

Risk Factors Comparison 2024-12-11 to 2023-12-08 Form: 10-K

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The risks described below are not the only risks we face. Additional risks that we do not yet know of or that we currently think are immaterial may also impair our future business operations. If any of the events or circumstances described in the following risks actually occur, our business, financial condition or results of operations could be materially adversely affected. In such cases, the trading price of our common stock could decline.

Operational Risk Factors Our net sales and profitability depend on our ability to continue to conceive, design and market products that appeal to our consumers. Our business depends on our ability to continue to conceive, design, manufacture and market new products and upon continued market acceptance of our product offering. As described elsewhere in this Report, product research and development is an important component of our success and our market strategy. Rapidly changing consumer preferences and trends make it difficult to predict how long consumer demand for our existing products will continue or what new products will be successful. A decline in consumer demand for our products, our failure to develop new products on a timely basis in anticipation of changing consumer preferences or the failure of our new products to achieve and sustain consumer acceptance could reduce our net sales and profitability. Intellectual property disputes relating to our products could increase our costs. Our industry is susceptible to litigation regarding patent infringement and infringement of other intellectual property rights. We could be either a plaintiff or a defendant in trademark, patent and / or other intellectual property infringement or misappropriation claims and claims of breach of license from time to time. The prosecution or defense of any intellectual property litigation is both costly and disruptive of the time and resources of our management and product development teams, even if the claim or defense against us is without merit. The scope of any patent or other intellectual property to which we have or may obtain rights also may not prevent others from developing and selling competing products. The validity and breadth of claims covered in patents and other intellectual property involve complex legal and factual questions, and the resolution of such claims may be highly uncertain, lengthy and expensive. In addition, our patents or other intellectual property may be held invalid upon challenge, or others may claim that we have improperly or invalidly sought patent or other intellectual property protection for our technology, thus exposing us to direct or counter claims in any patent or intellectual property proceeding. We could also be required to pay substantial damages or settlement costs to resolve intellectual property litigation. Furthermore, we may rely on trade secret law to protect technologies and proprietary information that we cannot or have chosen not to patent. Trade secrets, however, are difficult to protect. Although we attempt to maintain protection through confidentiality agreements with necessary personnel, contractors and consultants, we cannot guarantee that such contracts will not be breached. In the event of a breach of a confidentiality agreement or the divulgence of proprietary information, we may not have adequate legal remedies to maintain our trade secret protection. Litigation to determine the scope of intellectual property rights, even if ultimately successful, could be costly and could divert management's attention away from the Company's business. Any of these negative events could adversely affect our profitability or operating results. Product recalls and other claims could affect our financial position and results of operations. As a manufacturer and distributor of consumer products, we could be required to repurchase or recall one or more of our products if they are found to not meet quality or safety standards or be defective. A repurchase or recall of our products could be costly to us and could damage the reputation of our brands. If we were required to remove, or voluntarily remove our products from the market, our reputation could be tarnished and we might have large quantities of finished products that we could not sell. As a result, product recalls could have a material adverse effect on our business, results of operations and financial condition. We may experience difficulties in integrating strategic acquisitions. We have, as part of our strategy, historically pursued strategic acquisitions. The pursuit of future growth through acquisitions involves significant risks that could have a material adverse effect on our business. Risks associated with integrating strategic acquisitions include, but are not limited to:

- unanticipated costs relating to the integration of acquired businesses may increase our expenses and reduce our profitability;
- difficulties in achieving planned cost savings and synergies may increase our expenses;
- unanticipated management or operational problems or liabilities may adversely affect our profitability and financial condition; and / or
- breaches of the representations or warranties or other violations of the contractual obligations required by the acquisition agreement of other parties to the acquisition transaction and any contractual remedies related thereto may not adequately protect or compensate us.

We are dependent upon certain key members of management. Our success will depend to a significant degree on the abilities and efforts of our senior management. Moreover, our success depends on our ability to attract, retain and motivate qualified management, marketing, technical and sales personnel. These people are in high demand and often have competing employment opportunities. The labor market for skilled employees is highly competitive and we may lose key employees or be forced to increase their compensation to retain these people. Employee turnover could significantly increase our recruitment, training and other related employee costs. The loss of key personnel, or the failure to attract qualified personnel, could have a material adverse effect on our business, financial condition or results of operations. We rely on our credit facilities to provide us with sufficient working capital to operate our business. Because of the historic seasonal nature of our business, we have from time to time relied upon our credit facilities to provide us with adequate working capital to operate our business. To the extent we again become more dependent upon our credit facilities to fund our operations, if our lenders reduce or terminate our access to amounts under our credit facilities, we may not have sufficient capital to fund our working capital needs and / or we may need to secure additional capital or financing to fund our working capital requirements or to repay outstanding debt under our credit facilities. We can make no assurance that we will be successful in ensuring our availability of amounts under our credit facilities when they are needed or in connection with raising additional capital and that any amount, if raised, will be sufficient to meet

our cash flow requirements. In the event we do not have available cash balances on hand for funding future operations, and if we are not able to maintain our borrowing availability under our credit facilities at that time and / or raise additional capital when needed, we may be forced to sharply curtail our efforts to manufacture and promote the sale of our products or to curtail our operations. Our debt covenants may limit our ability to complete acquisitions, incur debt, make investments, sell assets, merge or complete other significant transactions. Our credit facilities and certain other of our debt instruments include limitations on a number of our activities in the event of a default, and in some cases regardless of whether a default has occurred, including our ability to: • incur additional debt; • create liens on our assets or make guarantees; • make certain investments or loans; or • dispose of or sell assets, make acquisitions above certain amounts or enter into a merger or similar transaction. Although in recent periods we have not had to borrow funds under our credit facilities, we still are required to comply with certain restrictive covenants in our credit facilities, any of which may limit our ability to engage in acts that may be in our best long term interests. Additionally, a breach of any of the restrictive covenants in our credit facilities could result in a default under these facilities. If a default occurs while we have borrowing amounts outstanding, the lenders under our credit facilities may elect to declare all outstanding borrowings, together with accrued interest, to be immediately due and payable, to terminate any commitments they have to provide further borrowings and to exercise any other rights they have under the facilities or applicable law. We may be subject to disruptions or failures in our information technology systems and network infrastructures that could have a material adverse effect on our business. We rely on the efficient and uninterrupted operation of complex information technology systems and network infrastructures to operate our business. We also hold data in various company- owned and third party data center facilities upon which our business depends. A disruption, infiltration, breach or failure of these information technology systems or any of these data centers as a result of software or hardware malfunctions, system implementations or upgrades, computer viruses, third- party security breaches, employee error, theft or misuse, malfeasance, power disruptions, natural disasters or accidents could cause breaches of data security, loss of intellectual property and critical data and the release and misappropriation of sensitive competitive information. Any of these events could result in the loss of key information, impair our production and supply chain processes, harm our competitive position, damage our reputation with customers, cause us to incur significant costs to remedy any damages and ultimately materially and adversely affect our business, results of operations and financial condition. While we have implemented a number of protective measures, such measures may not be adequate or implemented properly to prevent or fully address the adverse effect of such events. Our inability to manage our inventory levels could have a material adverse effect on our business. To ensure we are able to meet customer demand in a highly seasonal business, and to account for long lead times or disruptions in supply chain, we may at times purchase components or materials in advance of normal timing for issuing purchase orders or at greater levels than existing purchase orders on hand. If we or our customers overestimate demand, or if demand is impacted by factors outside of our customers' control, and anticipated sales ultimately do not materialize or are lower than expected, we may experience higher inventory carrying and operating costs and / or increased excess or obsolete inventory or reserve charges, which would negatively impact our results of operations and profitability. Moreover, inventory levels in excess of customer demand may result in lower than planned financial performance. Alternatively, if we underestimate demand for our products, we may experience inventory shortages resulting in delays in fulfilling customer demands while we work to replenish inventory levels, missed sales and / or lost revenues. Regulatory Risk Factors

Uncertainty over global tariffs, or the financial impact of tariffs, may negatively affect our results. Changes in Our business is impacted by international or cross- border trade, including the import and export of products and goods into and out of the United States and trade tensions among nations. For example, U. S. domestic and global tariff frameworks over the last three years have increased our costs of producing goods and resulted in additional risks to our supply chain. More tariff changes are also possible. We have developed strategies to mitigate, in part, previously implemented and, in some cases, proposed tariff increases, but there is no assurance we will be able to continue to mitigate the impact of tariff increases in substantial part on our financial and operating results. Further, uncertainties about future tariff changes could result in mitigation actions undertaken by us that could prove to be detrimental to our business and our relationships with our customers and suppliers. The scope of the tariffs and the rates at which they are implemented may continue to fluctuate and change in an unpredictable manner that further complicates our ability to implement mitigation actions. The effective tax rate of the Company may be negatively impacted by future changes to tax laws in global jurisdictions in which we operate. Changes in tax laws or tax rulings could have a material impact on our effective tax rate. Many countries in the European Union, as well as a number of other countries and organizations such as the Organization for Economic Cooperation and Development, are actively considering changes to existing tax laws. Certain proposals could include recommendations that could increase our tax obligations in many countries where we do business. Any changes in the taxation of our activities in such jurisdictions may result in a material increase in our effective tax rate. We are subject to environmental, climate change, safety and human rights regulations and legislation. We are subject to supranational, federal, state, local and foreign laws and other legal requirements related to the generation, storage, transport, treatment and disposal of materials as a result of our manufacturing and assembly operations. These laws include the Resource Conservation and Recovery Act (as amended), the Clean Air Act (as amended) and the Comprehensive Environmental Response, Compensation and Liability Act (as amended), as well as similar laws in foreign jurisdictions. Risk of environmental liability and changes associated with maintaining compliance with environmental laws is inherent in the nature of our business and there is no assurance that material liabilities or changes would not arise. We are also subject to various supranational, federal, state and local environmental, laws, ordinances, regulations and other legislation or requirements of governmental authorities as it relates to climate change. We believe we comply with such laws and regulations as such laws are currently in place . We Moreover, we do not believe that any direct or indirect consequences of any currently contemplated legislation related to climate change will have a material adverse effect on our operating costs, facilities, or products. However, evolving regulatory and legislative measures related to protecting against climate change could ultimately pose a risk to our business by influencing the buying patterns of our customers or increasing internal compliance

costs. The Company is also subject to the requirement of Section 1502 of the Dodd- Frank Wall Street Reform and Consumer Protection Act and SEC rules related thereto to conduct due diligence and disclose and report on whether certain minerals and metals, known as “ conflict minerals, ” are contained in the Company’ s products and whether they originate from the Democratic Republic of Congo (“ DRC ”) and adjoining countries. We may face reputational challenges if we determine that certain of our products contain minerals not determined to be conflict free or if we are unable to sufficiently verify the origins of all conflict minerals used in our products through the procedures we implement. Our failure to adequately protect personal information could have a material adverse effect on our business. A wide variety of local, state, national, and international laws, directives and regulations apply to the collection, use, retention, protection, disclosure, transfer, and other processing of personal data (including with respect to the European Union’ s General Data Protection Regulation and U. S. state laws such as the California Consumer Privacy Act). These data protection and privacy- related laws and regulations continue to evolve and may result in ever- increasing regulatory and public scrutiny and escalating levels of enforcement and sanctions and increased costs of compliance. Our failure to comply with applicable laws and regulations, or to protect such data, could result in enforcement actions against us, including fines, imprisonment of company officials and public censure, claims for damages by end- customers and other affected individuals, damage to our reputation and loss of goodwill (both in relation to existing end- customers and prospective end- customers), any of which could have a material adverse effect on our operations, financial performance, and business. Changing definitions of personal data and personal information, within the European Union, the United States, and elsewhere may limit or inhibit our ability to operate or expand our business, including limiting strategic partnerships that may involve the sharing of data. The evolving data protection regulatory environment may require significant management attention and financial resources to analyze and modify our information technology infrastructure to meet these changing requirements all of which could reduce our operating margins and impact our operating results and financial condition. Market and Economic Risk Factors Competition, consolidation and financial distress in our markets could reduce our net sales, profitability and cash flows. We operate in highly competitive markets. We compete with several large domestic and foreign companies such as Brunswick, Garmin, and Aqua Lung, with private label products sold by many of our retail customers and with other producers of outdoor recreation products. Some of our competitors have longer operating histories, stronger brand recognition and greater financial, technical, marketing and other resources than us. In addition, due to limited barriers to entry in some of the product industries we engage in, we may face competition from new participants in our markets or from existing participants developing and introducing new products into our market segments. Further, we experience price competition for our products, and competition for shelf space at retailers, all of which may increase in the future. Consolidation of our retail markets could result in fewer but larger retail customers, which may further result in lower selling prices or reduced sales volumes of our products or greater competition for shelf space in these retail markets. Further, financial distress or bankruptcies in our retail markets could negatively impact our operating results and cash flows. If we cannot compete in our product markets successfully in the future, our net sales, profitability and cash flows will likely decline. General economic conditions affect the Company’ s results. Our revenues are affected by economic conditions and consumer confidence worldwide, but especially in the United States and Europe. In times of economic uncertainty, consumers tend to defer expenditures for discretionary items, which affects demand for our products. Moreover, our businesses are cyclical and seasonal in nature, and their success is impacted by general economic conditions and specific economic conditions affecting the regions and markets we serve, the overall level of consumer confidence in the economy and discretionary income levels. Any substantial deterioration in general economic conditions that diminishes consumer confidence or discretionary income can reduce our sales and adversely affect our financial results. Moreover, declining economic conditions create the potential for future impairments of goodwill and other intangible and long- lived assets that may negatively impact our financial condition and results of operations. Various uncertainties tied to economic conditions, including significant adverse changes in business climate, adverse actions by regulators, unanticipated competition, loss of key customers, a downturn in the economy or in discretionary income levels or changes in consumer preferences could impact the expected cash flows to be generated by an asset or group of assets, and may result in an impairment of those assets. The impact of weak consumer credit markets, corporate restructurings, layoffs, prolonged high unemployment rates, declines in the value of investments and residential real estate, higher fuel prices and increases in federal and state taxation all can negatively affect our operating results. As noted above, because a substantial majority of our net revenue is generated through discretionary spending by consumers for our outdoor recreation products, a downturn in the economy resulting from prolonged supply chain disruptions or labor shortages, a significant increase in inflation rates (including in connection with rising interest rates through government action to fight inflationary trends), or a reduction in consumer confidence in the U. S. economy may have a material adverse impact on our business, financial condition and results of operations, as consumers generally reduce their discretionary spending during such periods. **We may experience elevated inflation- inflation in the markets in which we operate, with higher commodity, labor, freight and other cost pressure. While many costs may moderate over time, higher inflation rates have- could cause increased increases and may continue to rise- in wage levels, price increases from or our suppliers stay elevated for some time, all of which and could also negatively impact consumer confidence and discretionary spending patterns. Additionally, all of which can adversely impact our sales levels and cost structure. The inability to offset inflationary trends and uncertainties in the economic climate in the United States and elsewhere could- price increases through price increases from our customers, modifications to our products, continuous improvement actions or otherwise may have a similar negative impact- material adverse effect on the rate and amounts of purchases by our current and potential customers, create price inflation for our products, or our financial results otherwise have a negative impact on our expenses, gross margins and financial condition revenues, all of which could hinder our growth.** A limited number of our shareholders can exert significant influence over the Company. As of September 29-27, 2023-2024, Helen P. Johnson- Leipold, members of her family and related entities (hereinafter the Johnson Family), held approximately 75 % of the voting power of both classes of our common stock taken as a whole. This voting power would permit

these shareholders, if they chose to act together, to exert significant influence over the outcome of shareholder votes, including votes concerning the election of directors, by-law amendments, possible mergers, corporate control contests and other significant corporate transactions. Moreover, certain members of the Johnson Family have entered into a voting trust agreement covering approximately 99 % of our outstanding class B common shares. This voting trust agreement permits these shareholders, if they continue to choose to act together, to exert significant influence over the outcome of shareholder votes, including votes concerning the election of directors, by-law amendments, possible mergers, corporate control contests and other significant corporate transactions. Our shares of common stock are thinly traded and our stock price may be volatile. Because our common stock is thinly traded, its market price may fluctuate significantly more than the stock market in general or the stock prices of similar companies, which are exchanged, listed or quoted on NASDAQ or another stock exchange. We believe there are approximately 5, ~~387~~**360**, 000 shares of our Class A common stock held by non-affiliates as of September ~~29-27~~**, 2023-2024**. Thus, our common stock will be less liquid than the stock of companies with broader public ownership, and as a result, the trading price for our shares of common stock may be more volatile. Among other things, trading of a relatively small volume of our common stock may have a greater impact on the trading price for our stock than would be the case if our public float were larger. Our stock price is volatile and our shareholders may not be able to resell shares of Class A Common Stock at or above the price they paid. The trading price of our Class A Common Stock is highly volatile and could be subject to wide fluctuations in response to various factors, some of which are beyond our control. These factors include: • announcements relating to our earnings trends or with respect to any cost-cutting actions or other strategic transactions involving Johnson Outdoors; • announcements relating to, and disruptions in, the sourcing, timing, availability and cost of raw materials and components necessary for the production of our products; • announcements relating to product development efforts of Johnson Outdoors or competitors; • announcements relating to the receipt, modification or termination of customer or supplier contracts, including with respect to any government contracts or grants; • prevailing economic conditions; • business disruptions caused by weather events, pandemics, or other natural disasters; • disputes concerning Johnson Outdoors' or its competitors' intellectual property or other proprietary rights; • sales of our Class A Common Stock by our executive officers and directors or our significant shareholders in the future; • the lack of an active, liquid, and orderly market in our Class A Common Stock; • fluctuations in our quarterly operating results; and • the issuance of new or changed securities analysts' reports or recommendations regarding the shares of our Class A Common Stock. In addition, the stock markets in general, and the markets for equity securities in companies principally operating in the outdoor leisure or **discretionary** recreational product markets, have experienced periods of high volatility that have been often unrelated to the operating performance of the issuer. These broad market fluctuations may adversely affect the trading price or liquidity of our Class A Common Stock. Sources of and fluctuations in market prices of raw materials can affect our operating results. The primary raw materials we use in manufacturing our products are metals, resins, electronic components, and packaging materials. These materials are generally available from a number of suppliers, but traditionally we have chosen to concentrate our sourcing with a limited number of vendors for each commodity or purchased component. Although we believe our sources of raw materials are reliable and adequate for our current needs, adverse events in our supply chain may impact the pricing or availability of required raw materials and components to manufacture our products. Our profitability is also affected by significant fluctuations in the prices of the raw materials and components we use in our products, including the effect of fluctuations in foreign currency exchange rates on raw materials and purchased components. We may not be able to pass along any price increases in our raw materials or other component costs to our customers. As a result, an increase in the cost of raw materials, labor or other costs associated with the manufacturing of our products could increase our costs of sales and reduce our gross margins. Financial distress in supply chain and shortage of raw materials or components of supply. Deteriorating industry conditions can adversely affect our supply base. Lower production levels at our major suppliers and volatility in certain raw material and energy costs may result in severe financial distress among many companies within our supply base, which may result in issues impacting the sourcing, timing, availability and cost of raw materials and components necessary to manufacture our products. Financial distress within our supply base and / or our suppliers' inability to obtain credit from lending institutions could lead to commercial disputes and possible supply chain interruptions to our business. In addition, potential adverse industry conditions may require us to provide financial assistance or other measures to ensure uninterrupted production of key components or materials used in the production of our products which could have a material adverse effect on our existing and future revenues and net income. Additionally, in the event of catastrophic acts of nature such as fires, tsunamis, hurricanes and earthquakes or a rapid increase in production demands, either we, or our suppliers may experience supply shortages of raw materials or components. This could be caused by a number of factors, including a lack of production line capacity or manpower or working capital constraints. As our industry consolidates its supply base in order to manage the costs of purchased goods and services, there is greater dependence on fewer sources of supply for certain components and materials used in our products, which could increase the possibility of a supply shortage of any particular component. If we or one of our own suppliers experience a supply shortage, we may become unable to produce the affected products if we cannot procure the necessary components from another source. Such production interruptions could impede a ramp-up in production and could have a material adverse effect on our business, results of operations and financial condition. We consider the production capacities and financial condition of suppliers in our selection process, and expect that they will meet our delivery requirements. However, there can be no assurance that strong demand, capacity limitations, shortages of raw materials, labor disputes, freight capacity or other problems impacting our suppliers will not result in any shortages or delays in the supply of components to us. Currency exchange rate fluctuations could adversely affect the Company's results. We have significant foreign operations, for which the functional currencies are denominated primarily in euros, Swiss francs, Hong Kong dollars and Canadian dollars. As the values of the currencies of the foreign countries in which we have operations increase or decrease relative to the U. S. dollar, the sales, expenses, profits, losses, assets and liabilities of our foreign operations, as reported in our consolidated financial statements, increase or decrease, accordingly.

Approximately 14 % of our revenues for the year ended September 29-27, 2023-2024 were denominated in currencies other than the U. S. dollar. Approximately 6 % were denominated in euros and approximately 6 % were denominated in Canadian dollars with the remaining 2 % denominated in various other foreign currencies. We may mitigate a portion of the impact of fluctuations in certain foreign currencies on our operations through the purchase of foreign currency swaps, forward contracts and options to hedge known commitments denominated in foreign currencies or to reduce the risk of changes in foreign currency exchange rates on foreign currency borrowings. Because we rely on foreign suppliers and we sell products in foreign markets, we are susceptible to numerous international business risks that could increase our costs or disrupt the supply of our products. Our international operations subject us to risks, including: • economic and political instability; • restrictive actions by foreign governments, including with respect to tariffs or trade policies; • opportunity costs and reputational damage related to the presence of counterfeit versions of the Company’ s products in such foreign markets; • greater difficulty enforcing intellectual property rights and weaker laws protecting intellectual property rights; • changes in tariffs, import duties or import or export restrictions; • timely shipping of product and unloading of product, including the timely rail / truck delivery to our warehouses and / or a customer’ s warehouse of our products; • complications in complying with the laws and policies of the United States affecting the importation of goods, including tariffs, duties, quotas and taxes; • required compliance with U. S. laws that impact the Company’ s operations in foreign jurisdictions that do not impact local operating companies; and • complications in complying with trade and foreign tax laws. General Risk Factors Cyber security vulnerabilities, threats and more sophisticated and targeted computer crime could pose a risk to our systems, networks, products, solutions, services and data. Increased global cyber security vulnerabilities, threats, computer viruses and more sophisticated and targeted cyber- related attacks, as well as cyber security failures resulting from human error and technological errors, pose a risk to our systems, products and data as well as potentially to our employees’ , customers’ and suppliers’ data and systems that may ultimately impact us. We attempt to mitigate these risks by employing a number of measures, including employee training, monitoring and testing, and maintenance of protective systems and contingency plans, but we remain potentially vulnerable to additional known or unknown threats. There is no assurance the impact from such threats will not be material to our financial results or reputation and it could result in security breaches, theft, lost or corrupted data, misappropriation of sensitive, confidential or personal data or information, loss of trade secrets and commercially valuable information, production downtimes and operational disruptions, any of which may adversely affect our profitability or operating results. **While our Board of Directors oversees cybersecurity risk mitigation efforts as part of our Enterprise Risk Management Framework, we rely to a large degree on management and outside consultants in managing our cybersecurity risk and ensuring adequate and proper measures are in place to protect against these risks. Our Board of Directors reviews a biennial risk assessment survey and receives regular presentations and reports from management relative to information technology and cybersecurity matters. The Board of Directors has also designated the Audit Committee to receive reports at each of its quarterly meetings on Cybersecurity and to have management present on the same. Furthermore, our Audit Committee is responsible for reviewing all audit findings related to information technology general controls, internal and external vulnerability, and penetration testing. However, our directors do not have significant experience in cybersecurity risk management outside of the Company and therefore, its ability to fulfill its oversight function remains dependent on the input it receives from management and outside consultants.** Future terror attacks, war, natural disasters or other catastrophic events beyond our control could negatively impact our business. Terror attacks, war or other civil disturbances, natural disasters and other catastrophic events could lead to economic instability and decreased demand for our products, which could negatively impact our business, financial condition, results of operations and cash flows. In the past, terrorist attacks have caused instability in global financial markets and the industries in which we compete and have negatively affected spending on consumer discretionary products. In addition, our facilities are located throughout the world and could be subject to damage from terrorism incidents or from fires, floods, earthquakes or other natural or man- made disasters. Terrorist incidents could also lead to increased border security which could in turn negatively impact our global supply chain by causing shipping delays or shortages in key materials or components, increasing the cost of such goods or requiring us to keep greater inventories, any of which may adversely impact our business, results of operations, financial condition or cash flows. **We are currently operating in a period of geopolitical instability resulting from the ongoing military conflict between Russia and the Ukraine and the conflict in the Middle East, which have significantly contributed to economic uncertainty, capital market disruption and supply chain interruptions in the U. S. and global markets. While the length and impact of the ongoing conflicts are unpredictable, they could continue to lead to market disruptions, including supply chain interruptions and significant volatility in commodity prices, and in credit and capital markets. These conflicts may lead to sanctions and other penalties being levied or taken by various countries against Russia, Iran or other countries involved in these conflicts by the U. S., the EU, and other countries. Escalation of, or new geopolitical conflicts, could adversely affect the global economy and financial markets and lead to instability and lack of liquidity in capital markets, potentially further disrupting the supply chain for necessary components and raw materials used by us or our suppliers in producing products. Any of the foregoing factors could have a material adverse effect on our business, operating results, financial condition and cash flows.** Our business is susceptible to adverse weather conditions or events. Our success is in part affected by adverse weather conditions, including fires, floods, tornadoes, severe cold and other natural disasters. Such events have the tendency to create fluctuations in demand for our products which may increase our expenses and reduce our profitability. Moreover, our profitability is affected by our ability to successfully manage our inventory levels and demand for our products, which, in part depends upon the efficient operation of our production and delivery systems. These systems are vulnerable to damage or interruption from the aforementioned natural disasters. Such natural disasters could adversely impact our ability to meet delivery requirements of our customers, which may result in our need to incur extra costs to expedite production and delivery of product to meet customer demand. Any of these events could negatively impact our profitability.

