

## Risk Factors Comparison 2025-03-05 to 2024-03-13 Form: 10-K

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You should carefully consider the following risks and uncertainties, together with all of the other information contained in ~~this Annual Report on Form 10-K~~, or this Annual Report, including our Consolidated Financial Statements and related notes included elsewhere in this Annual Report, before making an investment decision. In addition, past financial performance may not be a reliable indicator of future performance and historical trends may not predict results or trends in future periods. Any of the following risks, individually or collectively, could materially adversely affect our business, financial condition, and results of operations, in which case the trading price of our common stock could decline and you could lose all or part of your investment.

**Risk Factors Summary** Our business is subject to a number of risks, including risks that may prevent us from achieving our business objectives or may adversely affect our business, financial condition, results of operations, cash flows and prospects. Risks that we deem material are described below. These risks include, but are not limited to, the following:

- **Net unfavorable economic conditions and the related impact on consumer spending and demand for our products;**
- **inflationary impacts, including on our costs of labor, raw materials and services and on consumer demand for pool products;**
- **our reliance on global third-party suppliers and related impact on price, quality and quantity of raw materials;**
- **the impact of trade policies, including tariffs, on products, raw materials and components we import into the U. S.;**
- **declining home ownership rates adversely affect demand for our products;**
- **competition that we face;**
- **natural disasters, including resulting from climate change, geopolitical events, war, terrorism, public health emergencies or other catastrophic events;**
- **our reliance on our information technology systems and potential disturbances or breaches to our technological infrastructure;**
- **adverse weather conditions impacting our sales to keep pace with rapidly evolving technological developments and timing of sales standards, such as generative artificial intelligence;**
- **the potential loss of our largest customers and pricing pressures resulting from industry consolidation;**
- **interruption of our production capability at one or more of our manufacturing facilities from accident, fire, calamity, regulatory action or other causes or events affecting the global economy;**
- **product quality issues, warranty claims, installation or safety concerns and other claims, including those due to the failure of builders to follow our product installation instructions and specifications and our installation of autocovers;**
- **our ability to keep pace with rapidly evolving technological developments and standards, such as generative artificial intelligence;**
- **delays in, or systems disruptions issues caused by, the implementation of our enterprise resource planning system;**
- **cyber-security breaches our ability to attract, develop and data leaks, and retain highly qualified personnel;**
- **our dependence on information technology systems ability to collect accounts receivables from our customers;**
- **compliance with new and existing government regulations;**
- **our ability to obtain transportation services to deliver our product and to obtain raw materials timely or increases in the cost of transportation;**
- **our ability to obtain, maintain and enforce intellectual property protection for our current and future products, and third-party claims against us for violation of their for product and to obtain raw materials timely or increases in the cost of transportation;**
- **our ability to obtain, maintain and enforce intellectual property protection for our current and future products, and third-party claims against us for violation of their intellectual property;**
- **the risks of doing business internationally;**
- **our ability to realize the anticipated growth opportunities and cost synergies from acquisitions;**
- **possible impairments to our goodwill, other intangible assets or fixed assets;**
- **our ability to secure financing and our substantial indebtedness; and**
- **the other factors set forth under “Risk Factors.”**

Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business, financial condition, results of operations and cash flows.

**Risks-15Risks** Related to Our Operations and Industry Net sales of our swimming pools and related products are adversely affected by unfavorable economic conditions and **related impact on consumer spending;** ~~.....~~ **adversely affected by unfavorable economic conditions and** the related impact on consumer spending, which are driven by factors outside of our control. Consumer discretionary spending affects our sales of swimming pools and related products and is impacted by factors outside of our control, including general economic conditions, ~~the residential housing market~~ **affordability, demographic trends, unemployment-- employment** rates and wage levels, interest rate fluctuations, inflation, disposable income levels, consumer confidence and ~~access~~ **spending and to the availability of** credit. In particular, we believe that ~~access to consumer~~ **the availability of** credit is an important factor enabling the purchase of new pools because a significant percentage of consumers finance their pool installations. The recent and continued combination of high interest rates and high inflation have reduced the affordability of mortgages and increased the cost of home improvement projects. Tightening consumer credit or increases in interest rates could reduce the number of consumers that obtain financing for pools, which would negatively impact our sales. In economic downturns such as we experienced in 2023 and **2024, and** which **is expected to** many economists and industry leaders are forecasting will continue ~~in~~ **into 2024-2025**, the demand for swimming pools and related products has declined and we expect that such demand will ~~decline~~ **be constrained** in the future **until we see a recovery**, with the magnitude of such declines often corresponding to the declines in discretionary consumer spending **among** and the growth rate of pool eligible households. In addition, consumer demand for swimming pools is impacted by consumer demand for, and spending on, outdoor living spaces. While it is our view that consumers have increased relative spending on outdoor living in recent years, such purchases may decrease in the aggregate if there is a decline in consumer discretionary spending as we saw in 2023 and expect to continue in 2024. Any substantial deterioration in general economic conditions that diminishes consumer confidence or discretionary income, **or consumer access to credit**, may reduce our sales and materially adversely affect our business, financial condition, and results of operations. In addition, the cyclical nature in consumer demand for our products that we do not control increases the risk of making critical business decisions based on our forecasts, and means that the results for any

prior period may not be indicative of results for any future period. Further, a recessionary economic environment could weaken the financial condition of our suppliers potentially leading to shortages of critical raw materials, manufacturing equipment, components, and services, and increase the risk of dealer and distributor closures or bankruptcies that could shrink our potential customer base and inhibit our ability to collect on their receivables. Even in generally favorable economic conditions, severe and / or prolonged downturns in the housing market could have a material adverse impact on our financial performance due to our industry's alignment with the housing market. Adverse weather conditions could negatively impact our..... retain qualified personnel in the future. Inflation could adversely impact our financial condition and results of operations. While inflation in the United States began to plateau or subside in the second half of the calendar year of 2023-2024, higher prices continue to impact our costs of labor, materials, and services, and could continue to cause costs to increase as well as scarcity of certain products. We and there are experiencing inflationary pressures indications that recent deflation in certain areas of our business, including with respect to prices of our raw material costs may reverse. The imposition of tariffs on products and materials by the United States and other countries may negatively impact current inflation rates for and an employee wages extended period of time, result in although, to date, we have been able to offset such pressures, to some extent, through price increases to and other measures. We cannot, however, predict any future trends in the rate of inflation or associated increases in our operating costs and negatively how that may impact our business. See " — Changes in trade policies, including the imposition of tariffs, could negatively impact our business, financial condition, and results of operations. " There is substantial risk that inflation will escalate should these tariffs, and the potential imposition of tariffs by the Trump administration on additional countries, continue for an extended period of time. As a substantial consequence of these inflationary risks, there is a risk that demand for our products may continue to soften as we continue to increase the prices of our products to offset the inflationary pressure. There are indications in the market that some consumers are reluctant to purchase pool products due to escalating prices due to offset inflation. To the extent we are unable to recover higher operating costs resulting from inflation or otherwise mitigate the impact of such costs on our business, our net sales and gross margins could decrease, and our financial condition and results of operations could be adversely affected. We 16 We depend on a global network of third- party suppliers to provide components and raw materials essential to the manufacturing of our pools and price increases or deviations in the quantity or quality of the raw materials used to manufacture our products could adversely affect our net sales and operating results. We rely on global manufacturers and other suppliers to provide us with the components and raw materials to manufacture our products. The primary raw materials used in our products are polyvinyl chloride (" PVC ") plastic, galvanized steel, fiberglass, aluminum, various resins, high impact polystyrene, gelcoat and polypropylene fabric our operating results. The cost of many of the raw materials we use in the manufacture of our products, such as steel, is subject to price volatility. Changes in prices of our raw materials have a direct impact on our cost of sales. Accordingly, we are exposed to the risk of increases in the market prices of raw materials used in the manufacture of our products. We continue to experience inflationary pressures in certain areas of our business, including with respect to prices of our raw materials and employee wages. Such pressures may continue and escalate as a result of U.S. and global tariff policies. See " — Inflation could adversely impact our financial condition and results of operations " and " — Changes in trade policies, although including the imposition of tariffs, to date could negatively impact our business, financial condition we have been able to offset such pressures, to some extent, through price increases and other measures results of operations " for additional information. If we are unable to increase our prices or experience a delay in our ability to increase our prices or to recover such increases Increases in our costs, our gross profit will suffer. In addition, increases in the price cost of the raw materials used to manufacture our products could adversely affect to compensate for increased costs of raw materials may reduce demand for our products net sales and operating results. Other than occasional strategic purchases of larger quantities of certain raw materials, we generally buy materials on an as- needed basis. We are dependent upon the ability of our suppliers to consistently provide raw materials and components that meet our specifications, quality standards and other applicable criteria. Our suppliers' failure to provide raw materials and components that meet such criteria on a timely basis could adversely affect production schedules and our product quality, which in turn could materially adversely affect our business, financial condition, and 17 results -- results of operations. While we are of the view that our relationships with our current suppliers are sufficient to provide the materials necessary to meet present production demand, these relationships may not continue or the quantity or quality of materials available from these suppliers may not be sufficient to meet our future needs, irrespective of whether we successfully implement our growth strategy, and we may not be able to obtain supplies on favorable terms. In the event of a shortage of our raw materials, we may not be able to arrange for alternative sources of such materials on a timely basis or on equally favorable terms, and we could experience a disruption to our operations as alternative suppliers are identified and qualified and we enter into new supply arrangements are entered into. Increases in the..... our financial condition and results of operations. The foregoing risks are heightened with respect to our largest supplier, which accounted for 16-13 % of our purchased supplies in 2023-2024, and our top ten suppliers, which accounted for 65-64 % of our purchased supplies in 2023-2024. Our ability to collect accounts receivables from Changes in trade policies, including the imposition of our or customers may adversely increase in tariffs, could negatively impact our business cash flows and our ability to reduce our debt. We extend credit to our customers (dealers in one- step distribution channel or distributor in two- step distribution channel), and we generally do not require collateral..... risk and avoid losses, and our financial condition, and results of operations. We procure certain raw materials and components we use in the manufacturing of our products directly or indirectly from outside of the U. S. We also import finished products into the U. S. from our Canadian production facility in Kingston, Ontario. The imposition of or increase in tariffs on raw materials such as steel and aluminum, the imposition of or increase in tariffs on finished products that we import, and other potential changes in U. S. and global trade policy could substantially increase the cost of and limit the availability of raw materials or our finished products. The variability and complexity of tariffs and duties exposes us to the risk of higher costs and inadvertent noncompliance associated with our imported

products. There have recently been a number of tariffs and retaliatory tariffs announced by the U. S. and other countries that would impact certain of our raw materials and finished products, the implementation, size and timing of which remain uncertain and rapidly evolving. The implementation of these tariffs and future tariffs, or any changes in trade policies that have a similar effect, or the threat of any of the foregoing, could result in further interruptions in the supply chain. If we are unable to pass price increases on to our customer base or otherwise mitigate the costs or availability of products and raw materials associated with tariffs and other similar trade policies, our business, financial condition and operating results could be materially and adversely affected if. 17 Declining home ownership rates could lead to reduced demand for our products and adversely affect our business, financial condition and results of operations. Recent trends towards higher interest rates, decreases in the availability of credit, shortages in the supply of homes losses significantly exceed our estimates. Our ability to keep pace with rapidly evolving technological developments and standards increasing home prices in many U. S. markets have had, and may continue to have, the affect of reducing home purchases. As a result of these trends, prospective home owners are increasingly choosing to rent their homes as the more affordable option. Declining home ownership rates could also have the affect of reducing home improvement investments, such as acquiring generative artificial intelligence, could impact our future growth and installing swimming pools increase our costs and liability risk..... party vendors could result in unintended consequences, which could impact our future growth and increase..... sales to, our largest customers, could have a material adverse effect affect on business partners our sales, suppliers profitability and customers overall financial results. Even The conflict in generally favorable economic conditions, severe and / or prolonged downturns affecting the Middle East U.S. housing market could disrupt have a similar material adverse impact on our financial performance ability to deliver product to customers in Israel resulting in delayed or lost sales. We face competition both from within our industry and from other outdoor living products and if we are not able to compete effectively, our prospects for future success will be jeopardized. Within our industry, we directly compete against various international, regional and local pool manufacturing companies. In the current economic environment, where consumer demand has softened due to higher interest rates, inflation and other concerns, competition has intensified resulting in pressure to reduce prices and to offer more innovative products and materials, which has adversely affected and could continue to adversely affect our business. Outside of our industry, we compete indirectly with alternative suppliers of big ticket our business, financial condition, and results of operations. Outside An interruption of our industry, we compete indirectly with alternative suppliers of big ticket consumer discretionary outdoor living production products capability at, such as decks and patios, and with other companies who rely on discretionary homeowner expenditures, such as home remodelers. Given the density and demand for pools, some geographic markets that we serve tend to have a higher concentration of competitors than others, particularly California, Texas, Florida, Arizona, and Australia. In addition, new competitors may emerge. We have seen increased interest from pool manufacturing companies from Canada, Brazil, Mexico and Australia in entering the U. S. market. If one or more of our manufacturing facilities from accident competitors were to merge, calamity or other the change in causes, or events affecting the competitive landscape global economy, could adversely affect our competitive position business and results of operations. We manufacture may not be able to compete as effectively with our competitors, and ultimately satisfy the needs and preferences of our customers, unless we can continue to enhance existing products and technologies and develop new innovative products and marketing strategies for the markets in which we compete. Product development requires significant financial, technological, and other resources. Pool owners are increasingly demanding “ smart home ” technology, automation and environmentally friendly, sustainable and ethical product features to enhance their pools. Staying at the forefront a limited number of product innovation and consumer demand is important to our future success. We must continue to develop and bring to market innovative products, which requires hiring and retaining technical staff, maintaining and upgrading manufacturing facilities, and shifting equipment and expanding our intellectual property rights. Product improvements and new production product rapidly to another facility in introductions also require significant research, planning, design, development, engineering, and testing at the technological, product, and event of a loss of one of or a portion of one of our manufacturing facilities development, engineering, and testing at the technological, product, and manufacturing process levels, and we may not be able to timely develop and introduce product improvements or new products. Our competitors’ new products may beat our products to market, be higher quality or more reliable, be more effective with more features and / or less expensive than our products, obtain better market acceptance, or render our products obsolete. Any new products that we develop may not receive market acceptance or otherwise generate any 16 meaningful net sales or profits for us relative to our expectations based on, among other things, existing and anticipated investments in manufacturing capacity and commitments to fund advertising, marketing, promotional programs, and research and development. Natural disasters We depend on our ability to attract, develop including resulting from climate change, geopolitical events, war, terrorism, public health emergencies, or other catastrophic events could adversely affect lead to increased costs. A temporary or our permanent loss business, financial condition and results of operations. Our operations and financial results have been, and may be in the use of one or more of future, adversely impacted by local, regional, national our or manufacturing global catastrophic events or extraordinary circumstances, such as: natural or environmental disasters; weather events driven by climate change or other factors; public health emergencies, epidemics or pandemics; other serious disruption to our facilities due to accidents, fire (, flood, hurricane, earthquake, war, acts of terrorism, civil insurrection or social unrest; political uncertainty; and regional or global conflicts, including the conflicts in the Middle East and Ukraine. Any such event could disrupt our supply chain, our ability to manufacture and deliver our products, and our dealers’ and distributors’ ability to install our products, as the fire at well as adversely impact customer demand for our Texas products. 18 For example, the conflict in the Middle East could disrupt our facility ability to deliver product to customers in April 2022 continue Israel resulting in delayed or lost sales. Further, such events

could also have macro implications, such as adversely impacting consumer discretionary spending, causing geopolitical uncertainty, and resulting in a macroeconomic downturn and disruption in the financial markets. Given the seasonality inherent in our business, the impact of such events or circumstances on our business would be particularly severe if the timing coincides with the peak months of swimming pool use and pool installation and maintenance. Our response and the response of other impacted persons to any such event may result in an increase in our operating costs and require significant management resources, and we could incur impairment expense for any impacted assets. The ongoing war between Russia and Ukraine, and related sanctions and other actions that that resulted in a total loss of have been or may be enacted by the United States (manufacturing facility), explosions the European Union, or labor issues, tornadoes, other governing entities weather conditions, natural disasters, condemnation, cancellation or non-renewals of leases, terrorist attacks or other acts of violence or war or otherwise could have a lasting impact material adverse effect on regional our operating costs. An interruption in our production capabilities could also require us to make substantial capital expenditures to replace damaged or destroyed facilities or equipment (as we incurred following the Texas facility fire). Any of these events could result in substantial repair costs and global economies higher operating costs. Product quality, warranty claims or safety concerns and adversely affect other claims due to the failure of third party installers to follow our product installation instructions and procedures could negatively impact our sales, lead to increased costs, and expose us to litigation. Other litigation and regulatory matters incidental to our business, also may adversely impact our business partners, our suppliers, and financial results our customers. Product quality issues could negatively impact consumer confidence. While our operations are primarily within North America and we have no operations in Russia our or brands Ukraine, and we our business. If our product offerings do not have direct meet applicable legal standards or consumers' expectations regarding safety or quality, we could experience lost sales and increased costs and be exposed exposure to customers legal, financial, and reputational risks vendors in Russia or Ukraine, as well as governmental enforcement actions. Since we provide various warranties continue to monitor any adverse impact that such events may have on our products, the global economy in generally -- general ranging from five years to lifetime warranties, we become liable for warranty obligations should problems arise. Warranty obligations in excess of our reserves could have a material adverse effect on our business financial condition and results of operations. Actual, potential, or perceived product safety concerns, including health-related concerns, could expose us to litigation, as well as government enforcement actions, and on result in costly product recalls and other -- the businesses liabilities. Installation services for our pool products for homeowners is provided by dealers and operations other third party installers. We provide..... incidental to and in the ordinary course of our business, including employment matters, personal injury..... fees, and expenses of third parties partners, suppliers delayed deployment scheduling, and customers more on-going maintenance expense once implemented, and, as such, it will be difficult for us to estimate the ultimate costs and schedules. The implementation may also cause complications to ongoing operations, result in material weaknesses to our internal control framework, increase regulatory compliance risks, and impact our ability to process transactions efficiently, all of which may have a material adverse effect on our business and results of operations. We rely on information technology systems to support our business operations. A significant disturbance or breach of our technological infrastructure could adversely affect our business, financial condition and results of operations. Additionally, failure to maintain the security of confidential information could damage our reputation and expose us to litigation. Information technology supports several aspects of our business, including among others, product sourcing, pricing, customer service, transaction processing, financial reporting, collections, and cost management. Our ability to operate effectively on a day-to-day basis and accurately report our financial and operating results depends on a solid technological infrastructure, which is inherently susceptible to internal and external threats. We are vulnerable to interruption by fire, natural disasters, power loss, telecommunication failures, internet failures, cybersecurity threats security breaches and other catastrophic events. Exposure to various types of cybersecurity threats cyber-attacks such as malware, computer viruses, worms or other malicious acts, as well as human error, also could potentially disrupt our operations or result in a significant interruption in the delivery of our goods and services. As with most companies, we have experienced cybersecurity threats cyber-attacks, attempts to breach our systems and other similar incidents, none of which were material to our operations or financial results in 2023-2024. It is possible that cyber attackers might could compromise our security measures and obtain the personal and / or confidential information of the customers, employees, and suppliers that we hold or our business information. Cybersecurity threats Cyber-attacks are rapidly evolving and those threats and the means for obtaining access to information in digital and other storage media are becoming increasingly sophisticated and may not immediately produce signs of intrusion. The development of AI technologies may exacerbate these risks. Moreover, such cybersecurity threats cyber-attacks may disrupt access to our and / or our suppliers' networks and systems. Such disruptions could result in delays or cancellations of customer orders or, delays or interruptions in the shipment of orders, lower net sales, increased insurance costs, litigation, increased regulatory oversight and additional investments by the Company in threat prevention technology. In addition, cybersecurity threats cyber-attacks may cause us to incur significant remediation costs, result in delays and disruptions to key business operations, damage business relationships or our reputation or divert attention of management and key information technology resources. With some employees working remotely, there may be increased opportunities for unauthorized access and cybersecurity threats. Additionally, while we perform due diligence prior to acquisitions and take actions to safeguard the businesses that we acquire, these businesses may not have invested as significantly as we do in security and technology and may be more susceptible to cyber-attacks, which may make us more vulnerable to cyber-attacks as well. Further, the United States government has warned of the potential risk of Russian cybersecurity threats cyber-attacks stemming from the ongoing Russian-Ukraine conflict as well as ongoing threats from other state actors such as China. These-- The cyber-occurrence of any cybersecurity incidents-- incident or security breach could also subject us to liability, expose us to significant expense, and cause significant harm to our reputation and our business. Third-party service providers, such as distributors, subcontractors, vendors, and data processors have access to certain portions of our data. In the event that these

service providers do not appropriately protect our data, the result could be a security breach or loss of our data. Any such loss of data by our third- party service providers could have a ~~20material~~ **19material** adverse impact on our business and results of operations. Moreover, an employee, contractor or third party with whom we work or to whom we outsource business operations may fail to monitor their or our systems effectively, may fail to maintain appropriate safeguards, may misuse the personal and / or confidential information to which they have access, may attempt to circumvent our security measures, may purposefully or inadvertently allow unauthorized access to our or their systems or to personal and / or confidential information or may otherwise disrupt our business operations. We and our customers could suffer harm if valuable business data or employee, customer and other proprietary information were corrupted, lost, or accessed or misappropriated by third parties due to a security failure in our systems or those of our suppliers or service providers. It could require significant expenditures to remediate any such failure or breach, severely damage our reputation and our relationships with customers, result in unwanted media attention and lost sales and expose us to risks of litigation and liability. Advances in computer and software capabilities, encryption technology and other discoveries such as generative ~~AI~~ **artificial intelligence** increase the complexity of our technological environment, including how each interact with our various software platforms. Such advances could delay or hinder our ability to process transactions or could compromise the integrity of our data, resulting in a material adverse impact on our financial condition and results of operations. We also may experience occasional system interruptions and delays that make our information systems unavailable or slow to respond, including the interaction of our information systems with those of third parties. A lack of sophistication or reliability of our information systems could adversely impact our operations and customer service and could require major repairs or replacements, resulting in significant costs and foregone sales. In addition, we may not have the necessary resources to enhance existing information systems or implement new systems where necessary to handle our growth strategy and changing needs, and we have experienced and may continue to experience unanticipated delays, complications and expenses in implementing and integrating our systems. Any interruptions in operations would adversely affect our ability to properly allocate resources and deliver our products, which could result in customer dissatisfaction. The failure to successfully implement and maintain information systems could have an adverse effect on our ability to obtain new business, retain existing business and maintain or increase our sales and profit margins. , or subject us to **including employment matters, personal injury claims , related to data privacy management or intellectual property infringement disputes,commercial disputes,government compliance matters,environmental matters,and other matters arising out of the normal conduct of our business . It is also possible We generally intend to vigorously defend ourselves in such matters as they arise,as appropriate.While the impact of litigation has been and may continue to be immaterial,there can be no assurance that the impact of pending and any future claims will not be** ~~AI tools we use may negatively affect our reputation,disrupt our operations,or have a material~~ **to adverse impact on** our business,financial condition, ~~and or~~ **results of operations in the future** .Delays in,or systems disruptions issues caused by,the implementation of our new enterprise resource planning system could adversely affect our operations and results of operations.We are in the process of a multi- year implementation of a new enterprise resource planning system.This project has required and will continue to require significant capital and human resources,the re- engineering of many processes of our business,and the attention of our management and other personnel who would otherwise be focused on other aspects of our business.The implementation may be more expensive and take longer to fully implement than we originally planned,resulting in increased capital investment,higher fees,and expenses of third parties ~~;delayed deployment scheduling,and more on- going maintenance expense once implemented,and,as such,it will be difficult for us to estimate the ultimate costs and schedules.The implementation may also cause complications to ongoing operations,result in~~ The nature of our business subjects us to compliance with employment, environmental, health, transportation, safety, anti-corruption, trade, and other governmental regulations. We are subject to regulation under federal, state, local and international employment, environmental, health, transportation, and safety requirements, which govern such things as the manufacture of fiberglass pools, which is our key product. These laws regulate, among other things, air emissions, the discharge or release of materials into the environment, the handling and disposal of wastes, remediation of contaminated sites, worker health and safety and the impact of products on human health and safety and the environment. These laws also require us to obtain and maintain certificates, registrations, licenses, permits, and other regulatory approvals in order to conduct regulated activities, including the construction and operation of our facilities. Our products must also comply with local, state, and international building codes and safety rules and regulations. Further, we are subject to anti- corruption, anti- bribery, antitrust and other similar laws. For example, we have employees and engage with suppliers and customers in many countries with different legal systems, customs and contract laws and regulations, which expose us to risks associated with the United States Foreign Corrupt Practices Act and local anti- corruption and anti- bribery laws and regulations. Failure to comply with these laws and regulations by us, our employees, our dealers and distributors and other business partners, including failure to obtain and maintain all required certificates, registrations, licenses, permits, and other regulatory approvals, may result in investigations, the assessment of administrative, civil and criminal fines, damages, delays, seizures, disgorgements, penalties or the imposition of injunctive relief. In particular, spills or other releases of regulated substances could expose us to material losses, expenditures and liabilities under applicable environmental laws and regulations. Under certain of such laws and regulations, we could be subject to strict, joint and several liability for the removal or remediation of previously released materials or property contamination, regardless of whether we were responsible for the release or contamination and even if our operations met previous standards in the industry at the time they were conducted. Moreover, compliance with such laws and regulations in the future could prove to be costly. Although we presently do not expect to incur any capital or other expenditures relating to regulatory ~~matters~~ **23matters** in amounts that may be material to us, we may be required to make such expenditures in the future. These laws ~~21and~~ **and** regulations have changed substantially and rapidly and we anticipate that there will be continuing changes, which may require us to incur costs to maintain our business. The clear trend in environmental, health, transportation and safety regulations is to place more restrictions and limitations on activities that impact the environment, such as emission of air pollutants as well as

soil and ground water contaminants. Increasingly, strict restrictions and limitations have resulted in higher operating costs for us and it is possible that the costs of compliance with such laws and regulations will continue to increase. Our attempts to anticipate future regulatory requirements that might be imposed and our plans to remain in compliance with changing regulations and to minimize the costs of such compliance may not be as effective as we anticipate. Growing concern over climate change also may result in additional legal or regulatory requirements designed to reduce or mitigate the effects of carbon dioxide and other greenhouse gas emissions on the environment. Our practices may be judged against sustainability standards that are continually evolving and not always clear. Prevailing sustainability standards, expectations and regulations may also reflect contrasting or conflicting values or agendas. **The State of California has recently enacted laws and regulations regarding disclosure of climate-related risks and greenhouse gas emissions, each of which is expected to impose meaningful compliance burdens on in-scope companies.** In addition ~~recent months~~, ~~there~~ **various governmental bodies and international organizations have been substantial proposed or adopted policies or requirements that seek to reduce the usage of plastics and plastic products, which could impact the availability of our raw materials, consumer sentiment regarding our products and our ability to effectively source waste for purposes of our recycling operations. The potential impact to us of these** legislative and regulatory developments, **including the potential impact to us as part of the value chain of our customers, suppliers and other business partners that are subject to current or future legislation or regulations in this area, is uncertain at this time. We are continuing to monitor and evaluate these impacts, although we expect that the emerging legal and regulatory requirements** on climate-related issues **will result**, including proposed, issued or implemented legislation and rulemakings that would require companies to assess and / or disclose climate metrics, risks, opportunities, policies and practices. For example broad rules and regulations have been approved recently in **additional compliance** the State of California and proposed by the SEC for adoption in 2024 requiring increased climate change-related disclosure, which may require us to **incur spend** significant **resources** compliance costs and **divert management attention** could increase liability and reputational risks. Additionally, drought conditions or water management initiatives have led and may continue to lead to municipal ordinances related to water use restrictions, and such restrictions could result in decreased pool installations and negatively impact our sales. Further, increased energy or compliance costs and expenses as a result thereof may cause disruptions in, or an increase in the costs associated with, the manufacturing and distribution of our products. We depend on third parties for transportation services to some extent, and the lack of availability of and / or increases in the cost of transportation could have a material adverse effect on our business and results of operations. Our business depends on the transportation of both finished goods to our customers and the transportation of raw materials to us primarily through the use of flatbed trucks and rail transportation. We rely partially on third parties for transportation of these items. The availability of these transportation services is subject to various risks, some of which we have recently incurred due to macroeconomic and inflationary conditions, including those associated with supply shortages, change in fuel prices, work stoppages, operating hazards, **disruption to transportation routes, changes in tariffs or duties imposed on imported products or raw materials**, and interstate transportation regulations. In particular, a significant portion of our finished goods is transported by flatbed trucks, which are occasionally in high demand (especially at the end of ~~calendar~~ quarters) and / or subject to price fluctuations based on market conditions and the price of fuel. If the required supply of transportation services is unavailable when needed, we may be unable to sell our products when they are requested by our customers. In that event, we may be required to reduce the price of the affected products, seek alternative and, potentially more costly, transportation services or be unable to sell the affected products. Similarly, if any of these transportation providers were unavailable to deliver raw materials to us in a timely manner, we may be unable to manufacture our products in response to customer demand. In addition, a significant increase in transportation rates or fuel surcharges could adversely affect our profitability. Any of these events, especially in our peak selling season, could have a material adverse effect on our business and results of operations. ~~Our~~ **24**Our business operations could suffer if we fail to protect adequately our intellectual property rights, and we may experience claims by third parties that we are violating their intellectual property rights. We rely on trademark and service mark protection to protect our brands and we have registered or applied to register many of these trademarks and services marks. In the event that our trademarks or service marks are successfully challenged and we lose the rights to use those trademarks or service marks, or if we fail to prevent others from using them (or similar marks), we could be forced to rebrand our products, requiring us to devote resources to advertising and marketing new brands, and our competitive position and the value of our brands could be adversely affected and our intangible assets could be impaired. In addition, we cannot be sure that any pending trademark or service mark applications will be granted or will not be challenged or opposed by third parties. ~~22~~ **We** generally rely on a combination of unpatented proprietary know-how and trade secrets and, to a lesser extent, patents to preserve our position in the market. Because of the importance of our proprietary know-how and trade secrets, we employ various methods to protect our intellectual property, such as entering into confidentiality agreements with third parties, and controlling access to, and distribution of, our proprietary information. We may not be able to deter current and former employees, contractors and other parties from breaching confidentiality obligations and misappropriating proprietary information. It is difficult for us to monitor unauthorized uses of our products and technology. Accordingly, these protections may not be adequate to prevent competitors from copying, imitating or reverse engineering our products or from developing and marketing products that are substantially equivalent to or superior to our own. In addition, we have applied for patent protection relating to certain products, processes and services or aspects thereof. We cannot be sure that any of our pending patent applications will be granted or that any patents issued as a result of our patent applications will be of sufficient scope or strength to provide us with any meaningful protection or commercial advantage. Moreover, since our patents, trademarks and service marks are primarily registered in the United States and Canada, we may not be successful in asserting patent or trademark protection in other countries. If third parties take actions that affect our rights or the value of our intellectual property or proprietary rights, or if we are unable to protect our intellectual property, **including in response to developing AI technologies**, from infringement or misappropriation, other companies may be able to offer competitive products at lower

prices, and we may not be able to effectively compete against these companies. In addition, if any third party copies or imitates our products in a manner that affects customer or consumer perception of the quality of our products, or of engineered products generally, our reputation and sales could suffer whether or not these violate our intellectual property rights. In addition, we face the risk of claims that we are infringing third parties' intellectual property rights. Any such claim, even if it is without merit, could be expensive and time-consuming to defend and could divert the time and attention of our management. An intellectual property claim against us that is successful could cause us to cease making or selling products that incorporate the disputed intellectual property, require us to redesign our products, which may not be feasible or cost effective, and require us to enter into costly royalty or licensing arrangements, any of which could have a material adverse effect on our business, financial condition and results of operations. We conduct business internationally, which exposes us to additional risks. Our ability to successfully conduct operations in, and source products and materials from, international markets is affected by many of the same risks we face in our U. S. operations, as well as unique costs and difficulties of managing international operations. Our international operations, which accounted for ~~16~~ **15**, ~~1~~ **6**% of our net sales in ~~2023~~ **2024**, and a significant portion of our purchased supplies, expose us to certain additional risks, including: • difficulty in staffing international subsidiary operations and increased costs of managing international operations; • different political, economic, and regulatory conditions; **25** • local laws and customs and enforcement thereof; • violations of anti-bribery and anti-corruption laws, such as the United States Foreign Corrupt Practices Act; • violations of economic sanctions laws, such as the regulations enforced by the U. S. Department of The Treasury' s Office of Foreign Assets Control; • tariffs and other import / export trade restrictions; ~~23~~ • currency fluctuations; • limitations on our ability to enforce legal rights and remedies with third parties or partners outside the United States; • foreign investment and cash repatriation regulations; • adverse tax consequences; and • dependence on other economies. For foreign-sourced products, we may be subject to certain trade restrictions that would prevent us from obtaining products. There is also a greater risk that we may not be able to access products in a timely and efficient manner. Fluctuations in other factors relating to international trade, such as tariffs, transportation availability and costs and inflation are additional risks for our international operations. Our failure to manage any of these risks could adversely affect our international operations and our financial results. We process, store, and use personal information and other data, which subjects us to governmental regulation and other legal obligations related to privacy, and violation of these privacy obligations could result in a claim for damages, regulatory action, loss of business, or unfavorable publicity. We receive, store and process personal information and other customer information, or personal information and other data from and about our customers, prospective customers, homeowners, our employees, applicants for employment and other individuals with whom we do business. There are numerous laws, as well as regulations and industry guidelines, regarding privacy and the storing, use, processing, and disclosure and protection of personal information, the scope of which are changing, subject to differing interpretations, and may be inconsistent among countries or conflict with other rules. For example, the California Consumer Privacy Act (" CCPA"), effective on January 1, 2020, established a new privacy framework for covered businesses. The California Privacy Rights Act (" CPRA"), effective January 1, 2023, amended and expanded the CCPA. The CCPA and CPRA provide new and enhanced data privacy rights to California residents, such as giving California consumers and employees the right to access and / or delete their personal information, affording consumers and employees the right to opt out of certain sales of personal information as well as sharing for cross context behavioral advertising, and prohibiting covered businesses from discriminating against consumers (e. g., charging more for services) for exercising any of their CCPA / CPRA rights. The CPRA bolstered the requirements for agreements that cover the exchange of data and established the California Privacy Protection Agency, which is responsible for enforcement activities, rulemaking, and public awareness related to privacy and data protection. Additionally, laws, regulations, and standards covering marketing and advertising activities conducted by telephone, email, mobile devices, and the internet, may be applicable to our business, such as the Telephone Consumer Protection Act and the Controlling the Assault of Non-Solicited Pornography and Marketing Act, and similar state consumer protection laws. We generally seek to comply with industry standards and are subject to the terms of our own privacy policies and privacy-related obligations to third parties. **Obligations related to data privacy and security (and consumers' data privacy expectations) are quickly changing, becoming increasingly stringent, and creating uncertainty.** We strive to comply with all applicable laws, policies, legal obligations, and industry codes of conduct relating to privacy and data ~~protection~~ **26** ~~protection~~ to the extent possible. However, it is possible that these obligations may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or regulations, making enforcement, and thus compliance requirements, ambiguous, uncertain, and potentially inconsistent. Any failure or perceived failure by us to comply with our privacy policies, privacy-related obligations to customers or other third parties, or our privacy-related legal obligations, or any compromise of security that results in the unauthorized access to or unintended release of personally identifiable information or other customer data, may result in governmental enforcement actions, litigation, or public statements against us by consumer advocacy groups or others. Any of these events could cause us to incur significant costs in investigating and defending such claims and, if found liable, pay significant damages. Further, these proceedings and any subsequent adverse outcomes may cause our customers to lose trust in us, which could have an adverse effect on our reputation and business. ~~24~~ **We** ~~We~~ also expect that there will continue to be new laws, regulations and industry standards concerning privacy, data protection and information security proposed and enacted in various jurisdictions. The United States, Canada, Australia, New Zealand, the European Union, the United Kingdom and other countries in which we operate are increasingly adopting or revising privacy, information security and data protection laws and regulations that could have a significant impact on our current and planned privacy, data protection and information security-related practices, our collection, use, sharing, retention and safeguarding of customer, consumer and / or employee information, as well as any other third-party information we receive, and some of our current or planned business activities. Any significant change to applicable laws, regulations or industry practices regarding the use or disclosure of personal information could result in increased compliance costs. Any of the foregoing could materially adversely affect our brand, reputation, business, results of operations,

and financial condition. Our historical growth in part has been due to strategic transactions, and we continuously evaluate and may in the future enter into additional strategic transactions, which could be material to our business and financial performance. Evaluating and consummating potential transactions and integrating completed transactions may divert the attention of our management from ordinary operating matters. Our historical growth in part has been due to strategic acquisitions and partnerships. Strategic transactions continue to be part of our growth strategy, and could take any number of forms, including an acquisition, merger, sale of certain of our assets, refinancing, recapitalization or other material strategic transaction, any of which could be material to our business and financial performance.

**Any strategic transactions that we may pursue may involve a number of risks, including but not limited to some or all of the following: (i) difficulty in identifying acceptable acquisition candidates; (ii) the inability to consummate acquisitions or strategic transactions on favorable terms and to obtain adequate financing, which financing may not be available to us at times, in amounts or on terms acceptable to us, if at all; (iii) the diversion of management's attention from our core businesses; (iv) disruptions to our ongoing business; (v) entry into sectors in which we have limited or no experience; (vi) the inability to integrate our acquisitions or enter into strategic transactions without substantial costs, delays or other problems; (vii) unexpected liabilities for which we may not be adequately indemnified; (viii) inability to enforce indemnification and non-compete agreement; (ix) failing to successfully incorporate acquired product lines or brands into our business; (x) the failure of the acquired business or strategic transaction to perform as well as anticipated; (xi) the failure to realize expected synergies and cost savings; (xii) the loss of key employees or customers of the acquired business; (xiii) increasing demands on our operational systems and the potential inability to implement adequate internal controls covering an acquired business; (xiv) any requirement that we make divestitures of operations or property in order to comply with applicable antitrust laws; (xv) possible adverse effects on our reported operating results, particularly during the first several reporting periods after the acquisition is completed; and (xvii) impairment of goodwill relating to an acquired business, which could reduce reported income.**

The success of potential acquisitions or mergers will depend, in part, on our ability to realize the anticipated growth opportunities and cost synergies through the successful integration of the businesses we acquire with our existing business. Even if we are successful in integrating acquired businesses, these integrations may not result in the realization of the full benefit of any anticipated growth opportunities or cost synergies or we may not realize these benefits within the expected time frames, which could result in an impairment of acquired assets. We may have difficulty implementing systems of internal controls in acquired businesses or equity investees that may not have such systems in place or merging different accounting and financial reporting systems with ours. In addition, acquired businesses may have unanticipated liabilities or contingencies. We may, from time to time, consider disposing of assets. We may not be able to dispose of any such assets on terms that are attractive to us, or at all, which could materially adversely impact our financial condition or results of operation. In addition, to the extent we consummate an agreement for the sale and disposition of an asset or asset group, we may experience operational difficulties segregating them from our retained assets and operations, which could impact the execution or timing for such dispositions and could result in disruptions to our operations and / or claims for damages, among other things. If we complete an acquisition, merger, sale of certain assets, refinancing, recapitalization, or other material strategic transaction, we may require additional financing or recapitalizing existing financing that could result in an increase in the aggregate amount and / or cost of our debt, or may not be available at all. The aggregate principal amount of our debt that we may issue may be significant; see "Risks Related to Our Indebtedness" for additional information on the risks of increased leverage.

~~Changes in trade policies, including the imposition of tariffs, could negatively impact our business, financial condition, and results of operations. Recent U. S. administrations have signaled support for, and in some instances has taken action with respect to, major changes to certain trade policies, such as the imposition of tariffs on imported products. For example, the United States has increased tariffs on certain imports from China, as well as on steel and aluminum products imported from various countries such as Russia. More specifically, in March 2018, the United States imposed a 25% tariff on steel and aluminum imports pursuant to Section 301 of the Trade Act of 1974 and has imposed additional tariffs on steel imports pursuant to Section 232 of the Trade Expansion Act of 1962. More recently, in October 2023, certain industry groups within the United States petitioned the U. S. government to impose additional tariffs on the importation of aluminum. These tariffs could result in interruptions in the supply chain and impact costs and our gross margins. We procure certain raw materials we use in the manufacturing of our products directly or indirectly from outside of the United States. The imposition of or increase in steel and aluminum tariffs and other potential changes in U. S. trade policy could increase the cost or limit the availability of raw materials, which could hurt our competitive position and adversely impact our business, financial condition, and results of operations. If we are unable to pass price increases on to our customer base or otherwise mitigate the costs, our operating results could be materially adversely affected.~~

Our insurance coverage may be inadequate to protect against the potential hazards inherent to our business. We maintain property, business interruption, product liability and casualty insurance coverage, but such insurance may not provide adequate coverage against potential claims, including losses resulting from interruptions in our production capability or product liability claims relating to the products we manufacture. Premiums and deductibles for some of our insurance policies have been increasing and may, in the future, increase substantially. In some instances, some types of insurance may become available only for reduced amounts of coverage, if at all. Our insurers could also deny coverage for claims. In addition, we self-insure health benefits, and although we have a stop-loss policy in place to limit exposure, we may be adversely impacted by unfavorable claims experience. If the number or severity of health claims increases, or we are required to accrue or pay additional amounts because the claims prove to be more severe than our original assessment, our operating results would be adversely affected. Our future health claims expense might exceed historical levels, which could reduce our earnings. If we were to incur a significant liability for which we were not fully insured or that our insurers disputed or for which we self-insure, our business, financial condition and results of operations could be materially adversely affected. If our goodwill, other intangible assets or fixed assets become impaired, we may be required to record a significant charge to earnings. We had approximately \$ ~~131~~ **152.4** million

of goodwill and \$ 282.292.8-9 million of acquired intangible assets, net on our consolidated balance sheet as of December 31, 2023-2024, which represented 15-19.7-2% and 33-36.9 % of our total assets, respectively, as of such date. Under U. S. generally accepted accounting principles (“ GAAP ”), the carrying amount of our goodwill is tested at least annually for impairment, and we have elected to conduct this test on the first day of the fourth quarter. On each quarter end date, we assess whether recent events or changes in circumstances constitute a triggering event requiring us to assess whether goodwill, other intangible assets or fixed assets may be impaired before the annual testing date. Occurrences that may constitute a change in circumstances include, but are not limited to, a sustained decline in our share price and market capitalization, decreases in expected future cash flows and slower growth rates in our industry. We review our fixed assets and other finite life intangibles for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Under GAAP, if we determine that goodwill, other intangible assets or fixed assets are impaired, we will be required to write down these assets to fair value. Any write-down would have a negative effect on our consolidated financial statements and may be material. Based on the results of the quantitative assessment performed for our one reporting unit, we determined that goodwill was not impaired at October 1, September 29, 2023-2024. Based on the results of the qualitative assessment performed for our one reporting unit, we determined that goodwill was not impaired at October 3, 2022. However, if factors exist that could indicate an impairment in the future, including a sustained decrease in our stock price, we may be required to record impairment charges in future periods.

**Risks-28Risks** Related to Our Indebtedness Our substantial indebtedness could adversely affect our financial condition. We have a significant amount of indebtedness. As of December 31, 2023-2024, we have \$ 309.288.3-1 million face value of indebtedness in the form of the New-Term Loan outstanding under the New-Credit Agreement and \$ 75.0 million of availability under the New-Revolving Credit Facility under the New-Credit Agreement (each as defined below). Our obligations under the New-Credit Agreement are secured by substantially all of our and our subsidiaries’ assets. Subject to the limits contained in the New-Credit Agreement, we may incur additional debt from time to time to finance capital expenditures, investments, acquisitions, or for other purposes. If we do incur substantial additional debt, the risks related to our level of debt could intensify. Specifically, our level of indebtedness could have important consequences, including:

- limiting our ability to obtain additional financing to fund capital expenditures, investments, acquisitions or other general corporate requirements;
- requiring a substantial portion of our cash flow to be dedicated to payments to service our indebtedness instead of other purposes, thereby reducing the amount of cash flow available for capital expenditures, investments, acquisitions and other general corporate purposes;
- increasing our vulnerability to and the potential impact of adverse changes in general economic, industry and competitive conditions;
- limiting our flexibility in planning for and reacting to changes in the industry in which we compete;
- placing us at a disadvantage compared to other, less leveraged competitors or competitors with comparable debt at more favorable interest rates; and
- increasing our costs of borrowing.

In addition, the financial and other covenants set forth in the New-Credit Agreement may limit our ability to incur additional indebtedness, make investments, and engage in other transactions, and the leverage may cause potential lenders to be less willing to loan funds to us in the future. Our business and operations may consume resources faster than we anticipate. In the future, we may need to raise additional funds through the issuance of new equity securities, debt, or a combination of both. Additional financing may not be available on favorable terms or at all. If adequate funds are not available on acceptable terms, we may be unable to fund our capital requirements. We may be unable to generate sufficient cash flow to satisfy our significant debt service obligations, which would adversely affect our financial condition and results of operations. Our ability to make principal and interest payments on and to refinance our indebtedness will depend on our ability to generate cash in the future. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory, and other factors that are beyond our control. If our business does not generate sufficient cash flow from operations, in the amounts projected or at all, or if future borrowings are not available to us in amounts sufficient to fund our other liquidity needs, our financial condition and results of operations may be adversely affected. If we cannot generate sufficient cash flow from operations to make scheduled principal amortization and interest payments on our debt obligations in the future, we may need to refinance all or a portion of our indebtedness on or before maturity, sell assets, delay capital expenditures, or seek additional equity investments. If we are unable to refinance any of our indebtedness on commercially reasonable terms or at all or to effect any other action relating to our indebtedness on satisfactory terms or at all, our business may be harmed.

**Our-29Our** New-Credit Agreement has restrictive terms and our failure to comply with any of these terms could put us in default, which would have an adverse effect on our business and prospects. Unless and until we repay all outstanding borrowings under our New-Credit Agreement we will remain subject to the restrictive terms of these borrowings. The New-Credit Agreement contains a number of covenants, including a financial covenant that requires us to maintain a certain first lien net leverage ratio if the outstanding usage under the New-Revolving Credit Facility (as defined below) exceeds 40 % of the commitments under the New-Revolving Credit Facility, tested quarterly. These covenants limit the ability of certain of our subsidiaries to, among other things:

- sell assets; 27-
- engage in mergers, acquisitions, and other business combinations;
- declare dividends or redeem or repurchase capital stock;
- incur, assume, or permit to exist additional indebtedness or guarantees;
- make loans and investments;
- incur liens; and
- enter into transactions with affiliates.

Our ability to satisfy the financial ratio can be affected by events beyond our control, and we may not satisfy such a test. A breach of covenants could result in a default under the New-Credit Agreement. By reason of cross- acceleration or cross- default provisions, other indebtedness may then become immediately due and payable. Our assets or cash flows may not be sufficient to fully repay borrowings under our outstanding debt instruments if accelerated upon an event of default. If amounts owed under the New-Credit Agreement are accelerated because of a default and we are unable to pay such amounts, the investors may have the right to assume control of substantially all of the assets securing the New-Credit Agreement. No assurance can be given that any refinancing or additional financing will be possible when needed or that we will be able to negotiate acceptable terms. In addition, our access to capital is affected by prevailing conditions in the financial and capital markets and other factors beyond our control. There can be no assurance that market conditions will be favorable at the times that we require new or additional

financing. In addition, the ~~New~~ Credit Agreement contains restrictive covenants that limit our subsidiaries from making dividend payments, loans, or advances to the Company, unless certain conditions are met. Our failure to comply with such covenants may result in default, which could result in the acceleration of all our debt. Our indebtedness is variable rate, subjecting us to interest rate risk, which could cause our indebtedness service obligations to increase significantly. Borrowings under the ~~New~~ Credit Agreement accrue interest at variable rates and expose us to interest rate risk. Interest rates have fluctuated significantly and are expected to fluctuate significantly in the future. As a result, although we hedged part of our interest rate exposure under the ~~New~~ Credit Agreement, interest rates on the ~~New~~ Credit Agreement or other variable rate debt obligations could be higher or lower than current levels. If interest rates increase, our debt service obligations on our variable rate indebtedness would increase even though the amount borrowed remained the same, and our net income and cash flows, including cash available for servicing our indebtedness, would correspondingly decrease.

**Risks 30 Risks** Related to Ownership of Our Common Stock Our stock price has been volatile, and you may not be able to resell our common stock at or above the price you paid. Our stock price has been highly volatile in recent years. Such volatility may continue in response to various factors, some of which are beyond our control, including: ● market conditions in the broader stock market; ● fluctuations in the values of companies perceived by investors to be comparable to us; ● sales, or the anticipation of sales, of our common stock by us, our insiders or our other stockholders, including the impacts if we are no longer a controlled company; ~~28~~ ● guidance, if any, that we may provide to the public, any changes in this guidance or our failure to meet this guidance; ● public response to press releases or other public announcements by us or third parties, including our filings with the SEC; and ● the realization of any risks described under this “Risk Factors” section, or other risks that may materialize in the future. These and other factors, many of which are beyond our control, may cause our operating results and the market price and demand for our common stock to fluctuate substantially. While we are of the view that operating results for any particular quarter are not necessarily a meaningful indication of future results, fluctuations in our quarterly operating results may negatively affect the market price and liquidity of our stock. In addition, in the past, when the market price of a stock has been volatile, holders of that stock have sometimes instituted securities class action litigation against the company that issued the stock. If any of our stockholders brought a lawsuit against us, we could incur substantial costs defending and / or settling the lawsuit, a portion or all of which may not be covered by insurance. Settlement and verdict damages from securities class action lawsuits are often material. Such a lawsuit could also divert the time and attention of our management from our business, which could significantly harm our profitability and reputation. In addition, the stock markets, and the market for growth stocks in particular, have from time to time experienced price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of those companies. Broad market and industry factors may significantly affect the market price of our common stock, regardless of our actual operating performance. You may not realize any return on your investment in us and may lose some or all of your investment. Our Principal Stockholders continue to have significant influence over us, including control over decisions that require the approval of stockholders, which could limit your ability to influence the outcome of matters submitted to stockholders for a vote. Pamplona Capital Partners V, L. P., an investment fund (the “Pamplona Fund”) managed by affiliates of Pamplona Capital Management, LLC (together with its respective subsidiaries and affiliates, “Pamplona”) and Wynnchurch Capital Partners IV, L. P. (“Wynnchurch IV”) and WC Partners Executive IV, L. P. (“WC Executive”) (collectively, the “Wynnchurch Funds”) managed by affiliates of Wynnchurch Capital, L. P. (together with its respective subsidiaries and affiliates, “Wynnchurch”) are currently our majority stockholders (the “Principal Stockholders”). Affiliates of our Principal Stockholders together own approximately 57.97% of the outstanding shares of our common stock as of ~~March 8~~ **February 28**, ~~2024~~ **2025**. As long as affiliates of our Principal Stockholders own or control a majority of our outstanding voting power, our Principal Stockholders and their affiliates have the ability **to exercise substantial control over all corporate actions requiring stockholder approval, irrespective of how our other stockholders may vote, including: ● the election and removal of directors and the size of our Board; ● any amendment of our articles of incorporation or bylaws; or ● the approval of mergers and other significant corporate transactions, including a sale of substantially all of our assets. In addition, Pamplona has certain Board nomination rights that may enable it** to exercise substantial control over all corporate actions ~~requiring stockholder approval, irrespective of how our other stockholders may vote, including: ● the election and removal of directors and the size of our Board of Directors; ● any amendment of our articles of incorporation or bylaws; or ● the approval of mergers and other significant corporate transactions, including a sale of substantially all of our assets. In addition, Pamplona has certain~~ **the right to nominate to our** Board nomination rights that may enable it to exercise substantial control over all corporate actions. Pamplona has the right to nominate to our Board of Directors a number of designees on a sliding scale depending on Pamplona’s affiliates’ ownership of our common stock, ranging from Pamplona being able to nominate at least a majority of the total number of directors so long as its affiliates beneficially own at least 50% of the shares of our common stock to Pamplona being able to nominate at least 10% of the total number of directors as long as its affiliates beneficially own at least 5%. ~~29~~ **Moreover**, ownership of our shares by affiliates of our Principal Stockholders may also adversely affect the trading price for our common stock to the extent investors perceive disadvantages in owning shares of a company with a controlling shareholder. For example, the concentration of ownership held by our Principal Stockholders could delay, defer, or prevent a change in control of our company or impede a merger, takeover, or other business combination which may otherwise be favorable for us. In addition, our Principal Stockholders are in the business of making investments in companies and may, from time to time, acquire interests in businesses that directly or indirectly compete with our business, as well as businesses that are significant existing or potential customers. Our Principal Stockholders may acquire or seek to acquire assets complementary to our business that we seek to acquire and, as a result, those acquisition opportunities may not be available to us or may be more expensive for us to pursue, and as a result, the interests of our Principal Stockholders may not coincide with the interests of our other stockholders. So long as our Principal Stockholders continue to directly or indirectly own a significant amount of our equity, even if such amount is less than 50%, our Principal Stockholders will continue to be able to substantially influence or

effectively control our ability to enter into corporate transactions. Our organizational documents and Delaware law may impede or discourage a takeover, which could deprive our investors of the opportunity to receive a premium on their shares. Provisions of our certificate of incorporation and bylaws may make it more difficult for, or prevent a third party from, acquiring control of us without the approval of our Board of Directors. These provisions include: ● providing that our Board of Directors will be divided into three classes, with each class of directors serving staggered three-year terms; ● providing for the removal of directors only for cause and only upon the affirmative vote of the holders of at least 66 2 / 3 % in voting power of all the then-outstanding shares of stock of the Company entitled to vote thereon, voting together as a single class, if less than a majority of the voting power of our outstanding common stock is beneficially owned by our Principal Stockholders; ● empowering only the Board to fill any vacancy on our Board of Directors (other than in respect of our Principal Stockholders' directors (as defined below)), whether such vacancy occurs as a result of an increase in the number of directors or otherwise, if less than a majority of the voting power of our outstanding common stock is beneficially owned by our Principal Stockholders; ● authorizing the issuance of "blank check" preferred stock without any need for action by stockholders; 32 ● prohibiting stockholders from acting by written consent if less than a majority of the voting power of our outstanding common stock is beneficially owned by our Principal Stockholders; ● to the extent permitted by law, prohibiting stockholders from calling a special meeting of stockholders if less than a majority of the voting power of our outstanding common stock is beneficially owned by our Principal Stockholders; and ● establishing advance notice requirements for nominations for election to our Board of Directors or for proposing matters that can be acted on by stockholders at stockholder meetings. Additionally, our certificate of incorporation provides that we are not governed by Section 203 of the Delaware General Corporation Law (the "DGCL"), which, in the absence of such provisions, would have imposed additional requirements regarding mergers and other business combinations. However, our certificate of incorporation includes a provision that restricts us from engaging in any business combination with an interested stockholder for three years following the date that person becomes an interested stockholder, but such restrictions shall not apply to any business combination between our Principal Stockholders and any affiliate thereof or their direct and indirect transferees, on the one hand, and us, on the other. 30 Any -- Any issuance by us of preferred stock could delay or prevent a change in control of us. Our Board of Directors has the authority to cause us to issue, without any further vote or action by the stockholders, shares of preferred stock, par value \$ 0.0001 per share, in one or more series, to designate the number of shares constituting any series, and to fix the rights, preferences, privileges, and restrictions thereof, including dividend rights, voting rights, rights and terms of redemption, redemption price or prices, and liquidation preferences of such series. The issuance of shares of our preferred stock may have the effect of delaying, deferring, or preventing a change in control without further action by the stockholders, even where stockholders are offered a premium for their shares. In addition, as long as our Principal Stockholders beneficially own at least a majority of the voting power of our outstanding common stock, our Principal Stockholders will be able to control all matters requiring stockholder approval, including the election of directors, amendment of our certificate of incorporation and certain corporate transactions. Together, these certificate of incorporation, bylaw and statutory provisions could make the removal of management more difficult and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for our common stock. Furthermore, the existence of the foregoing provisions, as well as the significant common stock beneficially owned by our Principal Stockholders and their right to nominate a specified number of directors in certain circumstances, could limit the price that investors might be willing to pay in the future for shares of our common stock. They could also deter potential acquirers of us, thereby reducing the likelihood that you could receive a premium for your common stock in an acquisition. Our certificate of incorporation contains a provision renouncing our interest and expectancy in certain corporate opportunities. Under our certificate of incorporation, none of our Principal Stockholders, any affiliates of our Principal Stockholders, or any of their respective officers, directors, agents, stockholders, members, or partners, have any duty to refrain from engaging, directly or indirectly, in the same business activities, similar business activities, or lines of business in which we operate. In addition, our certificate of incorporation provides that, to the fullest extent permitted by law, no officer or director of ours who is also an officer, director, employee, managing director or other affiliate of our Principal Stockholders will be liable to us or our stockholders for breach of any fiduciary duty by reason of the fact that any such individual directs a corporate opportunity to any Principal Stockholder, instead of us, or does not communicate information regarding a corporate opportunity to us that the officer, director, employee, managing director, or other affiliate has directed to a Principal Stockholder. For instance, a director of our company who also serves as a director, officer, or employee of one of our Principal Stockholders or any of their portfolio companies, funds, or other affiliates may pursue certain acquisitions or other opportunities that may be complementary to our business and, as a result, such acquisition or other opportunities may not be available to us. Our Board of Directors consists of nine eight members, four of whom are our Principal Stockholders' directors. These potential conflicts of interest could have a material adverse effect on our business, financial condition, results of operations, or prospects if attractive corporate opportunities are allocated by one 33 of our Principal Stockholders to itself or its affiliated funds, the portfolio companies owned by such funds or any affiliates of a Principal Stockholder instead of to us. We do not anticipate paying quarterly cash dividends, and accordingly, stockholders must rely on stock appreciation for any return on their investment. We do not currently anticipate declaring quarterly cash dividends to holders of our common stock. Consequently, investors must rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investment. Investors seeking cash dividends should not invest in our common stock. Our certificate of incorporation provides that the Court of Chancery of the State of Delaware is the sole and exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees. Our certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware is the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our 31

