

Risk Factors Comparison 2025-04-17 to 2024-04-11 Form: 10-K

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

Risks Related to Our Business and Industry We are subject to risk as a result of our international manufacturing operations. Because most of our products are manufactured at our facilities located in China, Vietnam, Mexico, Argentina, **New Zealand**, **Romania** and India, our operations are subject to risks inherent in doing business internationally. Such risks include the adverse effects on operations from corruption, war, international terrorism, civil disturbances, political instability, **trade wars**, government activities such as border taxes and renegotiation of treaties, deprivation of contract and property rights and currency valuation changes. Based on the complex relationships between China and the U. S., there is an inherent risk that political, diplomatic, military, or other events could result in business disruptions, including increased regulatory enforcement against companies, tariffs, trade embargoes, and export restrictions. **In recent years, the United States has imposed tariffs on various products imported into the United States. These tariffs have resulted in, and may continue to trigger, retaliatory actions by affected countries, including the imposition of tariffs on the United States by other countries. Under the current administration, trade policy has been a central focus, with renewed scrutiny on trade relationships with China and efforts to renegotiate or withdraw from key agreements such as the United States- Mexico- Canada Agreement (USMCA). This shift has included the introduction of additional tariffs, including on Mexican, Canadian, Chinese, Vietnamese, European Union and Indian goods, targeted sanctions, and restrictions on investments linked to industries deemed critical to U. S. national security. Certain foreign governments, such as China, Canada, Mexico and the European Union, have instituted or are considering imposing trade sanctions on certain U. S. goods and denying U. S. companies access to critical raw materials. The extent and duration of increased tariffs, which we are unable to predict, and the resulting impact on general economic conditions and on our business are uncertain and depend on various factors, such as negotiations between the U. S. and affected countries, the responses of other countries or regions, exemptions or exclusions that may be granted, availability and cost of alternative sources of supply, and demand for our products in affected markets.** Tariffs increase the cost of our products and the components and raw materials that go into making them. These increased costs adversely impact the gross margin we earn on our products. Tariffs can also make our products more expensive for customers, which could make our products less competitive and reduce consumer demand. Countries may also adopt other measures, such as controls on imports or exports of goods, technology, or data, that could adversely impact the Company's operations and supply chain and limit the Company's ability to offer our products and services as designed. These measures can require us to take various actions, including changing suppliers and restructuring business relationships. Changing our operations in accordance with new or changed trade restrictions can be expensive, time-consuming, disruptive to our operations and distracting to management. Such restrictions ~~can~~ **have been, and in the future may be announced, amended, paused, reinstated or rescinded** with little or no advance notice, and we may not be able to mitigate all adverse impacts from such measures, effectively. Political uncertainty surrounding trade and other international disputes could also have a negative effect on consumer confidence and spending. Any of these events could reduce customer demand, increase the cost of our products and services, or otherwise have a materially adverse impact on our customers' and suppliers' businesses and results of operations, **which could in turn adversely impact our financial performance and growth prospects.** A terrorist attack or other geopolitical crisis could negatively impact our domestic and / or international operations. Our global operations are susceptible to global events, including acts or threats of war or terrorism, international conflicts, political instability, and natural disasters. The occurrence of any of these events could have an adverse effect on our business results and financial condition. The impact of the invasion of Ukraine, including economic sanctions or **additional expansions of the war or other military conflict conflicts**, as well as potential responses to them by Russia, could adversely affect the Company's business, supply chain, suppliers or customers and potentially heighten our risk of cyber- attacks. In addition, **although negotiations for a potential ceasefire are ongoing, there is no certainty as to whether, when, or for how long any such ceasefire would have effect, and** the continuation of Russia's invasion of Ukraine could lead to other disruptions, instability, and volatility in global markets and industries that could negatively impact the Company's operations. It is not possible to predict the broader consequences of this conflict, which could include further sanctions, embargoes, regional instability, geopolitical shifts and adverse effects on macroeconomic conditions, the availability of raw materials, supplies, freight and labor, currency exchange rates and financial markets, all of which could impact the Company's business, financial condition and results of operations. Further escalation of specific trade tensions, including those between the U. S. and China, **and those between the U. S. and Mexico and Canada**, or more broadly in global trade conflicts, could adversely impact the Company's business and operations. The Company's business is also impacted by social, political, and labor conditions in locations in which the Company or its suppliers or customers operate; adverse changes in the availability and cost of capital; monetary policy; interest rates; inflation; recession; commodity prices; currency volatility or exchange control; ability to expatriate earnings; and other laws and regulations in the jurisdictions in which the Company or its suppliers or customers operate. For example, changes in local economic conditions or outlooks, such as lower economic growth rates in China, Europe, or other key markets, impact the demand or profitability of the Company's products. **11** **We** **8** **Pandemics or disease outbreaks, such as.....** of operations and cash flow. We have significant international operations and are subject to the risks of doing business in foreign countries, particularly in China and Vietnam, which could affect our ability to manufacture or sell our products, obtain products from foreign suppliers or control the costs of our products. We have business operations in **16** approximately 60 foreign countries. In ~~FY24~~ **FY25**, more than half of our net sales were made by operations outside the United

States. Those operations are subject to various political, economic and other risks and uncertainties, which could have a material adverse effect on our business. These risks include the following: · unexpected changes in regulatory requirements; · changes in trade policy or tariff regulations, **including the current U. S. presidential administration’ s announced policy of increasing tariffs on all imports and threatening heightened tariffs in specific circumstances, including on certain goods imported from China, Vietnam, India, Mexico and other countries**; · changes in tax laws and regulations; · additional valuation allowances on deferred tax assets due to an inability to generate sufficient profit in certain foreign jurisdictions; · intellectual property protection difficulties or intellectual property theft; · difficulty in collecting accounts receivable; · complications in complying with a variety of foreign laws and regulations, some of which may conflict with U. S. laws; · foreign privacy laws and regulations; · trade protection measures and price controls; · trade sanctions and embargoes; · nationalization and expropriation; · increased international instability or potential instability of foreign governments; · effectiveness of worldwide compliance with Lakeland’ s anti- bribery policy, the U. S. Foreign Corrupt Practices Act, and similar local laws; · difficulty in hiring and retaining qualified employees; · the ability to effectively negotiate with labor unions in foreign countries; · the need to take extra security precautions for our international operations; · costs and difficulties in managing culturally and geographically diverse international operations; and · pandemics and similar disasters. In particular, because a majority of our products are manufactured in China and Vietnam, the possibility of **further** adverse changes in trade or political relations with China or Vietnam, political instability in China or Vietnam, increases in labor costs, the occurrence of prolonged adverse weather conditions or a natural disaster such as an earthquake or typhoon in China or Vietnam, or the outbreak of a pandemic disease in China or Vietnam could severely interfere with the manufacturing and / or shipment of our products and would have a material adverse effect on our operations. Our business operations may be adversely affected by the current and future political environment in the People’ s Republic of China (“ PRC ”). The government of the PRC has exercised and continues to exercise substantial control over virtually every sector of the Chinese economy through regulation and state ownership. Our ability to operate under the PRC may be adversely affected by changes in Chinese laws and regulations, including those relating to taxation, import and export tariffs, raw materials, environmental regulations, land use rights, property, **and other matters**. Under its current leadership, the government of the PRC has been pursuing economic reform policies that encourage private economic activity and greater economic decentralization. There is no assurance, however, that the government of the PRC will continue to pursue these policies or that it will not significantly alter these policies from time to time without notice. A change in policies by the PRC government could adversely affect our interests by, among other factors: changes in laws, regulations or the interpretation thereof, confiscatory taxation, restrictions on currency conversion, imports or sources of supplies, or the expropriation or nationalization of private enterprises. ~~9The~~ **The** PRC government exercises significant control over the Chinese economy, including but not limited to controlling capital investments, allocating resources, setting monetary policy, controlling and monitoring foreign exchange rates, implementing and overseeing tax regulations, providing preferential treatment to certain industry segments or companies and issuing necessary licenses to conduct business. In addition, we could face additional risks resulting from changes in the PRC’ s data privacy and cybersecurity requirements. Accordingly, any adverse change in the Chinese economy, the PRC legal system or the PRC governmental, economic or other policies could have a material adverse effect on our entities in the PRC and our prospects generally. ~~We~~ **The ongoing trade war between the U. S. and China could exacerbate these risks.** ~~12We~~ face additional risks in the PRC due to the country’ s historically limited recognition and enforcement of contractual and intellectual property rights. We may ~~experience difficulty~~ **have trouble** enforcing our intellectual property rights in the PRC. Unauthorized use of our technologies and intellectual property rights by partners or competitors may dilute or undermine the strength of our brands. If we cannot adequately monitor the use of our technologies and products or enforce our intellectual property rights in the PRC or contractual restrictions relating to the use of our intellectual property by Chinese companies, our revenue could be adversely affected. Our entities are subject to laws and regulations applicable to foreign investment in the PRC. There are uncertainties regarding the interpretation and enforcement of laws, rules and policies in the PRC. Because many laws and regulations are relatively new, the interpretations of many laws, regulations and rules are not always uniform. Moreover, the interpretation of statutes and regulations may be subject to government policies reflecting domestic political agendas. Enforcement of existing laws or contracts based on existing laws may be uncertain and sporadic. As a result of the foregoing, it may be difficult for us to obtain swift or equitable enforcement of laws ostensibly designed to protect companies like ours, which could have a material adverse effect on our business and results of operations. Any one or more of these risks could have a negative impact on the success of our international operations and, thereby, have a material adverse effect on our business, consolidated results of operations and financial condition. Our results of operations may vary widely from quarter to quarter. Our quarterly results of operations have varied and are expected to continue to vary in the future. These fluctuations may be caused by many factors, including: · Currency volatility; · Global crises, such as ~~the COVID-19 pandemic~~ **pandemics**, oil spills, or Ebola ~~outbreak~~ **outbreaks**; · Our expansion of international operations; · Competitive pricing pressures; · Seasonal buying patterns resulting from the cyclical nature of the business of some of our customers; · Changes in the mix of products and services sold; · The timing of introductions and enhancements of products by us or our competitors; · Market acceptance of new products; · Technological changes in fabrics or production equipment used to make our products; · Availability of raw materials due to unanticipated demand or lack of precursors (oil and gas); · Changes in the mix of domestic and international sales; and · Personnel changes. These variations could negatively impact our stock price. Disruption in our supply chain, manufacturing or distribution operations could adversely affect our business. Our ability to manufacture, distribute and sell products is critical to our operations. These activities are subject to inherent risks such as natural disasters, power outages, fires or explosions, labor strikes, terrorism, epidemics, pandemics, import restrictions, regional economic, business, environmental or political events, governmental regulatory requirements or nongovernmental voluntary actions in response to global climate change or other concerns regarding the sustainability of our business, which could disrupt our supply chain and impair our ability to manufacture or sell our products. **If** ~~This interruption, if~~ not mitigated in advance or

otherwise effectively managed, **this interruption** could adversely impact our business, financial condition and results of operations and require additional resources to address. ~~10Climate~~ **Climate** change and other sustainability matters may adversely affect our business and operations. There is growing concern that carbon dioxide and other greenhouse gases in the atmosphere may have an adverse impact on global temperatures, weather patterns, and the frequency and severity of extreme weather and natural disasters. We have transition risks related to the transition to a lower- carbon economy and physical risks ~~related to~~ **associated with** the physical impacts of climate change. Transition risks include increased costs of carbon emission, increased cost to produce products in compliance with future regulations, increased raw materials cost, shifts in customer / consumer values and other legal, regulatory and technological risks. Physical risks include the risk of direct damage to assets or supply chain disruption caused by severe weather events such as floods, storms, wildfires and droughts. In addition, concern over climate change may result in new legal and regulatory requirements to reduce or mitigate the effects of climate change on the environment. Our reputation could be damaged if we do not (or are perceived not to) act responsibly with respect to sustainability matters, which could adversely affect our business. ~~8Pandemics~~ **13Pandemics** or disease outbreaks, such as COVID- 19, may cause unfavorable economic or market conditions, which could impact demand patterns and / or disrupt global supply chains and manufacturing operations. ~~Collectively, these outcomes could materially and adversely affect our business, results of operations and financial condition.~~ Pandemics or disease outbreaks such as COVID- 19 could result in a widespread health crisis that could adversely affect the economies of developed and emerging markets, potentially resulting in an economic downturn that could affect customers' demand for our products in certain industrial- based end- markets. The spread of pandemics or disease outbreaks may also disrupt the Company' s manufacturing operations, supply chain, or logistics necessary to import, export and deliver products to our customers. During a pandemic or crisis, applicable laws and response directives could, in some circumstances, adversely affect our ability to operate our plants, ~~or to deliver our products in a timely manner.~~ The enactment of laws and directives aimed at mitigating health crises may also hinder our ability to move certain products across borders. Economic conditions can also influence order patterns. **Collectively, these outcomes could materially and adversely affect our business, results of operations and financial condition.** Because we do not have long- term commitments from many of our customers, we must estimate customer demand, and errors in our estimates could negatively impact our inventory levels and net sales. Our sales are generally made **based** on the basis of individual purchase orders, which may later be modified or canceled by the customer rather than on long- term commitments. We have historically been required to place firm orders for fabrics and components with our suppliers ~~before~~ **prior to** receiving an order for our products based on our forecasts of customer demands. Our sales process requires us to make multiple demand forecast assumptions, each of which may introduce errors in our estimates, causing excess inventory to accrue or a lack of manufacturing capacity when needed. If we overestimate customer demand, as we have done in recent years, we may allocate resources to manufacturing products that we may not be able to sell when we expect to or at all. As a result, we experienced in fiscal year 2024 a buildup of excess inventory, with corresponding negative impacts on our financial results. We may experience similar results if we overestimate customer demand in the future. Conversely, if we underestimate customer demand or if insufficient manufacturing capacity is available, we would lose sales opportunities and market share and damage our customer relationships. On occasion, we have been unable to adequately respond to delivery dates required by our customers because of the lead time needed for us to obtain required materials or to send fabrics to our assembly facilities in China, Vietnam, India, and Mexico. The markets ~~in which we compete~~ **in** are highly competitive, and some of our competitors have greater financial and other resources than we do. Some of our competitors have greater financial and other resources than we do, and our business could be adversely affected by competitors' new product innovations, technological advances made to competing products and pricing changes made by us in response to competition from existing or new competitors. We may not be able to compete successfully against current and future competitors, and the competitive pressures ~~we faced~~ **face** by us could have a material adverse effect on our business, consolidated results of operations and financial condition. In addition, e- business is a rapidly developing area, and the execution of a successful e- business strategy involves significant time, investment, **and** resources. ~~Five~~ **Three** of our competitors, DuPont, ~~Honeywell,~~ Ansell, **and** MSA ~~and Kimberly Clark~~, have substantially greater financial, marketing and sales resources than we do. In addition, we believe that the barriers to entry in the disposable and reusable garments and gloves markets are relatively low. We cannot assure you that our present competitors or competitors that choose to enter the marketplace in the future will not exert significant competitive pressures. Our operations are substantially dependent upon key personnel. Our performance is substantially dependent on the continued services and performance of our senior management and certain other key personnel, including James M. Jenkins, our ~~Acting~~ President and Chief Executive Officer and Executive Chairman; Roger D. Shannon, our Chief Financial Officer and Secretary; Helena An, our Chief Operating Officer, ~~and Joshua Sletten~~ **Laurel A. Yartz**, our ~~Vice President of Corporate Development~~ **Chief Human Resources Officer**; **Barry G. Phillips, our Chief Revenue Officer – Fire;** and ~~Strategy~~ **Cameron S. Stokes our Chief Commercial Officer – Global Industrials**. The loss of services of any of our executive officers or other key employees could have a material adverse effect on our business, financial condition, **and** results of operations. In addition, any future expansion of our business will depend on our ability to identify, attract, hire, train, retain and motivate other highly skilled managerial, marketing, customer service and manufacturing personnel, and our inability to do so could have a material adverse effect on our business, financial condition and results of operations. ~~11Technological~~ **14Technological** change could negatively affect sales of our products and our performance. The rapid development of fabric technology continually affects our apparel applications and may directly impact the performance of our products. We cannot assure you that we will successfully maintain or improve the effectiveness of our existing products, nor can we assure you that we will successfully identify new opportunities or continue to have the needed financial resources to develop new fabric or apparel manufacturing techniques in a timely or cost- effective manner. In addition, products manufactured by others may render our products obsolete or noncompetitive. Cybersecurity incidents could disrupt business operations, result in the loss of critical and confidential information and adversely impact our reputation and results of operations. We rely on information technology

systems to process, transmit and store electronic information and manage or support various business processes and activities. In general, all information technology systems, including those we host or have hosted by third parties, are vulnerable to damage or interruption from fire, flood, power loss, telecommunications failure, human error or malicious acts, break-ins, and other intentional or unintentional events. Our business is also at risk from and may be materially impacted and / or disrupted by information security incidents such as ransomware, malware, viruses, phishing, social engineering, and other security incidents. Such incidents can range from individual attempts to gain unauthorized access to information technology systems through phishing emails to more sophisticated security threats. These events can also result from internal compromises, such as human error or rogue employees or contractors, and can occur on our systems or on the systems of our partners and subcontractors. In addition, the number and frequency of cybersecurity events globally may be heightened during times of geopolitical tension or instability between countries, including, for example, the ongoing war between Russia and Ukraine. Security breaches of our systems or security breaches of third parties' systems on which we rely to process, store, or transmit electronic information could result in the misappropriation, destruction or unauthorized disclosure of confidential information or personal data, as well as material disruptions to our operations that could impact services. We employ various measures to prevent, detect, address and mitigate cybersecurity threats (including access controls, vulnerability assessments, training for all employees with electronic access to confidential information, continuous monitoring of our IT networks and systems and maintenance of backup and protective systems). However, our security measures may be inadequate to prevent security breaches, and our business operations and reputation could be materially adversely affected by these events and any resulting federal and state fines and penalties, legal claims or proceedings. There are also significant costs associated with a data breach, including investigation costs, remediation and mitigation costs, notification and monitoring costs, attorneys' fees, and the potential for reputational harm and lost revenues due to a loss of confidence. We cannot predict the costs to comply with these laws or the costs associated with a potential data breach, which could have a material adverse effect on our business, results of operations, financial position and cash flows, and our business reputation. As cyber threats continue to evolve, we may be required to expend significant capital and other resources to protect against the threat of security breaches or to mitigate and alleviate problems caused by security incidents. While risks from there have been no identified cybersecurity threats or previous cybersecurity incidents to date, in the last three years that have not materially affected our business strategy, results of operations or financial condition to date, there can be no assurance that such risks will not have a material adverse effect in the future. Data privacy and security laws relating to the handling of personal information are evolving across the world and may be drafted, interpreted, or applied in a manner that results in increased costs, legal claims, fines against us, or reputational damage. As a global organization that accesses and processes personal data in the course of its business, we are subject to U. S. and international data privacy, security and data breach notification laws, as well as contractual requirements that may govern the collection, use, disclosure and protection of personal data. For example, in the United States, individual states state regulate statutes establish mandatory data breach notification requirements as well as more general privacy and security requirements. All Certain of these laws grant individuals various rights with respect to personal information, and we may be required to expend significant resources to comply with these laws. Further, all 50 states, the District of Columbia and U. S. territories have adopted data breach notification laws that impose, in varying degrees, an obligation to notify affected persons and / or state regulators in the event of a data breach or compromise, including when their personal information has or may have been accessed by an unauthorized person. These laws apply according to the residence of the impacted individual. Some state breach notification laws may also impose physical and electronic security requirements regarding the safeguarding of personal information. In addition, certain various states state privacy, security, and data breach laws, including, for grant individuals various rights with respect to personal information and may require significant expense and resources to comply with these laws. For example, the California Consumer Privacy Act ("CCPA") (as amended by the California Privacy Rights Act) is one of a few state privacy laws that include private rights of action that may expose us to private litigation regarding our privacy and security practices and significant damages awards or settlements in civil litigation. 15 Outside the United States, as our company continues to grow internationally through acquisitions as well as expanded business operations, we may be subject to established and continuously evolving international laws and regulations regarding individual rights around personal information and the cross-border transfers thereof. For example, Regulation (EU) 2016 / 679 (General Data Protection Regulation) ("GDPR") and its counterpart in the United Kingdom, the Personal Information Protection Law of the People's Republic of China, adopted August 20, 2021, effective November 1, 2021 ("PIPL"), the Personal Information Protection and Electronic Documents Act in Canada ("PIPEDA"), and other such international privacy laws around the world, as well as their implementing regulations, contain data breach notification requirements, outline certain obligations and restrictions around the collection, processing, and cross-border transfers of personal information, and may also grant individuals certain consumer rights over their personal information. Given our organization's international locations and global distribution networks, 12 Compliance compliance with the varying data privacy regulations requirements in effect across the United States and around the world, particularly as they continue to evolve in many countries, may require necessitate expenditures and changes in our business models. Failure to comply with these statutory requirements, or even the occurrence of a data breach, can subject us to legal, regulatory, and reputational risks, as well as the financial risks that can accompany regulatory investigations and enforcement actions and private litigation. Our success depends in part on our proprietary technology, and if we fail to successfully obtain or enforce our intellectual property rights, our competitive position may be harmed. We rely on our portfolio of issued and pending patent applications in the U. S. and other countries to protect a large part of our intellectual property and our competitive position; however, these patents may be insufficient to protect our intellectual property rights because our patents may be challenged, invalidated, held unenforceable, circumvented, or may not be sufficiently broad to prevent third parties from producing competing products similar in design to our products and foreign patents protections may be more limited than those provided under U. S. patents and intellectual property laws. We may not be

afforded the protection of a patent if our currently pending or future patent filings do not result in the issuance of patents or if we fail to apply for patent protection. We may fail to apply for a patent if our personnel fail to disclose or recognize new patentable ideas or innovations. Remote working can decrease the opportunities for our personnel to collaborate, thereby reducing the opportunities for effective invention disclosures and patent application filings. We may choose not to file a foreign patent application if the limited protections provided by a foreign patent outweigh the costs of obtaining it. Our foreign patent portfolio is less extensive than our U. S. portfolio. Our inability to maintain the proprietary nature of our technology through patents, copyrights or trade secrets would impair our competitive advantages and could have a material adverse effect on our operating results, financial condition and future growth prospects. **A** In particular, a failure to protect our intellectual property rights might allow competitors to copy our technology or create counterfeit or pirated versions of our products, which could adversely affect our reputation, pricing and market share. Our inability to successfully identify, consummate and integrate current and future acquisitions and strategic investments or to realize anticipated cost savings and other benefits could adversely affect our business. In the future, subject to capital constraints, we may seek to acquire selected safety product lines or safety- related businesses or other businesses that will complement our existing products. Our ability to acquire these businesses is dependent upon many factors, including our management's relationship with the owners of these businesses, many of which are small and closely held by individual stockholders. In addition, we will be competing for acquisition and expansion opportunities with other companies, many of which have greater name recognition, marketing support and financial resources than us, which may result in fewer acquisition opportunities for us, as well as higher acquisition prices. There can be no assurance that we will be able to identify, pursue or acquire any targeted business. If we are unable to integrate or successfully manage businesses that we have recently acquired or may acquire in the future, we may not realize anticipated cost savings, improved manufacturing efficiencies and increased revenue, which may result in material adverse short and long- term effects on our consolidated operating results, financial condition and liquidity. Even if we are able to integrate the operations of our acquired businesses into our operations, we may not realize the full benefits of the cost savings, revenue enhancements or other benefits that we may have expected at the time of acquisition. In addition, even if we achieve the expected benefits, we may not be able to achieve them within the anticipated time frame, and such benefits may be offset by costs incurred in integrating the acquired companies and increases in other expenses. **Acquisitions** **16Acquisitions** involve a number of special risks in addition to those mentioned above, including the diversion of management's attention to the assimilation of the operations and personnel of the acquired companies, the potential loss of key employees of acquired companies, potential exposure to unknown liabilities, adverse effects on our reported operating results and the amortization or write- down of acquired intangible assets. We cannot assure you that any acquisition by us will or will not occur, that if an acquisition does occur, it will not materially and adversely affect our results of operations or that any such acquisition will be successful in enhancing our business. To the extent that we are unable to manage growth efficiently and effectively or are unable to attract and retain additional qualified management personnel, our business, financial condition and results of operations could be materially and adversely affected. **13** ~~On November 30, 2023, the Company acquired New Zealand-based Pacific Helmets NZ Limited (" Pacific") in an all- cash transaction valued at approximately \$ 8. 5 million, subject to post- closing adjustments and customary holdback provisions. Pacific Helmets is a leading designer and manufacturer of helmets for the structural firefighting, wildland firefighting, and rescue markets. The acquisition enhances Lakeland's product portfolio, particularly within fire service. Beginning in October 2021, the Company has made a series of strategic investments totaling \$ 8. 0 million in Inova Design Solutions Ltd. (doing business as Bodytrak ®) (" Bodytrak ") as a step toward entering the Connected Worker Market for " Smart PPE. " Through January 31, 2024, the Company has recognized a total of \$ 1. 1 million in losses from its investment in Bodytrak. The Company may incur additional losses. On February 5, 2024, the Company acquired Italy and Romania-based Jolly Scarpe S. p. A. and Jolly Scarpe Romania S. R. L. (collectively, " Jolly") in an all- cash transaction valued at approximately \$ 9. 3 million subject to post- closing adjustments and customary holdback provisions. Jolly is a leading designer and manufacturer of professional footwear for the firefighting, military, police, and rescue markets. The company is headquartered in Montebelluna, Italy, with manufacturing operations in Bucharest, Romania, and has 150 employees. Jolly provides a differentiated product portfolio through its continued investment in research and development and the use of modern materials and cutting- edge technologies in the production of its footwear. See Note 15, " Subsequent Events, " to the consolidated financial statements in Item 8 of this Annual Report on Form 10- K for additional information.~~ Changes in financial accounting standards or policies have affected, and in the future may affect, our reported financial condition or results of operations; there are inherent limitations to our system of internal controls; changes in corporate governance requirements, policies and practices may impact our business. We prepare our consolidated financial statements in conformity with GAAP. The preparation of our financial statements in accordance with GAAP requires that we make estimates and assumptions that affect the recorded amounts of assets, liabilities and net income during the reporting period. A change in the facts and circumstances surrounding those estimates could result in a change to our estimates and could impact our future operating results. GAAP is subject to interpretation by the Financial Accounting Standards Board (" FASB "), the SEC and various bodies formed to interpret and create accounting policies. A change in those policies can have a significant effect on our reported results and may affect our reporting of transactions that are completed before a change is announced. A significant change in our accounting judgments could have a significant impact on our reported revenue, gross profit, assets and liabilities. In general, changes to accounting rules or challenges to our interpretation or application of the rules by regulators may have a material adverse effect on our reported financial results or on the way we conduct business. Our system of internal and disclosure controls and procedures was designed to provide reasonable assurance of achieving its objectives. However, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been or will be detected. As a result, there can be no assurance that our system of internal and disclosure controls and procedures will be successful in preventing all errors, theft and fraud or in informing management of all material information in a timely manner. For example, as disclosed in Item 9A of this annual report, we **have are in the process**

of remediated remediating a material weakness related to inconsistencies in enterprise-wide controls over our foreign subsidiary currency translation or remeasurement to ensure the foreign subsidiary's account balances were accurately stated in the consolidated financial statements reporting resulting from our acquisition of several subsidiaries over the past two years. We can give no assurance that additional material weaknesses will not arise in the future. Finally, corporate governance, public disclosure and compliance practices continue to evolve based on continuing legislative action, SEC rulemaking and policy positions taken by large institutional stockholders and proxy advisors. As a result, the number of rules, regulations and standards applicable to us may become more burdensome to comply with, could increase scrutiny of our practices and policies by these or other groups and increase our legal and financial compliance costs and the amount of time management must devote to governance and compliance activities. For example, the SEC has recently adopted rules requiring that issuers provide significantly increased disclosures concerning cybersecurity risk management, strategy, governance and incident reporting and adopt more stringent executive compensation clawback policies. Increasing regulatory burdens and corporate governance requirements could make it more difficult for us to attract and retain qualified members of our Board of Directors and qualified executive officers.

17We are implementing a new enterprise resource planning system, and challenges with the planning or implementation of the system may impact our internal control over financial reporting, business and operations. We are undertaking a multi-year process of implementing a complex new SAP enterprise resource planning system ("ERP"), which is a major undertaking that will replace most of our existing operating and financial systems. An ERP system is used to maintain financial records, enhance data security and operational functionality and resiliency, and provide timely information to management related to the operation of a business. The SAP ERP implementation will require the integration of the new ERP with existing information systems and business processes. Our ERP planning has required, and the ongoing planning and future implementation of the new ERP will continue to require, investment of significant capital and human resources, requiring the attention of members of our management team. Any deficiencies in the design, or delays or issues encountered in the implementation, of the new SAP ERP could result in significantly greater capital expenditures and employee time and attention than currently contemplated and could adversely affect our ability to operate our business, including effective management of our invoicing and accounts receivable and collections processes, file timely reports with the SEC or otherwise affect the proper and efficient operation of our controls. If the system as implemented, or after necessary investments, does not result in our ability to maintain accurate books and records, our financial condition, results of operations, and cash flows could be materially adversely impacted. Additionally, conversion from our old system to the new ERP may also cause inefficiencies until the ERP is stabilized and mature. The implementation of our new ERP will require new procedures and many new controls over financial reporting. If we are unable to adequately plan, implement and maintain procedures and controls relating to our ERP, our ability to produce timely and accurate financial statements or comply with applicable regulations could be impaired and impact the effectiveness of our internal control over financial reporting. All of the above could result in harm to our reputation or our customers, as well as expose us to regulatory actions or claims, any of which could materially impact our business, results of operations, financial condition and stock price. We have identified a material weakness in our internal control over financial reporting which, if not remediated appropriately or in a timely manner, could result in a loss of investor confidence and adversely impact the trading price of our securities. As disclosed in Part II- Item 9A. Controls and Procedures, management has identified a material weakness in our internal control over financial reporting relating to controls over the completeness and accuracy of the Company's foreign reporting packages which are the basis preparation of our consolidated financial statements. As a result, management concluded that our internal control over financial reporting and our disclosure controls and procedures were not effective as of January 31, 2025. The material weakness did not result in any material misstatements to the Company's consolidated financial statements, and the Company is currently working to remediate the material weakness. However, there can be no assurance that these remediation efforts will be successful. In addition, these remediation efforts will place a burden on management and may result in additional expenses. If we are unable to remediate this material weakness, or are otherwise unable to maintain effective internal control over financial reporting or disclosure controls and procedures, our ability to record, process and report financial information accurately, and to prepare financial statements within the required time periods, could be adversely affected, which could subject us to litigation or investigations requiring management resources and payment of legal and other expenses, result in violations of applicable securities laws, result in an inability to meet Nasdaq listing requirements, negatively affect investor confidence in the accuracy and completeness of our financial statements, and adversely impact the trading price of our securities.

~~14~~Financial -- **Financial** Risks Our results of operations could be negatively affected by potential fluctuations in foreign currency exchange rates. Most of our assembly arrangements with our foreign-based subsidiaries or third-party suppliers require payment to be made in U. S. dollars or the Chinese Renminbi ("RMB"). Any decrease in the value of the U. S. dollar or RMB in relation to foreign currencies could increase the cost of the services provided to us upon contract expirations or supply renegotiations. There can be no assurance that we will be able to increase product prices to offset any such cost increases, and any failure to do so could have a material adverse effect on our business, financial condition and results of operations. We are also exposed to foreign currency exchange rate risks due to as a result of our sales to customers in foreign countries in the amount of \$ ~~69~~**106.3-8** million in ~~FY24~~**FY25**. Our sales in these countries are usually denominated in the local currency. If the value of the U. S. dollar increases relative to these local currencies, and we are unable to raise our prices proportionally, then our profit margins could decrease because of the exchange rate change. Due to our purchases and sales in other countries, we are exposed to changes in foreign currency exchange rates. To manage this volatility, we seek to limit, to the extent possible, our non-US dollar-denominated purchases and sales. In connection with our operations in China, we purchase a significant amount number of products raw materials and components from outside of the United States. However, our purchases in China are primarily made in the RMB, the value of

which has floated for the last 6-7 years, and therefore, we have been exposed to additional foreign exchange rate risk on our Chinese raw material and component purchases. Our primary risk from foreign currency exchange rate changes is presently related to non-US dollar-denominated sales in China, Canada, South America and Europe and, to a smaller extent, Mexico, in South American countries and Russia. Our sales to customers in Canada are denominated in Canadian dollars, South America in Argentine Pesos, Europe in Euros and British pounds, and China in RMB and U.S. dollars. If the value of the U.S. dollar increases relative to the Canadian dollar, the Argentine Peso, the Pound, the Euro, or the RMB, then our net sales could decrease as our products would be more expensive to these international customers because of changes in the exchange rate. When appropriate, we manage the foreign currency risk through forward contracts against the Canadian dollar, Australian dollar, New Zealand dollar and Euro and, as well as, through cash flow hedges in the U.S. against the RMB and the Euro. If we do not hedge other currencies at this time, in the event that non-U.S. dollar-denominated international purchases and sales grow, exposure to volatility in exchange rates could have a material adverse impact on our financial results. Covenants in our credit facilities may restrict our financial and operating flexibility. As a result of the Loan Agreement the Company entered into on June 25, 2020, as amended to date, we currently have a \$40.0 million revolving credit facility, expiring March 25, 2029, which matures on December 12, 2029. Our credit facility requires, and any future credit facilities may also require, among others, that we comply with specified financial covenants relating to fixed charge coverage and investment in acquisitions. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources – Loan Agreement” for more information. Our ability to satisfy these financial covenants can be affected by events beyond our control, and we cannot guarantee that we will meet the requirements of these covenants. On March 3, 2023, the Company changed the benchmark interest rate in our credit facility from the London Interbank Offered Rate (“LIBOR”) to the Secured Overnight Financing Rate (“SOFR”). At January 31, 2025, we did not have any outstanding debt under our credit facility. We may need additional funds, and if we are unable to obtain these funds, we may not be able to expand or operate our business as planned. Our operations require significant amounts of cash, and we may be required to seek additional capital, whether from sales of equity or by borrowing money, to fund acquisitions for the future growth and development of our business or to fund our operations and inventory, particularly in the event of a market downturn. A number of factors could affect our ability to access future debt or equity financing, including: · Our financial condition, strength and credit rating; · The financial markets’ confidence in our management team and financial reporting; · General economic conditions and the conditions in the homeland security and energy sectors; and · Capital markets conditions. Even if available, additional financing may be more costly than our current facility and may have adverse consequences. If additional funds are raised through the incurrence of debt, we will incur increased debt servicing costs and may become subject to additional restrictive financial and other covenants. We can give no assurance as to the terms or availability of additional capital. Although management believes it currently has sufficient capital, if we do need additional capital in the future and are unsuccessful, it could reduce our net sales and materially adversely impact our earning capability and financial position. Adverse developments affecting the financial services industry, including events or concerns involving liquidity, defaults or non-performance by financial institutions or transactional counterparties, could adversely affect our business, financial condition or results of operations. Events involving limited liquidity, defaults, non-performance, or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market-wide liquidity problems. Although we assess our banking and customer relationships as we believe necessary or appropriate, our access to funding sources and other credit arrangements in amounts adequate to finance or capitalize our current and projected future business operations could be significantly impaired by factors that affect us, the financial services industry or economy in general. These factors could include, among others, events such as liquidity constraints or failures, the ability to perform obligations under various types of financial, credit or liquidity agreements or arrangements, disruptions or instability in the financial services industry or financial markets, or concerns or negative expectations about the prospects for companies in the financial services industry. In addition, investor concerns regarding the U.S. or international financial systems could result in less favorable commercial financing terms, including higher interest rates or costs and tighter financial and operating covenants or systemic limitations on access to credit and liquidity sources, thereby making it more difficult for us to acquire financing on acceptable terms or at all. Any decline in available funding or access to our cash and liquidity resources could have material adverse impacts on our liquidity and our business, financial condition or results of operations. If our goodwill, other intangible assets and long-lived assets become impaired, we may be required to record significant charges to earnings. We review our long-lived assets for impairment when events or changes in circumstances indicate the carrying amount may not be recoverable. Goodwill and indefinite-lived intangible assets are required to be assessed for impairment at least annually. Factors that may be considered a change in circumstances, indicating that the carrying amount of our goodwill, indefinite-lived intangible assets or long-lived assets may not be recoverable, include slower growth rates in our markets, reduced expected future cash flows, increased country risk premiums because as a result of political uncertainty and a decline in stock price and market capitalization. We consider available current information when calculating our impairment charge. If there are indicators of impairment, our long-term cash flow forecasts for our operations deteriorate or discount rates increase, we may be required to recognize additional impairment charges in later periods. The Company recognized goodwill impairment charges of \$3.0 million, representing the entire amount of goodwill related to the Pacific reporting unit in the Other Foreign geographic segment and \$7.5 million, representing 83% of the goodwill related to the Eagle reporting unit in the Europe geographic segment, during the year ended January 31, 2025. Legal and Regulatory Risks We deal in countries where corruption is an obstacle. We must comply with American laws such as the Foreign Corrupt Practices Act (FCPA) and Sarbanes-Oxley and also with as well as anticorruption legislation in the U.K. Some of our competitors and customers in foreign jurisdictions may not adhere to

such legislation. As a result, we believe that we lose sales orders due to our strict adherence to such regulations. We are subject to various U. S. and foreign tax laws, and any changes in these laws related to the taxation of businesses and resolutions of tax disputes could adversely affect our results of operations. The U. S. Congress, the Organization for Economic Co- operation and Development (OECD) and other government agencies in jurisdictions in which we invest or do business have maintained a focus on issues related to the taxation of multinational companies. The OECD has changed numerous long- standing tax principles through its base erosion and profit shifting (“ BEPS ”) project, which could adversely impact our effective tax rate. We are subject to regular review and audit by foreign and domestic tax authorities. While we believe our tax positions will be sustained, the final outcome of tax audits and related litigation may differ materially from the tax amounts recorded in our consolidated financial statements, which could have a material adverse effect on our consolidated results of operations, financial condition and cash flows. We may be subject to product liability claims, and insurance coverage could be inadequate or unavailable to cover these claims. We manufacture products used for protection from hazardous or potentially lethal substances, such as chemical and biological toxins, fire, viruses and bacteria. The products ~~that~~ we manufacture are typically used in applications and situations that involve high levels of risk of personal injury. Failure to use our products for their intended purposes, failure to use our products properly or the malfunction of our products could result in serious bodily injury or death of the user. In such cases, we may be subject to product liability claims arising from the design, manufacture or sale of our products. If these claims are decided against us and we are found to be liable, we may be required to pay substantial damages, and our insurance costs may increase significantly as a result. We cannot assure you that our insurance coverage would be sufficient to cover the payment of any potential claim. In addition, we cannot assure you that this or any other insurance coverage will continue to be available or, if available, that we will be able to obtain it at a reasonable cost. Any material uninsured loss could have a material adverse effect on our financial condition, results of operations and cash flows. Environmental laws and regulations may subject us to significant liabilities. Our U. S. operations, including our manufacturing facilities, are subject to federal, state and local environmental laws and regulations relating to the discharge, storage, handling, disposal and remediation of certain materials, substances and wastes. Any violation of any of those laws and regulations could cause us to incur substantial liability to the U. S. Environmental Protection Agency, to the state environmental agencies in any affected state or to any individuals affected by any such violation. If hazardous substances are released from or located on any of our properties, we could incur substantial costs and damages. Any such liability could have a material adverse effect on our financial condition and results of operations. **For 20For** example, governmental authorities in the U. S. and in other jurisdictions are increasingly focused on potential contamination resulting from PFAS. Products containing PFAS have been used in manufacturing, industrial, and consumer applications over many decades, including in some of our component materials purchased from suppliers. In 2021, the Biden Administration announced a multi- agency plan to address PFAS contamination, and the U. S. Environmental Protection Agency released its PFAS Strategic Roadmap, which identified a comprehensive approach to addressing PFAS. In **August April 2022-2024**, the U. S. EPA ~~proposed to designate~~ **designated** perfluorooctanesulfonic acid (PFOS) and perfluorooctanoic acid (PFOA), two of the most common PFAS chemicals, as hazardous substances **under the Comprehensive Environmental Response, Compensation, and Liability Act**, which could have wide- ranging impacts on companies across various industries, including ours. We may incur costs in connection with any obligations to transition away from the usage of PFAS- containing products, to dispose of PFAS- containing waste or to remediate any PFAS contamination, which could have a negative effect on our financial position, results of operations and cash flows. In addition, some environmental laws impose liability, sometimes without fault, for investigating and / or cleaning up contamination on, or emanating from, properties currently or formerly owned, leased or operated by a person, as well as for damages to property or natural resources and personal injury arising out of such contamination. Such liability may be joint and several, meaning that we could be held responsible for more than our share of the liability involved, ~~or even the entire liability.~~ ~~17The~~ **The** regulatory environment in which we operate is subject to change, and new regulations and new or existing claims, such as those related to certain PFAS substances, could have a material adverse effect on our business, financial condition and results of operations or make aspects of our business as currently conducted no longer possible. For example, the Company has been named as a party to a number of lawsuits filed by firefighters related to exposure to PFAS in firefighter turnout gear. These cases are consolidated in In re: Aqueous Film- Forming Foams Products Liability Litigation, MDL No.: 2: 18- mn- 2873- RMG (District of South Carolina, Charleston Division). We may, in the future, be subject to additional claims related to PFAS, including for degradation of natural resources from such PFAS and personal injury or product liability claims as a result of human exposure to such PFAS. Provisions in our restated certificate of incorporation, by- laws, and Delaware law could make a merger, tender offer or proxy contest difficult. Our restated certificate of incorporation contains classified board provisions, authorized preferred stock that could be utilized to implement various “ poison pill ” defenses and a stockholder authorized, but as yet unused, Employee Stock Ownership Plan (“ ESOP ”), all of which may have the effect of discouraging a takeover of Lakeland, which is not approved by our board of directors. Further, we are subject to the antitakeover provisions of Section 203 of the Delaware General Corporation Law, which prohibit us from engaging in a “ business combination ” with an “ interested stockholder ” for a period of three years after the date of the transaction in which the person became an interested stockholder unless the business combination is approved in the prescribed manner. Risks Relating to Our Common Stock The market price of our common stock may fluctuate widely. The market price of our common stock could be subject to significant fluctuations in response to quarter- to- quarter variations in our operating results, announcements of new products or services by us or our competitors and other events or factors. For example, a shortfall in net sales or net income, or an increase in losses, from levels expected by securities analysts or investors, could have an immediate and significant adverse effect on the market price of our common stock. Volume fluctuations that have particularly affected the market prices of many micro and small capitalization companies have often been unrelated or disproportionate to the operating performance of these companies. These fluctuations and general economic and market conditions may adversely affect the market price for our common stock. **We presently pay** In February

~~2023, the Company began paying~~ a quarterly cash dividend. Future quarterly dividends are subject to declaration by the Company's Board of Directors, and the Company's share repurchase programs do not obligate it to acquire any specific number of shares. If the Company fails to meet expectations related to future growth, profitability, dividends, share repurchases or other market expectations, the price of the Company's stock may decline significantly, which could have a material adverse impact on investor confidence and employee retention. ~~18~~**21**