycle management and supply chain tracking system and to enhance and align our IT standards globally to accommodate future growth and provide operational efficiencies. Trademarks We own numerous trademarks, including GUESS, GUESS?, GUESS U. S. A., GUESS ~~Jeans~~ **JEANS** , GUESS? and Triangle Design, MARCIANO, Question Mark and Triangle Design, a stylized G and a stylized M, GUESS Kids, Baby GUESS, YES, G by GUESS, GbG, GUESS by MARCIANO and Gc. As of ~~January 28~~ **February 3** , ~~2023~~ **2024** , we had over 5, ~~100~~ **500** trademarks in the U. S. and internationally registered trademarks or trademark applications pending with the trademark offices in over ~~175~~ **180** countries around the world, including the U. S. From time- to- time, we adopt new trademarks in connection with the marketing of our product lines. We consider our trademarks to have significant value in the marketing of our products and act aggressively to register and protect our trademarks worldwide. Like many well- known brands, our trademarks are subject to infringement. We have staff devoted to the monitoring and aggressive protection of our trademarks worldwide. Seasonality Our business is impacted by the general seasonal trends characteristic of the apparel and retail industries. The retail operations in the Americas and Europe are generally stronger during the second half of the fiscal year, and the wholesale operations in the Americas generally experience stronger performance from July through November. The European wholesale businesses operate with two primary selling seasons: the Spring / Summer season, which ships from November to April and the Fall / Winter season, which ships from May to October. We may take advantage of early- season demand and potential reorders in our European wholesale business by offering a pre- collection assortment which ships at the beginning of each season. Customers retain the ability to request early shipment of backlog orders or delay shipment of orders depending on their needs. Since our founding, we have been a company that welcomes all, both within our own operations and in our supply chain. As of ~~January 28~~ **February 3** , ~~2023~~ **2024** , with an inclusive culture and a commitment to empowering our people, we provide opportunities for approximately 12, ~~500~~ **000** associates, both full and part- time, consisting of approximately 4, 500 in the U. S. and ~~8~~ **7** , ~~000~~ **500** internationally. From our innovative product designers and developers working behind the scenes, to our dynamic retail store associates — and everyone in between — we are committed to making sure their diverse voices are valued, ideas are elevated, and excellence is rewarded. Celebrating Diversity and Inclusion Our longstanding commitment to diversity and inclusion comes to life each day as we work together to maintain a fair and inclusive workplace. Our aim is for all GUESS? associates to feel comfortable and safe bringing their whole selves to work and contributing fully to our shared success. Building on the example set by the Marciano brothers and their belief that a diverse organization was a strong and creative one, we have embedded diversity and inclusion principles and practices throughout the Company. For over 40 years, this has created a rich, vibrant culture that respects, and benefits from, different personal attributes, backgrounds, ideas, and perspectives. Today, diversity is a key facet of our company- wide culture, informing our values, recruiting, talent development, and associate advancement, among other operations. Our expectations of everyone at GUESS? to support a diverse and welcoming workplace are spelled out in the GUESS?, Inc. Code of Ethics. We expect all at GUESS? to promptly report and investigate concerns about possible discrimination, as appropriate, and to facilitate this, we maintain an open- door policy that fosters honest and open communication. GUESS? associates are encouraged to discuss work- related concerns or issues with their manager, department head, Human Resources, or Executive Management without fear of repercussion. In addition, our global whistle- blower hotline allows associates to report concerns about unethical behavior or other potential conflicts. Cultivating Diversity, Equity, and Belonging through Focused Council In 2018, we launched our Diversity & Inclusion Council (the " Council "), which is integrated throughout our business. The Council aims to foster a workplace in which employees enjoy a sense of community, belonging, and opportunity for dialogue. The Council also serves as a resource for internal associates, offers guidance on communication and community engagement, and assists with communication with Executive Management and the GUESS?, Inc. Board of Directors. With the help of the Council, our diversity and inclusion efforts focus on inclusive leadership, employee training, and a work environment that promotes growth and opportunity for all. Initiatives include training for associates and managers, community support, greater diversity in advertising and marketing, celebrations of multicultural and inclusive holidays, and training and compliance programs in our supply chain, among others. Learning and Development We are committed to the growth and development of our employees and offer a wide range of training programs for all levels. In addition to receiving ongoing on- the- job training and coaching, our employees can build skills and prepare for the future through our HR training portal. In fiscal ~~2023~~ **2024** , we continued to add new courses and trainings, many of which focus on remote working skills, as well as diversity and inclusion education. We also support learning beyond our walls through our tuition assistance program. These collective learning and development programs help foster career mobility for our employees, while simultaneously allowing us to fill open positions with existing employees who know our company best. Employee Safety and Well- Being We are committed to the safety, health, and overall well- being of each of our employees and their families, providing a wide array of physical, emotional and social support. Our GUESS Wellness 360 online portal **in the U. S.** offers our employees physical and mental wellness support using challenges, contests, and prizes. ~~Throughout the COVID- 19 pandemic, our priority has been to ensure the safety and well- being of all of our employees, customers, and the communities in which we operate around the world. In this regard, we have implemented new health and safety protocols in our stores, distribution centers, and corporate offices, with several locations offering free COVID- 19 testing and vaccinations.~~ Compensation and Benefits We are committed to providing competitive compensation and benefits to attract and retain a diverse and talented workforce. We are also committed to maintaining pay ~~equity~~ **parity** throughout our organization, conducting annual assessments. We offer a wide array of both employer- paid and employee- paid benefits to support our employees' overall financial, physical, and mental well- being, including, but not limited to, healthcare, retirement savings, paid time off, temporary leave, and flexible work arrangements. We also provide our employees a merchandise discount on most of our products. Sustainability and Climate Change In fiscal ~~2022~~ **2024** , we released our latest ~~sustainability~~ **Environmental, Social, and Governance (" ESG ")** report entitled ~~VISION GUESS~~ **" Our best today** , **better tomorrow ",** our ~~fourth~~ **fifth** sustainability report covering fiscal ~~2020~~ **2022** and fiscal ~~2021~~ **2023** , written in accordance with standards of the Global Reporting Initiative (" GRI ") ~~and~~ **Universal Standard** Sustainable Accounting Standards Board (" SASB ") **Apparel, Accessories & Footwear Sustainability Accounting Standard, and the Multiline and Specialty Retailers & Distributors Sustainability Accounting**

Standard and World Resource Institute / World Business Council for Sustainable Development Greenhouse Gas Protocol (" GHG Protocol "): A Corporate Accounting and Reporting Standard, Revised Edition, including the GHG Protocol Scope 2 Guidance, an amendment to the GHG Protocol Corporate Standard . The publication of ~~VISION GUESS~~ **" Our best today, better tomorrow "** is a milestone achievement for us, marking the successful completion of a **double materiality assessment and a** reasonable assurance engagement examining the metrics and disclosures in this ~~sustainability~~ **ESG** report. The ~~sustainability~~ report shares our significant progress on ~~Environmental, Social, and Governance (~~ ESG ~~)~~ topics since our first sustainability plan launched in 2016 **and showcases our refined ESG strategy ACTION GUESS** . The ~~sustainability~~ **ESG** report also provides information about our current and future activities which includes, among others, reducing greenhouse gas (" GHG ") emissions with Science Based Targets, transitioning to more sustainable and recycled materials, and continuing our commitment to circular fashion. The ~~VISION GUESS Sustainability~~ **" Our best today, better tomorrow " ESG** report is available at http: / / sustainability. guess. com. We plan to release our next ~~sustainability~~ **ESG** report in summer ~~2023~~ **2025** , covering fiscal ~~2022~~ **2024** and fiscal ~~2023~~ **2025** , which will also be available on our website at the foregoing link. This site provides information on our policies, social impact and environmental programs, as well as our sustainability strategy, data and reporting. The information contained on, or that may be accessed through, our websites is not incorporated by reference into, and is not a part of, this Annual Report. Strengthening Sustainability Oversight We are committed to good governance and sustainability oversight at every level, ethics in every business facet, and transparency in sustainability reporting. During fiscal ~~2023~~ **2024** , we further engaged with the Board of Directors on ESG priorities, risks, and opportunities. We continue to ensure all operations and businesses are conducted ethically, both with internal personnel and external business partners, and all of our directors, officers, and associates are held to our Code of Ethics. Additionally, in the ~~VISION~~ **ACTION** GUESS **strategy** ~~sustainability plan~~ , we committed to connecting ESG priorities with business performance incentive and evaluation metrics. Our Sustainability and **ESG** ~~Corporate Social Responsibility~~ Team ensures ~~the~~ **that** environmental and social responsibility is embedded into decision- making processes. In addition, we have implemented a rigorous internal auditing program, covering our sustainability metrics and performance data to ensure complete, accurate, and balanced ~~sustainability~~ **ESG** reporting. With our continuous effort, **since** ~~fiscal 2021 and~~ fiscal 2020 ~~marked the first time~~ we ~~underwent~~ **continued to undergo** a third- party reasonable assurance examination indicating our sustainability report was prepared in accordance with the GRI **,** ~~and the~~ SASB **and GHG Protocol** . Protecting Our Environment We are committed to protecting our environment and addressing climate change issues through product responsibility, water stewardship, and GHG emissions reduction. We understand sustainably sourced materials are the key to ensuring product responsibility. Lifecycle analyses have shown that fiber and fabric production make up about half of our apparel' s environmental impact. To that end, we have been working with our vendors to incorporate more sustainable materials and practices. By setting sustainability goals to increase use of responsible materials and promote circular fashion, and by following the GUESS Eco material sourcing guide, we source over ~~19~~ **28** % sustainable materials across all brands ~~in~~ **within** our ~~global~~ **product** ~~portfolio~~ **portfolios in the Americas and Europe** . As part of our commitment to protect our environment, we aim to ensure that animal- derived material used in our products upholds our commitment to the ethical and humane treatment of animals. Through the GUESS Animal Welfare Policy, guided by international best practice in accordance with " The Five Freedoms for Animal Welfare " by the Farm Animal Welfare Council, our suppliers are prohibited from using any fur, mohair, angora, exotic leather or any other parts from vulnerable, endangered, or wild- caught species. The use of feathers and downs or other animal derived hair is subject to limitation and use with caution. Historically, denim production factories require the use of many chemicals, which could impact a factory' s wastewater discharge. In fiscal 2019, we established the GUESS Water Action Plan to address each phase of the denim lifecycle to prioritize water savings and improve water quality while providing water education and community engagement. ~~Some of our suppliers have adopted innovative technologies, including Dry Indigo ®, a foam for dyeing denim a deep blue without using water and e- flow for reducing water and chemicals in the finishing process.~~ With our commitments in adopting water- saving denim technology and managing environmental impacts in our supply chain, over ~~20~~ **40** % of our denim **across all brands within our product portfolios in the Americas and Europe** meets our GUESS Eco guidelines and approximately ~~60~~ **100** % of our key laundries completed the Higg Facility Environmental Module ~~(" Higg FEM ")~~ survey. Our strategy in managing GHG emissions includes meeting our carbon footprint goals and setting Science Based Targets ~~. In fiscal 2021, we achieved our goal from our first sustainability plan of over 15 % Scope 1 GHG emissions intensity reduction per square foot from direct operations~~ . We are now pursuing our Science Based Targets for GHG emissions, which were approved by the Science Based Targets Initiative in fiscal 2021. We remain committed to a 50 % reduction of absolute Scope 1 and 2 emissions, as well as an ambitious **30 %** reduction of absolute Scope 3 emissions by 2030. In fiscal ~~2022~~ **2023** , we ~~purchased~~ **continued purchasing** renewable energy, solar and wind in the Americas, Europe and Asia, equivalent to power approximately ~~20~~ **25** % of our stores globally. We ~~are replicating~~ **replicated** the same in fiscal ~~2023~~ **2024** while working on a long term strategy to reduce our GHG emissions. We will also continue implementing a variety of energy efficiency and renewable energy strategies and working with our key vendors to implement energy efficiency and renewable energy plans. Government Regulations As a company with global operations, we are subject to various federal, state, local and foreign laws, regulations and ordinances. Compliance with these laws, regulations and ordinances has not had, and is not expected to have, a material impact on our earnings, competitive position or capital expenditures. Website Access to Our Periodic SEC Reports Our investor website can be found at http: / / investors. guess. com. Our annual reports on Form 10- K, quarterly reports on Form 10- Q, current reports on Form 8- K, and amendments to those reports filed or furnished to the ~~Securities and Exchange Commission ("~~ SEC ~~")~~ pursuant to Section 13 (a) or 15 (d) of the Exchange Act, are available at our investor website, free of charge, as soon as reasonably practicable after we electronically file them with, or furnish them to, the SEC. In addition, the charters of our Board of Directors' Audit, Compensation and Nominating and Governance Committees, as well as the Board of Directors' Governance Guidelines and our Code of Ethics are posted on our investor website. We have included our Internet website addresses throughout this filing as textual references only. The information contained within these websites is not incorporated into this Annual Report on Form 10- K. ITEM 1A. Risk Factors. You should carefully consider the following factors and other information in this Annual Report on Form 10 - K. Additional risks which we do not presently consider material, or of which we are not currently aware, may also have an adverse impact on us. The information discussed below is at the time of this filing. Please also refer to " Important Factors Regarding Forward- Looking Statements " on page (ii) of this Form 10- K. As a result of our large and growing international operations, we face the possibility of greater losses from risks inherent in doing business in international markets and from factors beyond our control. Such factors that could harm our results of operations and financial condition include, among other things: (i) political instability, war or acts of terrorism, which disrupt trade with the countries where we operate or in which our contractors, suppliers or customers are located **and increase our supply chain costs** ; (ii) recessions and volatility in domestic and foreign economies; (iii) the economic impact of ~~the COVID- 19 pandemic or other~~ global health crises; (iv) reduced global demand in our industry resulting in the closing of manufacturing facilities; (v) challenges in managing dispersed foreign operations; (vi) local business practices that do not conform to our legal or ethical guidelines; (vii) adoption of additional or revised quotas, restrictions or regulations relating to imports or exports; (viii) additional or increased customs duties, tariffs, taxes and other charges on imports or exports; (ix) anti- American sentiment in foreign countries where we operate resulting from actual or proposed changes to U. S. immigration and travel policies or other factors; (x) delays in receipts due to our distribution centers as a result of labor unrest, increasing security requirements or other factors at U. S. or other ports; (xi) fluctuations in the value of the dollar against foreign currencies; (xii) increased difficulty in protecting our intellectual property rights in foreign jurisdictions; (xiii) social, labor, legal or economic instability in the foreign markets in which we do business, which could influence our ability to sell products in, or distribute products from, these international markets; (xiv) restrictions on the transfer of funds between the U. S. and foreign jurisdictions; (xv) our ability and the ability of our international retail store licensees, distributors and joint venture partners to locate and continue to open desirable new retail locations; (xvi) restrictions on the repatriation of funds held internationally and (xvii) natural disasters or public health crises in areas in which our contractors, suppliers, or customers are located. Further, our international presence means we are subject to certain U. S. laws, including the Foreign Corrupt Practices Act, as well as the laws of the foreign countries in which we operate, including data privacy laws. If any of our international operations, or our employees or agents, violates such laws, we could become subject to sanctions or other penalties that could negatively affect our reputation, business and operating results. Our business may also be affected by...... an adverse impact on our business. Currency fluctuations could adversely impact our financial condition, results of operations and earnings. Since the majority of our international operations are conducted in currencies other than the U. S. dollar (primarily the **euro,** British pound, Canadian dollar **(CAD)** , Chinese yuan ~~, euro~~ , Japanese yen, Korean won, Mexican peso, Polish zloty, Russian rouble and Turkish lira), currency fluctuations can have a significant impact on the translation of our international revenues and earnings (loss) into U. S. dollars. These amounts could be materially affected by the strengthening of the U. S. dollar, negatively impacting our results of operations, earnings and our ability to generate revenue growth. Furthermore, our products are typically sourced in U. S. dollars and the cost of these products may be affected by changes in the value of the applicable local currencies. Changes in currency exchange rates may also affect the U. S. dollar value of the foreign currency denominated prices at which our international businesses sell products. Our future financial results could be significantly affected by the value of the U. S. dollar in relation to the foreign currencies in which we conduct business, and the speed at which these fluctuations occur. For example, ~~recent~~ sanctions imposed in response to Russia' s invasion of Ukraine, and subsequent downgradings by Fitch and Moody' s of Russia' s sovereign debt to " junk " status, have resulted in record lows of the Russian rouble against the U. S. dollar. If the U. S. dollar strengthens ~~further~~ relative to the respective fiscal ~~2023~~ **2024** foreign exchange rates, foreign exchange could negatively impact our revenues and operating results, as well as our international cash and other balance sheet items during fiscal ~~2024~~ **2025** , particularly in ~~Canada,~~ Europe (primarily the euro, British pound, Turkish lira and Russian rouble) **, Canada** and Mexico. Although we hedge certain exposures to changes in foreign currency exchange rates, we cannot assure that foreign currency fluctuations will not have a material adverse effect on our financial condition or results of operations. Furthermore, since some of our hedging activities are designed to reduce volatility of fluctuating exchange rates, they not only reduce the negative impact of a stronger U. S. dollar, but they also reduce the positive impact of a weaker U. S. dollar. In addition, while our foreign currency hedges are designed to reduce volatility over the forward contract period, these contracts can create volatility during the period. The degree to which our financial results are affected for any given time period will depend in part upon our hedging activities. Abnormally harsh or unseasonable weather conditions, including as a result of climate change or power outage, could have a material adverse impact on our sales, inventory levels and operating results. Extreme weather conditions in areas in which our retail stores and wholesale doors are located, particularly in markets where we have a concentration of locations, could adversely affect our business. For example, heavy snowfall, rainfall or other extreme weather conditions, such as hurricanes or deep freezes, sometimes makes it difficult **or less desirable** for our staff and customers to travel to our stores. If these disruptions are widespread or extend for long periods, our sales and profitability could be materially adversely affected. Our business is also susceptible to unseasonable weather conditions, including conditions resulting from climate change. For example, extended periods of unseasonably warm or prolonged periods of unseasonably cold temperatures during the winter season or cool weather during the summer season could render a portion of our inventory incompatible with those unseasonable conditions. Reduced sales from extreme or prolonged unseasonable weather conditions could have a material adverse effect on our results of operations, financial condition and cash flows. Our results of operations could be affected by natural events in the locations in which we or our customers or suppliers operate. Our corporate headquarters, as well as other key operational locations, including retail, distribution and warehousing facilities, are in areas subject to natural events such as severe weather and geological events or public health crises that could disrupt our operations. Many of our suppliers and customers also have operations in these locations. The occurrence of such natural events may result in sudden disruptions in business conditions of the local economies affected, as well as of the regional and global economies. Such disruptions could result in store closures, decreased demand for our products and disruptions in our management functions, sales channels and manufacturing and distribution networks, which could have a material adverse effect on our business, financial condition and results of operations. Future changes to U. S. income tax or trade policies impacting multi- national companies could materially affect our financial condition and results of operations. A significant portion of our product sales are generated outside of the U. S. In fiscal ~~2023~~ **2024**, approximately ~~74~~ **77** % of our consolidated net product sales was generated by sales from outside of the U. S. In the long- term, we anticipate these international revenues will continue to grow as a percentage of our total business. The current political landscape has introduced greater uncertainty with respect to future income tax and trade regulations for U. S. companies with significant business and sourcing operations outside the U. S. During fiscal ~~2023~~ **2024**, we sourced most of our finished products with partners and suppliers outside the U. S., primarily in China, and we continued to design and purchase fabrics globally. While we have been reducing our dependency on China sourcing, particularly for our U. S. business, and mitigating tariff- related risks, the ongoing economic conflict between the U. S. and China has resulted in increased tariffs being imposed on goods we import from China. We cannot predict whether, and to what extent, there may be changes to international trade agreements, such as those with China, or whether quotas, duties, tariffs, exchange controls or other restrictions will be changed or imposed by the U. S. or by other countries. If we or our vendors or product licensees are unable to obtain raw materials or finished goods from the countries where we or they wish to purchase them, either because of such regulatory changes or for any other reason, or if the cost of doing so should increase, it could have a material adverse effect on our results of operations and financial condition. As a result of Russia' s invasion of Ukraine, the United States, the United Kingdom and the European Union, among others, have developed coordinated sanctions and export- control measures targeting Russia, Belarus, and the Russian- controlled regions of Ukraine (Crimea, Donetsk, and Luhansk). While these sanctions and export- control measures have not significantly disrupted our sales in these regions, if the disruptions continue over a prolonged period, or if additional export controls or economic sanctions on transactions with Russia and Russian entities are imposed in the future our sales in these regions and our results of operations could be adversely impacted. For further information regarding the risks we face relating to Russia' s invasion of Ukraine, refer to " — Our business may also be affected by existing or future sanctions and export controls targeting Russia and other responses to Russia' s invasion of Ukraine. " Errors in our assumptions, estimates and judgments related to tax matters, including those resulting from regulatory reviews, could adversely affect our financial results. We are subject to routine tax audits on various tax matters around the world in the ordinary course of business (including income tax, business tax, customs duties, sales and use tax, and value added tax (" VAT ") matters). We regularly assess the adequacy of our uncertain income tax positions and other reserves, which requires a significant amount of judgment. Although we accrue for uncertain income tax positions and other regulatory audits, negotiations with taxing and customs authorities may lead to adjustments in excess of our accruals, resulting in liabilities for additional taxes, duties, penalties and interest. During the quarter ended October 30, 2021, we completed an intra- entity transfer of intellectual property rights from a U. S. entity to a wholly- owned Swiss subsidiary to more closely align our intellectual property rights with our business operations. The transactions resulted in a U. S. income tax expense that was substantially offset by the recognition of a deferred income tax asset in the Swiss subsidiary. We cannot be certain that this transfer will not lead to any unanticipated income tax consequences which could harm our financial results. In addition, the income tax impact to us in connection with an intra- entity intellectual property transfer depends on the fair value determination of the intellectual property rights which determination requires management to make significant estimates and to apply complex tax regulations in multiple jurisdictions. Tax authorities may challenge our fair value determinations which could adversely impact the income tax benefits we expect to realize as a result of the transfer. Refer to " Part IV. Financial Statements – Note 12 – Income Taxes " in this Form 10- K for disclosures about our income tax matters, including reserves for uncertain tax positions. From time- to- time, we make VAT and other tax- related refund claims with various foreign tax authorities that are audited by those authorities for compliance. Failure by these authorities to approve or ultimately pay these claims could have a material adverse effect on our results of operations and liquidity. Changes in income tax laws, significant shifts in the relative source of our earnings, or other unanticipated income tax liabilities could adversely affect our effective income tax rate and profitability and may result in volatility in our financial results. We are subject to income taxes in the U. S. and numerous foreign jurisdictions. Income tax laws, regulations, and administrative practices in various jurisdictions may be subject to significant change. We record income tax expense based on our estimate of future payments, which includes reserves for uncertain tax positions in multiple tax jurisdictions and requires significant judgment in evaluating and estimating our provision and accruals. Our effective income tax rate in the future could be affected by a number of other factors, including: the outcome of income tax audits in various jurisdictions, changes in our stock price, the resolution of uncertain tax positions and changes in our operating structure. We and our subsidiaries are engaged in intercompany transactions across multiple tax jurisdictions. Although we believe these transactions reflect arm' s length terms and the proper transfer pricing documentation is in place, these transfer pricing terms and conditions may be scrutinized by local tax authorities during an audit and any resulting changes may impact our mix of earnings in countries with differing statutory tax rates. In addition, the relative amount of our foreign earnings, including earnings being lower than anticipated in jurisdictions where we have lower statutory rates and higher than anticipated in jurisdictions where we have higher statutory rates, as well as losses in jurisdictions where we are unable to realize the related tax benefits, can create volatility in our effective income tax rate. In particular, the income tax benefits associated with our transfer of intellectual property to our wholly- owned Swiss subsidiary during the quarter ended October 30, 2021 are sensitive to future profitability and taxable income in Switzerland, audit assessments and changes in applicable tax law. Any one of these factors could adversely impact our income tax rate and our profitability and could create ongoing variability in our quarterly or annual tax rates. **Additionally** ~~On October 8, 2021~~, the Organization for Economic ~~Co- operation~~ **Cooperation** and Development (**"** OECD **"**) ~~announced~~ **has released certain guidelines, including** the ~~OECD / G20 Inclusive Framework on~~ Base Erosion and Profit Shifting **" Pillar 2 " guidelines. The OECD Pillar 2 guidelines address the increasing digitalization**

of the global economy, re- allocating taxing rights among countries. The European Union, many other member states and various other governments have adopted, or are in the process of adopting, Pillar 2, which ~~agreed to~~ **calls for** a ~~two-pillar solution to address tax challenges arising from digitalization of the economy. On December 20, 2021, the OECD released Pillar Two Model Rules defining the~~ global minimum tax ~~, which calls for the taxation of large corporations at a minimum rate~~ of 15 % **to be effective for tax years beginning in 2024** . The OECD **guidelines published** ~~continues to release additional guidance on the two-~~ - **to** ~~- pillar framework with widespread~~ **date include transition and safe harbor rules around the** implementation ~~anticipated by 2024~~ **of the Pillar 2 global minimum tax** . We are ~~continuing to~~ **monitoring developments and** ~~evaluate~~ **evaluating the impacts** ~~the~~ **these** ~~potential sanctions and export controls targeting Russia and other responses~~ **new rules will have on our tax rate,including eligibility** to ~~Russia' s invasion of Ukraine~~ **qualify for these safe harbor rules** .As a result of Russia' s invasion of Ukraine,the United States,in coordination with the United Kingdom and the European Union,among others,has implemented sanctions and export control measures targeting Russia,Belarus,and Russian- controlled regions of Ukraine (Crimea,Donetsk,and Luhansk).These measures include:(i) blocking sanctions prohibiting dealings with various Russian senior government officials,and companies in various sectors important to the Russian economy,including major Russian financial institutions;(ii) expanded sectoral sanctions related to designated Russian entities' ability to raise capital;(iii) the disconnection of certain Russian and Belarusian banks from the Society for Worldwide Interbank Financial Telecommunication (" SWIFT ") financial messaging network;(iv) a ban on new investment in Russia;(v) a ban on the provision of certain services in Russia in the areas of accounting,trust formation,management consulting,quantum computing,and in relation to the maritime transport of Russian- origin crude oil and petroleum products;(vi) bans on the import into the United States of certain Russian origin products,including various energy products;(vii) bans on the conduct of business or investment activity in the Russian- controlled Crimea,Donetsk and Luhansk regions of Ukraine;and (viii) restrictions on the export of various products to Russia and Belarus,including certain dual- use industrial and commercial products,and luxury goods.Additionally,certain logistics operators have imposed bans on direct air deliveries to Russia and restrictions on land deliveries to and from Russia,Belarus and Ukraine,none of which have had a material ~~impact on~~ impact on ~~and restrictions on land deliveries to and from Russia,Belarus and Ukraine,none of which have had a material impact on~~ our operations to date.We are currently operating in Russia through wholesale and retail channels,and we have immaterial wholesale operations through local wholesale partners in Belarus and Ukraine.Our operations in Russia are operated primarily through Guess **?** CIS **,LLC (" Guess CIS ")** ,a ~~majority~~ **wholly** - owned Russian subsidiary **.We held** ~~in which we had~~ a 70 % interest ~~as of January 28,~~ **in Guess CIS until May** 2023 **,at which time we acquired the remaining 30 % interest in Guess CIS from the noncontrolling interest holder** .Guess CIS currently operates ~~44~~ **45** retail stores in Russia and acts as a distributor for our wholesale partners in Russia.We also operate in Russia through other local wholesale partners and by selling directly to retail customers through our European online store.Prior to February 2022,we also sold directly to retail customers in Ukraine and Belarus through our European online store.The local distributor through which we operate in Ukraine does not operate in the Russian- controlled Crimea,Donetsk,or Luhansk regions of Ukraine.Our operations in Russia,Belarus,and Ukraine represented **less** ~~slightly more~~ than ~~3~~ **4** % of the Company' s total revenue for fiscal ~~2023~~ **2024** ,with our operations in Russia comprising over 90 % of this total revenue.As of ~~January 28~~ **February 3** , ~~2023~~ **2024** ,our total assets in Russia,all of which are held by Guess CIS,represented less than 2 % of our total assets,consisting primarily of leasehold right of use assets,store inventory,furnishings and fixtures and receivables.We only maintain inventory in Russia in an amount sufficient for operating our Russian retail stores.We do not maintain inventory or hold any other significant assets in Belarus or Ukraine.The imposition of the current or possible ~~future additional export~~ future ~~periods~~ **additional export controls and economic sanctions on transactions with Russia and Russian entities could limit or prevent us from (i) operating all or a portion** of ~~the Pillar Two Framework~~ **our business in Russia** , ~~pending legislative~~ **(ii) performing under existing contracts involving our Russia business or (iii) pursuing new business opportunities or maintaining adequate insurance coverage to protect our products and facilities in Russia. Additionally, the war in Ukraine could disrupt the operations of our distributor in that region and surrounding regions. Any of the foregoing could adversely affect our business, supply chain, partners or customers. In** ~~adoption~~ **addition** ~~by individual counties~~ **, the war between Russia and Ukraine could lead to disruption, instability and volatility in global markets and industries that could negatively impact our operations. The scope of the impact of sanctions, export controls and the ongoing war in Ukraine is impossible to predict at this time, and could have an adverse impact on our business** . If we fail to successfully execute growth initiatives, including **completion or integration of** acquisitions and alliances, our business and results of operations could be harmed. We regularly evaluate strategic acquisitions and alliances and pursue those that we believe will support and contribute to our overall growth initiatives and / or will leverage our global infrastructure and network of licensees and wholesale partners **. For example, in February 2024, we, along with global brand management firm WHP, entered into an agreement to acquire lifestyle apparel and accessories brand rag & bone, with Guess? to acquire all of the rag & bone operating assets and Guess? and WHP to jointly own rag & bone' s intellectual property** . These efforts place increased demands on our managerial, operational and administrative resources that could prevent or delay the successful opening of new stores and the identification of suitable licensee partners, adversely impact the performance of our existing stores and adversely impact our overall results of operations. In addition, acquired businesses and additional store openings may not provide us with increased business opportunities as consumer preferences for in- person shopping has shifted to online shopping, or result in the growth we anticipate, particularly during economic downturns. Furthermore, integrating acquired operations (including existing licensees or joint venture partners) is a complex, time-consuming and expensive process. **We may not be able to successfully integrate acquired personnel, operations, and technologies, or effectively manage the combined business following an acquisition. We also may not achieve the anticipated benefits from such acquisitions.** Failing to acquire and successfully integrate complementary businesses, or to achieve the business synergies or other anticipated benefits of acquisitions or joint ventures, could materially adversely affect our business and results of operations **. We may fail to realize the benefits expected from our acquisition of rag & bone, and we may not be successful in our strategic partnership with WHP, which could adversely affect our business and stock price. The anticipated benefits from our planned acquisition of rag & bone and our partnership with WHP may not materialize as expected, including our plans with respect to rag & bone' s intellectual property and expanding the brand' s product and market internationally. Our management team has limited experience in integrating acquisitions, including addressing the challenges of integrating management teams, strategies, cultures and organizations of two companies. Further, our management team' s experience monetizing and managing Guess' existing intellectual property and expanding Guess' brands internationally may not translate to the rag & bone business, and we may fail to achieve the expected benefits of the acquisition and partnership, we may experience unanticipated challenges or delays, and the integration or expansion may prove to be more costly than anticipated. Even if successful, the integration of rag & bone may divert management' s attention and other resources away from our existing operations and other opportunities. Additionally, the acquisition may not be well received by the customers or employees of either company, which could hurt our brand and result in the loss of key employees. If we do not realize the intended benefits of the rag & bone acquisition or if the acquisition fails or fails to generate expected financial results, our business may suffer. Although we will have a 50 % ownership interest in the joint venture that owns rag & bone' s intellectual property, WHP will have a controlling voting interest in the joint venture and will therefore have ultimate control over rag & bone' s intellectual property, subject to our license agreement with the joint venture. We have invested, and expect to continue to invest, a substantial amount of time, resources and efforts in connection with our joint venture with WHP, which may divert resources away from our other initiatives and operations. These efforts may not result in additional products, efficiencies or revenues for our Company, which could adversely affect our business, operating results and financial condition. If we do not successfully manage the challenges associated with the acquisition and partnership, we may not achieve the anticipated benefits of either or both of the acquisition or partnership. Moreover, we may not be able to achieve our expected synergies without increases in costs or other difficulties** . We may be unsuccessful in implementing our plans to open and operate new stores, which could harm our business and negatively affect our results of operations. New store openings have historically been an important part of the growth of our business. To open and operate new stores successfully, we must: (i) identify desirable locations, the availability of which is out of our control; (ii) negotiate acceptable lease terms, including desired tenant improvement allowances; (iii) efficiently build and equip the new stores; (iv) source sufficient levels of inventory to meet the needs of the new stores; (v) hire, train and retain competent store personnel; (vi) successfully integrate the new stores into our existing systems and operations; and (vii) satisfy the fashion preferences of customers in the new geographic areas. **Additionally, as part of our acquisition of rag & bone, we expect to acquire approximately 36 stores. While we expect to continue operating these stores without disruption, the expected benefits of these new stores may not be realized fully, if at all, or take longer than anticipated to achieve.** Any of these challenges could delay our store openings, prevent us from completing our store opening plans or hinder the operations of stores we open **or acquire** . These challenges could be even more pronounced in foreign markets due to unfamiliar local regulations, business conditions and other factors. Once open, we cannot be sure that our new stores will be profitable. Unfavorable economic and business conditions and changing consumer preferences could also interfere with our store opening plans **. We face risks associated with our joint ventures and strategic partnership investments. We have entered, and may in the future enter, into joint ventures and strategic partnerships, including our joint venture with WHP. Although we take steps to carefully select our partners, such arrangements may not be successful. These joint ventures and investments involve risks that our joint venture or strategic investment partners may: • have economic or business interests or goals that are inconsistent with or adverse to ours, such as the licensing of intellectual property to other parties, the pricing of products or the offering of competitive products; • take actions contrary to our requests or contrary to our policies or objectives, including actions that may violate applicable law; • be unable or unwilling to fulfill their obligations to us, including under the relevant joint venture agreements; • have financial or business difficulties; • take actions that may harm our reputation; or • have disputes with us as to the scope of their rights, responsibilities and obligations. In certain cases, including in the case of our joint venture with WHP, joint ventures and strategic partnership investments may present us with a lack of ability to fully control all aspects of their operations, including due to veto rights. We also may not have full visibility or influence with respect to all operations, customer or vendor relations, compliance practices, or other important business processes. Our present or future joint ventures and strategic partnership investment projects may not be successful. We may have disputes or encounter other problems with respect to our present or future joint venture or strategic investment partners or our joint venture or strategic partnership investment agreements may not be effective or enforceable in resolving these disputes or we may not be able to resolve such disputes and solve such problems in a timely manner or on favorable economic terms, or at all. Any failure by us to address these potential disputes or conflicts of interest effectively could have a material adverse effect on our business, prospects, financial condition, results of operations, cash flows, as well as the trading price of our securities** . Failure to successfully develop and manage new store design concepts could adversely affect our business. The introduction and growth or maintenance of new store design concepts as part of our growth and productivity strategies could strain our financial and management resources and is subject to a number of other risks, including customer acceptance, product differentiation, competition and maintaining desirable locations. These risks may be compounded during difficult economic climates or future economic downturn. There can be no assurance that new store designs will achieve or maintain sales and profitability levels that justify the required investments. If we are unable to successfully develop new store designs, or if consumers are not receptive to the products, design layout, or visual merchandising, our results of operations and financial results could be adversely affected. In addition, the failure of new store designs to achieve acceptable results could lead to unplanned store closures and / or impairment and other charges, which could adversely affect our results of operations and growth. We have identified several areas that present opportunities for future cost savings and efficiencies, including improved working capital management, distribution, systems integration and development, supply chain, logistics, retail store rent relief efforts, store closure opportunities, and other initiatives, based on a number of assumptions and expectations which, if achieved, would improve profitability and cash flows from operating activities. However, there can be no assurance the expected results will be achieved. These and any future spend reductions, if any, may also negatively impact other initiatives or efforts to grow our business, which may negatively impact future results of operations and increase the burden on existing management, systems and resources. In addition, these cost savings may be negated or offset by unexpected or increased costs and poorer performance in other areas of the business. We are subject to risks associated with...... economic and operating conditions can resume. Slowing customer traffic in malls or outlet centers could significantly reduce our sales, increase pressure on our margins and leave us with excess inventory. Unfavorable economic conditions, changing shopping patterns, including shifts in consumer preferences from in- person shopping to online shopping ~~, which accelerated during the COVID- 19 pandemic~~ , changing demographic patterns and other factors have adversely affected customer traffic in mall and outlet centers. This, in turn, has resulted in significant pricing pressures and a highly promotional retail environment in the apparel sector. Should these trends continue or worsen, or should we fail to effectively market our products in these conditions, it could negatively impact our sales, increase pressure on our margins, leave us with excess inventory, cause a decline in profits and negatively impact our liquidity. Failure to successfully develop an omnichannel shopping experience could have a material adverse impact on our business. As e- commerce sales continue to grow and evolve, our customers increasingly interact with us through a variety of media including smart phones and tablets, and expect seamless integration across all touchpoints. Our success depends on our ability to respond to shifting consumer traffic patterns and ability to engage our customers. While we must keep up to date with emerging technology trends in the retail environment in order to develop a successful omnichannel shopping experience, it is possible these initiatives may not prove to be successful, may increase our costs, may not succeed in driving sales or attracting customers and could result in significant investments that do not provide the anticipated benefits or desired rates of return. In addition, digital operations are subject to numerous risks, including reliance on third- party computer hardware and software and service providers, data breaches, violations of state, federal or international laws, including those relating to online privacy, credit card fraud, telecommunication failures and electronic break- ins and similar disruptions, and disruption of internet service. Changes in U. S. or foreign regulations may also negatively impact our ability to deliver product to our customers. Failure to successfully respond to these risks may adversely affect sales as well as damage the reputation of our brands. Poor or uncertain economic conditions, and the resulting negative impact on consumer confidence and spending, have had and could in the future have an adverse effect on our business. The apparel industry is cyclical in nature and is particularly affected by adverse trends in the general economy. Purchases of apparel and related merchandise are generally discretionary and, therefore, tend to decline during periods of economic uncertainty and recession, but may also decline at other times. Over the last several years, volatile economic conditions and uncertain market conditions in many markets around the world have resulted in cautious consumer spending. For example, a number of European countries experienced difficult economic conditions, including sovereign debt issues that negatively impacted the capital markets. These conditions resulted in reduced consumer confidence and spending in many countries in Europe, particularly Southern Europe. While these conditions have improved, if conditions in Europe, or other economic regions in which we do business, worsen or fail to further improve, there will likely be a negative impact on our business, prospects, operating results, financial condition and cash flows. There are a number of other factors that could contribute to reduced levels of consumer spending, such as increases in interest rates, currency fluctuations, inflation, unemployment, consumer debt levels, inclement weather, tax, net worth reductions based on market declines or uncertainty, energy prices and austerity measures. Similarly, natural disasters, labor unrest, actual or potential terrorist acts, public health crises ~~, including the COVID- 19 pandemic or other similar pandemics~~ , global trade, immigration policies, geopolitical unrest and other conflicts can also create significant instability and uncertainty in the world, causing consumers to defer purchases and travel, or prevent suppliers and service providers from providing required services or materials to us. These or other factors could materially and adversely affect our business, prospects, operating results, financial condition and cash flows. Significant fluctuations and volatility in the price of various input costs, including, but not limited to, cotton and oil- related materials, utilities, fuel, freight and wages may have a material adverse effect on our business, results of operations, financial condition and cash flows. Inflation can have a long- term impact on us because increasing input costs may impact our ability to maintain satisfactory margins. For example, we have recently experienced significant inflation in labor, materials and shipping costs. The cost of the materials that are used in our manufacturing process, such as oil- related commodity prices and other raw materials, including cotton, dyes and chemicals, and other costs, such as fuel, energy and utility costs, can fluctuate as a result of inflation, supply chain disruptions, including due to the ~~COVID- 19 pandemic and the~~ ongoing **war in** ~~conflict between Russia and~~ Ukraine **and Gaza, the Red Sea crisis,** and other factors. Similarly, a significant portion of our products are manufactured in other countries and declines in the value of the U. S. dollar may result in higher manufacturing costs. In addition, sudden decreases in the costs for materials may result in the cost of inventory exceeding the cost of new production, which could result in lower profitability, particularly if these decreases result in downward price pressure. Furthermore, any price increases to mitigate inflationary pressures may lower consumer demand for our products. If, in the future we incur volatility in the costs for materials, labor and freight that we are unable to offset through price adjustments or improved efficiencies, or if our competitors' unwillingness to follow our price changes results in downward price pressure, our business, results of operations, financial condition and cash flows may be adversely affected. Fluctuations in the price or availability of quality raw materials and commodities could increase costs and negatively impact profitability. The raw materials used to manufacture our merchandise are subject to availability constraints and price volatility caused by high demand for fabrics, currency fluctuations, crop yields, weather patterns, climate change, supply conditions and supply chain disruptions, government regulations (including tariffs), labor conditions, energy costs, transportation or freight costs, economic climate, public health crises, market speculation and other unpredictable factors. Negative trends in any of these conditions or our inability to appropriately project fabric requirements could increase costs and negatively impact profitability. We are subject to risks associated with public health crises,including ~~the COVID- 19 pandemic~~ **pandemics ,epidemics** ,and other outbreaks of contagious diseases.We are subject to risks associated with public health crises ~~,including relating to the COVID- 19 pandemic~~. ~~The~~ **For example,the** COVID- 19 pandemic had ~~,and may continue to have,~~ a material adverse effect on our business.Other future public health crises,including any future outbreaks of **COVID- 19 or other** contagious diseases,could have a similar material adverse impact on our business.Financial and operational impacts that we experienced in connection with the COVID- 19 pandemic,and may experience as a result of future COVID- 19 outbreaks or other public health crises,include:• temporary closures of our stores or office buildings or the facilities of our wholesale customers or suppliers;• constraints on our suppliers' ability to source raw materials and to timely produce and fulfill finished goods orders due to factory closures;• lower traffic at open stores,especially during periods of surges or outbreaks in regions where our stores are located;• disruptions due to concentrated regional outbreaks of disease,particularly in Asia,which is the source of most of our goods;• labor shortages;• disruptions in our supply chain and shipments;• negative impacts to pricing of certain product components;• volatility in the economies or financial markets in which we operate;and • decrease in consumer demand,which may require us to obtain access to additional credit.Depending on the severity of such financial and operational impacts,our business,financial condition,and results of operations may be materially adversely impacted.The extent to which any future public health crises may impact our business,results of operations,and financial condition depends on many factors which are highly uncertain and are difficult to predict.These factors include,but are not limited to,the duration and spread of any outbreak,its severity,the actions to contain or address the impact of the outbreak,the timing,distribution,and efficacy of vaccines and other treatments,United States and foreign government actions to respond to possible reductions in global economic activity,and how quickly and to **what extent normal economic and operating conditions can resume.** Demand for our merchandise may decrease and the appeal of our brand image may diminish if we fail to identify and rapidly respond to consumers' fashion tastes and shopping preferences. The apparel industry is subject to rapidly evolving fashion trends and shifting consumer demands. Accordingly, our brand image and profitability are heavily dependent upon the priority our customers place on fashion and our ability to anticipate, identify and capitalize upon emerging fashion trends. If we fail to anticipate, identify or react appropriately, or in a timely manner, to fashion trends (including as a result of our recent shift to a single global line of apparel), we could experience reduced consumer appeal and a diminished brand image. These factors could result in higher wholesale markdowns, lower average unit retail prices, lower product margins and decreased sales volumes and could have a material adverse effect on our results of operations and financial condition. In addition, our customers have become increasingly technologically savvy and expect a seamless omni- channel experience regardless of whether they are shopping in stores or online. Innovation by existing or new competitors could alter the competitive landscape by improving the customer experience and heightening customer expectations or by transforming other aspects of their business through new technologies. If we are unable to develop and continuously improve our technologies, the efforts of which typically require significant capital investments, we may not be able to provide a convenient and consistent experience to our customers, which could negatively affect our ability to compete with other retailers and could result in diminished loyalty to our brands, which could adversely impact our business. Our inability to protect our reputation could have a material adverse effect on our brand. Our ability to maintain our reputation is critical. Our reputation could be jeopardized if we or our third- party providers fail to maintain high standards for merchandise quality and integrity. Any negative publicity about these types of concerns may reduce demand for our merchandise. Failure by us or our third- party providers to comply with ethical, social, product, labor, health and safety or environmental standards could also jeopardize our reputation and potentially lead to adverse consumer actions, including boycotts. They could also impact investment decisions by investors, including some large institutional investors and funds, which could negatively impact our stock price. With the increased proliferation of social media, public perception about products, business practices, stores or brand, whether justified or not, could impair our reputation, involve us in litigation, damage our brand and have a material adverse effect on our business. Additionally, actions taken by **our employees or** individuals that we partner with, such as brand representatives, influencers or our associates, that fail to represent our brand in a manner consistent with our brand image, whether through our social media platforms or their own, could harm our brand reputation and materially impact our business. Failure to comply with local laws and regulations, to maintain an effective system of internal controls or to provide accurate and timely financial information could also hurt our reputation. Damage to our reputation or loss of consumer confidence for any of these or other reasons could have a material adverse effect on our results of operations and financial condition, as well as require additional resources to rebuild our reputation. We depend on our intellectual property, and our methods of protecting it may not be adequate. Our success and competitive position depend significantly upon our trademarks and other proprietary rights. We take steps to establish and protect our trademarks worldwide. Any precautions we may take to protect our intellectual property, policing unauthorized use of our intellectual property is difficult, expensive and time consuming. We may be unable to adequately protect our intellectual property or to determine the extent of any unauthorized use, particularly in those foreign countries where the laws do not protect proprietary rights as fully as in the U. S. We also place significant value on our trade dress and the overall appearance and image of our products. However, we cannot assure that we can prevent imitation of our products by others or prevent others from seeking to block sales of GUESS? products for purported violations of their trademarks and proprietary rights. We also cannot assure that others will not assert rights in, or ownership of, trademarks and other proprietary rights of GUESS?, our proprietary rights would be upheld if challenged or we would, in that event, not be prevented from using our trademarks, any of which could have a material adverse effect on our financial condition and results of operations. Further, we could incur substantial costs in legal actions relating to our use of intellectual property or the use of our intellectual property by others. Failure to appropriately address emerging environmental, social and governance matters could have a material adverse impact on our reputation and, as a result, our business. There is an increased focus from investors, customers, associates, business partners and other stakeholders concerning environmental, social and governance matters. The expectations related to environmental, social and governance matters are rapidly evolving, and we announce initiatives and goals related to environmental, social and governance matters from time to time. We could fail in achieving our environmental, social and governance initiatives or goals or fail, or be perceived to fail, to act responsibly in our environmental, social and governance efforts or in accurately reporting our progress on our initiatives and goals. In addition, we could be criticized for the scope of such initiatives or goals. In any such events, we could suffer negative publicity and our reputation could be adversely impacted, which in turn could have a negative impact on investor perception and our products' acceptance by consumers. This may also impact our ability to attract and retain talent to compete in the marketplace. **Conversely, backlash against our environmental, social and governance initiatives and commitments may harm our reputation among other stakeholders and expose us to related liabilities.** Since we do not control our licensees' actions and we depend on our licensees for a substantial portion of our earnings from operations, their conduct could harm our business. We license to others the rights to produce and market certain products sold with our trademarks. While we retain significant control over our licensees' products and advertising, we rely on our licensees for, among other things, operational and financial control over their businesses. If the quality, focus, image or distribution of our licensed products diminish, consumer acceptance of and demand for our brands and products could decline. This could materially and adversely affect our business and results of operations. In fiscal ~~2023~~ **2024** , approximately ~~78~~ **81** % of our net royalties were derived from our top five licensed product lines. A decrease in customer demand for any of these product lines could have a material adverse effect on our results of operations and financial condition. In addition, purchases from our top two licensees in fiscal ~~2023~~ **2024** accounted for almost ~~27~~ **43** % of our total inventory purchases. Although we believe we could replace existing licensees if necessary, we may have a negative impact during the transition period. Our inability to replace existing licensees could adversely affect our revenues and results of operations. The majority of our finished goods are sourced from partners and suppliers located in over ~~30~~ **20** countries outside the U. S. In fiscal ~~2023~~ **2024** , over one **-** third of these products were sourced from partners and suppliers based in China. Our two largest suppliers, which were licensee partners, accounted for approximately ~~27~~ **43** % of our purchases of finished goods in fiscal ~~2023~~ **2024** . We do not own or operate production facilities, and we depend on independent factories to supply fabric and manufacture products to our specifications. We do not have long-term contracts with any suppliers or manufacturers, and our business is dependent on our partnerships with our vendors. If manufacturing costs rise significantly, our product margins and results of operations could be negatively affected. In addition, few of our vendors manufacture our products exclusively. As a result, we compete with other companies for the production capacity of independent contractors. If our vendors fail to ship our fabrics or products on time or to meet our quality standards or are unable to fill our orders, we might not be able to deliver products to our retail stores and wholesale customers on time or at all. Moreover, our suppliers have at times been unable to deliver finished products in a timely fashion. This has led, from time-to- time, to an increase in our inventory, creating potential markdowns and a resulting decrease in our profitability. As there are a finite number of skilled manufacturers that meet our requirements, it could take significant time to identify and qualify suitable alternatives, which could result in our missing retailing seasons or our wholesale customers canceling orders, refusing to accept deliveries or requiring we lower selling prices. Since we prefer not to return merchandise to our manufacturers, we could also have a considerable amount of unsold merchandise. Any of these problems could harm our financial condition and results of operations. A **cybersecurity incident** ~~data privacy breach~~ or failure to comply with confidentiality and data privacy obligations could damage our reputation and customer relationships, expose us to litigation risk and potential fines and adversely affect our business. As part of our normal operations, we collect, process, transmit and where appropriate, retain certain sensitive and confidential employee and customer information, including credit card information. There is significant concern by consumers and employees over the security of personal information, consumer identity theft and user privacy. Despite the security measures ~~in place~~ **we have implemented** , our facilities and systems, and those of our third- party service providers, are vulnerable to **cybersecurity incidents, including** security breaches ~~, cyber- attacks~~ , acts of vandalism, computer viruses, misplaced or lost data, programming and / or human errors, or other similar events. **We (or third parties we rely on) may not be able to fully, continuously, and effectively implement cybersecurity controls as intended. We utilize a risk- based approach to determine which security controls to implement and it is possible that we may not implement appropriate controls if we do not recognize, or we underestimate, a particular cybersecurity risk. In addition, cybersecurity controls, no matter how well designed or implemented, may only mitigate, and not fully eliminate, risks. Events, when detected by security tools or third parties, may not always be immediately understood or acted upon.** Additionally, external events, like the **ongoing wars in** ~~conflict between Russia and~~ Ukraine **and Gaza and the Red Sea crisis** , can increase the likelihood of cybersecurity ~~attacks~~ **incidents** . As security breaches at prominent retailers and other large institutions have become more common, the media and public scrutiny of information security and privacy has become more intense and the regulatory environment has become more stringent. Any security breach involving the misappropriation, loss or other unauthorized disclosure of confidential customer or employee information, whether by us ~~or~~ **,** our vendors **, or another party with access to our information systems** , could result in significant legal and remediation expenses, severely damage our reputation and our customer relationships, harm sales, expose us to risks of litigation and liability and result in a material adverse effect on our business, financial condition and results of operations. Additionally, changing privacy laws in the United States, Europe and elsewhere, including the California Consumer Privacy Act, which created an array of consumer privacy rights and business obligations with regard to the collection and sale of personal information, and other similar state laws, and the General Data Protection Regulation (" GDPR "), adopted in the European Union, which created individual privacy rights and imposed increased obligations on companies handling personal data. Consequently, we may incur significant costs related to complying with laws regarding the protection and unauthorized disclosure of personal information. A failure to comply with the stringent rules of the GDPR or state privacy laws could result in material fines. Our business could suffer if our ~~computer~~ **information** systems ~~and~~ **or** websites are disrupted or cease to operate effectively. The efficient operation of our business is dependent on our computer and information systems. We rely heavily on our merchandise management and ~~ERP~~ **enterprise resource planning** systems used to track sales and inventory and manage our supply chain. In addition, we have e- commerce and other Internet websites worldwide. Our e- commerce operations are a critical element of our long- term growth strategy and are vital to the success of our business ~~. Furthermore, a substantial portion of our corporate employees continue to work remotely~~ . Given the complexity of our business it is imperative that we maintain constant operation of our **information** ~~computer hardware and software~~ systems. Despite our preventative efforts, our **information** systems are vulnerable to damage or interruption from, among other things, ineffective upgrades, ineffective support from third- party vendors, difficulties in replacing or integrating new systems, security breaches, computer viruses, natural disasters and power outages. Any such problems or interruptions could result in incorrect information being supplied to management, inefficient ordering and replenishment of products, loss of orders, significant expenditures, disruption of our operations, inability to produce accurate financial statements, improper access to or disclosure of personally identifiable or proprietary information and other adverse impacts to our business. While we do **occasionally** experience damage or interruption to our systems, **we are not aware of any** such events **in the past that** have ~~not in the past~~ had a material adverse impact on our business, financial condition or results of operations. It is possible, however, that future events resulting in damage or interruption to our systems could materially adversely impact our business, financial condition or results of operations. The apparel industry is highly competitive, and we may face difficulties competing successfully in the future. We operate in a highly competitive and fragmented industry with low barriers to entry. We compete with many apparel manufacturers and distributors, both domestically and internationally, as well as many well- known designers. We, along with our licensees, compete with many other designers and retailers (both brick and mortar and e- commerce sites), including department stores, some of whom are our major wholesale customers. Global and regional branded competitor companies pose significant challenges to our market share in our existing major domestic and foreign markets and to our ability to successfully develop new markets. Some of our competitors have advantages over us, including greater financial and marketing resources, higher wage rates, lower prices, more desirable store locations, greater online and e- commerce presence and faster speed- to- market. In addition, our larger competitors may be better equipped to adapt to changing conditions affecting the competitive market and newer competitors may be viewed as more desirable by consumers. Also, in most countries, the industry' s low barriers to entry allow the introduction of new products or new competitors at a fast pace. In other countries, high import duties may favor locally produced products. Any of these factors could result in reductions in sales or prices and could have a material adverse effect on our results of operations and financial condition. Our Americas Wholesale business is highly concentrated. If any large ~~customers~~ - **customer** decreases its purchases or experiences financial difficulties, our results of operations and financial condition could be adversely affected. In fiscal ~~2023~~ **2024** , our ~~two~~ **three** largest **Americas** ~~wholesale~~ **Wholesale** customers accounted for a total of approximately ~~3~~ **4** . ~~3~~ **1** % of our consolidated net revenue. Continued consolidation in the retail industry could further decrease the number of, or concentrate the ownership of, stores that carry our products and our licensees' products. In recent years, there has been a significant increase in the number of designer brands seeking placement in department stores, which makes any one brand potentially less attractive to department stores. If any one of our major wholesale customers decides to decrease purchases from us, to stop carrying our products or to carry our products on less favorable terms, our sales and profitability could significantly decrease. Similarly, some retailers have recently experienced significant financial difficulties, which in some cases have resulted in bankruptcy, liquidation and store closures. Financial difficulties of one of our major customers could result in reduced business and higher credit risk with respect to that customer. Any of these circumstances could ultimately have a material adverse effect on our results of operations and financial condition. Proxy contests or other activist investor actions threatened or commenced against us could cause the Company to incur substantial costs, divert management' s attention and resources, cause uncertainty about the strategic direction of our business and adversely affect our business, operating results and financial condition. Activist investors may from time to time threaten or commence a proxy contest, " vote no " campaign or take other actions, including engaging in proxy solicitations, advancing shareholder proposals, or otherwise attempting to affect changes and asserting influence on our Board of Directors and management. These actions could have a material adverse effect on us for the following reasons: • Activist investors may attempt to effect changes in how we are governed and our strategic direction, or to acquire control over the Company. In particular, activist investors may suggest changes to our operations, including management, that conflict with our strategic direction and could cause uncertainty amongst employees, customers and our investors about the strategic direction of our business. • Responding to proxy contests or other actions, including Legion Partners' " vote no " campaign in connection with our 2022 annual meeting of shareholders, are costly and time- consuming, and could disrupt our operations and divert the attention of our Board of Directors, senior management and employees away from their regular duties and the pursuit of business strategies. In addition, we may choose to initiate, or may become subject to, litigation as a result of a proxy contest or matters arising from a proxy contest or other activist investor actions. For example, we are party to a stockholder derivative suit brought by Legion Partners Holdings, LLC, which is described further in " Part IV. Financial Statements – Note 15 – Commitments and Contingencies ". Similar actions would serve as a further distraction to our Board of Directors, senior management and employees and could require us to incur significant additional costs. • Perceived uncertainties as to our future direction as a result of potential changes to the composition of the Board of Directors may lead to the perception of a change in the direction of the business, instability or lack of continuity, which may be exploited by our competitors, may cause concern to our current or potential customers and employees, may result in the loss of potential business opportunities and may make it more difficult to attract and retain qualified personnel and business partners. • Proxy contests and related actions could cause significant fluctuations in our stock price based on temporary or speculative market perceptions or other factors that do not necessarily reflect the underlying fundamentals and prospects of our business. Violation of laws or regulations, or changes to existing laws or regulations could adversely affect our business, reputation and results of operations. We are subject to numerous laws and regulations at the state, federal and international levels, including, but not limited to, the areas of health care, data privacy, taxes, transportation and logistics, the environment, trade, conflict minerals, product safety, employment and labor, advertising and pricing practices, consumer protection, e- commerce, anti- competition, anti- corruption, including the federal Foreign Corrupt Practices Act, and intellectual property. Compliance with these numerous laws and regulations is complicated, time consuming and expensive. In addition, the laws may be inconsistent from jurisdiction to jurisdiction and are subject to change from time to time, sometimes unexpectedly. Failure to comply or to effectively anticipate changes in such laws or regulations could have a material adverse effect on our business, reputation and results of operations. Violation of labor, environmental and other laws by our licensees or suppliers could harm our business. We require our licensing partners and suppliers to operate in compliance with applicable laws and regulations. While our internal and vendor operating guidelines, code of conduct and monitoring programs promote ethical business practices and compliance with laws, we do not control our licensees or suppliers or their labor, environmental, safety or other business practices. A violation of law by any of our licensees or suppliers, or divergence of a licensee' s or supplier' s business practices or social responsibility standards from ours or those generally accepted as ethical in the U. S., could disrupt the shipment of our products, harm the value of our trademarks, damage our reputation or expose us to potential liability. Additionally, in many jurisdictions in which we operate, governmental bodies are enacting new or additional legislation and regulations to reduce or mitigate the potential impacts of climate change. If we, our suppliers, or our contract manufacturers are required to comply with these laws and regulations, or if we choose to take voluntary steps to reduce or mitigate our impact on climate change, we may experience increased costs for energy, production, transportation, and raw materials, increased capital expenditures, or increased insurance premiums and deductibles, which could adversely impact our operations. 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 wide scope of potential regulatory change in the countries in which we operate. We are subject to periodic litigation and ~~other~~ regulatory proceedings, which could result in ~~unexpected obligations~~ **substantial charges** , as well as the diversion of time and resources. We are involved from time- to- time in various U. S. and foreign lawsuits relating to our business, including purported class action lawsuits, shareholder derivative lawsuits, employment claims and intellectual property claims. Due to the inherent uncertainties of litigation and regulatory proceedings, we cannot accurately predict the ultimate outcome of any such new or existing proceedings. Should management' s evaluation of any such claims or proceedings or the likelihood of any future claims or proceedings prove incorrect, our exposure could materially exceed expectations, adversely impacting our business, financial condition and results of operations. In addition, any significant litigation or regulatory matters, regardless of the merits, could divert management' s attention from our operations and result in substantial legal fees. Refer to " Part IV. Financial Statements – Note 15 – Commitments and Contingencies " in this Form 10- K for disclosures about our legal and other proceedings. We may also be subject to a variety of other claims arising in the ordinary course of our business, including commercial disputes and employee claims, such as claims of age discrimination, sexual harassment, gender discrimination, immigration violations or other local, state and federal labor law violations, and from time to time may be involved in governmental or regulatory investigations or similar matters arising out of our current or future business. In recent years, there has been an increase in the number of discrimination and harassment claims across the United States generally, which may impact our business. While we have policies in place that are intended to prevent or address such issues, we cannot be assured that such policies will adequately prevent or mitigate the foregoing concerns and any associated harm. Any claims asserted against us or our management, regardless of merit or eventual outcome, could harm our reputation or the reputation of our management and have an adverse impact on our relationship with our clients, business partners and other third parties and could lead to additional related claims. In light of the potential cost and uncertainty involved in litigation, we have in the past and may in the future settle matters even when we believe we have a meritorious defense. Certain claims may seek injunctive relief, which could disrupt the ordinary conduct of our business and operations or increase our cost of doing business. Our insurance or indemnities may not cover all claims that may be asserted against us. Furthermore, there is no guarantee that we will be successful in defending ourselves in pending or future litigation or similar matters under various laws. Any judgments or settlements in any pending litigation or future claims, litigation or investigation could have a material adverse effect on our business, financial condition and results of operations. Our failure to retain our existing senior management team or to retain or attract other key personnel could adversely affect our business. Our future performance depends to a significant degree upon the continued contributions of our key personnel, including our senior management and board members. Our business requires disciplined execution at all levels of our organization in order to ensure the timely delivery of desirable merchandise in appropriate quantities to our stores and other customers. This execution requires experienced and talented management in various areas of our business. Our success depends upon the personal efforts and abilities of our key personnel and senior management, particularly Carlos Alberini, Chief Executive Officer, and founding board member and Chief Creative Officer Paul Marciano. Although we believe we have a strong management team with relevant industry expertise, the extended loss of the services of these or other key personnel could materially harm our business. If Messrs. Alberini and Marciano were unable or unwilling to continue in their present positions, we may not be able to replace them readily, if at all. As such, any disruption in the services of our key personnel could significantly disrupt our operations and prevent the timely achievement of our development strategies and growth, which could have an adverse effect on our financial condition, operating results and prospects. These changes could also increase the volatility of our stock price. The market for qualified employees in the apparel and retail industries is highly competitive, and competitors may use aggressive tactics to recruit our key personnel. Our success depends upon our ability to attract, retain and motivate qualified employees and upon the continued contributions of these individuals. We cannot provide assurances that we will be successful in attracting and retaining qualified employees in future periods without our key personnel. Competition for personnel is intense, and the loss of services of one or more of these individuals, or the negative public perception with respect to the loss of one or more of these individuals, could have an adverse effect on our business. The continued presence of Messrs.

Alberini and Marciano is necessary to facilitate continuity in any succession planning, and without these individuals, we may not be successful in finding and integrating suitable successors. Increases in labor costs, including wages, could adversely impact our operational results, financial condition and results of operations. Our retail store and distribution and fulfillment center operations are subject to laws governing such matters as minimum wages, working conditions and overtime pay. As minimum wage rates increase or related laws and regulations change, we may need to increase not only the wage rates of our minimum wage employees, but also the wages paid to our other hourly or salaried employees. We have experienced and may continue to experience increased employee turnover as a result of the ongoing “ Great Resignation, ” which has led to wage rate increases in certain geographies. Any increase in the cost of our labor could have an adverse effect on our operating results, financial condition and results of operations. In addition, wage actions by other retailers may require us to increase wage rates in order to attract and retain talented employees. Persisting labor shortages, increased employee turnover or our inability to successfully implement our expanded format store strategy could also increase our labor costs. This in turn could lead us to increase prices, which could adversely impact our sales. We are also subject to risks related to other store and distribution and fulfillment center expenses and operational costs. Conversely, if competitive pressures or other factors prevent us from offsetting increased labor costs by increases in prices, our profitability may decline. Our failure to shorten lead- times or to anticipate consumer demand, failure of our international vendors to supply quality products on a timely basis, failure of our merchandising strategies or failure to open new and remodel existing stores on schedule could result in excess inventory. Although we have shortened lead- times for the design, production and development of a portion of our product lines, we expect to continue to place orders with our vendors for most of our products a season or more in advance. If we are unsuccessful in continuing to shorten lead- times or if we fail to anticipate fashion trends or consumer demand, we could have excess inventories. Additionally, our vendors could fail to timely supply the quality products and materials we require. Moreover, we could fail to effectively market or merchandise products once we receive them. We could fail to open new or remodeled stores on schedule, and inventory purchases made in anticipation of store openings could remain unsold. If we experience excess inventories, including as a result of reduced consumer demand or any store closures, wholesale order cancellations or for any other reason, we could incur inventory write- downs and markdowns, which in turn could have a material adverse effect on our results of operations and financial condition. Failure to deliver merchandise timely to our distribution facilities, stores or wholesale customers could disrupt our business. The efficient operation of our global retail and wholesale businesses depends on the timely importation, customs clearance, and receipt of merchandise to and from distribution centers and our ability to efficiently process such merchandise. We receive merchandise at our distribution facilities and deliver merchandise to our stores and wholesale customers using independent third parties who import as well as transport goods. The independent third parties and entities on which they rely have employees which may be represented by labor unions. Disruptions in the delivery of merchandise caused by importation delays ~~or~~ **,** work stoppages by employees or contractors of any of these third parties **or geopolitical conflicts** could delay the timely receipt of **merchandise. For example, the ongoing Red Sea crisis has disrupted global supply chains and increased freight costs. The Red Sea crisis has caused, and is expected to continue to cause, disruptions in the delivery of our** merchandise. Any failure by ~~a~~ **us or our** third- party **providers** to **adapt to the Red Sea crisis or any other events impacting our supply chain or to otherwise** respond adequately to our distribution needs could disrupt our business. A disruption ~~at~~ **impacting our warehouse** ~~our~~ - **or** distribution facilities could have a material adverse impact on our sales and operating results. Our U. S. business relies primarily on a single distribution center located in Louisville, Kentucky to receive, store and distribute merchandise to our U. S. retail stores, wholesale customers and e-commerce customers. Distribution of our products in Canada is handled primarily from two distribution centers in Montreal, Quebec. In Asia, we utilize several third- party operated distribution warehouses that service the Asia region. In Europe, distribution of our products is handled by third- party distributors through distribution facilities in Italy, the Netherlands, Poland and Spain. We continue to optimize our logistic network in Europe. **Additionally** ~~As previously noted~~ , we **are transitioning the operation of our U. S. distribution center in Louisville, Kentucky, which is currently owner- operated, to a third-party logistics provider. This transition from an owner- operated warehouse to a third- party logistics provider may cause interruptions to this U. S. warehouse as we transition employees, systems and technology. We may experience a shortage of labor, interruptions in our business systems or delays as a result of this transition. Because the third- party logistics provider operates a significant number of our other warehouses in Europe and elsewhere, we are also subject to concentration risks as a result of this transition, and any disruptions, delays or other events impacting the business of the third- party logistics provider may** have **a** ~~recently experienced, and expect to continue to experience,~~ significant ~~inflation in labor~~ **impact on our business** , ~~materials and shipping costs~~ **including our ability to timely fulfill orders** . Any significant interruption in the operation of any of our **warehouse or** distribution centers due to natural events (including public health crises), weather conditions, accidents, system failures, capacity issues, labor issues, relationships with our third- party warehouse operators or landlords, failure to successfully complete or delays in optimizing our logistics network, new providers, and / or new distribution systems or other unforeseen causes could have a material adverse effect on our ability to efficiently manage the volume and / or costs associated with the distribution of our products without encountering shipment delays or wholesale order cancellations. **As previously noted, we have recently experienced, and expect to continue to experience, significant inflation in labor, materials and shipping costs.** The increase of online shopping driven by changes in consumer shopping preferences has amplified certain of these risks resulting in capacity constraints. Such events could negatively impact our sales, inventory positions, operating results and customer relations. We may be unable to raise the funds necessary to repurchase our $ ~~300~~ **48** million 2. 0 % convertible senior notes due 2024 ~~(the “~~ **or our $ 340 million 3. 75 % convertible senior** ~~Notes~~ **notes** ~~”)~~ **due 2028** for cash following a fundamental change, or to pay any cash amounts due upon conversion, and our other indebtedness may limit our ability to repurchase the Notes or pay cash upon their conversion. ~~Noteholders~~ **Holders of our 2024 Notes and 2028 Notes** may require us to repurchase their Notes following a fundamental change **,** at a cash repurchase price generally equal to the principal amount of the **applicable series of** Notes to be repurchased, plus accrued and unpaid interest, if any. In addition, upon conversion, we will satisfy part or all of our conversion obligation in cash unless we elect to settle conversions solely in shares of our common stock. We will be required to repay ~~the~~ **each series of** Notes in cash at their **respective** maturity, unless earlier converted or repurchased. We may not have enough available cash or be able to obtain financing at the time we are required to repurchase ~~the~~ **each series of** Notes or pay the cash amounts due upon conversion. In addition, applicable law, regulatory authorities and the agreements governing our other indebtedness, including our current credit facilities and other agreements we may enter into in the future, may restrict our ability to make payments on ~~the~~ **each series of** Notes other than scheduled principal and interest, and as a result, upon a fundamental change we may not be able to repurchase **any or all of** the Notes and upon any conversions of the **applicable series of** Notes may be unable to pay the cash amounts, if any, then due. Our inability to satisfy our obligations under the Notes could **affect the terms of other financial obligations,** harm our reputation and affect the trading price of our common stock. Our failure to repurchase **any or all of each series of** Notes or to pay the cash amounts due upon conversion or at maturity when required will constitute a default under the **indenture relating to the 2024 Notes (the " 2024** Indenture **") or the indenture relating to the 2028 Notes (the " 2028 Indenture ", and together with the 2024 Indenture, the " Indentures ")** . A default under the ~~Indenture~~ **Indentures** or the fundamental change itself could also lead to a default under agreements governing **the Notes and** our other indebtedness, which may result in that other indebtedness becoming immediately payable in full. We may not have sufficient funds to satisfy all amounts due under the other indebtedness and ~~184~~ . **The** ~~9 million and $ 67.1 million in principal amount of the 2024~~ Notes **' hedge** ~~in April 2023~~ and ~~January 2024,respectively~~ **warrant transactions may affect the value of the Notes and our common stock.In connection with the pricing of the Notes** ,we entered into ~~Partial Termination Agreements with the relevant hedge counterparties to unwind a portion of the~~ convertible note ~~transactions and warrant transactions we initially entered into in connection with the issuance of the 2024 Notes.The notional amount of the remaining portion of the convertible note~~ hedge transactions ~~and warrant transactions in connection~~ with the **hedge counterparties** ~~2024 Notes corresponded to the approximately $ 48.1 million in aggregate principal amount of the 2024 Notes that remained outstanding at that time~~ .The convertible note hedge transactions **covered,subject to anti- dilution adjustments substantially similar to those applicable to the Notes,the number of shares of common stock that initially underlie the Notes,including those sold to the initial purchaser,and** are expected generally to reduce the potential dilution upon conversion of the Notes and / or offset any cash payments we are required to make in excess of the principal amount of converted Notes,as the case may be. **We also entered into warrant transactions with the hedge counterparties relating to the same number of shares of our common stock,subject to customary antidilution adjustments.** However,the warrant transactions could separately have a dilutive effect on our common stock to the extent that the market price per share of our common stock ~~at maturity~~ exceeds the strike price of the warrants. **In** ~~It is our understanding that in~~ connection with establishing their initial hedges of the convertible note hedge and warrant transactions,the hedge counterparties or affiliates thereof entered into various derivative transactions with respect to our common stock concurrently with or shortly after the pricing of the ~~respective~~ Notes,and may ~~have unwound~~ **unwind** these derivative transactions and ~~purchased~~ - **purchase** shares of our common stock in open market transactions shortly following the pricing of the ~~respective~~ Notes.These activities could ~~have increased~~ - **increase** (or ~~reduced~~ - **reduce** the size of any decrease in) the market price of our common stock or the Notes at that time.In addition,the hedge counterparties or affiliates thereof may modify their hedge positions by entering into or unwinding various derivatives with respect to our common stock and / or purchasing or selling our common stock or other securities of ours in secondary market ~~or privately negotiated~~ transactions prior to the maturity of the Notes (and are likely to do so during any observation period related to a conversion of Notes).This activity could also cause or avoid an **increase or a decrease in the market price of our common stock or the Notes** the Notes. The issuance or sale of shares of our common stock, or rights to acquire shares of our common stock, could depress the trading price of our common stock and the Notes. We may conduct future offerings of our common stock, preferred stock or other securities that are convertible into or exercisable for our common stock to finance operations, fund acquisitions, or other purposes. In addition, we have reserved a substantial number of shares of our common stock for issuance upon the exercise of stock options, upon the vesting of restricted stock and restricted stock units pursuant to our employee benefit plans, upon conversion of the Notes and upon the exercise and settlement or termination of the warrant transactions. We cannot predict the size of future issuances or the effect they may have on the trading price of our common stock and the Notes. If we issue additional shares of our common stock or rights to acquire shares of our common stock, if any of our existing stockholders sells a substantial amount of our common stock, or if the market perceives that such issuances or sales may occur, then the trading price of our common stock and the Notes may significantly decrease. In addition, our issuance of additional shares of common stock will dilute the ownership interests of our existing common stockholders. We maintain cash deposits in excess of federally insured limits. Adverse developments affecting financial institutions, including bank failures, could adversely affect our liquidity and financial performance. We regularly maintain domestic cash deposits in Federal Deposit Insurance Corporation (" FDIC ") insured banks, which exceed the FDIC insurance limits. We also maintain cash deposits in foreign banks where we operate, some of which are not insured or are only partially insured by the FDIC or other similar agencies. Bank failures, events involving limited liquidity, defaults, non- performance or other adverse developments that affect financial institutions, or concerns or rumors about such events, may lead to liquidity constraints. ~~For example, on March 10, 2023, Silicon Valley Bank failed and was taken into receivership by the FDIC. Additionally, on March 15, 2023, Credit Suisse announced that it would borrow up to 50 billion Swiss francs, or $ 53. 7 billion, from the Swiss National Bank to address its liquidity concerns. We have historically maintained deposits roughly between 15 million and 30 million euros at Credit Suisse. While we withdrew the majority of these funds as part of our risk mitigation plan in connection with the foregoing, we may reinstate our deposits at Credit Suisse in the future and there can be no assurance that we will be able to effectively mitigate the risk of loss should a similar event impact Credit Suisse in the future or any other bank at which we maintain deposits.~~ The failure of a bank, or other adverse conditions in the financial or credit markets impacting financial institutions at which we maintain balances, could adversely impact our liquidity and financial performance. There can be no assurance that our deposits in excess of the FDIC or other comparable insurance limits will be backstopped by the U. S. or applicable foreign government, or that any bank or financial institution with which we do business will be able to obtain needed liquidity from other banks, government institutions or by acquisition in the event of a failure or liquidity crisis. Difficulties in the credit markets or events limiting access to liquidity could have a negative impact on our customers, suppliers and business partners, which, in turn could materially and adversely affect our results of operations and liquidity. The impact of difficult credit conditions or liquidity constraints, including those caused by bank failures, defaults, non-performance or other adverse developments that affect financial institutions, on our customers, business partners, suppliers, insurance providers and financial institutions with which we do business cannot be predicted and may be quite severe. The inability of our manufacturers to ship our products could impair our ability to meet delivery date requirements. A disruption in the ability of our significant customers, distributors or licensees to access liquidity could cause serious disruptions or an overall deterioration of their businesses. A disruption in the ability of a large group of our smaller customers to access liquidity could have similar adverse effects, particularly in our important multi- brand wholesale channel in Southern Europe, where many customers tend to be relatively small and not well capitalized. These conditions could lead to significant reductions in future orders of our products and the inability or failure on our customers' part to meet their payment obligations to us, any of which could have a material adverse effect on our results of operations and liquidity. Similarly, a failure on the part of our insurance providers to meet their obligations for claims made by us could have a material adverse effect on our results of operations and liquidity. Continued market difficulties or additional deterioration could jeopardize our ability to rely on those financial institutions that are parties to our various bank facilities and foreign exchange contracts. We could be exposed to a loss if the counterparty fails to meet its obligations upon our exercise of foreign exchange contracts. In addition, instability, liquidity constraints or other distress in the financial markets, including the effects of bank failures, defaults, non- performance or other adverse developments that affect financial institutions, could impair the ability of one or more of the banks participating in our credit agreements from honoring its commitments. This could have an adverse effect on our business if we were not able to replace those commitments or to locate other sources of liquidity on acceptable terms. Our indebtedness and liabilities could limit the cash flow available for our operations, expose us to risks that could adversely affect our business, financial condition and results of operations and impair our ability to satisfy our obligations under our outstanding indebtedness. As of ~~January 28~~ **February 3** , ~~2023~~ **2024** , we had approximately $ ~~17~~ **16** . ~~2~~ **4** million of secured indebtedness, $ ~~399~~ **421** . ~~2~~ **9** million of senior unsecured indebtedness at maturity and approximately $ ~~289~~ **272** . ~~4~~ **8** million of trade payables on a consolidated basis. We may incur additional indebtedness or draw on our existing credit facilities to meet future financing needs, some of which may be secured indebtedness. Our indebtedness could have significant negative consequences for our security holders and our business, results of operations and financial condition by, among other things: (i) increasing our vulnerability to adverse economic and industry conditions; (ii) limiting our ability to obtain additional financing; (iii) requiring the dedication of a substantial portion of our cash flow from operations to service our indebtedness, which will reduce the amount of cash available for other purposes; (iv) limiting our flexibility to plan for, or react to, changes in our business; (v) diluting the interests of our existing stockholders if we issue shares of our common stock in full or in part upon conversion of the Notes; and (vi) placing us at a possible competitive disadvantage with competitors that are less leveraged than us or have better access to capital. Our business may not generate sufficient funds, and we may otherwise be unable to maintain sufficient cash reserves, to pay amounts due under our indebtedness, and our cash needs may increase in the future. In addition, our existing Credit Facilities contain, and any future indebtedness may contain, financial and other restrictive covenants that limit our ability to operate our business, raise capital or make payments under our other indebtedness. If we fail to comply with these covenants or to make payments under our indebtedness when due, then we would be in default under that indebtedness, which could, in turn, result in that and our other indebtedness becoming immediately payable in full. We conduct a significant amount of our operations through our subsidiaries and may rely on our subsidiaries to make payments under our outstanding indebtedness. Our ability to pay amounts due on our outstanding indebtedness may depend on the cash flows of our subsidiaries and their ability to make distributions to us. Our subsidiaries are separate and distinct legal entities and any payments to us would depend on the earnings or financial condition of our subsidiaries and various business considerations. Statutory, contractual or other restrictions may also limit our subsidiaries' ability to pay dividends or make distributions, loans or advances to us, and the notes and the Indenture (as defined below) pursuant to which the notes were issued do not limit or restrict our or our subsidiaries' ability to enter into contractual restrictions on our subsidiaries' ability to pay dividends or make distributions, loans or advances to us. For these reasons, we may not have access to any assets or cash flows of our subsidiaries to make payments on our outstanding indebtedness. Recent and future regulatory actions and other events may adversely affect the trading price and liquidity of the Notes and the liquidity of the market for our common stock. Noteholders may seek to employ a convertible note arbitrage strategy with respect to the Notes. Under this strategy, investors typically short sell a certain number of shares of our common stock and adjust their short position over time while they continue to hold the Notes. Investors may also implement this type of strategy by entering into swaps on our common stock in lieu of, or in addition to, short selling shares of our common stock. The SEC and other regulatory authorities have implemented various rules and taken certain actions, and may in the future adopt additional rules and take other actions, that may impact those engaging in short selling activity involving equity securities (including our common stock). These rules and actions include Rule 201 of SEC Regulation SHO, the adoption by the Financial Industry Regulatory Authority, Inc., and the national securities exchanges of a " limit up- limit down " program, the imposition of market- wide circuit breakers that halt trading of securities for certain periods following specific market declines, and the implementation of certain regulatory reforms required by the Dodd- Frank Wall Street Reform and Consumer Protection Act of 2010. Any governmental or regulatory action that restricts investors' ability to effect short sales of our common stock or enter into equity swaps on our common stock could depress the trading price of, and the liquidity of the market for, the Notes. In addition, the liquidity of the market for our common stock may decline, which could reduce the number of shares available for lending in connection with short sale transactions and the number of counterparties willing to enter into an equity swap on our common stock with a note investor. If investors and noteholders seeking to employ a convertible note arbitrage strategy are unable to borrow or enter into equity swaps on our common stock on commercially reasonable terms, then the trading price of, and the liquidity of the market for, the Notes may significantly decline. Provisions in the indenture for the Notes...... reduction of our net working capital. The accounting method for the Notes could adversely affect our reported financial condition and results. The accounting method for reflecting the ~~Notes on our balance sheet, accruing interest expense for the Notes and reflecting the underlying~~ shares of our common stock **underlying the Notes** in our reported diluted earnings per share **and reflecting the 2028 Notes on our balance sheet** may adversely affect our reported earnings and financial condition. In August 2020, the Financial Accounting Standards Board (" FASB ") issued authoritative guidance requiring, among other things, that the " if- converted " method be applied for all convertible instruments (the treasury stock method is no longer available) and removes the ability to rebut the presumption of share settlement for contracts that may be settled in cash or stock. We adopted this guidance on January 30, 2022 using the modified retrospective transition method, which allows for a cumulative- effect adjustment to the opening balance of retained earnings in the period of adoption and does not require retrospective adjustments to prior periods. Under this new accounting guidance, diluted earnings per share will generally be calculated assuming all the Notes were converted solely into shares of common stock at the beginning of the reporting period, unless the result would be antidilutive. Accordingly, unless the result would be antidilutive, among other impacts, we expect application of the if- converted method will result in an increase of approximately ~~11~~ **15** . ~~6~~ **9** million shares in our diluted weighted- average shares of common stock outstanding for the purposes of calculating diluted earnings per share, which will reduce our reported diluted earnings per share in the future. Furthermore, if any of the conditions to the convertibility of the **2028** Notes is satisfied, then we may be required under applicable accounting standards to reclassify the liability carrying value of the **2028** Notes as a current, rather than a long- term, liability. This reclassification could be required even if no noteholders convert their **2028** Notes and could materially reduce our reported working capital . The Notes' hedge and warrant...... of our common stock or the Notes . We are subject to counterparty risk with respect to the Notes' hedge transactions. The hedge counterparties are financial institutions, and we are subject to the risk that they might default under the convertible note hedge transactions. Our exposure to the credit risk of the hedge counterparties is not secured by any collateral. Global economic conditions have from time to time resulted in the actual or perceived failure or financial difficulties of many financial institutions. If any hedge counterparty becomes subject to insolvency proceedings, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at that time under our transactions with such hedge counterparty. Our exposure will depend on many factors, but, generally, the increase in our exposure will be correlated to the increase in the market price and in the volatility of our common stock. In addition, upon a default by a hedge counterparty, we may suffer adverse tax consequences and more dilution than we currently anticipate with respect to our common stock. We can provide no assurances as to the financial stability or viability of the hedge counterparties. Conversion of the Notes or exercise of the warrants evidenced by the warrant transactions may dilute the ownership interest of existing stockholders. At our election, we may settle Notes tendered for conversion entirely or partly in shares of our common stock. Furthermore, the warrants evidenced by the warrant transactions are expected to be settled on a net- share basis. As a result, the conversion of some or all of the Notes or the exercise of some or all of such warrants may dilute the ownership interests of existing stockholders. Any sales in the public market of the common stock issuable upon such conversion of the Notes or such exercise of the warrants could adversely affect prevailing market prices of our common stock and, in turn, the price of the Notes. In addition, the existence of the Notes may encourage short selling by market participants because the conversion of the Notes could depress the price of our common stock. **Our repurchases of shares of our common stock may affect the value of the Notes and our common stock.** After effectuating the convertible note hedge transactions, we used substantially all of the net proceeds of the Notes offering to repurchase shares of our common stock pursuant to our 2012 $ 500 million share repurchase program. Some of these transactions were effected by repurchases from purchasers of the Notes in privately negotiated transactions through the initial purchaser or its affiliate, as our agent, concurrently with the closing of the Notes offering. During fiscal 2022, our Board of Directors terminated this previous share repurchase program and authorized a new $ 200 million share repurchase program (the " 2021 Share Repurchase Program ") ~~. Accordingly, we may continue to effect repurchases in open market or other transactions from time to time in the future~~ . On March 14, 2022, the Board of Directors expanded the 2021 Share Repurchase Program authorization by $ 100 million. In connection with this expanded authorization, on March 18, 2022, we entered into an accelerated share repurchase (" 2022 ASR Contract ") arrangement to repurchase an aggregate of $ 175 million of our common stock. **During January 2024, the Board of Directors expanded the repurchase authorization by approximately $ 1. 4 million to cover the repurchases associated with the issuance of the Additional 2028 Notes, and such repurchases exhausted the prior share repurchase authorization. In March 2024, the Board authorized a new $ 200 million share repurchase program (the " 2024 Share Repurchase Program "). Accordingly, we may continue to effect repurchases in open market or other transactions from time to time in the future.** Repurchases of shares of our common stock may cause or avoid an increase or a decrease in the market price of our common stock or the Notes and add volatility. There can be no assurance that repurchases will be made at the best possible price. Potential risks and uncertainties also include, but are not necessarily limited to, the amount and timing of future share repurchases and the origin of funds used for such repurchases. The existence of a share repurchase program could also cause the market price of our common stock to be higher than it would be in the absence of such a program and could potentially reduce the market liquidity for our common stock. Depending on market conditions and other factors, these repurchases may be commenced or suspended from time to time. Any such suspension could cause the market price of our common stock to decline. ~~On August 16, 2022, President Biden signed the Inflation Reduction Act (" IRA ") into law. The IRA enacted a 1 % excise tax on share repurchases made after December 31, 2022. We do not expect this provision of the Inflation Reduction Act to have a material impact on our financial results.~~

Fluctuations in quarterly performance including **retail** comparable ~~store~~ sales, sales per square foot, operating margins, timing of wholesale orders, royalty net revenue or other factors could have a material adverse effect on our earnings and our stock price. Our quarterly results of operations for each of our business segments have fluctuated in the past and can be expected to fluctuate in the future. Further, if global growth plans or productivity initiatives fail to meet our expected results, our overhead and other costs could increase without an offsetting increase in sales and net revenue. This could have a material adverse effect on our results of operations and financial condition, including but not limited to future impairments of store assets or goodwill. Our net revenue and operating results have historically been lower in the first half of our fiscal year due to general seasonal trends in the apparel and retail industries. Our **retail** comparable ~~store~~ sales, quarterly results of operations and stock price can also be affected by a variety of other factors, including, but not limited to: (i) shifts in consumer tastes and fashion trends; (ii) the timing of new store openings and the relative proportion of new stores to mature stores; (iii) the timing and effectiveness of planned store closures; (iv) calendar shifts of holiday or seasonal periods; (v) the timing of seasonal wholesale shipments; (vi) the effectiveness of our inventory management; (vii) the effectiveness and efficiency of our product distribution network; (viii) changes in our merchandise mix; (ix) changes in our mix of revenues by segment; (x) the timing of promotional events; (xi) actions by competitors; (xii) weather conditions; (xiii) public health crises; (xiv) changes in the business environment; (xv) inflationary changes in prices and costs; (xvi) changes in the payment of future cash dividends; (xvii) changes in currency exchange rates; (xviii) population trends; (xix) changes in patterns of commerce such as the expansion of e- commerce; (xx) the level of pre- operating expenses associated with new stores; and (xxi) volatility in securities' markets which could impact the value of our investments in non- operating assets. An unfavorable change in any of the above factors, among others could have a material adverse effect on our results of operations and our stock price. We cannot ensure we will continue paying **periodic** dividends at the current rates or **any dividends** at all. We cannot ensure we will continue periodic dividends on our common stock at the current rates, or **the payment of any dividends** at all. Changes in ~~our dividend~~ **the amount of,** and market perceptions and expectations with respect to **,** our **periodic** dividend **distributions** , may materially affect the price of our common stock and the Notes (as defined below). In addition, pursuant to the terms of the ~~indenture~~ **indentures** governing **our** ~~the~~ **then outstanding** Notes, ~~our~~ **the** ~~increase~~ **increases** to ~~the~~ **our** quarterly cash dividend in fiscal 2022 **and fiscal 2024 and our extraordinary cash dividend in fiscal 2025, required and will** ~~requires~~ - **require** adjustments to the conversion rate (resulting in an increase in the conversion rate) and the conversion price (resulting in a decrease in the conversion price) **of the Notes** in connection with the payment of ~~the~~ **those** ~~quarterly dividend~~ **dividends** . Refer to " Part IV. Financial Statements- Note 10- Convertible Senior Notes and Related Transactions " in this Form 10- K for disclosures about the Notes. Any ~~quarterly~~ dividends on our common stock will be paid from funds legally available for such purpose when, as and if declared by our Board of Directors. Holders of our equity securities have no contractual or other legal right to receive dividends. Decisions on whether, when and in ~~which~~ **what** amounts to continue making any future dividend distributions are entirely at the discretion of our Board of Directors, which reserves the right, in its sole discretion, to change or terminate our dividend practices at any time and for any reason without prior notice, including without limitation for any of the following reasons: (i) our cash requirements or plans might change for a wide variety of reasons, including changes in our financial position, capital allocation plans (including a desire to retain or accumulate cash), capital spending plans, stock purchase plans, acquisition strategies, strategic initiatives, debt payment plans (including a desire to maintain or improve credit ratings on our debt securities), **debt covenant requirements,** pension funding or other benefits payments; (ii) our ability to service and refinance our current and future indebtedness and our ability to borrow or raise additional capital to satisfy our capital needs; (iii) the amount of dividends that we may distribute to our shareholders is subject to restrictions under applicable law and restrictions imposed by our existing or future credit facilities, debt securities, then- outstanding preferred stock securities, if any, leases and other agreements, including restricted payment and leverage covenants; and (iv) the amount of cash that our subsidiaries may make available to us, whether by dividends, loans or other payments, may be subject to the legal, regulatory and contractual restrictions in our outstanding indebtedness. **For example, during the first and second quarters of fiscal 2021, we ultimately did not pay a quarterly cash dividend in light of the uncertainties related to the COVID- 19 pandemic. While we resumed paying a quarterly dividend in the third quarter of fiscal 2021, and increased the value of our quarterly dividend in November 2021 and May 2023, we may again in the future decide to not declare a cash dividend for an extended period of time, or to decrease the value of any cash dividend that we do declare.** Our **Co- Founders** ~~Two Founding Board Members~~ own a significant percentage of our common stock. Their respective interests may differ from the interests of our other stockholders. ~~Maurice Marciano~~ **Our co- founders** , ~~Board member, and~~ Paul Marciano, Chief Creative Officer and Board member **, and Maurice Marciano, a former executive officer and Board member of the Company** , collectively, beneficially own approximately 46 % of our outstanding shares of common stock as of March ~~20~~ **11** , **2024. In connection with share repurchases by the Company, in April** 2023 **we entered into voting agreements (as amended in March 2024, the " Voting Agreements ") with each of Maurice Marciano and Paul Marciano pursuant to which they have each agreed to vote a specified portion of their shares of common stock (exceeding 42. 75 % of their aggregate voting power of shares of our common stock as of the date of the voting agreements) in any stockholder action in accordance with the votes of all of the other stockholders of the Company** . The sale or prospect of the sale of a substantial number of ~~these~~ -- **the** shares **beneficially owned by Messrs. Paul or Maurice Marciano** could have an adverse impact on the market price of our common stock. Moreover, these individuals may have different interests than our other stockholders or among themselves and, accordingly, they may seek to direct the operations of our business in a manner contrary to the interests of our other stockholders. As long as these individuals **beneficially** own **and have voting power over** a significant percentage of our common stock, if aligned, they may effectively be able to: (i) elect our directors; (ii) amend or prevent amendment of our Restated Certificate of Incorporation or Bylaws; (iii) effect or prevent a merger, sale and / or purchase of assets or other corporate transactions; and (iv) control the outcome of any other matter submitted to our stockholders for vote. Their stock ownership, together with the anti- takeover effects of certain provisions of applicable Delaware law and our Restated Certificate of Incorporation and Bylaws, may discourage acquisition bids or allow the Marcianos to delay or prevent a change in control that may be favored by our other stockholders, which in turn could reduce our stock price or prevent our stockholders from realizing a premium over our common stock price.