

REFINITIV

DELTA REPORT

10-Q

LAKE - LAKELAND INDUSTRIES INC

10-Q - APRIL 30, 2024 COMPARED TO 10-Q - OCTOBER 31, 2023

The following comparison report has been automatically generated

TOTAL DELTAS 1235

■ CHANGES	141
■ DELETIONS	612
■ ADDITIONS	482

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark one)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended October 31, 2023 April 30, 2024

OR

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 0-15535

LAKELAND INDUSTRIES, INC.

(Exact name of Registrant as specified in its charter)

Delaware

13-3115216

(State or Other Jurisdiction of Incorporation or Organization)

(I.R.S. Employer Identification No.)

1525 Perimeter Parkway, Suite 325 Huntsville, AL

35806

(Address of Principal Executive Offices)

(Zip Code)

(Registrant's telephone number, including area code) (256) 350-3873

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	LAKE	NASDAQ

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer

Accelerated filer

Nonaccelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act)

Yes No

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

Class	Outstanding at November 30, 2023 May 31, 2024
Common Stock, \$0.01 par value per share	7,364,757 7,377,815 Shares

**LAKELAND INDUSTRIES, INC.
AND SUBSIDIARIES**

FORM 10-Q

The following information of the Registrant and its subsidiaries is submitted herewith:

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**LAKELAND INDUSTRIES, INC.
AND SUBSIDIARIES**

PART I FINANCIAL INFORMATION

Item 1. Financial Statements

**LAKELAND INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)**
(\$000's except for share and per share information)

	Three Months Ended October 31,		Nine Months Ended October 31,		Three Months Ended April 30,	
	2023	2022	2023	2022	2024	2023
Net sales	\$ 31,678	\$ 28,387	\$ 93,449	\$ 83,849	\$ 36,309	\$ 28,700
Cost of goods sold	18,317	16,083	53,461	48,862	20,125	16,256
Gross profit	13,361	12,304	39,988	34,987	16,184	12,444
Operating expenses	9,740	10,082	30,699	29,522	13,982	10,506
Operating profit	3,621	2,222	9,289	5,465	2,202	1,938
Other income (expense), net	(53)	(72)	(187)	(140)	11	(69)
Interest expense	(13)	(4)	(22)	(25)	(172)	(8)
Income before taxes	3,555	2,146	9,080	5,300	2,041	1,861
Income tax expense	937	715	2,677	3,610	388	541
Net income (loss)	<u>\$ 2,618</u>	<u>\$ 1,431</u>	<u>\$ 6,402</u>	<u>\$ 1,690</u>		
Net income (loss) per common share:					<u>\$ 1,653</u>	<u>1,320</u>
Net income						
Net income per common share:						
Basic	<u>\$ 0.35</u>	<u>\$ 0.19</u>	<u>\$ 0.87</u>	<u>\$ 0.22</u>	<u>\$ 0.22</u>	<u>\$ 0.18</u>
Diluted	<u>\$ 0.34</u>	<u>\$ 0.19</u>	<u>\$ 0.85</u>	<u>\$ 0.22</u>	<u>\$ 0.22</u>	<u>\$ 0.18</u>
Weighted average common shares outstanding:						
Basic	7,428,557	7,514,725	7,344,559	7,600,272	7,364,757	7,325,005
Diluted	7,614,404	7,704,695	7,528,723	7,787,662	7,582,449	7,502,863

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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**LAKELAND INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(UNAUDITED)**
(\$000's)

	Three Months Ended October 31,		Nine Months Ended October 31,		Three Months Ended April 30,	
	2023	2022	2023	2022	2024	2023
Net income (loss)	\$ 2,618	\$ 1,431	\$ 6,402	\$ 1,690		

Net income				\$ 1,653	\$ 1,320
Other comprehensive income (loss):					
Foreign currency translation adjustments	(483)	(1,744)	(2,110)	(2,916)	158
Comprehensive income (loss)	\$ 2,135	\$ (313)	\$ 4,292	\$ (1,226)	
Comprehensive income				\$ 1,811	\$ 602

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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LAKELAND INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)
(000's except for share information)

ASSETS	October 31,	January 31,	April 30,	January 31,
	2023	2023	2024	2024
Current assets				
Cash and cash equivalents	\$ 26,425	\$ 24,639	\$ 28,365	\$ 25,222
Accounts receivable, net of allowance for doubtful accounts of \$769 and \$800 at October 31, 2023 and January 31, 2023, respectively	18,227	17,296		
Accounts receivable, net of allowance for doubtful accounts of \$927 and \$857 at April 30, 2024 and January 31, 2024, respectively			21,763	19,169
Inventories	54,350	58,176	56,064	51,250
Prepaid VAT and other taxes	2,633	1,963	2,212	2,753
Income tax receivable and other current assets	2,385	2,908	5,364	3,111
Total current assets	104,020	104,982	113,768	101,505
Property and equipment, net	9,158	9,140	11,933	10,685
Operating leases right-of-use assets	10,495	5,472	12,080	10,969
Deferred tax assets	3,790	2,764	3,037	3,097
Other assets	134	100	147	110
Goodwill	8,473	8,473	15,215	13,669
Intangible assets, net	5,736	6,042	7,922	6,830
Investments	6,509	5,354		
Equity investments			4,618	4,719
Convertible debt instruments			2,800	2,161
Total assets	\$ 148,315	\$ 142,327	\$ 171,520	\$ 153,745
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities				
Accounts payable	\$ 6,803	\$ 6,558	\$ 9,051	\$ 7,378
Accrued compensation and benefits	3,670	2,522	3,994	3,922
Other accrued expenses	1,951	4,068	4,466	2,487
Income tax payable	1,057	-	1,203	1,454
Short-term borrowings	-	405	-	298
Accrued earnout agreement	492	3,182	218	643
Current portion of operating lease liabilities	1,538	1,253	2,164	2,164
Total current liabilities	15,511	17,988	21,096	18,346
Deferred income taxes	12	769	2,114	2,097
Loans payable – long term			12,965	731
Long-term portion of operating lease liabilities	9,203	3,580	10,236	9,121

Total liabilities	24,726	22,337	46,411	30,294
Commitments and contingencies				
Stockholders' equity				
Preferred stock, \$0.01 par; authorized 1,500,000 shares (none issued)				
Common stock, \$0.01 par; authorized 20,000,000 shares Issued 8,722,965 and 8,655,699; outstanding 7,364,757 and 7,325,005 at October 31, 2023 and January 31, 2023, respectively	87	87		
Treasury stock, at cost; 1,358,208 and 1,330,694 shares at October 31, 2023 and January 31, 2023, respectively	(19,979)	(19,646)		
Common stock, \$0.01 par; authorized 20,000,000 shares Issued 8,736,023 and 8,722,965; outstanding 7,377,815 and 7,364,757 at April 30, 2024 and January 31, 2024, respectively			87	87
Treasury stock, at cost; 1,358,208 shares at April 30, 2024 and January 31, 2024, respectively			(19,979)	(19,979)
Additional paid-in capital	78,802	78,475	79,489	79,420
Retained earnings	70,480	64,765	70,714	69,282
Accumulated other comprehensive loss	(5,801)	(3,691)	(5,202)	(5,360)
Total stockholders' equity	123,589	119,990	125,109	123,450
Total liabilities and stockholders' equity	\$ 148,315	\$ 142,327	\$ 171,520	\$ 153,745

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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LAKELAND INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(UNAUDITED)
(000's except for share information)

	Accumulated								Common Stock			Treasury Stock			
	Additional				Other										
	Common Stock		Treasury Stock		Paid-in	Retained	Comprehensive	Total	Shares	Amount	Shares				
	Shares	Amount	Shares	Amount	Capital	Earnings	Loss	Total	Shares	Amount	Shares	(\$000's)			
		(\$000's)		(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)		(\$000's)					
Balance, January 31, 2022	8,555,672	\$ 86	(939,705)	\$ (14,206)	\$ 77,826	\$ 62,892	\$ (1,498)	\$ 125,100							
Net income	—	—	—	—	—	—	1,690	—	—	—	1,690				
Other comprehensive loss	—	—	—	—	—	—	—	—	(2,916)	(2,916)					
Stock-based compensation:															
Restricted stock issued	94,908	1	—	—	—	—	—	—	—	—	1				
Restricted Stock Plan	—	—	—	—	—	1,141	—	—	—	—	1,141				
Return of shares in lieu of payroll withholding	—	—	—	—	—	—	—	—	—	—	(805)	(805)			

Treasury stock purchased	—	—	(390,989)	(5,440)	—	—	—	(5,440)
Balance, October 31, 2022	8,650,580	\$ 87	(1,330,694)	\$ (19,646)	\$ 78,162	\$ 64,582	\$ (4,414)	\$ 118,771
Balance, July 31, 2022	8,650,580	\$ 87	(1,135,855)	\$ (17,332)	\$ 77,811	\$ 63,151	\$ (2,670)	\$ 121,047
Net income	—	—	—	—	—	1,431	—	1,431
Other comprehensive loss	—	—	—	—	—	—	(1,744)	(1,744)
Stock-based compensation:								
Restricted stock issued	—	—	—	—	—	—	—	—
Restricted stock plan	—	—	—	—	351	—	—	351
Return of shares in lieu of payroll withholding	—	—	—	—	—	—	—	—
Treasury stock purchased	—	—	(194,839)	(2,314)	—	—	—	(2,314)
Balance, October 31, 2022	8,650,580	\$ 87	(1,330,694)	\$ (19,646)	\$ 78,162	\$ 64,582	\$ (4,414)	\$ 118,771
Balance, January 31, 2023	8,655,699	\$ 87	(1,330,694)	\$ (19,646)	\$ 78,475	\$ 64,765	\$ (3,691)	\$ 119,990
Net income	—	—	—	—	—	6,402	—	6,402
Other comprehensive loss	—	—	—	—	—	—	(2,110)	(2,110)
Dividends	—	—	—	—	—	(687)	—	(687)
Stock-based compensation:								
Restricted stock issued	67,266	—	—	—	—	—	—	53,557
Restricted stock plan	—	—	—	—	747	—	—	747
Return of shares in lieu of payroll withholding	—	—	—	—	—	—	(420)	(420)
Treasury stock purchased	—	—	(27,514)	(333)	—	—	—	(333)
Balance, October 31, 2023	8,722,965	\$ 87	(1,358,208)	\$ (19,979)	\$ 78,802	\$ 70,480	\$ (5,801)	\$ 123,589
Balance, July 31, 2023	8,721,232	\$ 87	(1,358,208)	\$ (19,979)	\$ 78,511	\$ 68,084	\$ (5,318)	\$ 121,385
Balance, April 30, 2023							8,709,256	\$ 87
								(1,353,500)

Balance,											
January 31,											
2024											
Net income	—	—	—	—	—	2,618	—	2,618	—	—	—
Other comprehensive loss	—	—	—	—	—	—	(483)	(483)	—	—	—
Dividends	—	—	—	—	—	(222)	—	(222)	—	—	—
Stock-based compensation:											
Restricted stock issued	1,733	—	—	—	—	—	—	—	13,058	—	—
Restricted stock plan	—	—	—	—	302	—	—	302	—	—	—
Return of shares in lieu of payroll withholding	—	—	—	—	—	(11)	—	(11)	—	—	—
Treasury stock purchased	—	—	—	—	—	—	—	—	—	—	—
Balance,											
October 31,											
2023	<u>8,722,965</u>	<u>\$ 87</u>	<u>(1,358,208)</u>	<u>\$ (19,979)</u>	<u>\$ 78,802</u>	<u>\$ 70,480</u>	<u>\$ (5,801)</u>	<u>\$ 123,589</u>			
Balance, April 30, 2024									<u>8,736,023</u>	<u>\$ 87</u>	<u>(1,358,208)</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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LAKELAND INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(\$000's)

	Nine Months Ended October 31,		Three Months Ended April 30,	
	2023	2022	2024	2023
Cash flows from operating activities:				
Net income	\$ 6,402	\$ 1,690	\$ 1,653	\$ 1,320
Adjustments to reconcile net income to net cash (used in) provided by operating activities				
Provision for (recovery of) doubtful accounts	(31)	92		
Adjustments to reconcile net income to net cash provided by operating activities				
Deferred income taxes	(1,783)	1,788	77	(176)
Depreciation and amortization	1,609	1,370	647	533
Stock based and restricted stock compensation	747	1,141	198	407
(Gain) loss on disposal of property and equipment	(1)	(4)		
Loss on equity investment	354	252		
Equity in (earnings) loss of equity investment			101	147
Revaluation of earnout consideration	(2,689)	-	(711)	(493)
(Increase) decrease in operating assets				

Accounts receivable	(963)	(2,197)	(404)	955
Inventories	3,211	(10,257)	433	178
Prepaid VAT and other taxes	(670)	(106)	541	(614)
Other assets	285	(22)		
Other current assets			(2,255)	(1,644)
Increase (decrease) in operating liabilities				
Accounts payable	141	613	861	1,181
Accrued expenses and other liabilities	235	499	(852)	1,854
Operating lease liabilities	886	(89)	4	22
Net cash provided by (used in) operating activities	7,733	(5,230)		
Net cash provided by operating activities			293	3,670
Cash flows from investing activities:				
Purchases of property and equipment	(1,505)	(1,273)	(466)	(690)
Investments	(1,510)	(3,061)		
Acquisitions, net of cash acquired			(8,141)	-
Investments in convertible debt instruments			(639)	-
Net cash (used in) investing activities:	(3,015)	(4,334)	(9,246)	(690)
Cash flows from financing activities:				
Short-term borrowings (repayments)	(405)	-		
Credit facility borrowings			12,300	-
Payments on debt facilities			(364)	(290)
Purchase of treasury stock under stock repurchase program	(333)	(5,440)	-	(276)
Dividends paid	(687)	-	(221)	(246)
Shares returned to pay employee taxes under restricted stock program	(420)	(805)	(129)	(339)
Net cash (used in) financing activities	(1,845)	(6,245)		
Net cash provided by (used in) financing activities			11,586	(1,151)
Effect of exchange rate changes on cash and cash equivalents	(1,087)	(1,961)	510	(447)
Net increase (decrease) in cash and cash equivalents	1,786	(17,770)	3,143	1,382
Cash and cash equivalents at beginning of period	24,639	52,719	25,222	24,639
Cash and cash equivalents at end of period	\$ 26,425	\$ 34,949	\$ 28,365	\$ 26,021
Supplemental disclosure of cash flow information:				
Cash paid for interest	\$ 22	\$ 25	\$ 174	\$ 1
Cash paid for taxes	\$ 1,745	\$ 2,614	\$ 397	\$ 893
Noncash investing and financing activities				
Leased assets obtained in exchange for operating lease liabilities	\$ 4,099	\$ 34	\$ 1,411	\$ 91

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

LAKELAND INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED STATEMENTS
(UNAUDITED) (UNAUDITED)

1. Business

Lakeland Industries, Inc. and Subsidiaries ("Lakeland," the "Company," "we," "our," "our" or "us"), a Delaware corporation organized in April 1986, manufacture and sell a comprehensive line of industrial protective clothing and accessories for the industrial and public protective clothing market. Our products are sold globally by our in-house

sales teams, our customer service group, and authorized independent sales representatives to a network of over 2,000 global safety and industrial supply distributors. Our authorized distributors supply end users, such as integrated oil, chemical/petrochemical, automobile, steel, glass, construction, smelting, cleanroom, janitorial, pharmaceutical, and high technology electronics manufacturers, as well as scientific, medical laboratories and the utilities industry. In addition, we supply federal, state and local governmental agencies and departments, such as fire and law enforcement, airport crash rescue units, the Department of Defense, the Department of Homeland Security and the Centers for Disease Control. Internationally, we sell directly to a mixture of end users directly and to industrial distributors depending on the particular country and market. Sales are made to more than 50 countries, the majority of which were into China, countries within the European Economic Community ("EEC"), Canada, Chile, Argentina, Russia, Kazakhstan, Colombia, Mexico, Ecuador, India, Middle East and countries within Southeast Asia.

2. Basis of Presentation

The condensed consolidated financial statements of the Company are unaudited. These condensed consolidated financial statements include all adjustments, consisting of normal recurring adjustments, considered necessary by management to fairly state the Company's results. Intercompany accounts and transactions have been eliminated. The results reported in these condensed consolidated financial statements are not necessarily indicative of the results that may be expected for the entire fiscal year ending **January 31, 2024** **January 31, 2025**, or for any future period. The **January 31, 2023** **January 31, 2024**, Condensed Consolidated Balance Sheet data was derived from the audited Consolidated Balance Sheet but does not include all disclosures required by accounting principles generally accepted in the United States of America (U.S. GAAP). The accompanying condensed consolidated financial statements and notes thereto should be read in conjunction with the audited consolidated financial statements and notes thereto as of **January 31, 2023** **January 31, 2024** and **2022**, **2023**, and for each of the two years in the period ended **January 31, 2023** **January 31, 2024**, included in our most recent annual report on [Form 10-K filed on April 18, 2023](#) [April 11, 2024](#).

In this Form 10-Q, (a) "FY" means fiscal year; thus, for example, **FY24** **FY25** refers to the fiscal year ending **January 31, 2024** **January 31, 2025**, (b) "Q" refers to quarter; thus, for example, **Q3** **FY24** **Q1** **FY25** refers to the **third** **first** quarter of the fiscal year ending **January 31, 2024** **January 31, 2025**, (c) "Balance Sheet" refers to the unaudited condensed consolidated balance sheet, and (d) "Statement of Operations" refers to the unaudited condensed consolidated statement of operations.

Recent Accounting Pronouncements

The Company considers the applicability and impact of all accounting standards updates ("ASUs"). Management periodically reviews new accounting standards that are issued.

Income Taxes

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." This guidance requires a public entity to disclose in their rate reconciliation table additional categories of information about federal, state and foreign income taxes and to provide more details about the reconciling items in some categories if the items meet a quantitative threshold. The guidance also requires all entities to disclose annually income taxes paid (net of refunds received) disaggregated by federal (national), state and foreign taxes and to disaggregate the information by jurisdiction based on a quantitative threshold. This guidance is effective for annual periods beginning after December 15, 2024. Early adoption is permitted and this guidance should be applied prospectively but there is the option to apply it retrospectively. The Company plans to adopt the provisions of this guidance in conjunction with our Form 10-K for our fiscal year ending January 31, 2026.

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Segment Reporting

In November 2023, the FASB issued ASU 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures." This guidance requires a public entity to disclose for each reportable segment, on an interim and annual basis, the significant expense categories and amounts that are regularly provided to the chief operating decision-maker ("CODM") and included in each reported measure of a segment's profit or loss. Additionally, it requires a public entity to disclose the title and position of the individual or the name of the group or committee identified as the CODM. This guidance is effective for fiscal years beginning after December 31, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted and the guidance should be applied retrospectively to all periods presented in the financial statements, unless it is impracticable. The Company plans to adopt the provisions of this guidance in conjunction with our Form 10-K for the fiscal year ending January 31, 2025.

3. Investments and Acquisitions

Bodytrak

On October 18, 2021, the Company entered into an Investment Agreement (the "Investment Agreement") with Inova Design Solutions Ltd, a private limited company incorporated under the laws of England and Wales and headquartered in the United Kingdom, doing business as Bodytrak® ("Bodytrak"), and the other parties thereto, pursuant to which Bodytrak agreed to issue and sell to the Company 508,905 cumulative convertible series A shares of Bodytrak ("Series A Shares") in exchange for a payment by the Company of £2,000,000 (\$2.8 million). The closing of this minority investment transaction occurred on October 18, 2021. The Series A Shares issued to the Company at the closing represented approximately 11.43% of Bodytrak's total share capital.

On April 28, 2022, the Company, under the terms of the Investment Agreement, acquired an additional 381,679 Series A1 Shares of Bodytrak for £1,500,000 (\$1.9 million). On October 26, 2022, the Company acquired an additional 254,452 Series A Shares of Bodytrak for £1,000,000 (\$1.2 million). After completion of these the additional

investments, the Company ~~owned~~ owns 22.5% of Bodytrak's total share capital. The investment in Bodytrak is accounted for under the equity method, given our board representation and the resulting ability to exercise significant influence. A substantial portion of our investment represents differences in our investment and our share of the underlying recognized net assets of Bodytrak. These differences are predominately attributable to non-amortizing intangible assets, of ~~Bodytrak~~, including internally developed intellectual ~~property~~, ~~property~~, of Bodytrak.

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On May 19, 2023, the Company entered into an agreement with Bodytrak to provide an additional investment of up to an aggregate of £1,500,000 (\$1.9 million on the date of initial investment) in the form of a secured convertible ~~loan~~, ~~loan with an option for an additional £1,000,000 investment at the Company's discretion~~. An initial investment funding of £500,000 (\$0.6 million on the date of investment) was made on May 19, 2023. ~~An additional~~ Additional investment funding of £700,000 (\$0.9 million on the date of investment) ~~was~~, £500,000 (\$0.6 million on the date of investment) and £500,000 (\$0.6 million on the date of investment) ~~were~~ made on September 8, 2023, December 15, 2023 and February 13, 2024, respectively. The loaned amounts are due twenty-four months from the issue date, which can be extended upon mutual agreement. The convertible note bears interest at either an annual rate of 12% for cash interest or 15% for payment in kind interest on the outstanding amount under the note, such rate being selected by Bodytrak.

The notes can be converted into equity shares of Bodytrak under a number of conditions, including a qualified equity financing as defined in the agreement, a change of control, an IPO, default or conversion at the discretion of the Company and upon the occurrence of the specified event. The convertible note is secured by Bodytrak's intellectual property.

Bodytrak provides wearable monitoring solutions for customers in industrial health, safety, defense and first responder markets wanting to achieve better employee health and performance. Bodytrak's solution is provided as a platform as a service (PaaS), delivering real-time data, cloud-based analytics, and hardware that includes a patented earpiece for physiological monitoring and audio communications.

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The Company recognized losses of \$0.1 and \$0.1 million for each of the three months ended October 31, 2023 April 30, 2024 and 2022, respectively, and recognized losses of \$0.4 million and \$0.3 million for the nine months ended October 31, 2023 and 2022, respectively, 2023, as the Company's share of Bodytrak's net loss. The loss is reflected in other income (expense), net in the consolidated statements of operations.

Acquisition of Jolly

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. Total consideration was \$9.6 million, of which \$7.5 million was paid to the seller at closing, \$0.6 million paid to retire the remainder of Jolly's debt and \$1.5 million remained unpaid 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's primary customers are based in Europe.

Jolly's operating results are included in our consolidated financial statements from the acquisition date. The acquisition qualified as a business combination and was accounted for using the acquisition method of accounting. Jolly's operating results and assets including acquired intangibles and goodwill will be reported as part of Europe in our geographic segment reporting.

The following table summarizes the preliminary fair values of the Jolly assets acquired and liabilities assumed at the date of the acquisition:

Net working capital acquired	\$ 5,582
Property, plant and equipment	1,277
Customer relationships	425
Trade names and trademarks	567
Technological know-how	250
Goodwill	1,546
Total assets acquired	\$ 9,647

Assets acquired and liabilities assumed in connection with the acquisition were recorded at estimated fair values. Estimated fair values were determined by management, based in part on an independent valuation performed by a third-party valuation specialist. The valuation methods used to determine the estimated fair value of intangible assets included the excess earnings approach for customer relationships using customer inputs and contributory charges; the relief from royalty method for trade names and trademarks and technological know-how; and the cost method for the assembled workforce was included in goodwill. Several significant assumptions and estimates were involved in the application of these valuation methods, including forecasted sales volumes and prices, royalty rates, costs to produce, tax rates, capital spending, discount rates, attrition rates and working capital changes. Cash flow forecasts were generally based on Jolly's pre-acquisition forecasts. Identifiable intangible assets with finite lives are subject to amortization over their estimated useful lives. The customer relationships, trade names and trademarks and technological know-how acquired in the Jolly transaction are being amortized over periods of 14 years, 10 years and 10 years, respectively.

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Goodwill is calculated as the excess of the purchase price over the estimated fair value of net assets acquired and represents the future economic benefits arising from other assets acquired that could not be individually identified and separately recognized. Among the factors that contributed to a purchase price in excess of the estimated fair value of the net tangible and intangible assets acquired were the acquisition of an assembled workforce, the expected synergies and other benefits that we believe will result from combining the operations of Jolly with our operations.

Due to the timing of the completion of the acquisition, the purchase price and related allocation are preliminary and could be revised as a result of adjustments made to the purchase price, additional information obtained regarding assets acquired and liabilities assumed, and revisions of provisional estimates of fair values, including, but not limited to, the completion of independent appraisals, inventory, contractual relationships, tangible assets and intangible assets. These changes to the purchase price allocation could be significant. The purchase price allocation will be finalized within the measurement period of up to one year from the acquisition date.

Acquisition of Pacific

On November 30, 2023 the Company acquired New Zealand-based Pacific Helmets NZ Limited ("Pacific") in an all-cash transaction valued at approximately NZ\$14,000,000 (\$8.6 million at the closing date exchange rate) including assumption of debt, subject to post-closing adjustments and customary holdback provisions. The acquisition enhances Lakeland's product portfolio, particularly within fire service protective helmets. Headquartered in Whanganui, New Zealand, Pacific is a leading designer and provider of structural firefighting, wildland firefighting, and technical rescue helmets. The transaction was funded through the revolving credit facility and cash balances.

Pacific's operating results are included in our consolidated financial statements from the acquisition date. The acquisition qualified as a business combination and was accounted for using the acquisition method of accounting.

As part of the acquisition agreement, Pacific will pay from the holdback an amount equal to the amount by which Pacific's revenue fell below NZ\$11.1 million for Pacific's fiscal year ended March 31, 2024 subject to certain conditions. The amount of the reduction to the holdback to be paid by Pacific is \$0.3 million.

Due to the timing of the completion of the acquisition, the purchase price and related allocation are preliminary and could be revised as a result of adjustments made to the purchase price, additional information obtained regarding assets acquired and liabilities assumed, and revisions of provisional estimates of fair values, including, but not limited to, the completion of independent appraisals, inventory, contractual relationships, tangible assets and intangible assets. These changes to the purchase price allocation could be significant. The purchase price allocation will be finalized within the measurement period of up to one year from the acquisition date.

The following unaudited pro forma information presents our combined results as if the Jolly and Pacific acquisitions had occurred at the beginning of FY24. The unaudited pro forma financial information was prepared to give effect to events that are (1) directly attributable to the acquisition; (2) factually supportable; and (3) expected to have a continuing impact on the combined company's results. There were no material transactions between the Company, Jolly and Pacific during the periods presented that are required to be eliminated. The unaudited pro forma combined financial information does not reflect cost savings, operating synergies or revenue enhancements that the combined companies may achieve or the costs to integrate the operations or the costs necessary to achieve cost savings, operating synergies or revenue enhancements.

Table of Contents**Pro forma combined financial information (Unaudited)**

(in millions, except per share amount)

	Quarter Ended April 30,	
	2024	2023
Net sales	\$ 36.3	\$ 34.4
Net income	\$ 1.7	\$ 1.4
Basic earnings per share	\$ 0.22	\$ 0.19
Diluted earnings per share	\$ 0.22	\$ 0.19

The unaudited pro forma combined financial information is presented for information purposes only and is not intended to represent or be indicative of the combined results of operations or financial position that we would have reported had the acquisition been completed as of the date and for the periods presented and should not be taken as representative of our consolidated results of operations or financial condition following the acquisition. In addition, the unaudited pro forma combined financial information is not intended to project the future results of the combined company.

The unaudited pro forma combined financial information was prepared using the acquisition method of accounting under existing U.S. GAAP. The Company has been treated as the acquirer.

Acquisition of Eagle

On December 2, 2022, the Company acquired 100% of Eagle Technical Products Limited's (Eagle) common stock in an all-cash transaction valued at \$10.5 million, net of net working capital acquired.

Headquartered in Manchester, UK, Eagle is a leading designer and provider of protective apparel to the fire and industrial sectors. Eagle provides differentiated product offerings through its innovative and technical solutions.

Eagle's operating results are included in our consolidated financial statements from the acquisition date. The acquisition qualified as a business combination and was accounted for using the acquisition method of accounting.

As part of the Eagle acquisition agreement, the Company agreed to pay an earnout payment equal to the amount by which Eagle's revenue **exceeds exceeded** 6 million GBP for the period May 1, 2022 through April 30, 2023. The Company **will also agreed to** pay an earnout payment equal to the amount by which Eagle's revenue **exceeds exceeded** 6.3 million GBP for the period May 1, 2023 through April 30, 2024. **The estimated amount of the earnout payment developed using a Monte Carlo simulation included in the preliminary valuation was \$3.2 million.**

Eagle did not reach the revenue threshold for the period May 1, 2022 through April 30, 2023 and received no payment for that period.

At January 31, 2024, the Company had recorded \$0.6 million for the earnout payment for the period May 1, 2023 through April 30, 2024, using a Monte Carlo simulation.

Based on **the revised forecast** Eagle's revenue for the period May 1, 2023 through April 30, 2024, the **estimated amount of the earnout payment developed using a Monte Carlo simulation is \$0.5 million** was **\$0.2 million**. The adjustment to the accrued earnout payment of **\$1.5 million** **\$0.4 million** was recorded in the quarter ended **October 31, 2023** and an adjustment of **\$2.7 million** was recorded in the **nine months ended October 31, 2023**, April 30, 2024 and reflected as a reduction in operating expenses.

The following unaudited pro forma information presents our combined results as if the Eagle acquisition had occurred at the beginning of FY22. The unaudited pro forma financial information was prepared to give effect to events that are (1) directly attributable to the acquisition, (2) factually supportable, and (3) expected to have a continuing impact on the combined company's results. There were no material transactions between the Company and Eagle during the periods presented that are required to be eliminated. The unaudited pro forma combined financial information does not reflect cost savings, operating synergies or revenue enhancements that the combined companies may achieve or the costs to integrate the operations or the costs necessary to achieve cost savings, operating synergies or revenue enhancements.

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Pro forma combined financial information (Unaudited)

(in millions, except per share amounts)	Three Months Ended		Nine Months Ended	
	October 31, 2022	October 31, 2022	October 31, 2022	October 31, 2022
Net sales	\$ 29.8	\$ 86.4		
Net income (loss)	\$ 1.6	\$ 1.8		
Basic earnings per share	\$ 0.21	\$ 0.24		
Diluted earnings per share	\$ 0.21	\$ 0.24		

The unaudited pro forma combined financial information is presented for information purposes only and is not intended to represent or be indicative of the combined results of operations or financial position that we would have reported had the acquisition been completed as of the date and for the periods presented and should not be taken as representative of our consolidated results of operations or financial condition following the acquisition. In addition, the unaudited pro forma combined financial information is not intended to project the future results of the combined company.

The unaudited pro forma combined financial information was prepared using the acquisition method of accounting under existing U.S. GAAP. The Company has been treated as the acquirer.

4. Inventories

Inventories consist of the following (in \$000s):

	April 30, 2024		January 31, 2024	
	October 31, 2023	January 31, 2023	October 31, 2023	January 31, 2023
Raw materials	\$ 26,798	\$ 29,036	\$ 29,453	\$ 27,417
Work-in-process	760	952	928	668
Finished goods	31,088	32,855	32,138	29,719
Excess and obsolete adjustments	(4,296)	(4,668)	(6,455)	(6,554)
	\$ 54,350	\$ 58,176	\$ 56,064	\$ 51,250

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5. Goodwill and Intangible Assets, Net

Changes in **intangible assets, net, goodwill** during the **three quarters ended April 30, 2024** and **nine months ended October 31, 2023, 2023**, were as follows (in \$000s):

Raw materials	\$ 26,798	\$ 29,036	\$ 29,453	\$ 27,417
Work-in-process	760	952	928	668
Finished goods	31,088	32,855	32,138	29,719
Excess and obsolete adjustments	(4,296)	(4,668)	(6,455)	(6,554)
	\$ 54,350	\$ 58,176	\$ 56,064	\$ 51,250

Balance at February 1, 2023	\$ 6,042
Amortization expense	(102)
Balance at April 30, 2023	\$ 5,940
Amortization expense	(102)
Balance at July 31, 2023	\$ 5,838
Amortization expense	(102)
Balance at October 31, 2023	\$ 5,736

	2024	2023
Balance at January 31	\$ 13,669	\$ 8,473
Measurement period adjustment	-	-
Acquisitions	1,546	-
Balance at April 30	\$ 15,215	\$ 8,473

There were no material changes to goodwill Changes in intangible assets during the three quarters ended April 30, 2024 and nine month periods ended October 31, 2023, were as follows (in \$000s):

	2024	2023
Balance at January 31	\$ 6,830	\$ 6,042
Acquisitions	1,242	-
Amortization	(150)	(102)
Balance at April 30	\$ 7,922	\$ 5,940

6. Contract Advances

The Company receives advances under certain of its contracts for products sold by Eagle. Those advances are considered contract liabilities with revenues recorded upon delivery of promised goods to customers. These advances are included in Other Accrued Expenses on the Company's consolidated balance sheet. The following is a roll-forward of the advances from January 31, 2024 through April 30, 2024 and from January 31, 2023 through October 31, 2023 April 30, 2023 (in \$000s):

Contract liability – January 31, 2023	\$ 1,627		
Contract liability – January 31		2024	2023
Increases to contract liability	326	\$ 104	\$ 1,627
Decreases to contract liability	(1,752)	(102)	(500)
Contract liability – October 31, 2023	\$ 201		
Contract liability – April 30		\$ 175	\$ 1,339

7. Long-Term Debt

Revolving Credit Facility

On June 25, 2020, the Company entered into a Loan Agreement (the "Loan Agreement") with Bank of America ("Lender" (the "Lender"). The Loan Agreement as amended to date (the "Loan Agreement"), provides provided the Company with a secured \$25.0 million revolving credit facility, which includes included a \$5.0 million letter of credit sub-facility. The Company may could request from time to time an increase in the revolving credit loan commitment of up to \$5.0 million (for a total commitment of up to \$30.0 million). Borrowing pursuant to the revolving credit facility is was subject to a borrowing base amount calculated as (a) 80% of eligible accounts receivable, as defined, plus (b) 50% of the value of acceptable inventory, as defined, minus (c) certain reserves as the Lender may establish for the amount of estimated exposure, as reasonably determined by the Lender from time to time, under certain interest rate swap contracts. The borrowing base limitation only applies applied during periods when the Company's quarterly funded debt to EBITDA ratio, as defined, exceeds exceeded 2.00 to 1.00. The Loan Agreement permits, permitted, without the prior consent of the Lender, acquisitions of a business or its assets by the Company or its subsidiaries if there is was no default under the Loan Agreement and the aggregate consideration does did not exceed \$7.5 million for any individual acquisition or \$15.0 million on a cumulative basis for all such acquisitions. On March 3, 2023, the Company changed the benchmark interest rate in the credit facility from LIBOR to the Secured Overnight Financing Rate ("SOFR"). The credit facility will was to mature on June 25, 2025.

As of October 31, 2023, the Company had no borrowings outstanding on the letter of credit sub-facility and no borrowings outstanding under the revolving credit facility.

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On November 30, 2023, the Company entered into Amendment No. 3 to the Loan Agreement. See Note 14, Subsequent Events, Agreement by and between the Lender and the Company (the "Third Amendment"). Pursuant to the Third Amendment, the Lender consented to the Company's acquisition of one hundred percent (100%) of the equity interests of Pacific. The Third Amendment further provided for certain amendments to the Loan Agreement to permit additional indebtedness to be made available to Pacific, to exempt Pacific from certain requirements of the Loan Agreement pertaining to subsidiary guaranty and asset pledges that would otherwise be required under the Loan Agreement and to waive the Company's borrowing base limitations through January 31, 2024. The Third Amendment also provided for the reaffirmation of representations, warranties and covenants under the Loan Agreement as are customary in connection with similar amendments of credit documents.

On March 28, 2024, the Company entered into Amendment No. 4 to the Loan Agreement by and between the Lender and the Company (the "Fourth Amendment"). Pursuant to the Fourth Amendment, the Lender and the Company agreed to, among other things, (i) extend the expiration date of the credit facility to March 28, 2029, (ii) increase the availability under the revolving credit facility to \$40.0 million with an accordion feature providing for the potential funding of an additional \$10.0 million, (iii) remove the borrowing base component of the credit facility; and (iv) modify the interest rate based on Daily SOFR plus the Applicable Rate. The Applicable Rate is based upon a Funded Debt to EBITDA Ratio and includes four (4) different levels constituting a SOFR margin range from 1.25% to 2.00%. In addition, the Fourth Amendment (i) modified the Funded Debt to EBITDA Ratio covenant so as not to exceed 3.5x (with step-downs to 3.25 and 3.0 in 2025 and 2026), (ii) modified the Basic Fixed Charge Coverage Ratio covenant to a minimum of 1.20x, (iii) includes a springing Asset Coverage Ratio covenant of at least 1.10x, but only to the extent that the maximum Total Leverage Ratio exceeds 3.00x at any reporting period, (iv) increases the sublimit for letters of credit to \$10.0 million, and (v) imposes a floor to Daily SOFR of one percent (1.00%). The Fourth Amendment provides for additional information, indebtedness or the assumption of existing indebtedness for acquisitions of foreign subsidiaries (not to exceed \$10.0 million in USD) and increased the size of Permitted Acquisitions, without prior approval from the Lender, to \$17.5 million per occurrence and \$35.0 million in the aggregate. We were in compliance with all financial covenants of the Loan Agreement as of April 30, 2024.

As of April 30, 2024, the Company had no borrowings outstanding on the letter of credit sub-facility and borrowings of \$12.3 million outstanding under the revolving credit facility.

Borrowings in UK

There were \$0 and \$0.4 million in no borrowings outstanding under the Company's credit facility with HSBC Bank at October 31, 2023 April 30, 2024 and January 31, 2023 January 31, 2024.

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Pacific Borrowings

Pacific has two facilities with the Bank of New Zealand. Pacific has a trade finance facility where the lender finances vendor purchases. The trade finance facility has a limit of 500,000 New Zealand dollars and carries an interest rate at the prevailing base rate for the relevant currency of the vendor plus a margin of 3.00% per annum. The facility includes two term loans. The first term loan of 1,500,000 New Zealand dollars matures on December 17, 2025, carries an interest rate of 2.3% per annum and requires monthly payments of \$19,350 New Zealand dollars. The second term loan of 550,000 New Zealand dollars matures on November 18, 2024, carries an interest rate of 3.5% per annum and requires monthly payments of \$10,005 New Zealand dollars. The facilities expire in August 2026 and are secured by a security interest in Pacific's real property. Borrowings under the trade finance facility and amounts due in FY25 under the term loans are reported as short-term borrowings. There were no borrowings under this facility at April 30, 2024 and \$0.3 million at January 31, 2024. Borrowings under the term loans due after FY25 are reported as long-term borrowings and were \$0.7 million and \$0.7 million at April 30, 2024 and January 31, 2024, respectively.

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8. Concentration of Risk

Credit Risk

Financial instruments, which potentially subject the Company to concentration of credit risk, consist principally of cash and cash equivalents, and trade receivables. Concentration of credit risk with respect to trade receivables is generally diversified due to the large number of entities comprising the Company's customer base and their dispersion across geographic areas principally within the United States. The Company routinely addresses the financial strength of its customers and, as a consequence, believes that its receivable credit risk exposure is limited. The Company does not require customers to post collateral.

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The Company's foreign financial depositories are Bank of America; China Construction Bank; Bank of China; China Industrial and Commercial Bank; HSBC (UK); Royal Bank of Scotland, Rural Credit Cooperative of Shandong; Postal Savings Bank of China; Punjab National Bank; HSBC in India, Argentina and UK; Raymond James in Argentina; TD Canada Trust; Banco Itaú S.A., Banco Credito Inversione in Chile; Banco Mercantil Del Norte SA in Mexico; ZAO KB Citibank Moscow in Russia, and JSC Bank Centercredit in Kazakhstan. Kazakhstan, BNL Banca Nazionale del Lavoro, Monte Dei Paschi di Siena and Banca delle Terre Venete in Italy and Bank of New Zealand in New Zealand. The Company monitors its financial depositories by their credit rating, which varies by country. In addition, cash balances in banks in the United States of America are insured by the Federal Deposit Insurance Corporation subject to certain limitations. There was approximately \$6.3 million \$2.6 million total included in the U.S.

bank accounts and approximately \$20.1 million \$25.8 million total in foreign bank accounts as of **October 31, 2023** April 30, 2024, of which \$25.6 million \$27.6 million was uninsured.

Major Customer

No customer accounted for more than 10% of net sales during the **three and nine-month** **three-month** periods ended **October 31, 2023** April 30, 2024 and **2022** 2023.

Major Supplier

No vendor accounted for more than 10% of purchases during the **three and nine-month** **three-month** periods ended **October 31, 2023** April 30, 2024 and **2022** 2023.

9. Stockholders' Equity

On June 21, 2017, the stockholders of the Company approved the Lakeland Industries, Inc. 2017 Equity Incentive Plan (the "2017 Plan"). The executive officers and all other employees and directors of the Company, including its subsidiaries, are eligible to participate in the 2017 Plan. The 2017 Plan is administered by the Compensation Committee of the Board of Directors (the "Committee"), except that with respect to all non-employee directors, the **Committee shall be deemed to include 2017 Plan is administered by** the full Board. The 2017 Plan provides for the grant of equity-based compensation in the form of stock options, restricted stock, restricted stock units, performance shares, performance units, or stock appreciation rights ("SARs").

On June 16, 2021, the stockholders of the Company approved Amendment No. 1 (the "Amendment") to the 2017 Plan. The Amendment increases the number of shares of common stock, par value \$0.01 per share, of the Company reserved for issuance under the 2017 Plan by 480,000 shares.

An aggregate of 840,000 shares of the Company's common stock are authorized for issuance under the 2017 Plan, as amended, subject to adjustment as provided in the 2017 Plan for stock splits, dividends, distributions, recapitalizations and other similar transactions or events. If any shares subject to an award are forfeited, expire, lapse or otherwise terminate without issuance of such shares, such shares shall, to the extent of such forfeiture, expiration, lapse or termination, again be available for issuance under the 2017 Plan. **On June 13, 2024, the stockholders of the Company will vote on a proposed Amendment No. 2 to the 2017 Plan, which would increase the number of shares of common stock, par value \$0.01 per share, of the Company reserved for issuance under the 2017 Plan by 400,000 shares.**

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The Company recognized total stock-based compensation costs, which are reflected in operating expenses (in \$000's):

2017 Plan:	Three Months Ended				Nine Months Ended				Three Months Ended April 30,	
	October 31,		October 31,		October 31,		October 31,			
	2023	2022	2023	2022	2024	2023	2024	2023	2024	2023
Total restricted stock and stock option programs	\$ 302	\$ 351	\$ 747	\$ 1,141	\$ 198	\$ 407				
Total income tax expense recognized for stock-based compensation arrangements	\$ 63	\$ 74	\$ 157	\$ 240	\$ 42	\$ 85				

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Restricted Stock and Restricted Stock Units

Under the 2017 Plan, as described above, the Company awarded performance-based and service-based shares of restricted stock and restricted stock units to eligible employees and directors. The following table summarizes the activity under the 2017 Plan for the **nine** **three** months ended **October 31, 2023** April 30, 2024 and **2022** 2023. This table reflects the amount of awards granted and the number of shares that would be vested if the Company were to achieve the maximum performance level under the **June 2021, April 2022, June 2022, and March 2023 and April 2024** grants.

Outstanding at	Performance-Based			Weighted Average Grant Date Fair Value		Performance-Based			Weighted Average Grant Date Fair Value	
	Performance-Based	Service-Based	Total	Weighted Average Grant Date Fair Value	Performance-Based	Service-Based	Total	Weighted Average Grant Date Fair Value	Performance-Based	Service-Based
January 31, 2023	127,480	40,665	168,145	\$ 22.95						

Outstanding at January 31, 2024	64,953	124,384	189,337	\$ 14.02	82,330	112,890	195,220	\$ 16.61
Awarded					12,799	48,461	61,260	\$ 18.45
Vested	(71,202)	(26,336)	(97,538)		-	(20,274)	(20,274)	\$ 17.92
Forfeited	(38,901)	(31,829)	(70,730)		(4,281)	(14,233)	(18,514)	
Outstanding at October 31, 2023	82,330	106,884	189,214	\$ 14.68				
Outstanding at April 30, 2024					90,848	126,844	217,692	\$ 16.61

	Performance-Based	Service-Based	Total	Weighted		Performance-Based	Service-Based	Total	Weighted	
				Average Date	Fair Value				Average Date	Fair Value
Outstanding at January 31, 2022	232,838	14,970	247,808	\$ 20.89						
Outstanding at January 31, 2023						127,480	40,665	168,145	\$ 22.95	
Awarded	33,492	53,082	86,574	\$ 18.17		64,953	63,302	128,255	\$ 14.50	
Vested	(119,164)	(22,669)	(141,833)			(71,202)	(8,931)	(80,133)		
Forfeited	-	-	-			(24,031)	(14,379)	(38,410)		
Outstanding at October 31, 2022	147,166	45,383	192,549	\$ 19.66						
Outstanding at April 30, 2023						97,200	80,657	177,858	\$ 16.38	

The actual number of shares of common stock of the Company, if any, to be earned by the award recipients is determined over a **three-year** performance measurement period based **in part** on measures that include **revenue growth** and **Earnings Before Interest Taxes Depreciation and Amortization ("EBITDA") margin** **revenue growth, and free cash flow** for the June 2021 grants and **revenue growth and EBITDA margin** for the April 2022 and June 2022 grants. Performance measures for the March 2023 grants **and are** **revenue growth, EBITDA margin and return on invested capital** **capital**. Performance measures for the March 2023 grants, April 2024 grants are **revenue growth, EBITDA margin and free cash flow margin**. The performance targets have been set for each of the Minimum, Target, and Maximum levels. The actual performance amount achieved is determined by the Committee and may be adjusted for items determined to be unusual in nature or infrequent in occurrence, at the discretion of the Committee.

The compensation cost is based on the fair value at the grant date, is recognized over the requisite performance/service period using the straight-line method, and is periodically adjusted for the probable number of shares to be awarded. As of **October 31, 2023** **April 30, 2024**, unrecognized stock-based compensation expense totaled **\$1.9 million** **\$1.7 million** pursuant to the 2017 Plan based on outstanding awards under the 2017 Plan. This expense is expected to be recognized over approximately two years.

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Stock Repurchase Program

On February 17, 2021, the Company's Board of Directors approved a stock repurchase program under which the Company may repurchase up to \$5 million of its outstanding common stock. On July 6, 2021, the Board of Directors authorized an increase in the Company's stock repurchase program of up to an additional \$5 million of its outstanding common stock. On April 7, 2022, the Board of Directors authorized a new stock repurchase program under which the Company may repurchase up to \$5 million of its outstanding common stock, which became effective upon the completion of the prior share repurchase program. On December 1, 2022, the Board of Directors authorized an increase in the Company's stock repurchase program, under which the Company may repurchase up to an additional \$5 million of its outstanding common stock.

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As of October 31, 2023

No shares were repurchased during the three months ended April 30, 2024, there was leaving \$5.0 million remaining under the share repurchase program. program at April 30, 2024. The share repurchase program has no expiration date but may be terminated by the Board of Directors at any time.

10. Income Taxes

The Company's provision for income taxes for the three and nine months ended **October 31, 2023** **April 30, 2024**, and **2022** **2023** is based on the estimated annual effective tax rate, in addition to discrete items.

The Company's effective tax rate for the **third** **first** quarter of **FY24** **FY25** was **26.4%** **19.0%**, which differs from the U.S. federal statutory rate of 21% primarily due to rate differentials in foreign tax jurisdictions and Global Intangible Low-Taxed Income ("GILTI") and impacts from the final earn-out adjustments related to the Pacific and Eagle acquisitions. The Company's effective tax rate for the **third** **first** quarter of **FY23** **FY24** was **33.3%** **29.1%** which differs from the U.S. federal statutory rate of 21%, primarily due to rate differentials in foreign tax jurisdictions and **state income taxes**.

The Company's effective tax rate for the nine months ended **October 31, 2023** was **29.5%**, which differs from the U.S. federal statutory rate of 21%, primarily due to rate differentials in foreign tax jurisdictions and GILTI. The Company's effective tax rate for the nine months ended **October 31, 2022** was **68.1%**. The Company recorded \$2 million in withholding taxes for a planned repatriation of cash from our China operations. In addition to the \$2 million discrete item, in Q1 FY23, the Company recorded deferred tax benefits of \$0.2 million related to accruals for China social taxes based on our evaluation of the deductibility of these items. Excluding these discrete items, the effective rate was **33.8%**, which differs from the U.S. federal statutory rate of 21%, primarily due to rate differentials in foreign tax jurisdictions and GILTI.

The Company records net deferred tax assets to the extent the Company believes these assets will more likely than not be realized. The valuation allowance was **\$4.0 million** **\$6.9 million** and **\$3.6 million** at **October 31, 2023** **\$6.7 million** as of **April 30, 2024** and **January 31, 2023** **January 31, 2024**, respectively.

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With the exception of our UK and China subsidiaries for which we accrue relevant deferred tax impacts related to non-indefinitely reinvested cash, we consider the excess of the amount for financial reporting over the tax basis (including undistributed and previously taxed earnings) of investments in our other foreign subsidiaries as of April 30, 2024 to be indefinitely reinvested in the foreign jurisdictions on the basis of our specific plan for reinvestment and estimates that future domestic cash generation will be sufficient to meet future domestic cash needs. Therefore, we have not provided for deferred taxes related to such excess or the relevant portions thereof and disclosed that the determination of any deferred taxes related to this excess is not practicable in those permanently reinvested jurisdictions. We have made no changes to our policy on indefinite reinvestment during the quarter ended April 30, 2024.

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11. Net Income (Loss) Per Share

The following table sets forth the computation of basic and diluted net income (loss) per share as follows (in \$000s except per share amounts):

	Three Months Ended		Nine Months Ended	
	October 31,		October 31,	
	2023	2022	2023	2022
Numerator:				
Net income (loss)	\$ 2,618	\$ 1,431	\$ 6,402	\$ 1,690
Denominator:				
Denominator for basic net income (loss) per share (weighted-average shares which exclude shares in the treasury, 1,358,208 and 1,330,694 at October 31, 2023 and 2022, respectively)	7,428,557	7,514,725	7,344,559	7,600,272
Effect of dilutive securities from restricted stock plan	185,847	189,970	184,164	187,390
Denominator for diluted net income (loss) per share (adjusted weighted average shares)	7,614,404	7,704,695	7,528,723	7,787,662
Basic net income (loss) per share	\$ 0.35	\$ 0.19	\$ 0.87	\$ 0.22
Diluted net income (loss) per share	\$ 0.34	\$ 0.19	\$ 0.85	\$ 0.22

	Three Months Ended	
	April 30,	
	2024	2023
Numerator:		
Net income	\$ 1,653	\$ 1,320
Denominator:		
Denominator for basic net income per share (weighted-average shares which exclude shares in the treasury, 1,358,208 and 1,353,508 at April 30, 2024 and 2023, respectively)	7,364,757	7,325,005
Effect of dilutive securities from restricted stock plan	217,692	177,858

Denominator for diluted net income per share (adjusted weighted average shares)	7,582,449	7,502,863
Basic net income per share	\$ 0.22	\$ 0.18
Diluted net income per share	<u>\$ 0.22</u>	<u>\$ 0.18</u>

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For the current and prior year periods presented, there were no securities excluded from the calculation of diluted earnings per share because they were anti-dilutive.

12. Contingencies

Certain conditions may exist as of the date the **condensed** consolidated financial statements are issued, which may result in a loss to the Company, but which will only be resolved when one or more future events occur or fail to occur. The Company's management and its legal counsel assess such contingent liabilities, **and such assessment** which inherently **involves** involve an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company's **management and** legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims, as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss has been or is probable of being incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's **condensed** consolidated financial statements. If the assessment indicates that a potentially material loss contingency is not probable, but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the nature of the guarantee would be disclosed.

During the third quarter of **FY24**, the Company sent a letter to the landlord outlining certain structural defects on the newly constructed facility in Monterrey, Mexico that would inhibit the Company from effectively utilizing the facility for its intended purpose. The Company has initiated discussions with the landlord as to potential remedies which may inform our decision-making process with respect to this property. Changes in our long-term intended use for the building may impact the carrying value of the currently recorded right of use asset.

General litigation contingencies

The Company is involved in various litigation proceedings arising during the normal course of business which, in the opinion of the management of the Company, will not have a material effect on the Company's financial position, results of operations or cash flows; however, there can be no assurance as to the ultimate outcome of these matters. As of **October 31, 2023** **April 30, 2024**, to the best of the Company's knowledge, there were no significant outstanding claims or litigation.

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13. Segment Reporting

We manage our operations by evaluating each of our geographic locations. Our US operations include a facility in Alabama (primarily the distribution to customers of the bulk of our **products and the light manufacturing of our chemical, wovens, reflective, and fire** products). The Company also maintains one manufacturing company in China (primarily disposable and chemical suit production), a manufacturing facility in Mexico (primarily disposable, reflective, fire **service** and chemical suit production), a manufacturing facility in Vietnam (primarily disposable production), **a manufacturing facility in New Zealand (helmets)** and a small manufacturing facility in India. Our China facilities produce the majority of the Company's products, and China generates a significant portion of the Company's international revenues. We evaluate the performance of these entities based on operating profit, which is defined as income before income taxes, interest expense and other income and expenses. We have sales forces in the USA, Canada, Mexico, Europe, Latin America, India, Russia, Kazakhstan, **Australia, New Zealand** and China, which sell and distribute products shipped from the United States, Mexico, India or China.

The table below represents information about reported segments for the **three and nine month** **three-month** periods noted therein:

Three Months Ended October 31, (in millions of dollars)		Nine Months Ended October 31, (in millions of dollars)		Three Months Ended April 30, (in millions of dollars)	
2023	2022	2023	2022	2024	2023

Net Sales:												
USA Operations (including Corporate)	\$	16.2	\$	15.3	\$	46.3	\$	41.0	\$	15.9	\$	13.6
Other foreign		3.9		2.3		10.2		7.0		4.5		3.1
Europe (UK)		3.2		1.5		12.7		5.3				
Europe										6.0		4.0
Mexico		1.6		1.4		5.2		4.1		1.6		1.2
Asia		12.1		16.8		34.1		50.8		10.4		11.1
Canada		2.7		2.4		7.2		6.9		3.0		2.5
Latin America		4.2		2.6		12.0		7.0		4.9		3.2
Less intersegment sales		(12.2)		(13.9)		(34.3)		(38.3)		(10.0)		(10.0)
Consolidated sales	\$	<u>31.7</u>	\$	<u>28.4</u>	\$	<u>93.4</u>	\$	<u>83.8</u>	\$	<u>36.3</u>	\$	<u>28.7</u>
External Sales:												
USA Operations (including Corporate)	\$	15.1	\$	14.0	\$	42.6	\$	37.1	\$	14.3	\$	12.3
Other foreign		2.4		1.7		6.6		5.4		3.8		2.3
Europe (UK)		3.2		1.5		12.6		5.3				
Europe										6.0		4.0
Mexico		1.0		1.0		2.9		2.9		1.1		0.8
Asia		3.1		5.2		9.7		19.2		3.2		3.7
Canada		2.7		2.4		7.2		6.9		3.0		2.5
Latin America		4.2		2.6		11.8		7.0		4.9		3.1
Consolidated external sales	\$	<u>31.7</u>	\$	<u>28.4</u>	\$	<u>93.4</u>	\$	<u>83.8</u>	\$	<u>36.3</u>	\$	<u>28.7</u>
Intersegment Sales:												
USA Operations (including Corporate)							\$	1.6	\$	1.3		
Other foreign								0.7		0.8		
Mexico								0.5		0.4		
Asia								7.2		7.4		
Latin America								-		0.1		
Consolidated intersegment sales							\$	<u>10.0</u>	\$	<u>10.0</u>		

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Intersegment Sales:									
USA Operations (including Corporate)	\$	1.1	\$	1.3	\$	3.7	\$	3.9	
Other foreign		1.5		0.6		3.6		1.6	
Europe (UK)		-		-		0.1		-	
Mexico		0.6		0.4		2.3		1.2	
Asia		9.0		11.6		24.4		31.6	
Canada		-		-		-		-	
Latin America		-		-		0.2		0.0	
Consolidated intersegment sales	\$	<u>12.2</u>	\$	<u>13.9</u>	\$	<u>34.3</u>	\$	<u>38.3</u>	

	Three Months Ended April 30,		(in millions of dollars)	
	2024	2023		
Operating Profit (Loss):				
USA Operations (including Corporate)	\$	(0.6)	\$	(1.8)
Other foreign		0.6		0.7
Europe		(0.4)		0.2

Mexico		(0.4)	(0.4)
Asia		0.9	0.8
Canada		0.3	0.4
Latin America		1.7	0.9
Intersegment profit (loss)		0.1	1.1
Consolidated operating profit	\$ 2.2	\$ 1.9	
	April 30, 2024	January 31, 2024	
	(in millions of dollars)		
Total Assets:			
USA Operations (including Corporate)	\$ 41.5	\$ 47.1	
Other foreign	19.8	19.6	
Europe	46.6	27.2	
Mexico	10.5	10.2	
Asia	30.3	29.0	
Canada	8.7	8.3	
Latin America	14.1	12.3	
Consolidated assets	\$ 171.5	\$ 153.7	

	Three Months Ended		Nine Months Ended	
	October 31,		October 31,	
	(in millions of dollars)		(in millions of dollars)	
	2023	2022	2023	2022
Operating Profit (Loss):				
USA Operations (including Corporate)	\$ 1.9	\$ (0.1)	\$ 1.6	\$ (3.4)
Other foreign	0.6	0.3	1.8	0.4
Europe (UK)	(0.4)	(0.5)	-	(1.1)
Mexico	(0.4)	(0.3)	(1.3)	(0.9)
Asia	1.3	2.4	3.1	8.4
Canada	0.5	0.3	1.1	1.3
Latin America	0.8	0.4	2.9	1.2
Intersegment profit (loss)	(0.7)	(0.3)	0.1	(0.4)
Consolidated operating profit	\$ 3.6	\$ 2.2	\$ 9.3	\$ 5.5

The table below presents external sales by product line:

	October 31,		January 31,	
	2023		2023	
	(in millions of dollars)			
Total Assets Less Intersegment:				
USA Operations (including Corporate)	\$ 57.2	\$	64.5	
Other foreign		10.4	9.2	
Europe (UK)	24.3		12.5	
Mexico		10.5	5.3	
Asia		27.4	35.6	
Canada		7.1	5.8	
Latin America	11.4		9.3	
Consolidated assets	\$ 148.3	\$	142.2	

	Three Months Ended	
	April 30,	
	(in millions of dollars)	

	2024	2023
External Sales by product lines:		
Disposables	\$ 13.2	\$ 12.4
Chemical	6.3	5.4
Fire	10.5	5.5
Gloves	0.5	0.7
High Visibility	1.2	1.2
High Performance Wear	1.2	1.1
Wovens	3.4	2.3
Consolidated external sales	<u><u>\$ 36.3</u></u>	<u><u>\$ 28.7</u></u>

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The table below presents external sales by product line:

External Sales by product lines:	Three Months Ended				Nine Months Ended			
	October 31,		October 31,		October 31,		October 31,	
	(in millions of dollars)		(in millions of dollars)		(in millions of dollars)		(in millions of dollars)	
	2023	2022	2023	2022	2023	2022	2023	2022
Disposables	\$ 11.9	\$ 14.1	\$ 36.7	\$ 41.3				
Chemical	4.7	5.2	15.4	17.5				
Fire service	5.6	3.6	20.0	9.2				
Gloves	0.5	0.6	1.7	1.7				
High Visibility	2.6	1.7	5.4	4.6				
High Performance Wear	2.4	1.3	5.2	3.8				
Wovens	4.0	1.9	9.0	5.7				
Consolidated external sales	<u><u>\$ 31.7</u></u>	<u><u>\$ 28.4</u></u>	<u><u>\$ 93.4</u></u>	<u><u>\$ 83.8</u></u>				

14. Subsequent Events

Acquisition of LHD Group

On November 1, 2023 April 2, 2024, Lakeland Global Safety, Ltd. ("Lakeland Global"), a wholly-owned subsidiary the Company, entered into a Share Sale and Purchase Agreement (the "Purchase Agreement"), by and between Kantaras Investments Pte. Ltd., Lakeland Global, and the Company, pursuant to which Lakeland Global will acquire all of the shares of the fire and rescue business of LHD Group Deutschland GmbH, LHD Group Australia Pty Ltd and LHD Group Hong Kong Ltd., wholly-owned entities of Kantaras Investments Pte. Ltd. (collectively, the "LHD Group") for a purchase price of EUR 15.4 million (approximately USD \$16.7 million), subject to post-closing adjustments and customary holdback provisions. The LHD Group is a leader in firefighter turnout gear, accessories, and Total Care services, including laundry, repair, and maintenance. The transaction will be funded through the Company's credit facility and is expected to close in June 2024.

Second Quarter Dividend

On May 1, 2024, the Company's Board of Directors declared a quarterly cash dividend. The quarterly dividend of \$0.03 per share or approximately \$0.2 million, was paid on November 22, 2023 May 22, 2024, to stockholders of record as of November 15, 2023 May 15, 2024.

On November 27, 2023, the Company sold its office and warehouse facility in Brantford, Ontario to an unrelated party for \$4.9 million. The sale will result in a pre-tax gain, after selling expenses, of approximately \$3.8 million. Going forward, the Company will utilize third party logistics providers for customer fulfillment in Canada.

On November 30, 2023 the Company acquired New Zealand-based Pacific Helmets NZ Limited ("Pacific") in an all-cash transaction valued at approximately NZ\$14,000,000 (\$8.6 million), including assumption of debt, subject to post-closing adjustments and customary holdback provisions. The acquisition enhances Lakeland's product portfolio, particularly within fire service protective helmets. Headquartered in Whanganui, New Zealand, Pacific is a leading designer and provider of structural firefighting, wildland firefighting, and technical rescue helmets. The transaction was funded through the revolving credit facility and cash balances.

On November 30, 2023, the Company entered into Amendment No. 3 to Loan Agreement by and between Bank of America, N.A. (the "Lender") and the Company (the "Third Amendment"). Pursuant to the Third Amendment, the Lender consented to the Company's acquisition of one hundred percent (100%) of the equity interests of Pacific. The Third Amendment further provided for certain amendments to the Loan Agreement to permit additional indebtedness to be made available to Pacific, to exempt Pacific from certain requirements of the Loan Agreement pertaining to subsidiary guaranty and asset pledges that would otherwise be required under the Loan Agreement and to waive the Company's borrowing base limitations through January 31, 2024. The Third Amendment also provided for the reaffirmation of representations, warranties and covenants under the Loan Agreement as are customary in connection with similar amendments of credit documents.

[Table of Contents](#)**Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations****Forward-Looking Statements**

The following discussion and analysis should be read in conjunction with the historical financial statements and other financial information included elsewhere in this quarterly report on Form 10-Q. This Form 10-Q may contain certain forward-looking statements. When used in this Form 10-Q or in any other presentation, statements which are not historical in nature, including the words "anticipate," "estimate," "should," "expect," "believe," "intend," "project," "plan," "seek," "will," "may," "might," "would," "could" and similar expressions, are intended to identify forward-looking statements. They also include statements containing a projection of sales, earnings or losses, capital expenditures, dividends, capital structure or other financial terms and expectations with respect to the timing and intended use for our planned manufacturing expansion. terms.

The forward-looking statements in this Form 10-Q are based upon our management's beliefs, assumptions and expectations of our future operations and economic performance, taking into account the information currently available to us. These statements are not statements of fact. Forward-looking statements involve risks and uncertainties, some of which are not currently known to us that may cause our actual results, performance or financial condition to be materially different from the expectations of future results, performance or financial condition we express or imply in any forward-looking statements. Some of the important factors that could cause our actual results, performance or financial condition to differ materially from expectations are:

- we are subject to risk as a result of our international manufacturing operations and are subject to the risk 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 identified a material weakness in our internal control over accounting for foreign currency exchange and foreign currency translation and remeasurement related to our international subsidiaries that could adversely affect our results of operations, our stock price and investor confidence in our Company;
- a terrorist attack, other geopolitical crisis, or widespread outbreak of an illness or other health issue, such as the COVID-19 pandemic, could negatively impact our domestic and/or international operations;
- our results of operations could be negatively affected by potential fluctuations in foreign currency exchange rates;
- the implementation of our Enterprise Resource Planning ("ERP") system had, and may in the future as we implement ERP into foreign operations have, an adverse effect on operating results;
- global supply chain constraints have led to inflation in prices of some fabrics we acquire, as well as labor and operating costs, and further pricing increases may result in a decline in our future profitability;
- we have manufacturing and other operations in China which may be adversely affected by tariff wars and other trade maneuvers;
- the failure to optimize the Company's manufacturing capacity may have an adverse impact on our business and operations;
- our results of operations may vary widely from quarter to quarter;
- disruption in our supply chain, manufacturing or distribution operations could adversely affect our business;
- climate change and other sustainability matters may adversely affect our business and operations;
- some of our sales are to foreign buyers, which exposes us to additional risks;
- we deal in countries where corruption is an obstacle;
- we are exposed to U.S. and foreign tax risks;
- 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;
- we face competition from other companies, a number of which have substantially greater resources than we do;
- our operations are substantially dependent upon key personnel;
- 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 may be subject to product liability claims, and insurance coverage could be inadequate or unavailable to cover these claims;
- environmental laws and regulations may subject us to significant liabilities;
- provisions in our restated certificate of incorporation and by-laws and Delaware law could make a merger, tender offer or proxy contest difficult;

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- we may not achieve the expected benefits from strategic acquisitions, investments, joint ventures, capital investments and other corporate transactions that we have pursued or may pursue;
- 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;
- 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;
- rapid technological change could negatively affect sales of our products, inventory levels and our performance; and

· the other factors referenced in this Form 10-Q, including, without limitation, in the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the factors described under "Risk Factors" disclosed in our fiscal 2023 2024 Form 10-K.

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We believe these forward-looking statements are reasonable; however, you should not place undue reliance on any forward-looking statements which are based on current expectations. Furthermore, forward-looking statements speak only as of the date they are made. We undertake no obligation to publicly update or revise any forward-looking statements after the date of this Form 10-Q, whether as a result of new information, future events or otherwise, except as may be required by law. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this Form 10-Q might not occur. We qualify any and all of our forward-looking statements entirely by these cautionary factors.

Business Overview

We manufacture and sell a comprehensive line of industrial protective clothing and accessories for the industrial and public protective clothing market. Our products are sold globally by our in-house sales teams, our customer service group, and authorized independent sales representatives to a network of over 1,600 2,000 global safety and industrial supply distributors. Our authorized distributors supply end users, such as integrated oil, chemical/petrochemical, automobile, transportation, steel, glass, construction, smelting, cleanroom, janitorial, pharmaceutical, and high technology electronics manufacturers, as well as scientific, medical laboratories and the utilities industry. In addition, we supply federal, state and local governmental agencies and departments, such as fire and law enforcement, airport crash rescue units, the Department of Defense, the Department of Homeland Security and the Centers for Disease Control. Internationally, we sell to a mixture of end users directly and to industrial distributors, depending on the particular country and market. In addition to the United States, sales are made to more than 50 foreign countries, the majority of which were in China, the European Economic Community ("EEC") ("EEC"), Canada, Chile, Argentina, Russia, Kazakhstan, Colombia, Mexico, Ecuador, India, Uruguay, Middle East and Southeast Asia.

The Company's strong market position across its focus product categories and markets is supported by continued and increasing investment in its global footprint, particularly owning and operating its own manufacturing facilities acquiring complementary companies or products that expand and enhance product offerings and/or geographic customer territories, and investing in sales and marketing resources in countries around the world. We have operated facilities believe that ownership of manufacturing is the keystone to building a resilient supply chain and providing high-quality products to our customers. Having seven manufacturing locations in Mexico since 1995 and in China since 1996. Beginning in 1995, we moved the labor-intensive sewing operation for our limited use/disposable protective clothing lines to these facilities. Our facilities and capabilities in China and Mexico allow access to a less expensive labor pool than is available in the United States and permit us to purchase certain seven countries on five continents, coupled with sourcing core raw materials from multiple suppliers in various countries, affords Lakeland with superior manufacturing capabilities and supply chain resilience when compared to our competitors who use contractors. Additionally, our focus on providing customers with best-in-class service includes the strategic location of our sales team members. Lakeland has 95 sales employees located in 24 countries selling into more than 50 countries globally.

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. Total consideration was \$9.6 million, of which \$7.5 million was paid to the seller at closing, \$0.6 million paid to retire the remainder of Jolly's debt and \$1.5 million remained unpaid subject to post-closing adjustments and customary holdback provisions. Jolly is a lower cost than they are available domestically. leading designer and manufacturer of professional footwear for the firefighting, military, police, and rescue markets. The Company has been able to pass along a portion of these costs to its customers. We added company is headquartered in Montebelluna, Italy, with manufacturing operations in Vietnam, Bucharest, Romania, and India to offset increasing manufacturing costs has 150 employees. Jolly provides a differentiated product portfolio through its continued investment in China research and further diversify our manufacturing capabilities. Our China operations will continue primarily manufacturing for development and use of modern materials and cutting-edge technologies in the Chinese market and other markets where duty advantages exist. Due to damage recently experienced at our newly leased Monterrey site we are currently evaluating our leasehold improvement buildout schedule which may impact our go-live production timing. The Company believes it has global capacity to support of its operations for the foreseeable future. footwear.

During the third quarter, On November 30, 2023 the Company sent acquired New Zealand-based Pacific Helmets NZ Limited ("Pacific") in an all-cash transaction valued at approximately NZ\$14,000,000 (\$8.6 million) including assumption of debt, subject to post-closing adjustments and customary holdback provisions. The acquisition enhances Lakeland's product portfolio, particularly within fire service protective helmets. Headquartered in Whanganui, New Zealand, Pacific is a letter to the landlord outlining certain leading designer and provider of structural defects on the newly constructed facility in Monterrey, Mexico that would inhibit the Company from effectively utilizing the facility for its intended purpose. The Company has initiated discussions with the landlord as to potential remedies which may inform our decision-making process with respect to this property. Changes in our long-term intended use for the building may impact the carrying value of the currently recorded right of use asset. firefighting, wildland firefighting, and technical rescue helmets.

On December 2, 2022, the Company acquired UK-based Eagle Technical Products Limited ("Eagle") in an all-cash transaction valued at approximately \$10.5 million, subject to post-closing adjustments and potential future earnout payments. The acquisition enhances Lakeland's product portfolio, particularly within fire service protective clothing and expands its sales presence in the Middle East and Europe.

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Our net sales attributable to customers outside the United States were \$16.6 million \$22.0 million and \$14.4 million \$16.4 million for the three months ended October 31, 2023 April 30, 2024 and 2022, respectively, and \$50.8 million and \$46.7 million for the nine months ended October 31, 2023 and 2022, 2023, respectively.

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We are continually monitoring the potential financial impact of the Russian invasion of Ukraine on our operations. For the ~~nine~~ three months ended October 31, 2023 April 30, 2024, sales in Russia were approximately 3.2% 2.9% of our consolidated sales and sales into Ukraine were not significant. We do not have any capital assets in Russia.

We are monitoring the potential financial impact of the Middle East conflict. The Company does not have physical assets in the Middle East but does have sales in the region. The continued conflict could have an impact on the level and timing of sales in the region.

Results of Operations

Three Months ended October 31, 2023 April 30, 2024, Compared to the Three Months Ended October 31, 2022 April 30, 2023

The economy has been impacted by certain macroeconomic challenges which have contributed to a rising inflationary trend that has impacted both our revenues and costs globally, and which we expect will continue into the foreseeable future. If our costs become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases. There can be no assurance that our results of operations and financial condition will not be materially impacted by inflation in the future.

Net Sales. Net sales were \$31.7 million \$36.3 million for the three months ended October 31, 2023 April 30, 2024, an increase of \$3.3 million \$7.6 million or 11.6% 26.5% compared to \$28.4 million \$28.7 million for the three months ended October 31, 2022 April 30, 2023. Sales of our fire service Fire Services product line increased \$5.0 million due to \$3.8 million in sales from Jolly, acquired in February 2024 and industrial Pacific, acquired in November 2023, and \$1.2 million growth in the product line. We also saw strength in the Woven product line with an increase of \$1.1 million, primarily in the international market. We also saw improvements in our Disposable and Chemical product lines increased by \$6.1 million, reflecting continued market share expansion in the first responder markets and ongoing strength in oil and gas turnarounds and utilities markets. Eagle contributed \$1.3 million in fire service sales during the quarter. Our sales were negatively impacted by declines in our disposable products, particularly in Asia, and chemical product lines by \$2.8 million with an increase of \$1.6 million.

Gross Profit. Gross profit for the three months ended October 31, 2023 April 30, 2024 was \$13.4 million \$16.2 million, an increase of \$1.1 million \$3.7 million, or 8.9% 30.1%, compared to \$12.3 million \$12.4 million for the three months ended October 31, 2022 April 30, 2023. Gross profit as a percentage of net sales declined increased to 42.2% 44.6% for the three-month period ended October 31, 2023 April 30, 2024, from 43.3% 43.4% for the three months ended October 31, 2022 April 30, 2023. Gross profit performance in the current period was positively impacted by increased revenue during the quarter, including sales of previously reserved excess inventory, partially offset by an adjustment for deferred profit in ending inventory. Major factors driving the change in gross margins improved in the three months ended October 31, 2023, were: April 30, 2024 due to increased sales in our higher margin product lines and improvements in our manufacturing facilities.

- Adjustments for deferred profit in inventory and inventory revaluation amortizations.
- Partially offset by reduction of total inventory including previously reserved excess inventory.

Operating Expense. Operating expenses decreased 4.0% increased by \$3.5 million, or 33.3%, from \$10.1 million \$10.5 million for the three months ended October 31, 2022 April 30, 2023 to \$9.7 million \$14.0 million for the three months ended October 31, 2023 April 30, 2024. This increase is attributable to the acquisition of Jolly and Pacific which increased operating expenses by \$1.3 million. In addition, the Company incurred transaction expenses of \$1.0 million coupled with costs of \$0.2 million due to ongoing PFAS litigation and \$0.3 million of costs associated with the Monterrey facility. The remaining increase was related to additional selling expenses including travel and trade shows, professional fees and administrative expenses of \$0.9 million. During the quarter ended April 30, 2024, the Company evaluated the earnout consideration accrual related to the Eagle acquisition and Pacific acquisitions and reduced the accrual by \$1.5 million \$0.7 million, which was recorded during the third quarter as a reduction in operating expenses. This decrease expense. During the quarter ended April 30, 2023, the Company evaluated the earnout consideration accrual related to the Eagle acquisitions and reduced the accrual by \$0.5 million, which was partially offset by increases in currency fluctuations of \$0.7 million, primarily recorded as a result of declines reduction in the Argentine peso. The remaining difference resulted from increases in selling expenses, travel and trade show expenses operating expense. Operating expenses as a percentage of net sales was 30.7% 38.5% for the three months ended October 31, 2023 April 30, 2024, an improvement up from 35.5% 36.6% for the three months ended October 31, 2022 April 30, 2023, primarily due to increased revenue, the factors noted above.

Operating Profit. Operating profit increased to \$3.6 million for the three months ended October 31, 2023 from \$2.2 million for the three months ended October 31, 2022 April 30, 2024 from \$1.9 million for the three months ended April 30, 2023, due to the impacts detailed above. Operating margins were 11.4% 6.1% for the three months ended October 31, 2023 April 30, 2024, as compared to 7.6% 6.8% for the three months ended October 31, 2022 April 30, 2023.

Income Tax Expense. Income tax expense consists of federal, state and foreign income taxes. Income tax expense was \$0.9 million \$0.4 million for the three months ended October 31, 2023 April 30, 2024, compared to \$0.7 million \$0.5 million for the three months ended October 31, 2022 April 30, 2023. The decrease is a result of the increase in pre-tax income offset by the impacts of final earn-out adjustments related to the Pacific and Eagle acquisitions. The Company's effective tax rate for the first quarter of FY25 was 19.0% which differs from the U.S. federal statutory rate of 21% primarily due to rate differentials in foreign tax jurisdictions, GILTI, and the earn-out adjustments related to the Pacific and Eagle

acquisitions mentioned above. The Company's effective tax rate for the first quarter of FY24 was 29.1%, which differs from the U.S. federal statutory rate of 21% primarily due to rate differentials in foreign tax jurisdictions and GILTI.

Net Income. Net income increased by \$0.4 million to \$1.7 million for the three months ended **October 31, 2023**, was 26.4%. The effective rate April 30, 2024 from \$1.3 million for the three months ended **October 31, 2022** was 33.3% April 30, 2023.

Net Income (Loss). Net income for the three months ended **October 31, 2023** was \$2.6 million an increase of \$1.2 million from net income of \$1.4 million for the three months ended **October 31, 2022**. The increase was due to the factors discussed above.

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Nine Months ended October 31, 2023, Compared to the Nine Months Ended October 31, 2022

Net Sales. Net sales were \$93.4 million for the nine months ended **October 31, 2023** as compared to \$83.8 million for the nine months ended **October 31, 2022**, an increase of 11.5%. Our fire service and wovens product lines increased by \$14.1 million in the period due to strengthening in the first responder and utilities markets and the impact of Eagle which contributed \$6.8 million in sales. Sales of our disposable and chemical product lines declined by \$6.7 million due to diminishing COVID-19 demand and weakness in China.

Gross Profit. Gross profit was \$40.0 million for the nine months ended **October 31, 2023**, an increase of \$5.0 million, or 14.3%, from \$35.0 million for the nine months ended **October 31, 2022**. Gross profit as a percentage of net sales increased to 42.8% for the nine months ended **October 31, 2023**, from 41.7% for the nine months ended **October 31, 2022**. Major factors driving gross margins were:

- Increased sales in our strategic product lines.
- Reduced manufacturing costs due to increased throughput.
- Reduction in freight costs.
- Reduction of total inventory including previously reserved excess inventory.
- Partially offset by adjustments to deferred profit in ending inventory.

Operating Expense. Operating expenses increased \$1.2 million, or 4.1%, to \$30.7 million for the nine months ended **October 31, 2023** from \$29.5 million for the nine months ended **October 31, 2022**. Operating expenses as a percentage of net sales was 32.9% for the nine months ended **October 31, 2023**, down from 35.2% for the nine months ended **October 31, 2022**. The decreased percentage is primarily due to increased revenue. Selling expenses were higher by \$0.7 million due to increases in sales commissions, freight out and higher travel, advertising and trade show expenses as COVID-19 restrictions have lifted. General and administrative expenses increased by \$0.5 million, with currency fluctuations accounting for \$1.1 million of the increase due to the strengthening of the U.S. dollar primarily against the Chinese yuan and Argentine peso. The remaining increase was due to increases in compensation, professional fees and intangibles amortization. The Company evaluated the earnout consideration accrual related to the Eagle acquisition and reduced the accrual by \$2.7 million, which was recorded during the third quarter as a reduction in operating expenses. Severance costs of \$0.8 million were partially offset by \$0.4 million of forfeitures of equity awards on equity compensation expense recorded in the nine months ended **October 31, 2023**.

Operating Profit. Operating profit increased to \$9.3 million for the nine months ended **October 31, 2023** from \$5.5 million for the nine months ended **October 31, 2022**, due to the impacts detailed above. Operating margins were 9.9% for the nine months ended **October 31, 2023**, as compared to 6.5% for the nine months ended **October 31, 2022**.

Income Tax Expense. Income tax expense consists of federal, state and foreign income taxes. Income tax expense was \$2.7 million for the nine months ended **October 31, 2023**, compared to \$3.6 million for the nine months ended **October 31, 2022**.

In Q2 FY23, the Company recorded \$2 million in withholding taxes for a planned repatriation of cash from our China operations during FY23. In Q1 FY23, the Company recorded deferred tax benefits of \$0.2 million related to accruals for China social taxes. Excluding these discrete items, the Company's effective rate was 29.5% and 33.8% for the nine months ended **October 31, 2023** and **2022**, respectively.

Net Income(Loss). Net income increased by \$4.7 million to \$6.4 million for the nine months ended **October 31, 2023** from \$1.7 million for the nine months ended **October 31, 2022**.

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Significant Balance Sheet Fluctuation **October 31, 2023 April 30, 2024, Compared to **January 31, 2023** 2024**

Cash increased by \$1.8 million \$3.1 million primarily due to \$7.7 million in cash the acquisition of Jolly. Cash provided by operations primarily was \$0.3 million due to net income of \$1.7 million, non-cash charges of \$0.3 million, reductions in working capital of \$0.5 million, offset by payments historically made in the first fiscal quarter including insurance and other annual costs and payment of accrued employee compensation. The impact of these payments was a \$3.2 million reduction in inventory coupled with profitable operations. Offsetting the operating net use of cash were \$3.0 million in investing activities split between capital equipment and additional investment in Bodytrak. Financing activities, primarily quarterly dividends, UK borrowing repayments and treasury stock purchases totaled \$1.8 million. Finally, cash balances were impacted by \$1.1 million due to currency fluctuations, primarily the Chinese yuan and Argentine peso.

The Company invested \$1.5 million for the nine months ended **October 31, 2023** in manufacturing equipment purchases and made an additional investment in Bodytrak of \$1.5 million \$2.2 million.

Net cash used in investing activities was \$9.2 million which included the acquisition of Jolly which required net cash of \$8.1 million and a further investment in Bodytrak's convertible debt instruments of \$0.6 million. Capital expenditures were \$0.5 million for the three months ended April 30, 2024, primarily for manufacturing equipment.

Net cash provided by financing activities was \$1.8 million \$11.6 million for the nine three months ended **October 31, 2023** April 30, 2024, due to \$0.7 million in \$12.3 million borrowed to fund the Jolly acquisition offset by dividends paid, \$0.3 million in shares repurchased, of \$0.2 million, repayment of short-term borrowings of \$0.4 million repayments of short term borrowings and \$0.4 million \$0.1 million in shares returned to pay income taxes on shares vested under our equity compensation program.

Capital expenditures for the three and nine months ended October 31, 2023 were \$0.4 million and \$1.5 million, respectively.

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Liquidity and Capital Resources

At **October 31, 2023** **April 30, 2024**, cash and cash equivalents were approximately **\$26.4 million** **\$28.4 million**, and working capital was approximately **\$88.5 million** **\$92.4 million**. Cash and cash equivalents increased **\$1.8 million** **\$3.1 million**, and working capital increased **\$1.5 million** **\$9.5 million** from **January 31, 2023** **January 31, 2024** due to the balance sheet fluctuations described above and the acquisition of Pacific and Jolly.

Of the Company's total cash and cash equivalents of **\$26.4 million** **\$28.4 million** as of **October 31, 2023** **April 30, 2024**, cash held in Latin America of **\$5.2 million**, cash held in Russia and Kazakhstan of **\$0.9 million** **\$2.0 million**, cash held in the UK of **\$1.4 million**, cash held in Russia and Kazakhstan of **\$1.0 million**, cash held in the EEC of **\$4.2 million**, cash held in India of **\$1.2 million** **\$0.8 million**, cash held in Vietnam of **\$0.9 million**, and cash held in Hong Kong of **\$0.4 million** and cash held in Vietnam of **\$1.6 million** **\$0.6 million** would not be subject to additional US tax in the event such cash was repatriated due to the change in the US tax law as a result of the December 22, 2017 enactment of the 2017 Tax Cuts and Jobs Act (the "Tax Act"). If When the Company repatriates any cash from China, of the **\$5.9 million** **\$9.4 million** balance at **October 31, 2023** of cash from China, **April 30, 2024**, there could be an additional 10% withholding tax incurred in that country. The Company expects to repatriate cash from China during FY 25 and in anticipation of doing so, has accrued withholding tax expense of **\$0.4 million** as of **April 30, 2024**.

Net cash Cash provided by operating activities of **\$7.7 million** for the nine months ended **October 31, 2023** operations was primarily **\$0.3 million** due to net income of **\$6.4 million** offset by **\$1.7 million**, non-cash items charges of **\$1.8 million** for deferred taxes, depreciation and amortization, stock compensation and reduction in the accrued Eagle earnout, offset by net increase **\$0.3 million**, reductions in working capital of **\$3.1 million** **\$0.5 million**, offset by payments historically made in the first fiscal quarter including insurance and other annual costs and payment of accrued employee compensation. The impact of these payments was a net use of cash of **\$2.2 million**. Net cash used in investing activities was **\$9.2 million** which included the acquisition of **\$3.0 million** Jolly which required net cash of **\$8.1 million** and a further investment in Bodytrak's convertible debt instruments of **\$0.6 million**. Capital expenditures were **\$0.5 million** for the **nine** three months ended **October 31, 2023** reflects **April 30, 2024**, primarily for manufacturing equipment purchases and the additional investment in Bodytrak of **\$1.5 million** equipment. Net cash used in provided by financing activities was **\$1.8 million** **\$11.6 million** for the **nine** three months ended **October 31, 2023** **April 30, 2024**, due to **\$0.7 million** in **\$12.3 million** borrowed to fund the Jolly acquisition offset by dividends **\$0.3 million** in shares repurchased under our share repurchase program, **\$0.4 million** of **\$0.2 million**, repayment of short-term borrowings of **\$0.4 million** and **\$0.1 million** in shares returned to pay income taxes on shares vested under our equity compensation program.

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. Total consideration was **\$9.6 million**, of which **\$7.5 million** was paid to the seller at closing, **\$0.6 million** paid to retire the remainder of Jolly's debt and **\$1.5 million** remained unpaid 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 use of modern materials and cutting-edge technologies in the production of its footwear.

On November 30, 2023 the Company acquired New Zealand-based Pacific Helmets NZ Limited ("Pacific") in an all-cash transaction valued at approximately NZ\$14,000,000 (\$8.6 million) including assumption of debt, subject to post-closing adjustments and customary holdback provisions. The acquisition enhances Lakeland's product portfolio, particularly within fire service protective helmets. Headquartered in Whanganui, New Zealand, Pacific is a leading designer and provider of structural firefighting, wildland firefighting, and technical rescue helmets.

We believe our current cash, balance cash equivalents, borrowing capacity under our Loan Agreement, and the cash flow to be generated from operations expected product sales will be sufficient to satisfy meet our projected working capital operating and investing requirements (including planned capital expenditures) for at least the foreseeable future next twelve months. However, our liquidity assumptions may prove to be incorrect, and we could utilize our available financial resources sooner than we currently expect.

On June 25, 2020, we the Company entered into a Loan Agreement (the "Loan Agreement") with Bank of America ("Lender" (the "Lender"). The Loan Agreement as amended through November 30, 2023 (the "Loan Agreement"), provides provided the Company with a secured \$25.0 million revolving credit facility, which includes included a \$5.0 million letter of credit sub-facility. The Company may could request from time to time an increase in the revolving credit loan commitment of up to \$5.0 million (for a total commitment of up to \$30.0 million). Borrowing pursuant to the revolving credit facility is was subject to a borrowing base amount calculated as (a) 80% of eligible accounts receivable, as defined, plus (b) 50% of the value of acceptable inventory, as defined, minus (c) certain reserves as the Lender may establish for the amount of estimated exposure, as reasonably determined by the Lender from time to time, under certain interest rate swap contracts. The borrowing base limitation only applies applied during periods when the Company's quarterly funded debt to EBITDA ratio, as defined, exceeds 2.00 to **1.00**, however, the borrowing base limitation has been waived through January 31, 2024 as a result of the Third Amendment to the Loan Agreement **1.00**. The Loan Agreement permits permitted, without the prior consent of the Lender, acquisitions of a business or its assets by the Company or its subsidiaries if there is was no default under the Loan Agreement and the aggregate consideration does did not exceed \$7.5 million for any individual acquisition or \$15.0 million on a

cumulative basis for all such acquisitions. On March 3, 2023, the Company changed the benchmark interest rate in the credit facility from LIBOR to the Secured Overnight Financing Rate ("SOFR"). The credit facility will be to mature on June 25, 2025.

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Per the terms of the Loan Agreement, borrowings under the revolving credit facility bear interest at a rate per annum equal to the sum of the one-month LIBOR Daily Floating Rate ("LIBOR") plus 125 basis points. LIBOR is subject to a floor of 100 basis points. On March 3, 2023, the Company changed the benchmark interest rate in our credit facility from LIBOR to the Secured Overnight Financing Rate ("SOFR"). All outstanding principal and unpaid accrued interest under the revolving credit facility is due and payable on the maturity date. On a one-time basis, and subject to there not existing an event of default, the Company may elect to convert up to \$5.0 million of the then outstanding principal of the revolving credit facility to a term loan facility with an assumed amortization of 15 years and the same interest rate and maturity date as the revolving credit facility. The Loan Agreement provides for an annual unused line of credit commitment fee, payable quarterly, of 0.25%, based on the difference between the total credit line commitment and the average daily amount of credit outstanding under the facility during the preceding quarter.

On November 30, 2023, the Company entered into Amendment No. 3 to the Loan Agreement by and between the Lender and the Company (the "Third Amendment"). Pursuant to the Third Amendment, the Lender consented to the Company's acquisition of one hundred percent (100%) of the equity interests of Pacific. The Third Amendment further provided for certain amendments to the Loan Agreement to permit additional indebtedness to be made available to Pacific, to exempt Pacific from certain requirements of the Loan Agreement pertaining to subsidiary guaranty and asset pledges that would otherwise be required under the Loan Agreement and to waive the Company's borrowing base limitations through January 31, 2024. The Third Amendment also provided for the reaffirmation of representations, warranties and covenants under the Loan Agreement as are customary in connection with similar amendments of credit documents.

The On March 28, 2024, the Company entered into Amendment No. 4 to the Loan Agreement requires by and between the Lender and the Company (the "Fourth Amendment"). Pursuant to maintain the Fourth Amendment, the Lender and the Company agreed to, among other things, (i) extend the expiration date of the credit facility to March 28, 2029, (ii) increase the availability under the revolving credit facility to \$40.0 million with an accordion feature providing for the potential funding of an additional \$10.0 million, (iii) remove the borrowing base component of the credit facility; and (iv) modify the interest rate based on Daily SOFR plus the Applicable Rate. The Applicable Rate is based upon a Funded Debt to EBITDA (as each such term is defined) Ratio and includes four (4) different levels constituting a SOFR margin range from 1.25% to 2.00%. In addition, the Fourth Amendment (i) modified the Funded Debt to EBITDA Ratio covenant so as not to exceed 3.5x (with step-downs to 3.25 and 3.0 in the Loan Agreement) ratio of 3.0 to 1.0 or less 2025 and a 2026, (ii) modified the Basic Fixed Charge Coverage Ratio (as defined in the Loan Agreement) covenant to a minimum of 1.20x, (iii) includes a springing Asset Coverage Ratio covenant of at least 1.15 1.10x, but only to 1.0 the extent that the maximum Total Leverage Ratio exceeds 3.00x at any reporting period, (iv) increases the sublimit for letters of credit to \$10.0 million, and (v) imposes a floor to Daily SOFR of one percent (1.00%). The Loan Agreement also contains customary covenants, including covenants that, among other things, limit or restrict the Company's and Fourth Amendment provides for additional indebtedness or the Company's subsidiaries' ability, subject assumption of existing indebtedness for acquisitions of foreign subsidiaries (not to certain exceptions exceed \$10.0 million in USD) and qualifications, increased the size of Permitted Acquisitions, without prior approval from the Lender, to incur liens or indebtedness, pay dividends, or merge, consolidate or sell or otherwise transfer assets. The Company was \$17.5 million per occurrence and \$35.0 million in the aggregate. We were in compliance with all financial covenants of its debt covenants the Loan Agreement as of October 31, 2023 April 30, 2024.

On November 30, 2023, the Company acquired Pacific in an all-cash transaction valued at approximately \$8.6 million including assumption of debt, subject to post-closing adjustments and customary holdback provisions. The transaction was funded through the revolving credit facility and cash balances.

Stock Repurchase Program. On February 17, 2021, the Company's Board of Directors approved a stock repurchase program under which the Company may repurchase up to \$5 million of its outstanding common stock. On July 6, 2021, the Board of Directors authorized an increase in the Company's stock repurchase program, under which the Company may repurchase up to an additional \$5 million of its outstanding common stock. On April 7, 2022, the Board of Directors authorized a new stock repurchase program under which the Company may repurchase up to \$5 million of its outstanding common stock, which became effective upon the completion of the prior share repurchase program. On December 1, 2022, the Board of Directors authorized an increase in the Company's stock repurchase program, under which the Company may repurchase up to an additional \$5 million of its outstanding common stock.

There is approximately No shares were repurchased in the three months ended April 30, 2024 leaving \$5.0 million remaining under the share repurchase program at October 31, 2023 April 30, 2024. The share repurchase program has no expiration date but may be terminated by the Board of Directors at any time.

Quarterly Cash Dividend. On February 1, 2023, the Board of Directors declared a quarterly cash dividend as part of initiating a recurring quarterly dividend program. The initial quarterly dividend of \$0.03 per share was paid on February 22, 2023, to stockholders of record as of February 15, 2023.

On May 1, 2023 February 1, 2024, the Board of Directors declared a quarterly cash dividend. The quarterly dividend of \$0.03 per share was paid on May 22, 2023 February 22, 2024, to stockholders of record as of May 15, 2023 February 15, 2024.

On August 1, 2023, the Board of Directors declared a quarterly cash dividend. The quarterly dividend of \$0.03 per share was paid on August 22, 2023, to stockholders of record as of August 15, 2023.

On November 1, 2023, the Board of Directors declared a quarterly cash dividend. The quarterly dividend of \$0.03 per share was paid on November 22, 2023, to stockholders of record as of November 15, 2023.

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Capital Expenditures. Our capital expenditures for the **nine** **three** months ended **October 31, 2023** **April 30, 2024** of **\$1.5 million** **\$0.5 million** principally relate to capital purchases for our replacement of manufacturing facilities in Mexico equipment. We anticipate **FY24** **FY25** capital expenditures to be approximately **\$2.0 million** **\$3.0 million** as we invest in strategic capacity expansion and replace existing equipment in the normal course of operations. We expect to fund the capital expenditures from our cash flow from operations. The Company may also expend funds in connection with potential acquisitions.

During the third quarter, the Company sent a letter to the landlord outlining certain structural defects on the newly constructed facility in Monterrey, Mexico that would inhibit the Company from effectively utilizing the facility for its intended purpose. The Company has initiated discussions with the landlord as to potential remedies which may inform our decision-making process with respect to this property. Changes in our long-term intended use for the building may impact the carrying value of the currently recorded right of use asset.

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Critical Accounting Policies and Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. A summary of our significant accounting policies is included in Note 1 to our consolidated financial statements in our fiscal year **2023** **2024** Form 10-K. Certain of our accounting policies are considered critical, as these policies are the most important to the depiction of our financial statements and require significant, difficult, or complex judgments, often employing the use of estimates about the effects of matters that are inherently uncertain. Such policies are summarized in the Management's Discussion and Analysis of Financial Condition and Results of Operations section in our **2023** **2024** Form 10-K. There have been no significant changes in the application of our critical accounting policies during the **nine** **three** months ended **October 31, 2023** **April 30, 2024**.

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Item 3. Quantitative and Qualitative Disclosures About Market Risk

A smaller reporting company is not required to provide the information required by this Item, and therefore, no disclosure is required under Item 3 for the Company.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, under **Based on their evaluation as of the supervision and with end of the participation of our period covered by this Form 10-Q, the Company's** principal executive officer and principal financial officer **has evaluated** **have concluded that the effectiveness of our Company's** disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 as amended, or the Exchange Act), as of October 31, 2023. The term "disclosure controls and procedures" means controls and other procedures of a company that (the "Exchange Act") are **designed effective** to ensure that information required to be disclosed by a company **the Company** in the reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the **Securities and Exchange Commission's SEC** rules and forms. Disclosure controls forms and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is (ii) accumulated and communicated to **the company's** **our** management, including **its** **the** principal executive **officer** and principal financial **officers**, or persons performing similar functions, **officer**, as appropriate to allow timely decisions regarding required disclosure. Based on such evaluation,

Changes in Internal Control over Financial Reporting

There have been no changes in our principal executive officer and principal financial officer have concluded that as of October 31, 2023, our disclosure controls and procedures were not effective because of the material weakness in internal control over financial reporting described below.

Notwithstanding the ineffective disclosure controls and procedures as a result of the identified material weakness described below, management has concluded that the condensed consolidated financial statements included elsewhere (as defined in this Quarterly Report on Form 10-Q) present fairly, in all material respects, the Company's financial position, results of operations and cash flows in accordance with U.S. generally accepted accounting principles.

Material Weakness in Internal Control over Financial Reporting

As previously disclosed in our 2023 Form 10-K, management identified certain deficiencies in the Company's internal control over financial reporting that aggregated to a material weakness related to its foreign subsidiary currency translation Rules 13a-15(f) or remeasurement to ensure the foreign subsidiary's account balances were accurately stated in the consolidated financial statements.

Management's Remediation Plan and Status

In response to the material weakness, management has taken the following actions:

- Enhanced the existing monthly financial statement management review by including a reconciliation of key account balances on the general ledger back to the originally reported balances from the foreign subsidiary sub-ledgers (translated to USD);

- Reconfigured the trial balance import process for its Argentina subsidiary to import and remeasure account balances in a manner consistent with other foreign subsidiaries; and
- Developed enhancements to the foreign subsidiary financial reporting packages by specifically quantifying and reviewing the currency fluctuation impact on the overall financial statements.

While we have taken steps to substantially remediate the identified material weakness and will continue to complete the remediation process as quickly as possible, we cannot at this time estimate how long it will take to remediate this material weakness. The material weakness will not be considered remediated until the controls are designed, implemented, and operate for a sufficient period of time and management has concluded, through independent testing, that these controls are operating effectively. As management continues to evaluate and work to improve our disclosure controls and procedures and internal control over financial reporting, we may take additional measures to address these control deficiencies or modify certain remediation measures described above.

Changes in Internal Control Over Financial Reporting

Other than continuing to make progress on the ongoing remediation efforts described above, there were no changes in the Company's internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) 15d-15(f) of the Exchange Act that occurred during the first quarter ended October 31, 2023 of fiscal 2025 that have materially affected, or are reasonably likely to materially affect, materially, the Company's internal control over financial reporting.

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PART II. OTHER INFORMATION

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

On February 17, 2021, the Company's Board of Directors approved a stock repurchase program under which the Company may repurchase up to \$5 million of its outstanding common stock. On July 6, 2021, the Board of Directors authorized an increase in the Company's then-current stock repurchase program under which the Company may repurchase up to an additional \$5 million of its outstanding common stock (the "Prior Share Repurchase Program"). On April 7, 2022, the Board of Directors authorized a new stock repurchase program under which the Company may repurchase up to \$5 million of its outstanding common stock which (the "New Share Repurchase Program"). The New Share Repurchase Program became effective upon the completion of the prior share repurchase program. Prior Share Repurchase Program. The New Share Repurchase Program has no expiration date but may be terminated by the Board of Directors at any time. On December 1, 2022, the Board of Directors authorized an increase in the share repurchase program New Share Repurchase Program under which the Company may repurchase up to an additional \$5 million of its outstanding common stock. The share repurchase program has no expiration date but may be terminated by the Board of Directors at any time.

The common shares available for repurchase under the authorizations currently in effect may be purchased from time to time, with consideration given to the market price of the common shares, the nature of other investment opportunities, cash flows from operations, general economic conditions and other relevant considerations. Repurchases may be made on the open market or through privately negotiated transactions.

The following table sets forth purchases made by or on behalf of the Company or any "affiliated purchaser," as defined in Rule 10b-18(a)(3) of the Exchange Act, of shares of the Company's common stock during the third first quarter of fiscal 2024: 2025:

Period	Total Number				Maximum Dollar Amount of Shares that May Yet Be Purchased Under the Programs	
	Total Number of Shares Purchased (1)	Average Price Paid per Share		Announced Programs		
		Total Number of Shares Purchased (1)	Average Price Paid per Share	Announced Programs		
August 1 – August 31	---	\$ ---	\$ ---	---	\$ 5,030,479	
September 1 – September 30	771	\$ ---	\$ ---	---	\$ 5,030,479	
October 1 – October 31	---	\$ ---	\$ ---	---	\$ 5,030,479	
Total	771	\$ ---	\$ ---	---	\$ 5,030,479	

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs	Maximum Dollar Amount of Shares that May Yet Be Purchased Under the Programs (2)
February 1 – February 29	3,877	\$ —	—	\$ 5,030,479
March 1 – March 31	—	\$ —	—	\$ 5,030,479
April 1 – April 30	3,341	\$ ---	---	\$ 5,030,479
Total	7,218	\$ ---	---	\$ 5,030,479

(1) Includes withholding of 771 7,218 restricted shares to cover taxes on vested restricted shares during the third first quarter of FY24, FY25.

(2) Represents the amount remaining under our share repurchase program as of April 30, 2024.

Item 5. Other Information

None.

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Item 6. Exhibits:

Exhibits:

* Filed herewith

† Furnished herewith

2.1*	Share Purchase Agreement, by and between Minerva Manufacture de chaussures S.A. and Lakeland Global Safety, Ltd., dated February 5, 2024 (incorporated by reference to Exhibit 2.3 of Lakeland Industries, Inc.'s Form 10-K filed April 11, 2024)
2.2*	Share Sale and Purchase Agreement, by and between Kantaras Investments Pte. Ltd., Lakeland Global Safety, Ltd., dated April 2, 2024
3.1	Restated Certificate of Incorporation of Lakeland Industries, Inc., as amended (incorporated by reference to Exhibit 4.1 of Lakeland Industries, Inc.'s Registration Statement on Form S-8 filed on September 3, 2021)
3.2	Amended and Restated Bylaws of Lakeland Industries Inc. (incorporated by reference to Exhibit 3.1 of Lakeland Industries, Inc.'s Form 8-K filed April 28, 2017)
10.1*	General Release and Separation Amendment No. 4 to Loan Agreement, dated October 19, 2023 March 28, 2024, by and between Lakeland Industries, Inc. and Charles D. Roberson Bank of America, N.A.
31.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or 15(d)-14(a) under the Securities Exchange Act of 1934
31.2*	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) or 15(d)-14(a) under the Securities Exchange Act of 1934
32.1†	Certification of Chief Executive Officer as adopted pursuant to 18 U.S.C. Section 1350 pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2†	Certification of Principal Financial Officer as adopted pursuant to 18 U.S.C. Section 1350 pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101*	The following financial statements from the Quarterly Report on Form 10-Q for the quarter ended October 31, 2023 April 30, 2024, formatted in Inline XBRL: (i) Condensed Consolidated Statements of Operations, (ii) Condensed Consolidated Statements of Comprehensive Income (Loss), (iii) Condensed Consolidated Balance Sheets, (iv) Condensed Consolidated Statements of Changes in Stockholders' Equity, (v) Condensed Consolidated Statements of Cash Flows, and (vi) Notes to the Condensed Consolidated Financial Statements, tagged as blocks of text and including detailed tags.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LAKELAND INDUSTRIES, INC.

(Registrant)

Date: December 7, 2023 June 6, 2024

/s/ James M. Jenkins

James M. Jenkins,

Chief Executive Officer, President and Executive Chairman

(Principal Executive Officer and Authorized Signatory)

Date: June 6, 2024

/s/ Roger D. Shannon

Roger D. Shannon,

Chief Financial Officer and Secretary

(Principal Financial Officer and Authorized Signatory)

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EXHIBIT 10.12.2

Execution Copy

General Release and Separation Agreement

This General Release and Separation Agreement ("Release") hereby is made and entered into by and between Charles D. Roberson ("Executive") and Lakeland Industries, Inc. (the "Company") and to and for the benefit of the Released Parties, as defined below.

WHEREAS, pursuant to Section 2 of the Employment Letter Agreement between Executive and the Company, dated January 27, 2020, as amended on January 1, 2022 (as amended, the "Employment Agreement"), on October 18, 2023, the Company provided written notice to Executive of the Company's decision not to renew the Term of the Employment Agreement beyond the current Term, which expires on January 31, 2024, and Executive decided he will resign from all positions he holds with the Company effective at the end of the day on January 31, 2024;

WHEREAS, upon the Effective Date (as defined in Section 5) of this Release, the terms and conditions of Executive's employment shall be governed by this Release, which shall replace and supersede the Employment Agreement in all respects, including but not limited to Executive's rights to compensation, continued employment, notice of termination of employment, and other contractual entitlements;

WHEREAS, the last day of Executive's employment and the date of termination of the Employment Agreement will be January 31, 2024 or such earlier date as mutually agreed upon by the Company and Executive ("Termination Date"), on which he will (i) relinquish all privileges, duties, responsibilities and authority as President, Chief Executive Officer and Secretary and all such other positions and offices he holds with the Company and its subsidiaries and as an employee of the Company and (ii) resign from the Board of Directors of the Company;

WHEREAS, except as provided in Section 1(a) of this Release, until the Termination Date, the Company will continue to compensate Executive at his regular Base Salary rate, and provide his current employment benefits until the Termination Date consistent with the Employment Agreement; and

WHEREAS, in consideration for the Severance Payments (as defined herein) and other benefits provided to Executive herein, Executive acknowledges, affirms and agrees to perform and be bound by all covenants and the post-employment obligations set forth in paragraph 5 of the Employment Agreement (except as otherwise provided in Section 1(e) of this Release) and to execute on the last day of Executive's employment and not revoke the Supplemental Release of Claims Agreement attached hereto as Attachment A ("Supplemental Release").

NOW, THEREFORE, in consideration of the premises, promises and other items contained herein, the receipt and sufficiency of which are hereby acknowledged, Executive and the Company agree as follows:

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Agreement and Release

The last day of Executive's employment is the Termination Date, on which he relinquishes all privileges, duties, responsibilities and authority as President, Chief Executive Officer and Secretary and all such other positions and offices he holds with the Company and its subsidiaries and as an employee of the Company. Further, Executive hereby resigns as a director of the Company and any of its subsidiaries and affiliates, effective on the Termination Date. The Company, pursuant to the Employment Agreement, will provide or pay Executive (i) any accrued and unpaid Base Salary through the Termination Date within fifteen (15) days of the Termination Date and (ii) any other employee benefits generally paid by the Company up to the Termination Date (collectively, (i) and (ii) the "Accrued Obligations"). For the avoidance of doubt, the Accrued Obligations identified in (i) of the previous sentence will be paid to Executive through January 31, 2024 even if Executive's Termination Date occurs prior to January 31, 2024; provided, however, the Accrued Obligations

identified in (ii) will be paid in accordance with the applicable governing documents and/or policies. Capitalized terms used in this Release and not defined herein shall have the meanings set forth in the Employment Agreement.

1. Severance Payment and Other Benefits.

(a) Subject to Executive's timely execution of this Release, delivery of the same to the Company no later than October 19, 2023, which is more than twenty-one (21) days following his receipt of this Release's initial proposal, and non-revocation thereof prior to the Effective Date (as defined in Section 5), and Executive's full and ongoing compliance with and fulfillment of all of Executive's surviving covenants and obligations in the Employment Agreement (as modified by Section 1(e) of this Release) and this Release, the Company shall provide and/or pay the following to Executive, subject to all applicable withholdings: (i) an Annual Bonus for the fiscal year ending January 31, 2024 ("FY24"), if any, as determined by the Compensation Committee (the "Compensation Committee") of the Company's Board of Directors following the end of FY24 based on the Company's achievement of the pre-established performance measures for such Annual Bonus, to be paid to Executive at such time such bonus is payable to similarly situated officers of the Company and not to be withheld uniquely from Executive in relation to other participants in the Annual Bonus Plan, but in no event later than April 15, 2024; (ii) if Executive has not secured other employment as of January 31, 2024, continued payment of Executive's current Base Salary until the earlier of the date Executive secures such other employment or April 30, 2024, payable bi-weekly following the Termination Date; provided, however, all such payments shall be made no later than April 15, 2024 (including any amount attributable to the period, if any, through April 30, 2024, as applicable); and provided, further, payment shall commence on the first practicable bi-weekly payroll date following the Effective Date of the Supplemental Release, with such initial payment including any amount that was otherwise scheduled to be paid prior thereto; provided, further that the balance of the payments due to be paid after the initial payment commencement shall be paid in accordance with the normal bi-weekly schedule over the remainder of such period (collectively, (i)-(ii), the "Severance Payment").

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(b) Executive's outstanding restricted stock units ("RSUs") granted to Executive pursuant to those certain restricted stock unit award agreements, with grant dates of June 16, 2021, April 7, 2022 and March 30, 2023, each by and between the Company and Executive (collectively, the "RSU Award Agreements"), which RSUs shall continue to vest and settle into shares of common stock of the Company on their scheduled vesting dates set forth in the respective RSU Award Agreements despite the fact that Executive may not be continuously providing service to the Company on such date; provided, however, in the case of the performance-based RSUs, such RSUs shall only vest to the extent of actual performance achieved as certified by the Compensation Committee, and the Company shall provide Executive with a schedule showing how the performance-based RSUs that vested were calculated based on the level of performance achieved (the "Calculation Schedule") within two business days following the certification of the performance measures by the Compensation Committee, except that if such Calculation Schedule contains material non-public information, then the Company shall provide the Calculation Schedule within two business days after the disclosure of the material non-public information contained in such Calculation Schedule; provided further, in the event of a Change in Control (as defined in the Company's 2017 Equity Incentive Plan, as amended (the "Equity Plan"), including application of the final paragraph of such definition as if subject to Section 409A (as defined in Section 12 of this Release)) that occurs prior to a scheduled vesting date, all outstanding performance-based RSUs shall fully vest, assuming achievement at the target performance level, and settle as of the date of the Change in Control, yet subject to the provisions of Section 3(d) of the Equity Plan and shall in no event be settled or paid later than two and one-half (2.5) months following such Change in Control. For the avoidance of doubt, in the event of a Change in Control, time-based RSUs shall continue to vest and settle on their scheduled vesting dates, subject to Section 3(d)(vii) of the Equity Plan. In the event of a change in rule or regulation of the Securities and Exchange Commission ("SEC") or Internal Revenue Service ("IRS") that would reduce or eliminate Executive's rights with respect to the RSUs as provided in this Section 1(b) at any time prior to the settlement of such RSUs in shares of the Company's common stock, the Company and Executive will negotiate in good faith to provide compensation as nearly as possible to the compensation contemplated under this Section 1(b), to the extent permitted by the rules and regulations of the SEC and IRS and all applicable law. As modified by the foregoing, such RSUs shall continue to be governed by the applicable RSU Award Agreements according to their terms. Executive understands and agrees that, as of the Termination Date, Executive forfeits all rights to any other restricted stock units and any other equity awards not specifically permitted to vest pursuant to this Section 1(b).

(c) If Executive is a participant in the Company's group health, dental, or vision plans, he will receive a notice of COBRA rights from Company's COBRA administrator regarding his eligibility to elect continuation coverage in accordance with the terms of the documents governing such benefits and subject to his payment of the COBRA premium(s).

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(d) The execution of this Release shall not affect Executive's vested rights, if any, under (i) the Company's 401(k) Retirement Plan ("Retirement Plan"), or (ii) subject to Section 1(b), the Company's equity plans as of the Termination Date. Executive may not make or receive on his behalf any further contributions or benefit accruals under the Company's Retirement Plan attributable to the period following the Termination Date.

(e) The Company hereby waives the non-competition covenant set forth in the first sentence of Section 5 of the Employment Agreement; provided, however, that all remaining covenants set forth in Section 5 of the Employment Agreement shall remain in effect in accordance with their terms, including for the avoidance of doubt, Executive's covenants not to solicit employees or customers of the Company and Executive's confidentiality covenant. Provided, however, that this Release, which supersedes the Employment Agreement, allows Executive's new employer, but with absolutely no personal involvement of Executive, to continue to solicit business from any Lakeland customer (defined as anyone that has done business with Lakeland in the 12 months before the date of this Release) if such new employer (a) has solicited business from or made sales to the customer before hiring Executive, and (b) does not use any of Lakeland's proprietary, non-public information in connection with such solicitation, sale or otherwise.

Other than the foregoing benefits described in the preceding terms and provisions of Section 1, Executive understands and agrees that he will neither receive nor be entitled to any other compensation, payments, or benefits from the Company.

2. Executive Bears the Tax Liabilities.

Other than the withholdings specified in Section 1, Executive agrees that to the extent that any federal, state, or local taxes, interest or penalties of any kind may be due or payable as a result of (i) payments made hereunder to Executive or on his behalf and/or (ii) benefits of any kind made available hereunder to Executive or on his behalf, Executive will be solely responsible for the payment of such taxes and will hold the Company harmless, and will indemnify the Company, from and against all claims, penalties, fees, assessments, fines or other costs arising from said payments. The Company will promptly notify Executive of any demand for payment of such taxes by any taxing authority, and Executive will have the right to defend against the demand at his own expense the amount assessed by the taxing authority or pay the amount demanded or assessed.

3. Surrender of Property.

Executive promises and represents that he has made arrangements to return, on or prior to the Termination Date, all Company property and information, including but not limited to all documents, disks, computers, files, records, software, building and office access cards and/or codes and credit cards that Executive received in connection with his employment. Executive will not retain any copies, duplicates, reproductions or excerpts thereof.

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4. Executive's Release of Claims.

(a) In consideration of good and valuable consideration, the receipt of which is hereby acknowledged, and in consideration of the terms and conditions contained in the Employment Agreement, by and between Executive and Company, Executive on behalf of himself and his heirs, executors, administrators, assigns, attorneys, successors, and assigns, knowingly and voluntarily, hereby waives, remits, releases and forever discharges the Company and its past, present and future subsidiaries, divisions, affiliates and parents, and all of their respective current and former officers, directors, stockholders, employees, agents, attorneys, lenders, and/or owners, and their respective successors, and assigns and any other person or entity claimed to be jointly or severally liable with the Company or any of the aforementioned persons or entities, both individually and in their business capacities, and their employee benefit plans and programs and their administrators and fiduciaries (the "Released Parties") of and from any and all manner of actions and causes of action, suits, debts, dues, accounts, bonds, covenants, contracts, agreements, judgments, charges, claims, complaints, damages, demands, and obligations of any other nature whatsoever, past or present, known or unknown ("Losses") which Executive and his heirs, executors, administrators, and assigns have, had, or may hereafter have, against the Released Parties or any of them arising out of or by reason of any cause, matter, or thing whatsoever from the beginning of the world to the Effective Date hereof. This Release includes, but is not limited to, Losses arising out of or relating to Executive's employment by the Company and the cessation thereof, and any and all matters arising under any federal, state, or local statute, rule, or regulation, or principle of contract law or common law relating to Executive's employment by the Company and the cessation thereof, including, but not limited to, the Family and Medical Leave Act of 1993, as amended, 29 U.S.C. §§ 2601 *et seq.*, Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. §§ 2000 *et seq.*, the Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C. §§ 621 *et seq.* (the "ADEA"), the Older Workers Benefit Protection Act ("OWBPA"), the Americans with Disabilities Act of 1990, as amended, 42 U.S.C. §§ 12101 *et seq.*, the Worker Adjustment and Retraining Notification Act of 1988, as amended, 29 U.S.C. §§ 2101 *et seq.*, the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. §§ 1001 *et seq.*, any applicable state or local law or regulation relating to employment, and any claim for or obligation to pay for attorneys' fees, costs, fees, or other expenses. It is understood that nothing in this Release is to be construed as an admission on behalf of the Released Parties of any wrongdoing with respect to Executive, any such wrongdoing being expressly denied. This Release also bars any and all claims for future damages allegedly arising from the alleged continuation of the effect of any past action, omission or event, except nothing herein waives Executive's rights to enforce this Release. Executive does not release or discharge the Released Parties from (i) any rights to any payments, benefits or reimbursements due to Executive under this Release; or (ii) any rights to any vested benefits due to Executive under any employee benefit plans sponsored or maintained by the Company; or (iii) any existing right Executive has to indemnification, contribution or a defense related to Executive's performance of any of his duties in the normal course of Executive's employment with the Company.

(b) Supplemental Release. Executive hereby agrees that for adequate consideration contained herein, upon the last day of Executive's employment, he will execute the Supplemental Release. Executive agrees that the Company's payment of the Severance Payments depends strictly upon his agreement to execute and not revoke the Supplemental Release on the last day of Executive's employment.

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(c) Executive and the Company acknowledge that nothing in this Release or the Employment Agreement limits or affects either party's right, where applicable, to communicate or cooperate with, provide information to, or to file or participate in an investigative proceeding conducted by, the Equal Employment Opportunity Commission ("EEOC"), the SEC, or any federal, state or local government agency as provided for, protected under or warranted by whistleblower or other provisions of applicable law or regulation. However, to the maximum extent permitted by law, Executive agrees that if such an administrative claim is made, Executive agrees to release, waive, relinquish and forego all legal relief, equitable relief, statutory relief, reinstatement, back pay, front pay and any other damages, benefits, remedies, or relief that Executive may be entitled to as a result of any prosecution of any administrative agency claim or commission charge, and Executive shall not be entitled to recover any individual monetary award or relief or other individual remedies (other than monetary awards from any federal whistleblower program). Rights not waivable by law are not waived by this Release.

(d) Executive represents and warrants that he fully understands the terms of this Release, that he has been encouraged to seek, and has sought, the benefit of advice of legal counsel, and that he knowingly and voluntarily, of his own free will, without any duress, being fully informed, and after due deliberation, accepts its terms and signs below as his own

free act. Except as otherwise provided herein, Executive understands that as a result of executing this Release, he will not have the right, except as provided above in Section 4(c), to assert that the Company or any other of the Released Parties unlawfully terminated his employment or violated any of his rights in connection with his employment or otherwise.

5. OWBPA Compliance.

Executive, who is over 40 years of age, has or may have specific rights and/or claims under the Age Discrimination in Employment Act of 1967 ("ADEA") and Executive agrees that in consideration for the Severance Payments, he specifically and voluntarily waives such rights and/or claims under the ADEA which he might have against the Released Parties to the extent such rights and/or claims arose prior to the date this Release was executed. Executive understands that rights and/or claims under the ADEA which may arise after the date this Release is executed are not waived by him. By signing this Release, Executive does not release: (i) any right he may have to challenge the validity of this Release under the ADEA or the OWBPA; or (ii) his right to enforce this Release.

Executive has had more than twenty-one (21) days following his receipt of the initial proposal to consider whether to execute this Release. Upon Executive's execution of this Release, Executive will have seven (7) days after such execution in which he may revoke such execution. For such a revocation to be effective, it must be delivered so that the undersigned person receives it in-hand or via email on or before the expiration of the seven (7) day revocation period. This Release shall become effective on the first day following the expiration of the seven (7) day revocation period ("Effective Date").

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6. Representations and Warranties of Executive.

Executive hereby affirms and acknowledges the following:

- a. He has not filed, caused to be filed, or presently is a party to any claim, lawsuit, charge, arbitration, complaint, action, or proceeding against any of the Released Parties herein in any forum or form except for claims, communications or cooperation with, or providing or having provided information to, a governmental agency or entity, as provided for, protected under or warranted by whistleblower or other similar provisions of applicable law or regulation.
- b. He has been granted any leave to which he was entitled under the Family and Medical Leave Act or related state or local leave or disability accommodation laws.
- c. He has not given, sold, assigned or transferred to anyone else, any claim, or a portion of a claim referred to in this Release.
- d. Executive has no known workplace injury or occupational disease and has been provided with and/or has not been denied any leave requested under the Family and Medical Leave Act. Executive acknowledges and represents that he has no intention of filing any claim for workers' compensation benefits of any type against the Company or any of the Released Parties, and that he will not file or attempt to file any claims for workers' compensation benefits of any type against the Company or any related Released Parties. Executive acknowledges that the Company has relied upon these representations, and that the Company would not have entered into this Release but for these representations. As a result, Executive agrees, covenants, and represents that the Company may, but is not obligated to, submit this Release to the Workers' Compensation Appeals Board for approval as a compromise and release as to any workers compensation claim that Executive files at any time against the Company or any of the Released Parties.
- e. Executive further affirms that he has not been retaliated against for reporting any allegations of wrongdoing by any of the Released Parties or their officers and directors, including any allegations of corporate fraud or bribery. Executive and the Company acknowledge that this Release does not limit either party's right, where applicable, to communicate with, or to file or participate in an investigative proceeding of, any federal, state or local government agency as provided for, protected under or warranted by whistleblower or other provisions of applicable law or regulation. Except as to the extent permitted by law, Executive agrees that if such an administrative claim is made, Executive shall not be entitled to recover any individual monetary award or relief or other individual remedies (other than monetary awards from any whistleblower program).

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7. Remedies for Breach.

In the event of Executive's breach or violation of, or failure to completely and timely perform any of the provisions or covenants of this Release or the Employment Agreement (except to the extent limited by Sections 1(e) and 4(c) of this Release), which, if curable, remains uncured ten (10) days after the date of receipt of written notice thereof to Executive, the Company's obligation to perform any of its remaining obligations hereunder, including the obligation to continue any payment(s) under any provision of Section 1, above, shall immediately terminate; provided, however, that the Release set forth above in Section 4 and its subparts and all of Executive's other covenants and obligations shall remain in full force and effect. In addition, in the event Executive breaches, or threatens to breach, any of the provisions of this Release, the Company shall have the right to have the provisions of this Release specifically enforced by any court having equity jurisdiction, it being acknowledged and agreed that any such breach or threatened breach will cause irreparable injury to the Company and that money damages will not provide the Company with an adequate remedy. Such rights and remedies shall be in addition to, and not in lieu of, any other rights/remedies available to the Company under law or in equity. Executive recognizes and agrees that the Company's remedy at law for breach of this Release would be inadequate, and further agrees that, for breach of such provisions, the Company shall be entitled to injunctive relief and to enforce its rights by an action for specific performance and shall be entitled to recover the Severance Payments previously paid to Executive under this Release (as liquidated damages) and, if it prevails, its reasonable attorneys' fees incurred in any such action. To the extent that Executive does not make a required repayment to the Company pursuant to this Section 7 within thirty (30) calendar days following demand by the Company, or any shares of the Company's common stock underlying any of Executive's outstanding RSU awards have been sold by Executive, the Company shall, subject to Section 409A, have the right to reduce, cancel or withhold against outstanding equity-based compensation, or require a substitute form of repayment, in each case to the maximum extent permitted under applicable law. Similarly, if Executive prevails in any such litigation, Executive will be entitled to an award of his reasonable attorneys' fees and expenses incurred in any such action.

8. Construction and Entire Agreement.

This Release is not and cannot be construed as an admission by the Company or Executive that either has acted wrongfully with respect to the other or that either of them has any claim whatsoever against the other. This Release is governed by and is to be construed in accordance with the law of the State of Alabama. The provisions of this Release are severable and, if any part of it is found to be unenforceable, the other sections and/or provisions shall remain fully valid and enforceable. No provision of this Release may be modified, amended or revoked, except in a writing signed by Executive and an authorized officer of the Company. This Release, except as specifically provided hereinabove, supersedes, terminates and replaces any and all previous or contemporaneous written or oral communications or agreements relating to Executive's employment and the period thereof, and, except as specifically provided hereinabove, the parties hereby acknowledge that no other contracts, arrangements or understandings exist that pertain to any of the subjects, matters or issues addressed by this Release.

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9. No Reliance.

Executive represents, acknowledges and agrees that, in executing this Release, he does not rely and has not relied upon any promise, representation or statement not expressly set forth herein made by the Company or its employees or agents with regard to the subject matter, basis or effect of this Release or otherwise, and Executive further represents, acknowledges and agrees that there have been no such representations, promises, or statements made by the Company, except as specifically set forth in this Release.

10. Consultation with Attorney.

Executive represents and agrees that the Company has advised and encouraged him to consult with a lawyer of his own choosing and that he has carefully read and fully understands all the provisions of this Release and is voluntarily entering into this Release. Executive further acknowledges and agrees that: (i) the above Section 4 of this Release includes any and all causes of action and/or claims for relief, damages, monetary amounts, counsel fees or costs arising under applicable law; (ii) Executive has been given up to twenty-one (21) days to review this Release and to have it reviewed by legal or other counsel of his choice at his own expense; and (iii) he has been advised by the Company to consult with an attorney prior to executing this Release. Executive understands and acknowledges that he will not be eligible to receive payments or benefits hereunder if he does not execute this Release.

11. Forum Selection.

Executive and the Company agree that any and all disputes arising out of or relating in any way to the validity, interpretation or enforcement of this Release, including injunctive relief, shall be filed, litigated and decided exclusively in state or federal court in Madison County, Alabama. The parties agree to submit to the lawful and exclusive venue and jurisdiction of any such court and to be governed regarding this Release by the laws, trial courts and appellate courts of the State of Alabama.

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12. Code Section 409A Compliance.

The compensation and benefits payable pursuant this Release are intended to be exempt from, or comply with, as applicable, the requirements of Internal Revenue Code Section 409A and Department of Treasury regulations and other interpretative guidance issued thereunder, including without limitation any such regulations or other such guidance that may be issued after the Effective Date (collectively, "Section 409A"). To the extent applicable, this Release shall be interpreted in accordance with Section 409A. Notwithstanding any other provision of this Release to the contrary, if Executive is a "specified employee" within the meaning of Section 409A, and a payment or benefit provided for in this Release would be subject to additional tax under Section 409A if such payment or benefit is paid within six (6) months after Executive's "separation from service" (within the meaning of Section 409A), then such payment or benefit required under this Release shall not be paid (or commence) during the six-month period immediately following Executive's separation from service. If the payment of any such amount is delayed in accordance with the previous sentence, then any payments or benefits that would otherwise have been made or provided during such six-month period and which would have incurred such additional tax under Section 409A shall instead be paid to Executive in a lump-sum cash payment (with no interest) on the first regular payroll date of the seventh month following Executive's separation from service or such earlier date upon which such amount can be paid under Section 409A without resulting in a prohibited distribution, including as a result of Executive's death). If Executive's termination of employment hereunder does not constitute a "separation from service" within the meaning of Section 409A, then any amounts payable hereunder on account of a termination of Executive's employment and which are subject to Section 409A (or any exemption therefrom that requires the occurrence of a "separation from service" as a condition to payment) shall not be paid until Executive has experienced a "separation from service" (and exhausted any applicable six (6) month wait) within the meaning of Section 409A. In addition, no reimbursement or in-kind benefit shall be subject to liquidation or exchange for another benefit and the amount available for reimbursement, or in-kind benefits provided, during any calendar year shall not affect the amount available for reimbursement, or in-kind benefits to be provided, in a subsequent calendar year. Any reimbursement to which Executive is entitled hereunder shall be made no later than the last day of the calendar year following the calendar year in which such expenses were incurred. Payments made hereunder that are subject to Section 409A may not be accelerated or delayed, except as specifically allowed under Section 409A. Notwithstanding any provision of this Release to the contrary, in the event that following the Effective Date, the Company determines that any compensation or benefits payable under this Release may be subject to Section 409A, the Company and Executive shall cooperate in good faith to adopt such amendments to this Release or adopt other policies or procedures (including amendments, policies and procedures with retroactive effect), or take any other actions that the Company determines are reasonably necessary or appropriate to preserve the intended tax treatment of the compensation and benefits payable hereunder, including without limitation actions intended to (i) exempt the compensation and benefits payable under this Release from Section 409A, and/or (ii) comply with the requirements of Section 409A, provided, that this Section 12 does not, and shall not be construed so as to, create any obligation on the part of the Company or any affiliate to adopt any such amendments, policies or procedures or to take any other such actions. Notwithstanding anything herein to the contrary, neither the Company nor any of its affiliates shall have any liability to Executive or to any other person if the payments and benefits provided in this Release that are intended to be exempt from, or compliant with, Section 409A are not so exempt or

compliant or for any taxes, interest or penalties imposed under Section 409A or any corresponding provision of state or local law. Each payment payable hereunder in series of installments, shall be treated as a separate payment in a series of payments within the meaning of, and for purposes of, Section 409A
(signature page follows)

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By signing below, Executive attests that Executive has had ample time and opportunity to review this Release and Executive understands, accepts, and agrees to be bound by the terms of this Release. Executive further acknowledges that Executive has been given the opportunity to discuss this Release with private legal counsel and has done so to the extent Executive wishes.

IN WITNESS WHEREOF, the parties hereby enter into this Release as of the date set forth below

**PLEASE READ CAREFULLY. THIS IS A RELEASE OF ALL OF
EXECUTIVE'S CLAIMS, KNOWN OR UNKNOWN.**

Lakeland Industries, Inc.

/s/ James M. Jenkins

By: James M. Jenkins

Its: Executive Chair

Executed this 19th day of October, 2023.

Charles D. Roberson ("Executive")

/s/ Charles D. Roberson

Charles D. Roberson

Executed this 19th day of October, 2023.

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ATTACHMENT A

SUPPLEMENTAL RELEASE OF CLAIMS AGREEMENT

Lakeland Industries, Inc., including its affiliates, related entities, subsidiaries, parents, shareholders, lawyers, employees, predecessors, and successors (collectively, "Lakeland" or "Company") offered to pay me the Severance Payments, and other benefits as provided to Executive (as defined in that certain General Release and Separation Agreement, dated October 19, 2023 (the "Agreement")), which was offered to me in exchange for my agreement, among other things, to waive all of my claims against and release the Released Parties (as defined in the Agreement) from any and all claims, demands, actions, liabilities and damages arising out of or relating in any way to my employment with or separation from the Company; provided, however, that this Supplemental Release of Claims Agreement ("Supplemental Release") shall not apply to (1) any existing right I have to indemnification, contribution and a defense, (2) rights I have, if any, to the Severance Payments, and (3) any rights which cannot be waived or released as a matter of law.

I understand that signing this Supplemental Release is an important legal act. I acknowledge that the Company has advised me in writing to consult an attorney before signing this Supplemental Release and has given me at least twenty-one (21) calendar days from the day I received a copy of this Supplemental Release to sign it.

In exchange for the payment to me of the Severance Payments and other benefits set forth in Section 1 of the Agreement, I, Charles D. Roberson ("Executive"), on behalf of himself and his heirs, executors, administrators, assigns, attorneys, successors, and assigns, knowingly and voluntarily, hereby waives, remits, releases and forever discharges the Company and its past, present and future subsidiaries, divisions, affiliates and parents, and all of their respective current and former officers, directors, stockholders, employees, agents, attorneys, lenders, and/or owners, and their respective successors, and assigns and any other person or entity claimed to be jointly or severally liable with the Company or any of the aforementioned persons or entities, both individually and in their business capacities, and their employee benefit plans and programs and their administrators and fiduciaries (the "Released Parties") of and from any and all manner of actions and causes of action, suits, debts, dues, accounts, bonds, covenants, contracts, agreements, judgments, charges, claims, complaints, damages, demands, and obligations of any other nature whatsoever, past or present, known or unknown ("Losses") which Executive and his heirs, executors, administrators, and assigns have, had, or may hereafter have, against the Released Parties or any of them arising out of or by reason of any cause, matter, or thing whatsoever from the beginning of the world to the Effective Date of this Supplemental Release.

This Supplemental Release includes, but is not limited to, Losses arising out of or relating to Executive's employment by the Company and the cessation thereof, and any and all matters arising under any federal, state, or local statute, rule, or regulation, or principle of contract law or common law relating to Executive's employment by the Company and the cessation thereof, including, but not limited to, the Family and Medical Leave Act of 1993, as amended, 29 U.S.C. §§ 2601 et seq., Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. §§ 2000 et seq., the Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C. §§ 621 et seq. (the "ADEA"), the Older Workers Benefit Protection Act ("OWBPA"), the Americans with Disabilities Act of 1990, as amended, 42 U.S.C. §§ 12101 et seq., the Worker Adjustment and Retraining Notification Act of 1988, as amended, 29 U.S.C. §§ 2101 et seq., the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. §§ 1001 et seq., any applicable state or local law or regulation relating to

employment, and any claim for or obligation to pay for attorneys' fees, costs, fees, or other expenses. It is understood that nothing in this Supplemental Release is to be construed as an admission on behalf of the Released Parties of any wrongdoing with respect to Executive, any such wrongdoing being expressly denied.

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This Release also bars any and all claims for future damages allegedly arising from the alleged continuation of the effect of any past action, omission or event, except nothing herein waives Executive's rights to enforce this Supplemental Release. Executive does not release or discharge the Released Parties from (i) any rights to any payments, benefits or reimbursements due to Executive under the Agreement; or (ii) any rights to any vested benefits due to Executive under any employee benefit plans sponsored or maintained by the Company; or (iii) any existing right Executive has to indemnification, contribution or a defense related to Executive's performance of any of its duties in the normal course of Executive's employment with the Company.

Executive and the Company acknowledge that nothing in this Supplemental Release or the Employment Agreement limits or affects either party's right, where applicable, to communicate or cooperate with, provide information to, or to file or participate in an investigative proceeding conducted by, the Equal Employment Opportunity Commission ("EEOC"), the Securities and Exchange Commission (the "SEC") or any federal, state or local government agency as provided for, protected under or warranted by whistleblower or other provisions of applicable law or regulation. However, to the maximum extent permitted by law, Executive agrees that if such an administrative claim is made, Executive agrees to release, waive, relinquish and forego all legal relief, equitable relief, statutory relief, reinstatement, back pay, front pay and any other damages, benefits, remedies, or relief that Executive may be entitled to as a result of any prosecution of any administrative agency claim or commission charge, and Executive shall not be entitled to recover any individual monetary award or relief or other individual remedies (other than monetary awards from any federal whistleblower program). Rights not waivable by law are not waived by this

Supplemental Release.

Executive hereby affirms and acknowledges the following:

- a. He has not filed, caused to be filed, or presently is a party to any claim, lawsuit, charge, arbitration, complaint, action, or proceeding against any of the Released Parties herein in any forum or form except for claims, communications or cooperation with, or providing or having provided information to, a governmental agency or entity, as provided for, protected under or warranted by whistleblower or other similar provisions of applicable law or regulation.
- b. He has been granted any leave to which he was entitled under the Family and Medical Leave Act or related state or local leave or disability accommodation laws.

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c. He has not given, sold, assigned or transferred to anyone else, any claim, or a portion of a claim referred to in this Release.

d. Executive has no known workplace injury or occupational disease and has been provided with and/or has not been denied any leave requested under the Family and Medical Leave Act. Executive acknowledges and represents that he has no intention of filing any claim for workers' compensation benefits of any type against the Company or any of the Released Parties, and that he will not file or attempt to file any claims for workers' compensation benefits of any type against the Company or any related Released Parties.

Executive acknowledges that the Company has relied upon these representations, and that the Company would not have entered into this Release but for these representations. As a result, Executive agrees, covenants, and represents that the Company may, but is not obligated to, submit this Release to the Workers' Compensation Appeals Board for approval

as a compromise and release as to any workers compensation claim that Executive files at any time against the Company or any of the Released Parties.

e. Executive further affirms that he has not been retaliated against for reporting any allegations of wrongdoing by any of the Released Parties or their officers and directors, including any allegations of corporate fraud or bribery. Executive and the Company acknowledge that this Release does not limit either party's right, where applicable, to communicate with, or to file or participate in an investigative proceeding of, any federal, state or local government agency as provided for, protected under or warranted by whistleblower or other provisions of applicable law or regulation. Except as to the extent permitted by law, Executive agrees that if such an administrative claim is made, Executive shall not be entitled to recover any individual monetary award or relief or other individual remedies (other than monetary awards from any whistleblower program).

Executive represents and warrants that he fully understands the terms of this Supplemental Release, that he has been encouraged to seek, and has sought, the benefit of advice of legal counsel, and that he knowingly and voluntarily, of his own free will, without any duress, being fully informed, and after due deliberation, accepts its terms and signs below as his own free act. Except as otherwise provided herein, Executive understands that as a result of executing this Supplemental Release, he will not have the right to assert that the Company or any other of the Released Parties unlawfully terminated his employment or violated any of his rights in connection with his employment or otherwise.

Should any of the provisions set forth in this Supplemental Release be determined to be invalid by a court, agency or other tribunal of competent jurisdiction, it is agreed that such determination shall not affect the enforceability of other provisions of this Supplemental Release. I acknowledge that this Supplemental Release sets forth the entire understanding and agreement between me and the Company concerning the subject matter of this Supplemental Release and supersedes any prior or contemporaneous oral and/or written agreements or representations, if any, between me and the Company on the same subject matter. I understand that this Supplemental Release shall not become effective or enforceable until the eighth day after I sign it, and I may revoke this acceptance of this Supplemental Release within seven days after I sign it. My revocation must be in writing and received by the Company's Executive Chair by 5:00 p.m. Central Time on or before the seventh day in order to be effective. If I do not revoke acceptance within the seven-day period, my acceptance of this Supplemental Release shall become binding and enforceable on the eighth day. This Supplemental Release is intended to satisfy the requirements of the Older Workers' Benefits Protection Act, 29 U.S.C. §626(f).

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In the event I revoke my acceptance of this Supplemental Release, the Company shall have no obligation to provide me the Severance Payments and other benefits set forth in Section 1 of the Agreement, and the Company will be entitled to the remedies provided in Paragraph 7 of the Agreement. I understand that failure to revoke my acceptance of the offer within seven (7) calendar days from the date I sign this Supplemental Release will result in this Supplemental Release being permanent and irrevocable.

By signing this Supplemental Release, I acknowledge and agree that I have read and understood the terms of this Supplemental Release; I have been advised in writing to consult with an attorney before executing this Supplemental Release, and have had an adequate opportunity to do so; I have been given 21 days to consider whether or not to enter into this Supplemental Release (although I am not required to use all 21 days); and I sign this Supplemental Release freely, knowingly, and voluntarily.

THE PARTIES TO THIS AGREEMENT HAVE READ THE FOREGOING AGREEMENT AND FULLY UNDERSTAND EACH AND EVERY PROVISION CONTAINED HEREIN. WHEREFORE, THE PARTIES HAVE EXECUTED THIS AGREEMENT ON THE DATES SHOWN BELOW.

Charles D. Roberson

Lakeland Representative's Signature

Lakeland Representative's Name and Title

Charles D. Roberson's Signature Date

Company's Signature Date

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**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, **Charles D. Roberson, James M. Jenkins**, certify that:

- 1) I have reviewed this report on Form 10-Q of Lakeland Industries, Inc. (the "registrant");
- 2) Based on my knowledge, this report does not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3) Based on my knowledge, the financial statements and other financial information included in this report fairly present, in all material respects, the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant, and we have:
 - a. **Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;**
 - b. **Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;**
 - c. **Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and**
 - d. **Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and**
- 5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a. **All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and**
 - b. **Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.**

Date: June 5, 2024

By: /s/ James M. Jenkins
Chief Executive Officer, President and Executive Chairman

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**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, **Roger D. Shannon**, certify that:

- 1) I have reviewed this report on Form 10-Q of Lakeland Industries, Inc. (the "registrant");
- 2) Based on my knowledge, this report does not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3) Based on my knowledge, the financial statements and other financial information included in this report fairly present, in all material respects, the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant, and we have:

- a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

- a. All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: December 7, 2023

Date: June 5, 2024

By: /s/ Charles D. Roberson

Chief Executive Officer, President and Secretary

EXHIBIT 31.2

CERTIFICATION PURSUANT TO

SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Roger D. Shannon, certify that:

- 1) I have reviewed this report on Form 10-Q of Lakeland Industries, Inc. (the "registrant");
- 2) Based on my knowledge, this report does not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3) Based on my knowledge, the financial statements and other financial information included in this report fairly present, in all material respects, the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant, and we have:

a.

Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b.

Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

By:

/s/ Roger D. Shannon

c.

Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d.

Disclosed in this report
any change in the
Registrant's internal
control over financial
reporting that occurred
during the Registrant's
most recent fiscal
quarter (the Registrant's
fourth fiscal quarter in
the case of an annual
report) that has
materially affected, or
is reasonably likely to
materially affect, the
Registrant's internal
control over financial
reporting; and

5) The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of Registrant's board of directors (or persons performing the equivalent functions):

- a. All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
- b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal controls over financial reporting.

Date: December 7, 2023

By: /s/ Roger D. Shannon

Chief Financial Officer
and Secretary

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EXHIBIT 32.1

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
Pursuant to 18 USC. § 1350, As Adopted Pursuant to
§ 906 of the Sarbanes-Oxley Act of 2002**

In connection with the filing with the Securities and Exchange Commission of the Quarterly Report of Lakeland Industries, Inc. (the "Company") on Form 10-Q for the period ended October 31, 2023 April 30, 2024 (the "Report"), I, Charles D. Roberson, James M. Jenkins, Chief Executive Officer, President and Secretary Executive Chairman of the Company, certify, pursuant to 18 USC. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods described therein.

/s/ Charles D. Roberson James M. Jenkins

Charles D. Roberson James M. Jenkins
Chief Executive Officer, President and Secretary Executive
Chairman
June 5, 2024
/TEXT>

December 7, 2023

CERTIFICATION OF CHIEF FINANCIAL EXECUTIVE OFFICER

Pursuant to 18 USC. § 1350, As Adopted Pursuant to
§ 906 of the Sarbanes-Oxley Act of 2002

In connection with the filing with the Securities and Exchange Commission of the Quarterly Report of Lakeland Industries, Inc. (the "Company") on Form 10-Q for the period ended **October 31, 2023** **April 30, 2024** (the "Report"), I, **Roger D. Shannon**, **James M. Jenkins**, Chief **Financial Executive** Officer, **President and Executive Chairman** of the Company, certify, pursuant to 18 USC. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods described therein.

/s/ **Roger D. Shannon** **James M. Jenkins**

Roger D. Shannon **James M. Jenkins**
Chief **Financial Executive** Officer, **President and Executive**
Chairman

December 7, 2023 **June 5, 2024**

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