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 September 28, 2025

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: 001-41059

Lulu's Fashion Lounge Holdings, Inc.
(Exact Name of Registrant as Specified in its Charter)

Delaware **(State or other jurisdiction of incorporation or organization)**	**20-8442468** **(I.R.S. Employer Identification No.)**
195 Humboldt Avenue **Chico, California** **(Address of principal executive offices)**	**95928** **(Zip Code)**

(530) 343-3545
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

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, $0.001 par value per share	LVLU	Nasdaq Capital Market

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	☐
Non-accelerated 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 provided 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 ☒
As of November 7, 2025, there were 2,771,846 shares of the registrant's common stock, par value $0.001, outstanding. The foregoing reflects the reverse stock split of the registrant's common stock that became effective as of the opening of business on July 7, 2025.

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FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q may be forward-looking statements. In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "expects," "plans," "anticipates," "could," "intends," "targets," "projects," "contemplates," "believes," "estimates," "forecasts," "predicts," "potential" or "continue" or the negative of these terms or other similar expressions. Forward-looking statements contained in this Quarterly Report on Form 10-Q include, but are not limited to statements regarding our future results of operations and financial position, industry and business trends, equity-based compensation expense, business strategy, plans, market growth and our objectives for future operations.

The forward-looking statements in this Quarterly Report on Form 10-Q are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. Forward-looking statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including, but not limited to, the risk factors discussed in Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the year ended December 29, 2024, Part II, Item 1A, "Risk Factors" in our Quarterly Reports on Form 10-Q for the quarters ended March 30, 2025 and June 29, 2025, and our other filings with the Securities and Exchange Commission (the "SEC"). The forward-looking statements in this Quarterly Report on Form 10-Q are based upon information available to us as of the date of this Quarterly Report on Form 10-Q, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely upon these statements.

You should read this Quarterly Report on Form 10-Q and the documents that we reference in this Quarterly Report on Form 10-Q and have filed as exhibits to this Quarterly Report on Form 10-Q with the understanding that our actual future results, levels of activity, performance and achievements may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements. These forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained in this Quarterly Report on Form 10-Q, whether as a result of any new information, future events or otherwise.

BASIS OF PRESENTATION

Unless otherwise indicated or the context otherwise requires, references in this Quarterly Report on Form 10-Q to the terms "Lulus," "we," "us," "our," or the "Company" refer to Lulu's Fashion Lounge Holdings, Inc. and its consolidated subsidiaries.

Our fiscal year is a "52-53 week" year ending on the Sunday closest in proximity to December 31, such that each quarterly period will be 13 weeks in length, except during a 53-week year when the fourth quarter will be 14 weeks. References herein to "fiscal 2025" and/or "2025" relate to the year ending December 28, 2025 and "fiscal 2024" and/or "2024" relate to the year ended December 29, 2024. The fiscal years ending December 28, 2025 and ended December 29, 2024 consist of 52-weeks.

Throughout this Quarterly Report on Form 10-Q, we provide a number of key performance indicators used by management and typically used by our competitors in our industry. These and other key performance indicators are discussed in more detail in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Operating and Financial Metrics." In this Quarterly Report on Form 10-Q, we also reference Adjusted EBITDA, Adjusted EBITDA Margin and Free Cash Flow which are non-GAAP (generally accepted accounting principles in the United States of America) financial measures. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures" for a discussion of Adjusted EBITDA, Adjusted EBITDA Margin and Free Cash Flow, as well as a reconciliation of net loss to Adjusted EBITDA and a reconciliation to non-GAAP Free Cash Flow from net cash provided by operating activities. Net loss is the most directly comparable financial measure to Adjusted EBITDA and net cash provided by operating activities is the most directly comparable financial measure to Free Cash Flow, required by, or presented in accordance with GAAP.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

LULU'S FASHION LOUNGE HOLDINGS, INC.

Condensed Consolidated Balance Sheets
(in thousands, except share and per share amounts)
(unaudited)

	September 28, 2025	December 29, 2024
Assets		
Current assets:		
Cash and cash equivalents	$ 1,942	$ 4,460
Accounts receivable	4,739	2,158
Inventory, net	38,422	34,036
Assets for recovery	5,225	2,383
Income tax refund receivable, net	1,178	4,177
Prepaids and other current assets	4,251	4,287
Total current assets	55,757	51,501
Property and equipment, net	2,649	3,642
Goodwill	7,056	7,056
Tradename	18,509	18,509
Intangible assets, net	2,728	2,762
Lease right-of-use assets	15,999	24,030
Other noncurrent assets	644	698
Total assets	$ 103,342	$ 108,198
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 18,341	$ 10,991
Accrued expenses and other current liabilities	15,718	15,985
Returns reserve	18,363	9,765
Stored-value card liability	20,165	17,883
Asset based revolving credit facility - current	9,198	—
Revolving line of credit	—	13,090
Lease liabilities, current	6,378	6,611
Total current liabilities	88,163	74,325
Lease liabilities, noncurrent	11,761	19,653
Other noncurrent liabilities	899	852
Total liabilities	100,823	94,830
Commitments and Contingencies (Note 7)		
Stockholders' equity:		
Preferred stock: $0.001 par value, 10,000,000 shares authorized, and no shares issued or outstanding	—	—
Common stock: $0.001 par value, 250,000,000 shares authorized; 2,901,867 and 2,804,542 shares issued and outstanding as of September 28, 2025 and December 29, 2024, respectively[(1)]	43	42
Additional paid-in capital	265,659	262,313
Accumulated deficit	(261,801)	(248,491)
Treasury stock, at cost, 146,555 shares and 22,621 shares as of September 28, 2025 and December 29, 2024, respectively[(1)]	(1,382)	(496)
Total stockholders' equity	2,519	13,368
Total liabilities and stockholders' equity	$ 103,342	$ 108,198

(1) Shares have been adjusted to reflect the 1-for-15 reverse stock split that became effective as of the opening of business on July 7, 2025. Refer to Note 2, *Significant Accounting Policies* in the accompanying Notes to the Condensed Consolidated Financial Statements for additional details.

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

LULU'S FASHION LOUNGE HOLDINGS, INC.

Condensed Consolidated Statements of Operations and Comprehensive Loss
(in thousands, except share and per share amounts)
(unaudited)

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 28, 2025	September 29, 2024	September 28, 2025	September 29, 2024
Net revenue	$ 73,591	$ 80,515	$ 219,266	$ 249,740
Cost of revenue	42,231	49,866	125,133	144,562
Gross profit	31,360	30,649	94,133	105,178
Selling and marketing expenses	16,935	17,624	54,843	60,231
General and administrative expenses	16,350	19,869	51,956	62,416
Loss from operations	(1,925)	(6,844)	(12,666)	(17,469)
Interest expense	(544)	(305)	(1,977)	(958)
Other income, net	205	281	1,374	779
Loss before provision for income taxes	(2,264)	(6,868)	(13,269)	(17,648)
Income tax provision	(53)	(11)	(41)	(5,763)
Net loss and comprehensive loss	(2,317)	(6,879)	(13,310)	(23,411)
Basic loss per share[1]	$ (0.84)	$ (2.47)	$ (4.79)	$ (8.49)
Diluted loss per share[1]	$ (0.84)	$ (2.47)	$ (4.79)	$ (8.49)
Basic weighted-average shares outstanding[1]	2,756,533	2,780,141	2,777,464	2,757,261
Diluted weighted-average shares outstanding[1]	2,756,533	2,780,141	2,777,464	2,757,261

(1) Amounts have been adjusted to reflect the 1-for-15 reverse stock split that became effective as of the opening of business on July 7, 2025. Refer to Note 2, *Significant Accounting Policies* in the accompanying Notes to the Condensed Consolidated Financial Statements for additional details.

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

LULU'S FASHION LOUNGE HOLDINGS, INC.

Condensed Consolidated Statements of Stockholders' Equity
(in thousands, except share amounts)
(unaudited)

	For the Thirty-Nine Weeks Ended September 28, 2025						
	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Treasury Stock		Total Stockholders' Equity
	Shares[1]	Amount			Shares[1]	Amount	
Balance as of December 29, 2024	2,804,542	$ 42	$ 262,313	$ (248,491)	(22,621)	$ (496)	$ 13,368
Issuance of common stock for vesting of restricted stock units ("RSUs")	59,730	1	—	—	—	—	1
Issuance of common stock for employee stock purchase plan ("ESPP")	3,951	—	88	—	—	—	88
Shares withheld for withholding tax on RSUs	(16,176)	—	(130)	—	—	—	(130)
Equity-based compensation	—	—	1,462	—	—	—	1,462
Repurchase of common stock	—	—	—	—	(16,138)	(239)	(239)
Net loss and comprehensive loss	—	—	—	(7,998)	—	—	(7,998)
Balance as of March 30, 2025	2,852,047	$ 43	$ 263,733	$ (256,489)	(38,759)	$ (735)	$ 6,552
Issuance of common stock for vesting of RSUs	38,859	—	—	—	—	—	—
Shares withheld for withholding tax on RSUs	(12,693)	—	(79)	—	—	—	(79)
Equity-based compensation	—	—	1,278	—	—	—	1,278
Repurchase of common stock	—	—	—	—	(73,333)	(503)	(503)
Net loss and comprehensive loss	—	—	—	(2,995)	—	—	(2,995)
Balance as of June 29, 2025	2,878,213	$ 43	$ 264,932	$ (259,484)	(112,092)	$ (1,238)	$ 4,253
Issuance of common stock for vesting of RSUs	25,140	—	—	—	—	—	—
Issuance of common stock for ESPP	8,658	—	(133)	—	—	—	(133)
Shares withheld for withholding tax on RSUs	(10,144)	—	(44)	—	—	—	(44)
Equity-based compensation	—	—	904	—	—	—	904
Repurchase of common stock	—	—	—	—	(34,463)	(144)	(144)
Net loss and comprehensive loss	—	—	—	(2,317)	—	—	(2,317)
Balance as of September 28, 2025	2,901,867	$ 43	$ 265,659	$ (261,801)	(146,555)	$ (1,382)	$ 2,519

	For the Thirty-Nine Weeks Ended September 29, 2024						
	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Treasury Stock		Total Stockholders' Equity
	Shares[1]	Amount			Shares[1]	Amount	
Balance as of December 31, 2023	2,707,880	$ 41	$ 254,116	$ (193,205)	—	$ —	$ 60,952
Issuance of common stock for vesting of RSUs	65,564	—	—	—	—	—	—
Issuance of common stock for ESPP	3,470	—	167	—	—	—	167
Shares withheld for withholding tax on RSUs	(26,447)	—	(660)	—	—	—	(660)
Forfeited shares of restricted stock	(69)	—	—	—	—	—	—
Equity-based compensation	—	—	3,023	—	—	—	3,023
Net loss and comprehensive loss	—	—	—	(5,736)	—	—	(5,736)
Balance as of March 31, 2024	2,750,398	$ 41	$ 256,646	$ (198,941)	—	$ —	$ 57,746
Issuance of common stock for vesting of RSUs	38,380	1	—	—	—	—	1
Issuance of common stock under 2023 Bonus Plan	6,373	—	10	—	—	—	10
Shares withheld for withholding tax on RSUs	(10,067)	—	(280)	—	—	—	(280)
Shares withheld for withholding tax on 2023 Bonus Plan	(2,425)	—	(54)	—	—	—	(54)
Equity-based compensation	—	—	2,171	—	—	—	2,171
Repurchase of common stock	—	—	—	—	(3,190)	(87)	(87)
Net loss and comprehensive loss	—	—	—	(10,796)	—	—	(10,796)
Balance as of June 30, 2024	2,782,659	$ 42	$ 258,493	$ (209,737)	(3,190)	$ (87)	$ 48,711
Issuance of common stock for vesting of RSUs	8,186	—	—	—	—	—	—
Issuance of common stock for employee stock purchase plan (ESPP)	3,846	—	72	—	—	—	72
Shares withheld for withholding tax on RSUs	(510)	—	(11)	—	—	—	(11)
Equity-based compensation	—	—	2,065	—			2,065
Repurchase of common stock	—	—	—	—	(8,686)	(189)	(189)
Net loss and comprehensive loss	—	—	—	(6,879)	—	—	(6,879)
Balance as of September 29, 2024	2,794,181	$ 42	$ 260,619	$ (216,616)	(11,876)	$ (276)	$ 43,769

(1) Amounts have been adjusted to reflect the 1-for-15 reverse stock split that became effective as of the opening of business on July 7, 2025. Refer to Note 2, *Significant Accounting Policies* in the accompanying Notes to the Condensed Consolidated Financial Statements for additional details.

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

LULU'S FASHION LOUNGE HOLDINGS, INC.
Condensed Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	Thirty-Nine Weeks Ended	
	September 28, 2025	September 29, 2024
Cash Flows from Operating Activities		
Net loss	$ (13,310)	$ (23,411)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	3,889	4,102
Noncash lease expense	3,406	2,958
Gain on lease modification	(92)	—
Gain on lease termination	(229)	—
Amortization of debt discount and debt issuance costs	490	137
Loss on disposal of property and equipment	2	6
Equity-based compensation expense	3,579	6,150
Deferred income taxes	—	3,802
Changes in operating assets and liabilities:		
Accounts receivable	(2,581)	(925)
Inventories	(4,386)	(3,005)
Assets for recovery	(2,842)	(1,741)
Income taxes (receivable) payable	2,999	(52)
Prepaid and other current assets	(489)	(3,276)
Accounts payable	7,350	2,512
Accrued expenses and other current liabilities	10,592	19,183
Operating lease liabilities	(3,279)	(2,931)
Other noncurrent liabilities	48	1,624
Net cash provided by operating activities	5,147	5,133
Cash Flows from Investing Activities		
Capitalized software development costs	(1,353)	(1,144)
Purchases of property and equipment	(308)	(1,271)
Other	33	—
Net cash used in investing activities	(1,628)	(2,415)
Cash Flows from Financing Activities		
Proceeds from borrowings on revolving line of credit	—	31,500
Repayments on revolving line of credit	(13,090)	(28,000)
Proceeds from borrowings on Asset Based Revolving Credit Facility	51,356	—
Repayments on Asset Based Revolving Credit Facility	(42,158)	—
Proceeds from issuance of common stock under ESPP	(45)	239
Principal payments on finance lease obligations	(961)	(1,374)
Withholding tax payments related to vesting of RSUs and 2023 Bonus Plan	(253)	(1,005)
Repurchase of common stock	(886)	(276)
Net cash provided by (used in) financing activities	(6,037)	1,084
Net increase (decrease) in cash and cash equivalents	(2,518)	3,802
Cash and cash equivalents at beginning of period	4,460	2,506
Cash and cash equivalents at end of period	$ 1,942	$ 6,308

(Continued)

LULU'S FASHION LOUNGE HOLDINGS, INC.
Condensed Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	Thirty-Nine Weeks Ended	
	September 28, 2025	September 29, 2024
Supplemental Disclosure		
Cash paid (refunded) during the period for:		
Income taxes, net	$ (3,006)	$ 390
Interest	$ 1,496	$ 770
Operating leases	$ 4,006	$ 4,199
Finance leases	$ 1,003	$ 1,450
Supplemental Disclosure of Non-Cash Investing and Financing Activities		
Assets acquired under finance lease obligations	$ —	$ 42
Purchases of property and equipment included in accounts payable and accrued expenses	$ 5	$ 8
Capitalized software development costs included in accrued expenses	$ 85	$ —
Remeasurement of operating lease right-of-use assets for lease modification	$ 3,527	$ —
Derecognition of operating lease liabilities and right-of-use assets upon lease termination	$ 342	$ —

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

LULU'S FASHION LOUNGE HOLDINGS, INC.

Notes to Condensed Consolidated Financial Statements
(unaudited)

1. Description of Business, Organization and Liquidity

Organization and Business

Lulu's Fashion Lounge Holdings, Inc., a Delaware Corporation ("Lulus", "we", "our", or the "Company"), was formed on August 25, 2017 as a holding company and its primary asset is an indirect membership interest in Lulu's Fashion Lounge, LLC, the operating company. Prior to the Company's initial public offering, the Company was majority-owned by Lulu's Holdings, L.P. (the "LP"), the prior parent company. In connection with the Company's initial public offering, the LP was liquidated.

Lulu's Fashion Lounge, LLC was founded in 1996, starting as a vintage boutique in Chico, California that began selling online in 2005 and transitioned to a purely online business in 2008. The LP was formed in 2014 as a holding company and purchased 100% of Lulu's Fashion Lounge, LLC's outstanding common stock in 2014. The Company, based in Chico, California, through Lulu's Fashion Lounge, LLC, is a customer-driven, digitally-native, attainable luxury fashion brand for women, offering modern, unapologetically feminine designs at accessible prices for all of life's fashionable moments.

Impact of Macroeconomic Trends on Business

Changing macroeconomic factors, including inflation, interest rates, student loan repayment resumption, tariffs or bans, world events, wars and domestic and international conflicts, existing and future laws, regulations, directives and executive orders, and overall consumer confidence with respect to current and future economic conditions have directly impacted our sales as discretionary consumer spending levels and shopping behavior fluctuate with these factors. We have responded to these factors by taking appropriate pricing, promotional and other actions to stimulate customer demand. These factors are expected to continue to have an impact on our business, results of operations, our growth and financial condition.

Liquidity

The accompanying condensed consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company alleviated the substantial doubt about the Company's ability to continue as a going concern as a result of the Company successfully entering into the Loan and Security Agreement with White Oak Commercial Finance, LLC (the "2025 Credit Agreement"), as disclosed in Note 5, *Debt* in the accompanying Notes to the Condensed Consolidated Financial Statements, among other factors.

2. Significant Accounting Policies

Basis of Presentation and Fiscal Year

The Company's fiscal year consists of a 52-week or 53-week period ending on the Sunday nearest to December 31. The fiscal years ending December 28, 2025 and ended December 29, 2024 consist of 52-weeks.

The condensed consolidated financial statements and accompanying notes include the accounts of the Company and its wholly owned subsidiaries, after elimination of all intercompany balances and transactions. The accompanying condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and the requirements of the SEC for interim reporting. As permitted under these rules, certain information and disclosures normally included in consolidated financial statements prepared in accordance with GAAP have been condensed or omitted. The interim condensed consolidated financial statements are unaudited.

As further discussed in the Reverse Stock Split section below, all per share amounts and common stock amounts have been adjusted on a retroactive basis to reflect the Reverse Stock Split (as defined below). The unaudited interim condensed consolidated financial statements have been prepared on the same basis as the annual consolidated financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary to present fairly the Company’s financial position as of September 28, 2025 and its results of operations for the thirteen and thirty-nine weeks ended September 28, 2025 and September 29, 2024 and its cash flows for the thirty-nine weeks ended September 28, 2025 and September 29, 2024. The results of operations for the thirty-nine weeks ended September 28, 2025 are not necessarily indicative of the results to be expected for the fiscal year ending December 28, 2025 or for any other future annual or interim period.

The information included in this Quarterly Report on Form 10-Q should be read in conjunction with the Company’s Annual Report on Form 10-K as filed with the SEC on March 27, 2025.

Significant Accounting Policies

The significant accounting policies used in preparation of these condensed consolidated financial statements are consistent with those discussed in Note 2 to the audited consolidated financial statements included in the Company’s Annual Report on Form 10-K for the year ended December 29, 2024, except as noted below and within the "Recently Issued Accounting Pronouncements" section.

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. The significant estimates and assumptions made by management relate to sales return reserves and related assets for recovery, lease right-of-use assets and related lease liabilities, income tax valuation allowance, fair value of equity awards and valuation of goodwill and other long-lived assets. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, which management believes to be reasonable under the circumstances. The Company adjusts such estimates and assumptions when facts and circumstances dictate. Changes in those estimates resulting from continuing changes in the economic environment will be reflected in the condensed consolidated financial statements in future periods. As future events and their effects cannot be determined with precision, actual results could materially differ from those estimates and assumptions.

Concentration of Credit Risks

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents. Such amounts may exceed federally insured limits. The Company reduces credit risk by depositing its cash with a major credit-worthy financial institution within the United States. To date, the Company has not experienced any losses on its cash deposits. As of September 28, 2025, and December 29, 2024, no single customer represented greater than 10% of the Company’s accounts receivable balance. No single customer accounted for greater than 10% of the Company’s net revenue during the thirteen and thirty-nine weeks ended September 28, 2025 and September 29, 2024.

Revenue Recognition

The Company generates revenue primarily from the sale of merchandise products directly to end customers. The sale of products is a distinct performance obligation, and revenue is recognized at a point in time when control of the promised product is transferred to customers, which the Company determined occurs upon shipment based on its evaluation of the related shipping terms. Revenue is recognized in an amount that reflects the transaction price consideration that the

Company expects to receive in exchange for those products. The Company’s payment terms are typically at the point of sale for merchandise product sales.

The Company elected to exclude from revenue taxes assessed by governmental authorities, including value-added and other sales-related taxes, that are imposed on and concurrent with revenue-producing activities. The Company has elected to apply the practical expedient, relative to e-commerce sales, which allows an entity to account for shipping and handling as fulfillment activities, and not a separate performance obligation. Accordingly, the Company recognizes revenue for only one performance obligation, the sale of the product, at shipping point (when the customer gains control). Shipping and handling costs associated with outbound freight are accounted for as fulfillment costs and are included in cost of goods sold. The Company has elected to apply the practical expedient to expense costs as incurred for incremental costs to obtain a contract when the amortization period would have been one year or less.

Revenue from merchandise product sales is reported net of sales returns, which includes an estimate of future returns based on historical return rates, with a corresponding reduction to cost of sales. There is judgment in utilizing historical trends for estimating future returns. The Company’s refund liability for sales returns is included in the returns reserve on its condensed consolidated balance sheets and represents the expected value of the refund that will be due to the Company’s customers. The Company also has corresponding assets for recovery that represent the expected net realizable value of the merchandise inventory to be returned.

The Company sells stored-value gift cards to customers and offers merchandise credit stored-value cards for certain returns and promotions. Such stored-value cards do not have an expiration date. The Company recognizes revenue from stored-value cards when the card is redeemed by the customer. The Company has determined that sufficient evidence exists to support an estimate for stored-value card breakage. Subject to requirements to remit balances to governmental agencies, breakage is recognized as revenue in proportion to the pattern of rights exercised by the customer, which is substantially within thirty-six months from the date of issuance. The amount of breakage recognized in revenue during the thirteen and thirty-nine weeks ended September 28, 2025 was not material.

The Company has two types of contractual liabilities: (i) cash collections from its customers prior to delivery of products purchased (“deferred revenue”), which are initially recorded within accrued expenses and recognized as revenue when the products are shipped, (ii) unredeemed gift cards and online store credits, which are initially recorded as a stored-value card liability and are recognized as revenue in the period they are redeemed.

The following table summarizes the significant changes in the contract liabilities balances included in accrued expenses and other current liabilities during the thirteen and thirty-nine weeks ended September 28, 2025 and September 29, 2024 (in thousands):

	Deferred Revenue	Stored-Value Cards
Balance as of December 29, 2024	$ 50	$ 17,883
Revenue recognized that was included in contract liability balance at the beginning of the period	(50)	(1,953)
Increase due to cash received, excluding amounts recognized as revenue (including breakage) during the period	163	3,082
Balance as of March 30, 2025	163	19,012
Revenue recognized that was included in contract liability balance at the beginning of the period	(163)	(1,022)
Increase due to cash received, excluding amounts recognized as revenue (including breakage) during the period	44	1,937
Balance as of June 29, 2025	44	19,927
Revenue recognized that was included in contract liability balance at the beginning of the period	(44)	(1,281)
Increase due to cash received, excluding amounts recognized as revenue (including breakage) during the period	52	1,519
Balance as of September 28, 2025	52	20,165

	Deferred Revenue	Stored-Value Cards
Balance as of December 31, 2023	$ 50	$ 13,142
Revenue recognized that was included in contract liability balance at the beginning of the period	(50)	(1,549)
Increase due to cash received, excluding amounts recognized as revenue (including breakage) during the period	230	1,616
Balance as of March 31, 2024	230	13,209
Revenue recognized that was included in contract liability balance at the beginning of the period	(230)	(1,042)
Increase due to cash received, excluding amounts recognized as revenue (including breakage) during the period	89	2,976
Balance as of June 30, 2024	89	15,143
Revenue recognized that was included in contract liability balance at the beginning of the period	(89)	(619)
Increase due to cash received, excluding amounts recognized as revenue (including breakage) during the period	110	1,518
Balance as of September 29, 2024	$ 110	$ 16,042

Selling and Marketing Expenses

Advertising costs included in selling and marketing expenses were $12.4 million and $13.1 million for the thirteen weeks ended September 28, 2025 and September 29, 2024, respectively and $42.0 million and $46.2 million for the thirty-nine weeks ended September 28, 2025 and September 29, 2024, respectively.

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Net Loss Per Share Attributable to Common Stockholders

Basic net loss per share attributable to common stockholders is computed using net loss attributable to common stockholders divided by the weighted-average number of common shares outstanding during the period. Diluted net loss per share attributable to common stockholders represents net loss attributable to common stockholders divided by the weighted-average number of common shares outstanding during the period, including the effects of any dilutive securities outstanding. Due to the net loss for all periods presented, no potentially dilutive securities had an impact on diluted loss per share for any period.

The following securities were excluded from the computation of diluted net loss per share attributable to common stockholders for the periods presented because including them would have been anti-dilutive (on an as-converted basis):

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 28, 2025	September 29, 2024	September 28, 2025	September 29, 2024
Stock options	10,760	10,760	10,760	10,760
Unvested restricted stock	—	302	—	302
RSUs	132,904	269,025	132,904	269,025
PSUs	167,438	144,105	167,438	144,105
ESPP shares	14,289	7,294	14,289	7,294
Total	325,391	431,486	325,391	431,486

2024 Stock Repurchase Program

On May 3, 2024, the Company's Board of Directors authorized a stock repurchase program to repurchase up to $2.5 million of our common stock (the "2024 Repurchase Program"). During the thirteen and thirty-nine weeks ended September 28, 2025, we repurchased 34,463 shares and 123,934 shares of common stock, respectively, in open market transactions pursuant to a 10b5-1 purchase plan.

As of September 28, 2025, $1.1 million remained available under the 2024 Repurchase Program authorization. The actual timing, number, and value of shares repurchased in the future will be determined by the Company in its discretion and will depend on a number of factors, including market conditions, applicable legal requirements, our capital needs, and whether there is a better alternative use of capital. The 2024 Stock Repurchase Program does not require us to purchase a minimum number of shares, and may be suspended, modified or discontinued at any time without prior notice.

The table below summarizes the share repurchase activity during the thirteen and thirty-nine weeks ended September 28, 2025 under our 2024 Repurchase Program (as defined below):

Period	Total Number of Shares Purchased (1)	Weighted-Average Price Paid Per Share	Aggregate Purchase Price (2)	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Plan
Thirteen weeks ended March 30, 2025	16,138	$ 14.82	$ 239,120	$ 1,765,142
Thirteen weeks ended June 29, 2025	73,333	$ 6.86	$ 503,377	$ 1,261,765
Thirteen weeks ended September 28, 2025	34,463	$ 4.17	$ 143,767	$ 1,117,998
Thirty-nine weeks ended September 28, 2025	123,934		$ 886,264	

(1) The shares of common stock were purchased in open market transactions pursuant to a 10b5-1 purchase plan entered into by the Company.

(2) Amount includes broker commissions.

Goodwill, Tradename and Intangible Assets

The Company tests for goodwill impairment at the reporting unit level on the first day of the fourth quarter of each year and between annual tests if significant indicators exist that would suggest the Company's goodwill and intangible assets could potentially be impaired. The Company monitors macroeconomic conditions, industry, competitive environment conditions, overall financial performance, reporting unit specific events and market considerations, among others, for events which could trigger the need for an interim impairment analysis.

The Company performed a qualitative assessment of its goodwill, tradename and intangible assets as of September 28, 2025 and determined that no events or changes in circumstances were identified that would indicate potential impairment related to the goodwill, tradename, and intangible assets recorded during the thirteen and thirty-nine weeks ended September 28, 2025.

Reverse Stock Split

On June 11, 2025, the Company’s Board of Directors approved a 1-for-15 reverse stock split (the “Reverse Stock Split”) of the Company’s common stock, par value $0.001 per share. On June 26, 2025, the Company filed a Certificate of Amendment to the Company’s amended and restated certificate of incorporation with the Secretary of State of the State of Delaware to effect the Reverse Stock Split. As a result, each stockholder of record on June 26, 2025 received one share of common stock for every fifteen shares held on the record date. No fractional shares were issued as a result of the Reverse Stock Split. Stockholders who otherwise would have been entitled to receive fractional shares because they held a number of shares of common stock not evenly divisible by the Reverse Stock Split ratio, received such number of shares of common stock rounded up to the nearest whole number. All share, equity award, and per share amounts presented herein have been retroactively adjusted to reflect this Reverse Stock Split, as applicable. The Reverse Stock Split was effective for purposes of trading on the Nasdaq Capital Market as of the opening of business on July 7, 2025.

Recently Issued Accounting Pronouncements

In December 2023, FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures,* which amends existing income tax disclosure guidance, primarily requiring more detailed disclosure for income taxes paid and the effective tax rate reconciliation. ASU 2023-09 is effective for annual reporting periods beginning after December 15, 2024, with early adoption permitted and can be applied on either a prospective or retroactive basis. We plan to adopt this standard in the fourth quarter of fiscal 2025 and do not expect it to have a material impact on our consolidated financial statements or related disclosures.

In March 2024, FASB issued ASU 2024-02, *Codification Improvements—Amendments to Remove References to the Concepts Statements,* which is intended to simplify the Codification and draw a distinction between authoritative and nonauthoritative literature. ASU 2024-02 is effective for annual reporting periods beginning after December 15, 2024, with early adoption permitted and can be applied on either a prospective or retroactive basis. We plan to adopt this standard in the fourth quarter of fiscal 2025 and do not expect it to have a material impact on our consolidated financial statements or related disclosures.

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)*, and in January 2025, the FASB issued ASU No. 2025-01, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (*Subtopic 220-40*): Clarifying the Effective Date, which clarified the effective date of ASU 2024-03. ASU 2024-03 is intended to disclose specific information about certain costs and expenses in the notes to its financial statements for interim and annual reporting periods. ASU 2024-03 is effective for annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027. Early adoption of ASU 2024-03 is permitted. We are currently evaluating this pronouncement to determine its impact on our condensed consolidated financial statements and related disclosures.

In November 2024, FASB issued ASU 2024-04, *Debt—Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments*, which amends ASC 470-20 to clarify the requirements related to accounting for the settlement of a debt instrument as an induced conversion. ASU 2024-04 is effective for annual reporting periods beginning after December 15, 2025 (and interim reporting periods within those annual reporting periods). Early adoption is permitted as of the beginning of a reporting period if the entity has also adopted ASU 2020-06 for that period. We are currently evaluating this pronouncement to determine its impact on our financial statements and related disclosures.

In July 2025, FASB issued ASU 2025-05, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*, which provides all entities with practical expedient of developing reasonable and supportable forecasts as part of estimating expected credit losses, that assumes that current conditions as of the balance sheet date do not change for the remaining life of the asset. ASU 2025-05 is effective for annual reporting periods beginning after December 15, 2025 (and interim reporting periods within those annual reporting periods). Early adoption is permitted in both interim and annual reporting periods in which financial statements have not yet been issued or made available for issuance. We are currently evaluating this pronouncement to determine its impact on our financial statements and related disclosures.

In September 2025, FASB issued ASU 2025-06, *Intangibles—Goodwill and Other—Internal Use Software (Topic 350-40): Targeted Improvements to the Accounting for Internal-Use Software,* which amends certain aspects of the accounting for and disclosure of software costs under ASC 350-40. ASU 2025-06 is effective for all entities for annual reporting periods beginning after December 15, 2027 (and interim reporting periods within those annual reporting periods). Early adoption is permitted in both interim and annual reporting periods in which financial statements have not yet been issued or made available for issuance. We are currently evaluating this pronouncement to determine its impact on our financial statements and related disclosures.

3. Fair Value Measurements

The Company measures its cash and cash equivalents, accounts payable, accounts receivable, accrued expenses, and revolving line of credit at fair value. As of September 28, 2025 and December 29, 2024, the carrying values of cash and cash equivalents, accounts payable, and accrued expenses and other current liabilities approximated their fair value, due to their short-term maturities. As of September 28, 2025, the fair value of the Company’s revolving line of credit approximated its carrying value as the stated interest rates reset daily at the daily secured overnight financing rate (“SOFR”) plus an applicable margin and, as such, approximated market rates currently available to the Company. See Note 5, *Debt* in the accompanying Notes to the Condensed Consolidated Financial Statements for more details. The Company classifies these investments within Level 1 of the fair value hierarchy because inputs are unadjusted and based on quoted prices in active markets.

Goodwill, tradename, and intangible assets are measured at fair value on a non-recurring basis. The Company performed a qualitative assessment of its goodwill, tradename and intangible assets as of September 28, 2025 and determined that no events or changes in circumstances were identified that would indicate potential impairment related to the goodwill, tradename, and intangible assets recorded during the thirteen and thirty-nine weeks ended September 28, 2025.

The Company does not have any financial instruments that were determined to be Level 3. There were no transfers in or out of Level 1, Level 2, or Level 3 assets or liabilities.

4. Balance Sheet Components

Property and Equipment, net

Property and equipment, net consisted of the following (in thousands):

	Estimated Useful Lives in Years	September 28, 2025	December 29, 2024
Leasehold improvements	1 – 6	$ 3,621	$ 5,011
Equipment	3 – 7	3,541	3,799
Furniture and fixtures	3 – 7	1,742	1,698
Total property and equipment		8,904	10,508
Less: accumulated depreciation and amortization		(6,255)	(6,866)
Property and equipment, net		$ 2,649	$ 3,642

Depreciation and amortization of property and equipment was $0.8 million and $0.9 million, for the thirteen weeks ended September 28, 2025 and September 29, 2024, respectively and $2.4 million and $2.5 million, for the thirty-nine weeks ended September 28, 2025 and September 29, 2024, respectively.

Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following (in thousands):

	September 28, 2025	December 29, 2024
Accrued compensation and benefits	$ 3,546	$ 5,707
Accrued marketing	4,615	2,364
Accrued inventory	1,980	4,353
Accrued freight	2,965	1,897
Other	2,612	1,664
Accrued expenses and other current liabilities	$ 15,718	$ 15,985

5. Debt

Credit Facility

On November 15, 2021, the Company entered into the 2021 Credit Agreement with Bank of America (the "lender") to provide a revolving facility that provided for borrowings up to $50.0 million with a maturity date of November 15, 2024. The 2021 Credit Agreement was amended subsequently by five amendments which modified a number of terms, including extending the maturity date to August 22, 2025, reducing and ultimately prohibiting further borrowings, revising the applicable interest rates, revising or providing limited waivers of compliance with certain financial covenants, and adding covenants related to achieving a refinancing transaction. The interest rates in effect under the 2021 Credit Agreement, during the thirteen and thirty-nine weeks ended September 28, 2025 were as follows: (a) in the case of Base Rate Loans, the Base Rate plus (i) 5% (increased from a margin of 4%), (b) in the case of Term SOFR Loans, Term SOFR (subject to a credit spread adjustment of 10 basis points) plus (i) 6% (increased from a margin of 5%), and (c) the Letter of Credit Fee of (i) 6% (increased from 5%).

On June 23, 2025, the Company entered into a Forbearance Agreement (the "Forbearance Agreement") related to the 2021 Credit Agreement with the lenders party thereto and Bank of America, N.A., as administrative agent (the "Administrative Agent"), and Swing Line Lender and an L/C Issuer (the "Lenders"). Pursuant to the terms of the Forbearance Agreement, the Administrative Agent and Lenders agreed that they would forbear, during the Forbearance

Period as defined in the Forbearance Agreement), from exercising any and all rights and remedies with respect to or arising out of the events of default that occurred as a result of the Company's failure to comply with certain Refinancing Transaction Milestones by the specified dates under Sections 6.19(a), (c) and (d) of the 2021 Credit Agreement (collectively, the "Acknowledged Defaults"). On August 11, 2025, the Company entered into an amendment to the Forbearance Agreement and the fifth amendment to the 2021 Credit Agreement which extended the Forbearance Period and maturity date to August 22, 2025. Under the terms of the Forbearance Agreement, as amended, the Refinancing Transaction Milestones were due on the maturity date. No fees were paid in connection with the forbearance. The agreement was not entered into as a result of financial distress, but rather to provide additional time to finalize and execute the 2025 Credit Agreement.

On August 14, 2025, the Company entered into the 2025 Credit Agreement. The 2025 Credit Agreement is comprised of an asset-based revolving credit facility with a $20.0 million commitment, a $5.0 million uncommitted accordion and a $1.0 million sublimit for letters of credit. The amount that the Borrowers may borrow under the 2025 Credit Agreement is based on a borrowing base calculated based on advance rates for various assets serving as collateral for the 2025 Credit Agreement. Borrowings under the 2025 Credit Agreement bear interest at a rate equal to the 30-day SOFR rate plus 3.95%. The 2025 Credit Agreement is secured by a first-priority security interest in and lien upon all tangible and intangible personal property of the Borrowers, now owned or acquired in the future. The 2025 Credit Agreement includes covenants that limit the Borrowers' ability to incur indebtedness, to create liens or other encumbrances, to make certain payments and investments, to engage in transactions with affiliates, to guarantee indebtedness and to sell or otherwise dispose of assets and merge or consolidate with other entities. The 2025 Credit Agreement also includes a financial covenant for minimum excess availability under the 2025 Credit Agreement. It also requires the Company to maintain lockbox accounts and cash management arrangements under the control of the Administrative Agent, who has full dominion and control over each Collection Account and all Deposit Accounts (except Excluded Accounts). Outstanding borrowings are classified as current liabilities, however, the 2025 Credit Agreement does not mature until August 14, 2028. On October 28, 2025, the Company entered into an amendment to the 2025 Credit Agreement, which included some clarifying and non-material changes to certain terms in the 2025 Credit Agreement.

The initial funding of the 2025 Credit Agreement occurred on August 14, 2025, and the proceeds were used in part to repay approximately $6.0 million outstanding under the 2021 Credit Agreement. In connection with entering into the 2025 Credit Agreement and the repayment in full of all outstanding obligations under the 2021 Credit Agreement, the 2021 Credit Agreement, along with the related Forbearance Agreement, as amended, were terminated.

As of September 28, 2025, under the 2025 Credit Agreement, the outstanding borrowing was $9.2 million and after giving effect to the excess availability covenant, the unused availability was $6.8 million. During the thirty-nine weeks ended September 28, 2025, the Company borrowed $51.4 million and repaid $42.2 million under the 2025 Credit Agreement and had a weighted average interest rate of 8.3%. As of September 28, 2025, the Company had a $0.3 million letter of credit outstanding with Bank of America.

Debt Discounts and Issuance Costs

Debt discounts and issuance costs are deferred and amortized over the life of the related loan. The associated expense is included in interest expense in the condensed consolidated statements of operations and comprehensive loss. Debt issuance costs related to the 2025 Credit Agreement are included in prepaids and other current assets in the condensed consolidated balance sheets. As of September 28, 2025 and December 29, 2024, unamortized debt issuance costs recorded within prepaids and other current assets were $0.6 million, related to the 2025 Credit Agreement and $0.1 million, related to the 2021 Credit Agreement, respectively.

6. Leases

The Company primarily leases its distribution facilities, corporate offices and retail stores under operating lease agreements expiring on various dates through January 2029, most of which contain options to extend. In addition to payment of base rent, the Company is also required to pay property taxes, insurance, and common area maintenance expenses. The Company records lease expense on a straight-line basis over the term of the lease. In early 2025 the Company consolidated two of its distribution facilities by moving operations from its former distribution facility in Chico, California to its existing distribution facility in Ontario, California. During the thirteen weeks ended September 28, 2025, the Company did not modify or terminate any lease. During the thirty-nine weeks ended September 28, 2025, the Company modified the terms and discount rate of four of its operating leases. As a result of the modification, the Company derecognized the related right-of-use asset and lease liability of $3.5 million and $3.6 million, respectively. The modification resulted in the recognition of a gain of $0.1 million. During the thirty-nine weeks ended September 28, 2025, the Company terminated the lease agreement for one of its leases located in Chico, California. As a result of the termination, the Company derecognized the remaining lease liability of $0.4 million, resulting in a gain of $0.2 million. Termination penalties of $0.2 million, net of deposits, were included in accrued expenses and other current liabilities and subsequently paid before the period ended September 28, 2025.

The Company also leases equipment under finance lease agreements expiring on various dates through April 2029.

As of September 28, 2025, the future minimum lease payments for the Company's operating and finance leases for each of the fiscal years were as follows (in thousands):

Fiscal Year:	Operating Leases	Finance Leases	Total
2025 remaining 3 months	$ 1,686	$ 759	$ 2,445
2026	5,755	346	6,101
2027	5,666	84	5,750
2028	5,502	13	5,515
2029	—	2	2
Thereafter	—	—	—
Total undiscounted lease payments	18,609	1,204	19,813
Present value adjustment	(1,650)	(24)	(1,674)
Total lease liabilities	16,959	1,180	18,139
Less: lease liabilities, current	(5,359)	(1,019)	(6,378)
Lease liabilities, noncurrent	$ 11,600	$ 161	$ 11,761

Under the terms of the remaining lease agreements, the Company is also responsible for certain variable lease payments that are not included in the measurement of the lease liability, including non-lease components such as common area maintenance fees, taxes, and insurance.

7. Commitments and Contingencies

Litigation and Other

From time to time, the Company may be a party to litigation and subject to claims incurred in the ordinary course of business, including personal injury and indemnification claims, labor and employment claims, threatened claims, breach of contract claims, and other matters. The Company accrues a liability when management believes information available prior to the issuance of the condensed consolidated financial statements indicates it is probable a loss has been incurred as of the date of the condensed consolidated financial statements and the amount of loss can be reasonably estimated. The Company adjusts its accruals to reflect the impact of negotiations, settlements, rulings, advice of legal counsel, and other information and events pertaining to a particular case. Legal costs are expensed as incurred. Although the results of litigation and claims are inherently unpredictable, management concluded that it was not probable that it had incurred a material loss during the periods presented related to such loss contingencies.

During the normal course of business, the Company may be a party to claims that are not covered by insurance. While the ultimate liability, if any, arising from these claims cannot be predicted with certainty, management does not believe that the resolution of any such claims would have a material adverse effect on the Company’s condensed consolidated financial statements. As of September 28, 2025, the Company was not aware of any currently pending legal matters or claims, individually or in the aggregate, that are expected to have a material adverse impact on its condensed consolidated financial statements.

Indemnification

The Company also maintains director and officer insurance, which may cover certain liabilities arising from its obligation to indemnify the Company’s directors and officers. To date, the Company has not incurred any material costs and has not accrued any liabilities in the condensed consolidated financial statements as a result of these provisions.

8. Stockholders’ Equity

Common Stock

Pursuant to the Company’s amended and restated certificate of incorporation, the Company is authorized to issue 250,000,000 shares of common stock having a par value of $0.001 per share. Holders of common stock are entitled to one vote per share on all matters to be voted upon by the stockholders of the Company. Subject to the preferences that may be applicable to any outstanding share of preferred stock, the holders of common stock are entitled to receive dividends, if any, as may be declared by the Board of Directors. No dividends have been declared to date. As of September 28, 2025, the Company has reserved 10,760 shares of common stock for issuance upon the exercise of stock options, and 230,513 shares of common stock available for future issuance under the Lulu’s Fashion Lounge Holdings, Inc. Omnibus Equity Plan (the “Omnibus Equity Plan”), and 74,764 shares of common stock available for future issuance under the 2021 Employee Stock Purchase Plan (the “ESPP”), as adjusted on a retroactive basis for the Reverse Stock Split. Refer to Note 2, Significant Accounting Policies in the accompanying Notes to the Condensed Consolidated Financial Statements for additional details. Both equity plans are further described below.

Preferred Stock

Pursuant to the Company’s amended and restated certificate of incorporation, the Company is authorized to issue 10,000,000 shares of preferred stock having a par value of $0.001 per share. The Company’s Board of Directors has the authority to issue preferred stock and to determine the rights, preferences, privileges, and restrictions, including voting rights, of those shares. As of September 28, 2025 and December 29, 2024, no shares of preferred stock were issued or outstanding.

Equity-Based Compensation

Omnibus Equity Plan and Employee Stock Purchase Plan

Under the Company’s Omnibus Equity Plan, incentive awards may be granted to employees, directors, and consultants of the Company. The Company initially reserved 247,933 shares of common stock, for future issuance under the Omnibus Equity Plan, including any shares subject to awards under the 2021 Equity Incentive Plan (the “2021 Equity Plan”) that are forfeited or lapse unexercised. The number of shares reserved for issuance under the Omnibus Equity Plan automatically increases on the first day of each fiscal year, starting in 2022 and continuing through 2031, by a number of shares equal to (a) 4% of the total number of shares of the Company’s common stock outstanding on the last day of the immediately preceding fiscal year or (b) such smaller number of shares as determined by the Company’s Board of Directors.

Under the ESPP, the Company initially reserved 49,587 shares of common stock, for future issuance. The number of shares of common stock reserved for issuance automatically increases on the first day of each fiscal year beginning in 2022 and ending in 2031, by a number of shares equal to (a) 1% of the total number of shares of the Company’s common stock outstanding on the last day of the immediately preceding fiscal year or (b) such smaller number of shares as determined by the Company’s Board of Directors.

On April 1, 2022, the Company filed a Registration Statement on Form S-8 with the SEC for the purpose of registering an additional 394,736 shares of the Company’s common stock, inclusive of 102,456 shares and 25,614 shares associated with automatic increases that occurred on January 3, 2022 under the Omnibus Equity Plan and ESPP, respectively. This registration also included 213,333 and 53,333 shares for the Omnibus Equity Plan and the ESPP, respectively, representing two years’ worth of estimated future automatic increases in availability for these plans.

On June 29, 2023, the Company filed a Registration Statement on Form S-8 with the SEC for the purpose of registering an additional 133,333 shares of the Company's common stock under the Omnibus Equity Plan corresponding to the increase in shares approved by stockholders at the 2023 annual meeting of stockholders.

On August 13, 2025, the Company filed a Registration Statement on Form S-8 with the SEC for the purpose of registering an additional 250,000 shares of the Company's common stock under the Omnibus Equity Plan.

As of September 28, 2025, the Company had 230,513 shares and 74,764 shares available for issuance under the Omnibus Equity Plan and ESPP, respectively. The compensation committee of the Company’s Board of Directors (the “Compensation Committee”) administers the Omnibus Equity Plan and determines to whom awards will be granted, the exercise price of any options, the vesting schedule and the other terms and conditions of the awards granted under the Omnibus Equity Plan. The Compensation Committee may or may not issue the full number of shares that are reserved for issuance.

Equity-based compensation expense is included in general and administrative expenses in the condensed consolidated statements of operations and comprehensive loss.

The Company’s initial ESPP offering period commenced on August 26, 2022. The ESPP consists of consecutive, overlapping 12-month offering periods that begin on each August 26 and February 26 during the term of the ESPP, and end on each August 25 and February 25 occurring 12 months later, as applicable. Each offering period is comprised of two consecutive six-month purchase periods that begin on each August 26 and February 26 within each offering period and end on each February 25 and August 25, respectively, thereafter. The duration and timing of offering periods and purchase periods may be changed by the Company’s Board of Directors or Compensation Committee at any time. The ESPP allows participants to purchase shares of the Company’s common stock at a 15 percent discount from the lower of the Company’s stock price on (i) the first day of the offering period or on (ii) the last day of the purchase period and includes a rollover mechanism for the purchase price if the stock price on the purchase date is less than the stock price on the offering date. The ESPP also allows participants to reduce their percentage election once during the offering period, but they cannot increase their election until the next offering period.

The Company recognizes equity-based compensation expense related to shares issued pursuant to the ESPP on a graded vesting approach over each offering period. For the thirteen and thirty-nine weeks ended September 28, 2025, and September 29, 2024, equity-based compensation expense related to our ESPP was immaterial. During the thirteen weeks ended September 28, 2025 and September 29, 2024, the Company issued 8,658 shares and 3,846 shares, respectively, pursuant to the ESPP six-month purchase periods ended August 25, 2025 and August 26, 2024, respectively.

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The Company used the Black-Scholes model to estimate the fair value of the purchase rights under the ESPP. For the thirteen weeks ended September 28, 2025, the Company utilized the following assumptions:

Expected term (in years)		0.50 to 1.00
Expected volatility		102.85 to 117.46 %
Risk-free interest rate		3.85 to 4.06 %
Dividend yield		-
Weighted-average fair value per share of ESPP awards granted	$	0.86 to 2.01

Equity-based compensation expense is included in general and administrative expenses in the condensed consolidated statements of operations and comprehensive loss.

2021 Equity Plan

During April 2021, the Company's Board of Directors adopted the 2021 Equity Plan. The 2021 Equity Plan provided for the issuance of incentive stock options, restricted stock, restricted stock units and other equity-based and cash-based awards to the Company's employees, directors, and consultants. The maximum aggregate number of shares reserved for issuance under the 2021 Equity Plan was 61,667 shares. The options outstanding under the 2021 Equity Plan expire ten years from the date of grant. The Company issues new shares of common stock to satisfy stock option exercises. In connection with the closing of the IPO, no further awards will be granted under the 2021 Equity Plan.

Stock Options

A summary of stock option activity, is as follows (in thousands, except per share amounts and years):

	Options Outstanding	Weighted-Average Exercise Price per Option	Weighted-Average Remaining Contractual Life (years)	Aggregate Intrinsic Value
Balance as of December 29, 2024	10,760	$ 170.25	6.29	
Granted	—	—	—	
Forfeited	—	—	—	
Outstanding as of September 28, 2025	10,760	$ 170.25	5.54	
Exercisable as of September 28, 2025	10,760	$ 170.25	5.54	$ —
Vested and expected to vest as of September 28, 2025	10,760	$ 170.25	5.54	$ —

The Company had no equity-based compensation expense or unrecognized compensation cost related to stock options during the thirteen and thirty-nine weeks ended September 28, 2025 and September 29, 2024.

Restricted Stock and Restricted Stock Units ("RSUs")

Immediately before the completion of the IPO, the LP was liquidated and the unit holders of the LP received shares of the Company's common stock in exchange for their units of the LP. The Class P unit holders received approximately 130,940 shares of common stock, comprised of approximately 102,420 shares of vested common stock and approximately 28,520 shares of unvested restricted stock. Any such shares of restricted stock received in respect of unvested Class P units of the LP were subject to vesting and a risk of forfeiture to the same extent as the corresponding Class P units. The Company recognized the final $0.3 million of equity-based compensation expense related to exchanged restricted stock during 2024. As of December 29, 2024, the exchanged restricted stock was settled in fully-vested shares of the Company.

LULU'S FASHION LOUNGE HOLDINGS, INC.

Notes to Condensed Consolidated Financial Statements (unaudited)

On March 20, 2025, Mark Vos, the Company's President and Chief Information Officer, and Laura Holt, the Company's Former Chief Merchandising Officer, received grants of 24,000 RSUs and 3,333 RSUs, respectively, pursuant to their respective employment agreements and RSU Award Agreements, which vest (or would have vested) in equal, quarterly installments on the last day of each calendar quarter, starting on March 31, 2025, subject to continued service requirements. On March 20, 2025, the Company granted a total of 3,649 RSUs, to certain employees, which vest in equal installments over a three-year service period. See Note 12, *Subsequent Events* in the accompanying Notes to the Condensed Consolidated Financial Statements for further information on Ms. Holt's resignation and impact on her unvested RSU awards.

On April 28, 2025, the Compensation Committee of the Company approved an amendment to the Company's Non-Employee Director Compensation Program to (i) eliminate the additional annual RSU award for the Non-Employee Board Chair and increase the applicable cash retainer to $75,000 for the Non-Employee Board Chair, (ii) provide that each award of RSUs under the Omnibus Equity Plan may be limited by a share price floor established from time to time by the Compensation Committee, (iii) permit the Compensation Committee to annually determine whether to allow Non-Employee directors to elect to convert all or a portion of their annual retainers into awards of RSUs, (iv) allow for Non-Employee Directors to waive their right to receive compensation under the Non-Employee Director Compensation Program entirely or for a specific period, and (v) permit for cash to be paid in lieu of any RSU grant or portion of any RSU grant under the Non-Employee Director Compensation Program and provide for flexibility relating to the timing of any cash payment or award of RSUs as the Compensation Committee may deem appropriate.

After evaluating the potential dilutive impact of the non-employee director RSU awards pursuant to the Company's Amended Non-Employee Director Compensation Program, on May 1, 2025, the Board approved a one-time, cash payment of $50,000 to each eligible non-employee director in lieu of his or her $100,000 fiscal year 2025 annual RSU award. This cash payment will be payable on the date of the 2026 annual meeting of stockholders, subject to each non-employee director's continued service on the Board of Directors through such payment date.

The Company recognized equity-based compensation expense related to RSUs of $0.9 million and $3.2 million during the thirteen and thirty-nine weeks ended September 28, 2025, respectively, and $1.5 million and $4.8 million during the thirteen and thirty-nine weeks ended September 29, 2024, respectively. As of September 28, 2025, the unrecognized equity-based compensation expense is $3.3 million and will be recognized over a weighted-average period of 1.19 years.

The following table summarizes the roll forward of unvested RSUs during the thirty-nine weeks ended September 28, 2025:

	Unvested RSUs	Weighted-Average Fair Value per Share
Balance at December 29, 2024	243,582	$ 39.20
RSUs granted	34,332	7.70
RSUs vested	(123,729)	37.25
RSUs forfeited	(21,281)	32.37
Balance at September 28, 2025	132,904	$ 33.97

Performance Stock Units (“PSUs”)

On March 20, 2025, Mark Vos received a grant of 20,000 PSUs, which vest on the date when both of the following have occurred: (i) Performance Achievement: the Volume-Weighted-Average Price (“VWAP”) of the Company’s common stock over trailing 10 trading days equals or exceeds $150.00, as adjusted for the Reverse Stock Split, on a date when Mr. Vos remains employed by the Company or within 90 days following termination of Mr. Vos' employment; and (ii) Service Achievement: Mr. Vos remains employed with the Company through December 31, 2025. On March 20, 2025, Laura Holt received a grant of 3,333 PSUs, which would have vested on the date when both of the following occurred, provided that Ms. Holt had remained employed with the Company through such date: (i) the Company filed a Form 10-Q or Form 10-K with the SEC indicating that the Company had trailing twelve months’ net revenue that was at least $150 million more than the Company’s net revenue in the fiscal year ended December 31, 2023 and (ii) the second anniversary of Ms. Holt's start date had occurred. See Note 12, *Subsequent Events* in the accompanying Notes to the Condensed Consolidated Financial Statements for information on Ms. Holt’s resignation and impact on her unvested PSU awards.

The Company recognized equity-based compensation expense of $0.1 million and $0.5 million during the thirteen and thirty-nine weeks ended September 28, 2025, and $0.5 million and $1.5 million during the thirteen and thirty-nine weeks ended September 29, 2024, related to the PSUs. As of September 28, 2025, the unrecognized equity-based compensation expense is $0.3 million for the financial milestones that were considered probable of achievement, which will be recognized over a weighted-average period of 0.93 years.

The following table summarizes the roll forward of unvested PSUs during the thirty-nine weeks ended September 28, 2025:

	Unvested PSUs	Weighted-Average Fair Value per Share
Balance at December 29, 2024	144,105	$ 37.71
PSUs granted	23,333	4.05
PSUs vested	—	—
PSUs forfeited	—	—
Balance at September 28, 2025	167,438	$ 33.02

9. Income Taxes

All of the Company’s loss before income taxes is from the United States. The following table presents the components of the provision for income taxes (in thousands):

	Thirteen Weeks Ended	
	September 28, 2025	September 29, 2024
Loss before provision for income taxes	$ (2,264)	$ (6,868)
Provision for income taxes	(53)	(11)
Effective tax rate	2.3 %	0.2 %

	Thirty-Nine Weeks Ended	
	September 28, 2025	September 29, 2024
Loss before provision for income taxes	$ (13,269)	$ (17,648)
Provision for income taxes	(41)	(5,763)
Effective tax rate	0.3 %	32.7 %

The Company’s provision for income taxes during interim reporting periods has historically been calculated by applying an estimate of the annual effective tax rate for the full year to “ordinary” income or loss (pre-tax income or loss excluding unusual or infrequently occurring discrete items) for the reporting period. For fiscal year 2025, due to the uncertain and evolving impacts related to tariffs, the Company believed that using the year-to-date actual operating result was more reasonable. As such, beginning with the thirteen weeks ended March 30, 2025, the Company’s tax provision for interim periods was determined using a discrete effective tax rate method, as allowed by ASC Topic 740-270, Income Taxes, Interim Reporting.

For the thirteen and thirty-nine weeks ended September 28, 2025, the Company's effective tax rate differs from the federal income tax rate of 21% primarily due to the valuation allowance against its deferred tax assets as the Company could not provide sufficient positive evidence that the deferred taxes will be more-likely-than-not realized in the future. For the thirteen and thirty-nine weeks ended September 29, 2024, the Company's effective tax rate differs from the federal income tax rate of 21% primarily due to the establishment of the valuation allowance against its deferred tax assets.

The Company regularly assesses the realizability of deferred tax assets and records a valuation allowance to reduce the deferred tax assets to the amount that is more likely than not to be realized. In assessing the realizability of our deferred tax assets, the Company weighs all available positive and negative evidence. This evidence includes, but is not limited to, historical earnings, scheduled reversal of taxable temporary differences, tax planning strategies and projected future taxable income.

On July 4, 2025, H.R. 1, commonly referred to as the One Big Beautiful Bill Act (the “OBBBA”), was enacted. The OBBBA legislation includes several changes to federal tax law that generally allow for more favorable deductibility of certain business expenses beginning in 2025, including the restoration of immediate expensing of domestic research and development expenditures, reinstatement of 100% bonus depreciation, and more favorable rules for determining the limitation on business interest expense. These changes are reflected in the income tax provision for the period ended September 28, 2025, as enactment occurred before the balance sheet date. The Company does not expect this law to have a significant effect on the Company's financial statements due to the full valuation allowance against DTAs.

LULU'S FASHION LOUNGE HOLDINGS, INC.

Notes to Condensed Consolidated Financial Statements
(unaudited)

10. Related Party Transactions

Significant Shareholders

The Company identified three shareholders with aggregate ownership interest in the Company greater than 10%. The Company reviewed the respective investment portfolio holdings of these shareholders and identified investments in other entities that the Company engages in business with. All of these business relationships were obtained without the support of these shareholders, and as such, are believed to be at terms comparable to those that would be obtained through arm's length dealings with unrelated third parties.

11. Segment Reporting

All long-lived assets are located in the United States and substantially all revenue is attributable to customers based in the United States. International sales are not significant.

The Company has one reportable segment related to the sale of merchandise directly to end customers. When evaluating the Company's financial performance and making strategic decisions, the Chief Operating Decision Maker ("CODM") focuses their review of expenses incurred by the nature of those expenses. The measurement of segment assets is reported on the condensed consolidated balance sheet as total condensed consolidated assets. All assets, liabilities, cash flows, revenue and expenses are reported in the Company's one reportable segment.

The table below is a summary of the segment profit or loss, including significant segment expenses (in thousands):

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 28, 2025	September 29, 2024	September 28, 2025	September 29, 2024
Net revenue	$ 73,591	$ 80,515	$ 219,266	$ 249,740
Less:				
Cost of revenue	42,231	49,866	125,133	144,562
Employee expenses (excluding equity-based compensation expense)	11,179	13,303	35,118	40,693
Equity-based compensation expense	823	2,022	3,579	6,150
Advertising expenses	12,417	13,089	42,008	46,156
Other net costs (1)	8,039	8,106	22,800	26,810
Depreciation and amortization (2)	621	694	1,920	2,061
Interest expense	545	305	1,977	958
Income tax provision	53	9	41	5,761
Segment net loss	$ (2,317)	$ (6,879)	$ (13,310)	$ (23,411)

(1) Other net costs include professional services fees, other selling costs, other general and administrative costs, technology and software costs, facilities costs, interest income, non-operating income and expenses, and other immaterial expenses that do not align with the separately presented expense categories.
(2) Excludes depreciation expense related to distribution facilities recorded in cost of revenue.

12. Subsequent Events

Streamlining of Company's Merchandising Team

On November 6, 2025, the Board of Directors approved a plan to streamline the Company's merchandising and buying function, including a reduction in force of those teams, to better align with the Company's strategic and financial needs. In conjunction with this reduction in force, Ms. Laura Holt, who held the role of Chief Merchandising Officer, elected to resign from the Company, effective November 7, 2025. Subject to an execution of a release of claims by Ms. Holt, the Company will treat her departure as a resignation for good reason and pay Ms. Holt severance benefits equivalent to those set forth in Section 3.4 of her employment agreement entered into on December 21, 2023 (the "Employment Agreement"), which was filed as Exhibit 10.37 to the Company's Annual Report on Form 10-K filed on March 6, 2024. Pursuant to the terms of the Employment Agreement and the Omnibus Plan, 100% of Ms. Holt's unvested RSUs and PSUs were forfeited on the effective date of her resignation.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

You should read the following discussion and analysis of our financial condition and results of operations together with our consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q, as well as our audited consolidated financial statements and related notes as disclosed in our Annual Report on Form 10-K for the fiscal year ended December 29, 2024, filed with the Securities and Exchange Commission ("SEC") on March 27, 2025 (the "2024 10-K"). This discussion contains forward-looking statements based upon current plans, expectations and beliefs involving risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth in Item I, Part 1A, "Risk Factors" in our 2024 10-K and Part II, Item 1A, "Risk Factors" in the Quarterly Reports on Form 10-Q for the quarters ended March 30, 2025 and June 29, 2025. These forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained in this Quarterly Report on Form 10-Q, whether as a result of any new information, future events or otherwise.

Overview

Lulu's Fashion Lounge Holdings, Inc., a Delaware Corporation ("Lulus", "we", "our", or the "Company") is a customer-driven, digitally-native attainable luxury fashion brand for women, offering modern, unapologetically feminine designs at attainable prices for all of life's fashionable moments. Our goal is to become the most trusted and number one destination for dresses, helping every woman feel confident and celebrated, supporting her for all of life's occasions. Lulus primarily serves a large, diverse community of Millennial and Gen Z women, who typically meet us in their 20s and stay with us through their 30s and beyond. We focus relentlessly on giving our customers what they want by using direct consumer feedback and insights to refine product offerings and elevate the customer experience. Lulus' world class personal stylists, bridal concierge, and customer care team share an unwavering commitment to elevating style and quality and bring exceptional customer service and personalized shopping to customers around the world.

Recent Developments

Appointment of Fractional Chief Financial Officer

On October 11, 2025, our Board of Directors appointed Heidi Crane as our fractional Chief Financial Officer ("Fractional CFO"), effective October 13, 2025.

Effective October 13, 2025, Crystal Landsem is no longer serving as Interim Chief Financial Officer, but will continue to serve as Chief Executive Officer. Ms. Landsem also continued to serve as the Company's principal financial officer and principal accounting officer through the filing of this Quarterly Report on Form 10-Q for the third quarter ended September 28, 2025 with the Securities and Exchange Commission.

2025 Credit Agreement

On August 14, 2025, the Company and its subsidiaries (collectively, the "Borrowers") entered into a Loan and Security Agreement with White Oak Commercial Finance, LLC, as Administrative Agent, and the lenders party thereto (the "2025 Credit Agreement"). The 2025 Credit Agreement is comprised of an asset-based revolving credit facility with a $20.0 million commitment, a $5.0 million uncommitted accordion and a $1.0 million sublimit for letters of credit. The initial funding of the 2025 Credit Agreement occurred on August 14, 2025, and the proceeds were used in part to repay approximately $6.0 million outstanding under the 2021 Credit Agreement. The 2025 Credit Agreement matures on August 14, 2028. On October 28, 2025, the Company entered into an amendement to the 2025 Credit Agreement, which included some clarifying and non-material changes to certain terms in the 2025 Credit Agreement.

Impact of Macroeconomic Trends on Business

Changing macroeconomic factors, including inflation, interest rates, student loan repayment resumption, tariffs or bans, world events, wars and domestic and international conflicts, existing and future laws, regulations and directives and executive orders, and overall consumer confidence with respect to current and future economic conditions have directly impacted our sales as discretionary consumer spending levels and shopping behavior fluctuate with these factors. We have responded to these factors by taking appropriate pricing, promotional and other actions to stimulate customer demand. These factors are expected to continue to have an impact on our business, results of operations, our growth and financial condition.

Liquidity

The accompanying condensed consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. We alleviated the substantial doubt about our ability to continue as a going concern as a result of successfully entering into the 2025 Credit Agreement, as disclosed in Note 5, *Debt* in the accompanying Notes to the Condensed Consolidated Financial Statements, among other factors.

Key Operating and Financial Metrics

We collect and analyze operating and financial data to assess the performance of our business and optimize resource allocation. The following table sets forth our key performance indicators for the periods presented.

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 28, 2025	September 29, 2024	September 28, 2025	September 29, 2024
	(in thousands, except percentages and Average Order Value)			
Gross Margin	42.6 %	38.1 %	42.9 %	42.1 %
Net loss	$ (2,317)	$ (6,879)	$ (13,310)	$ (23,411)
Adjusted EBITDA (1)	$ 364	$ (3,572)	$ (3,824)	$ (6,438)
Adjusted EBITDA margin (1)	0.5 %	(4.4)%	(1.7)%	(2.6)%
Active Customers	2,380	2,670	2,380	2,670
Average Order Value	$ 141	$ 131	$ 141	$ 139

(1) For a reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measure and why we consider them useful, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Non-GAAP Financial Measures.”

Gross Margin

We define Gross Margin as gross profit as a percentage of our net revenue. Gross profit is equal to our net revenue less cost of revenue. Certain of our competitors and other retailers may report cost of revenue differently than we do. As a result, the reporting of our gross profit and Gross Margin may not be comparable to other companies.

Active Customers

We define Active Customers as the number of customers who have made at least one purchase across our platform in the prior 12-month period. Active Customer count is measured as of the last day of the relevant period. We consider the number of Active Customers to be a key performance metric on the basis that it is directly related to consumer awareness of our brand, our ability to attract visitors to our primarily digital platform, and our ability to convert visitors to paying customers. Active Customers counts are based on deduplication logic using customer account and guest checkout name, address, and email information.

Average Order Value

We define Average Order Value (“AOV”) as the sum of the total gross sales before returns across our platform in a given period, plus shipping revenue, less discounts and markdowns, divided by the Total Orders Placed (as defined below) in that period. AOV reflects the average basket size of our customers. AOV may fluctuate as we continue investing in the development and introduction of new Lulu’s merchandise and as a result of our promotional discount activity.

Total Orders Placed

We define Total Orders Placed as the number of customer orders placed across our platform during a particular period. An order is counted on the day the customer places the order. We do not adjust the number of Total Orders Placed for any cancellation or return that may have occurred subsequent to a customer placing an order. We consider Total Orders Placed as a key performance metric on the basis that it is directly related to our ability to attract and retain customers as well as drive purchase frequency. Total Orders Placed, together with AOV, is an indicator of the net revenue we expect to generate in a particular period.

Non-GAAP Financial Measures

We report our financial results in accordance with generally accepted accounting principles in the U.S. (“GAAP”). However, management believes that certain non-GAAP financial measures provide investors with additional useful information in evaluating our performance and that excluding certain items that may vary substantially in frequency and magnitude period-to-period from net loss provides useful supplemental measures that assist in evaluating our ability to generate earnings and to more readily compare these metrics between past and future periods. These non-GAAP financial measures may be different than similarly titled measures used by other companies.

Adjusted EBITDA, Adjusted EBITDA Margin, and Free Cash Flow

Adjusted EBITDA is a non-GAAP financial measure that we calculate as net loss before interest expense, income taxes or benefit, depreciation and amortization adjusted to exclude the effects of equity-based compensation expense and other non-routine expenses. Adjusted EBITDA is a key measure used by management to evaluate our operating performance, generate future operating plans and make strategic decisions regarding the allocation of capital. We believe that Adjusted EBITDA and Adjusted EBITDA Margin provide useful information to investors and others in understanding and evaluating our operating results and in comparing operating results across periods. We view Free Cash Flow as an important indicator of our liquidity because it measures the amount of cash we generate.

To supplement our condensed consolidated financial statements which are prepared in accordance with GAAP, we use “Adjusted EBITDA,” “Adjusted EBITDA Margin” (collectively referred to as “Adjusted EBITDA”) and “Free Cash Flow” which are non-GAAP financial measures. Our non-GAAP financial measures should not be considered in isolation from, or as substitutes for, financial information prepared in accordance with GAAP. There are several limitations related to the use of our non-GAAP financial measures as compared to the closest comparable GAAP measures. Some of these limitations include:

- Adjusted EBITDA does not reflect our cash expenditures, or future requirements for capital expenditures or contractual commitments;
- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA does not reflect the interest expense, or the cash requirements necessary to service interest or principal payments on our debt;
- Adjusted EBITDA does not reflect our tax expense or the cash requirements to pay our taxes;
- Adjusted EBITDA does not reflect certain non-routine expenses that may represent a reduction in cash available to us;
- Adjusted EBITDA excludes equity-based compensation which has been, and will continue to be for the foreseeable future, a significant recurring expense in our business and an important part of our compensation strategy.

- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future and such measures do not reflect any cash requirements for such replacements;
- Free Cash Flow does not represent the total residual cash flow available for discretionary purposes; and
- Other companies in our industry may calculate such measures differently than we do, limiting their usefulness as comparative measures.

Due to these limitations, Adjusted EBITDA, Adjusted EBITDA Margin, and Free Cash Flow should not be considered as measures of discretionary cash available to us to invest in the growth of our business. We compensate for these limitations by relying primarily on our GAAP results and using these non-GAAP measures only supplementally. As noted in the table below, Adjusted EBITDA includes adjustments to exclude the impact of depreciation and amortization, interest expense, income taxes, and equity-based compensation. It is reasonable to expect that some of these items will occur in future periods. However, we believe these adjustments are appropriate because the amounts recognized can vary significantly from period to period, do not directly relate to the ongoing operations of our business and may complicate comparisons of our internal results of operations and results of operations of other companies over time. In addition, Adjusted EBITDA includes adjustments for other items that we do not expect to regularly record. Each of the normal recurring adjustments and other adjustments described in this paragraph and in the following reconciliation table help management with a measure of our core operating performance over time by removing items that are not related to day-to-day operations. Adjusted EBITDA Margin is a non-GAAP financial measure that we calculate as Adjusted EBITDA (as defined above) as a percentage of our net revenue.

The following table provides a reconciliation for Adjusted EBITDA and Adjusted EBITDA Margin:

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 28, 2025	September 29, 2024	September 28, 2025	September 29, 2024
	(in thousands)		(in thousands)	
Net loss	$ (2,317)	$ (6,879)	$ (13,310)	$ (23,411)
Depreciation and amortization	1,261	1,392	3,889	4,102
Interest expense	544	305	1,977	958
Income tax provision	53	11	41	5,763
Equity-based compensation expense (1)	823	2,022	3,579	6,150
Other non-routine expense (2)	—	(423)	—	—
Adjusted EBITDA	$ 364	$ (3,572)	$ (3,824)	$ (6,438)
Net loss margin	(3.1)%	(8.5)%	(6.1)%	(9.4)%
Adjusted EBITDA margin	0.5 %	(4.4)%	(1.7)%	(2.6)%

(1) The thirteen and thirty-nine weeks ended September 28, 2025 include equity-based compensation expense for performance stock units ("PSUs") and restricted stock units ("RSUs") granted during the period and prior periods. The thirteen weeks ended September 29, 2024 include equity-based compensation expense for RSUs granted during the period and prior periods, PSUs, and equity-based awards granted in prior periods, as well as forfeitures partially offset by accelerated vesting expense associated with the resignation of directors during the period. The thirty-nine weeks ended September 29, 2024 include equity-based compensation expense for RSUs and PSUs granted during the period and prior periods, equity-based awards granted in prior periods, as well as forfeitures partially offset by accelerated vesting expense associated with the resignation of directors during the period.

(2) The thirteen and thirty-nine weeks ended September 29, 2024 include adjustments to previously accrued non-routine expenses related to a legal accrual net of insurance.

Free Cash Flow

Free Cash Flow is a non-GAAP financial measure that we calculate as net cash provided by operating activities less cash used for capitalized software development costs and purchases of property and equipment. We view Free Cash Flow as an important indicator of our liquidity because it measures the amount of cash we generate.

A reconciliation to non-GAAP Free Cash Flow from net cash provided by operating activities for the thirteen and thirty-nine weeks ended September 28, 2025 and September 29, 2024 is as follows:

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 28, 2025	September 29, 2024	September 28, 2025	September 29, 2024
Net cash provided by (used in) operating activities	$ (1,819)	$ (5,504)	$ 5,147	$ 5,133
Capitalized software development costs	(543)	(406)	(1,353)	(1,144)
Purchases of property and equipment	(32)	(386)	(308)	(1,271)
Free Cash Flow	$ (2,394)	$ (6,296)	$ 3,486	$ 2,718

Factors Affecting Our Performance

Our financial condition and results of operations have been, and will continue to be, affected by a number of factors that present significant opportunities for us but also pose risks and challenges, including what is discussed below. See Part I, Item 1A, "Risk Factors" in our 2024 10-K and Part II, Item 1A, "Risk Factors" of our Quarterly Reports on Form 10-Q for the quarters ended March 30, 2025 and June 29, 2025.

Customer Acquisition

Our business performance depends in part on our continued ability to cost-effectively acquire new customers. We define customer acquisition cost ("CAC") as our brand and performance marketing expenses attributable to acquiring new customers, including, but not limited to, agency costs and marketing team costs but excluding any applicable equity-based compensation, divided by the number of customers who placed their first order with us in a given period. As a primarily digital brand, our marketing strategy is primarily focused on brand awareness marketing and digital advertising in channels like search, social, and programmatic – platforms that enable us to engage our customer where she spends her time, and in many cases also quickly track the success of our marketing, which allows us to adjust and optimize our marketing spend.

Customer Retention

Our continued success depends in part on our ability to retain and drive repeat purchases from our existing customers. We monitor retention across our entire customer base. Our goal is to attract and convert visitors into Active Customers and foster relationships that drive repeat purchases. During the trailing 12 months ended September 28, 2025, we served 2.4 million Active Customers compared to 2.7 million for the trailing 12 months ended September 29, 2024.

Inventory Management

We utilize a data-driven strategy that leverages our proprietary reorder algorithm to manage inventory as efficiently as possible. Our "test, learn, and reorder" approach consists of limited inventory purchases followed by the analysis of proprietary data including real-time transaction data and customer feedback, which then informs our selection and customization of popular merchandise prior to reordering in larger quantities. While our initial orders are limited in size and financial risk and our supplier partners are highly responsive, we nonetheless purchase inventory in anticipation of future demand and therefore are exposed to potential shifts in customer preferences and price sensitivity over time. As we continue to grow, we will adjust our inventory purchases to align with the current needs of the business.

Investment in Our Operations and Infrastructure

We will continue to invest in our operations and infrastructure to facilitate further operational efficiencies and growth of our business, while managing expenses to align with our net revenue expectations and goals to return to profitability. We will continue to set a high bar for any new investments or capital spending initiatives as we believe that a disciplined approach to capital spending will enable us to generate positive returns on our investments over the long term.

Components of Our Results of Operations

Net Revenue

Net revenue consists primarily of gross sales, net of merchandise returns, international duties and taxes and promotional discounts and markdowns, generated from the sale of apparel, footwear, and accessories. Net revenue excludes sales taxes assessed by governmental authorities. We recognize net revenue at the point in time when control of the ordered product is transferred to the customer, which we determine to have occurred upon shipment.

Cost of Revenue and Gross Margin

Cost of revenue consists of the product costs of merchandise sold to customers; shipping and handling costs, including all inbound, outbound, and return shipping expenses; rent, insurance, business property tax, utilities, depreciation and amortization, and repairs and maintenance related to our distribution facilities; and charges related to inventory shrinkage, damages, and our allowance for excess or obsolete inventory. Cost of revenue is primarily driven by growth in orders placed by customers, the mix of the product available for sale on our site, and transportation costs related to inventory receipts from our suppliers. We expect our cost of revenue to fluctuate as a percentage of net revenue primarily due to how we manage our inventory and merchandise mix.

Gross profit is equal to our net revenue less cost of revenue. We calculate Gross Margin as gross profit as a percentage of our net revenue. Our Gross Margin varies across Lulus, exclusive to Lulus, and third-party branded products. Exclusive to Lulus consists of products that we develop with design partners and have exclusive rights to sell across our platform, but that do not bear the Lulus brand. Gross Margin on sales of Lulus and exclusive to Lulus merchandise is generally higher than Gross Margin on sales of third-party branded products, which we offer for customers to “round out” the shopping basket. As we continue to optimize our distribution capabilities and gain more negotiation leverage with suppliers as we scale, our Gross Margin may fluctuate from period to period depending on the interplay of these factors.

Selling and Marketing Expenses

Our selling and marketing expenses consist primarily of payment processing fees, advertising, targeted online performance marketing and customer order courtesy adjustments. Selling and marketing expenses also include our spend on brand marketing channels, including compensation and free products to social media influencers, events, and other forms of online and offline marketing related to growing and retaining the customer base. As discussed in “Net Revenue” above, in any given period, the amount of our selling and marketing expense can be affected by the use of promotional discounts in such period.

General and Administrative Expenses

General and administrative expenses consist primarily of payroll and benefits costs, including equity-based compensation for our employees involved in general corporate functions including finance, merchandising, marketing, and technology, as well as costs associated with the use by these functions of facilities and equipment, including depreciation, rent, and other occupancy expenses. General and administrative expenses are primarily driven by increases in headcount required to support business growth and meet our obligations as a public company.

Interest Expense

Interest expense consists of interest expense related to the 2021 Credit Agreement and the 2025 Credit Agreement, as amended.

Income Tax Provision

The provision for income taxes represents federal, state, and local income taxes. The effective rate differs from the statutory rate primarily due to the establishment of a deferred tax asset valuation allowance as the Company could not provide sufficient positive evidence that the deferred taxes will be more-likely-than-not realized in the future. Our effective tax rate will change from quarter to quarter based on recurring and nonrecurring factors including, but not limited to, enacted tax legislation, state and local income taxes, and tax audit settlements.

The Company regularly assesses the realizability of deferred tax assets and records a valuation allowance to reduce the deferred tax assets to the amount that is more likely than not to be realized. In assessing the realizability of our deferred tax assets, we weigh all available positive and negative evidence. This evidence includes, but is not limited to, historical earnings, scheduled reversal of taxable temporary differences, tax planning strategies and projected future taxable income. Due to the weight of objectively verifiable negative evidence, the Company established a valuation allowance of $14.9 million as of December 29, 2024 and the same position for the period ended September 28, 2025.

Our Results of Operations

The following tables set forth our condensed consolidated results of operations for the periods presented and as a percentage of net revenue and net loss:

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 28, 2025	September 29, 2024	September 28, 2025	September 29, 2024
	(in thousands)			
Net revenue	$ 73,591	$ 80,515	$ 219,266	$ 249,740
Cost of revenue	42,231	49,866	125,133	144,562
Gross profit	31,360	30,649	94,133	105,178
Selling and marketing expenses	16,935	17,624	54,843	60,231
General and administrative expenses	16,350	19,869	51,956	62,416
Loss from operations	(1,925)	(6,844)	(12,666)	(17,469)
Interest expense	(544)	(305)	(1,977)	(958)
Other income, net	205	281	1,374	779
Loss before income taxes	(2,264)	(6,868)	(13,269)	(17,648)
Income tax provision	(53)	(11)	(41)	(5,763)
Net loss	$ (2,317)	$ (6,879)	$ (13,310)	$ (23,411)

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 28, 2025	September 29, 2024	September 28, 2025	September 29, 2024
Net revenue	100 %	100 %	100 %	100 %
Cost of revenue	57	62	57	58
Gross profit	43	38	43	42
Selling and marketing expenses	24	22	25	24
General and administrative expenses	22	25	24	25
Loss from operations	(3)	(9)	(6)	(7)
Interest expense	—	—	(1)	—
Other income, net	—	—	1	—
Loss before income taxes	(3)	(9)	(6)	(7)
Income tax provision	—	-	—	(2)
Net loss	(3)%	(9)%	(6)%	(9)%

Comparisons for the Thirteen Weeks Ended September 28, 2025 and September 29, 2024

Net Revenue

Net revenue decreased in the thirteen weeks ended September 28, 2025 by $6.9 million, or 9%, compared to the same period of the prior year, primarily due to a 14% decrease in Total Orders Placed and higher return rate driven by higher mix of full price products and mix shift to assortment with higher return rates, partially offset by the impact of higher AOV.

Cost of Revenue

Cost of revenue decreased in the thirteen weeks ended September 28, 2025 by $7.6 million, or 15% compared to the same period of the prior year, primarily driven by the impact of lower net revenue, reduced sales volumes of markdown and discounted items, and improved costs.

Gross Profit

Gross profit increased in the thirteen weeks ended September 28, 2025 by $0.7 million, or 2% compared to the same period of the prior year, primarily driven by higher product margin driven from lower markdown sales and discounts, improved product costing, and higher sales mix driven from higher margin product assortment, partially offset by the impact of the lower volume of sales.

Selling and Marketing Expenses

Selling and marketing expenses, which are correlated to sales, decreased in the thirteen weeks ended September 28, 2025 by $0.7 million, or 4%, compared to the same period of the prior year, primarily due to lower online marketing costs and merchant processing fees of $0.8 million, partially offset by an additional campaign shoot and marketing software spend of $0.1 million.

General and Administrative Expenses

General and administrative expenses decreased in the thirteen weeks ended September 28, 2025 by $3.5 million or 18%, compared to the same period of the prior year. The decrease was primarily due to a $1.7 million decrease in fixed labor and benefits costs driven by reduced fixed headcount, a $1.1 million decrease in equity-based compensation expense, a $0.5 million decrease in variable labor and benefits associated with lower sales volume, a $0.4 million decrease in liability insurance and legal and professional fees and a $0.3 million decrease in software, occupancy, depreciation and amortization. The foregoing was partially offset by a $0.4 million increase in non-routine items accruals, and a $0.1 million increase in board-related fees.

Interest Expense

Interest expense increased in the thirteen weeks ended September 28, 2025 by $0.2 million, or 79%, compared to the same period of the prior year. The increase is primarily attributable to higher average borrowings and write-off of the 2021 Credit Agreement amortization.

Income Tax Provision

Income tax provision in the thirteen weeks ended September 28, 2025 increased by $0.1 million to a provision of $0.1 million, compared to an immaterial provision in the thirteen weeks ended September 29, 2024. The increase was primarily due to state income taxes and change in naked credits.

Comparisons for the Thirty-nine weeks ended September 28, 2025 and September 29, 2024

Net Revenue

Net revenue decreased in the thirty-nine weeks ended September 28, 2025 by $30.5 million, or 12%, compared to the same period of the prior year. The decrease is primarily the result of a 16% decrease in Total Orders Placed, partially offset by the impact of higher AOV and lower return rates.

Cost of Revenue

Cost of revenue decreased in the thirty-nine weeks ended September 28, 2025 by $19.4 million, or 13%, compared to the same period of the prior year, which was primarily driven by the impact of lower net revenue.

Gross Profit

Gross profit decreased in the thirty-nine weeks ended September 28, 2025 by $11.0 million, or 11% compared to the same period of the prior year, which was primarily driven by the impact of the lower volume of sales.

Selling and Marketing Expenses

Selling and marketing expenses, which are corelated to sales, decreased in the thirty-nine weeks ended September 28, 2025 by $5.4 million, or 9%, compared to the same period of the prior year, due to lower marketing costs of $4.7 million and lower merchant processing fees of $0.7 million.

General and Administrative Expenses

General and administrative expenses decreased in the thirty-nine weeks ended September 28, 2025 by $10.5 million or 17%, compared to the same period of the prior year. The decrease was primarily due to a $4.1 million decrease in fixed labor and benefits costs due to reduced headcount, a $2.6 million decrease in equity-based compensation expense, a $1.5 million decrease in variable labor and benefits costs primarily associated with lower sales volume and operational efficiencies, a $1.3 million decrease in liability insurance and legal and professional fees, a $0.6 million decrease in software expenses, and a $0.4 million decrease in occupancy, depreciation and amortization.

Interest Expense

Interest expense increased in the thirty-nine weeks ended September 28, 2025 by $1.0 million, or 106%, compared to the same period of the prior year. The increase is primarily attributable to higher average borrowings and write-off of the 2021 Credit Agreement amortization.

Income Tax Provision

Our income tax provision in the thirty-nine weeks ended September 28, 2025 was $0.1 million, which was a decrease of $5.7 million compared to a provision of $5.8 million in the thirty-nine weeks ended September 29, 2024. The decrease was primarily due to the establishment of a valuation allowance in 2024.

Quarterly Trends and Seasonality

We experience moderate seasonal fluctuations in aggregate sales volume during the year. Seasonality in our business does not follow that of traditional retailers, such as a typical concentration of revenue in the holiday quarter. Our net revenue is typically highest in the second and third quarters due to the increased demand for event dresses in the spring and summer. Net revenue is typically the lowest in the first and fourth quarters when event dresses are less in demand. The seasonality of our business has resulted in variability in our total net revenue quarter-to-quarter. We believe that this seasonality has affected and will continue to affect our results of operations.

Our quarterly gross profit fluctuates primarily based on how we manage our inventory and merchandise mix and has typically been in line with fluctuations in net revenue. When quarterly gross profit fluctuations have deviated relative to the fluctuations in sales, these situations have been driven by non-recurring, external factors, such as global pandemics or trade wars.

Selling and marketing expenses generally fluctuate with net revenue. Further, in any given period, the amount of our selling and marketing expense can be affected by the use of promotional discounts in such period. In addition, we may increase or decrease marketing spend to assist with optimizing inventory mix and quantities.

General and administrative expenses consist primarily of payroll and benefit costs and vary quarter to quarter due to changes in the number of seasonal workers to meet demand based on our seasonality.

Liquidity and Capital Resources

Our primary sources of liquidity and capital resources are cash generated from operating activities and our 2025 Credit Agreement, as amended. Our primary requirements for liquidity and capital are inventory purchases, payroll and general operating expenses, capital expenditures associated with our distribution facilities, capitalized software and debt service requirements.

Credit Facilities

On November 15, 2021, we entered into the 2021 Credit Agreement with Bank of America (the “lender”) to provide a revolving facility that provided for borrowings up to $50.0 million with a maturity date of November 15, 2024. The 2021 Credit Agreement was amended subsequently by five amendments which modified a number of terms, including extending the maturity date to August 22, 2025, reducing and ultimately prohibiting further borrowings, revising the applicable interest rates, revising or providing limited waivers of compliance with certain financial covenants, and adding covenants related to achieving a refinancing transaction. The interest rates in effect under the 2021 Credit Agreement, as amended, during the thirteen and thirty-nine weeks ended September 28, 2025 were as follows: (a) in the case of Base Rate Loans, the Base Rate plus (i) 5% (increased from a margin of 4%), (b) in the case of Term SOFR Loans, Term SOFR (subject to a credit spread adjustment of 10 basis points) plus (i) 6% (increased from a margin of 5%), and (c) the Letter of Credit Fee of (i) 6% (increased from 5%).

On June 23, 2025, we entered into a Forbearance Agreement (the “Forbearance Agreement”) related to the 2021 Credit Agreement with the lenders party thereto and Bank of America, N.A., as administrative agent (the “Administrative Agent”), and Swing Line Lender and an L/C Issuer (the “Lenders”). Pursuant to the terms of the Forbearance Agreement, the Administrative Agent and Lenders agreed that they would forbear, during the Forbearance Period (as defined in the Forbearance Agreement), from exercising any and all rights and remedies with respect to or arising out of the events of default that occurred as a result of the Company’s failure to comply with certain Refinancing Transaction Milestones by the specified dates under Sections 6.19(a), (c) and (d) of the 2021 Credit Agreement (collectively, the “Acknowledged

Defaults”). On August 11, 2025, we entered into an amendment to the Forbearance Agreement and the fifth amendment to the 2021 Credit Agreement which extended the Forbearance Period and maturity date to August 22, 2025. Under the terms of the Forbearance Agreement, as amended, the Refinancing Transaction Milestones were due on the maturity date. No fees were paid in connection with the forbearance. The agreement was not entered into as a result of financial distress, but rather to provide additional time to finalize and execute the 2025 Credit Agreement.

On August 14, 2025, we entered into the 2025 Credit Agreement. The 2025 Credit Agreement is comprised of an asset-based revolving credit facility with a $20.0 million commitment, a $5.0 million uncommitted accordion and a $1.0 million sublimit for letters of credit. The amount that the Borrowers may borrow under the 2025 Credit Agreement is based on a borrowing base calculated based on advance rates for various assets serving as collateral for the 2025 Credit Agreement. Borrowings under the 2025 Credit Agreement bear interest at a rate equal to the 30-day SOFR rate plus 3.95%. The 2025 Credit Agreement is secured by a first-priority security interest in and lien upon all tangible and intangible personal property of the Borrowers now owned or acquired in the future. The 2025 Credit Agreement includes covenants that limit the Borrowers’ ability to incur indebtedness, to create liens or other encumbrances, to make certain payments and investments, to engage in transactions with affiliates, to guarantee indebtedness and to sell or otherwise dispose of assets and merge or consolidate with other entities. The 2025 Credit Agreement also includes a financial covenant for minimum excess availability under the 2025 Credit Agreement. It also requires us to maintain lockbox accounts and cash management arrangements under the control of the Administrative Agent, who has full dominion and control over each Collection Account and all Deposit Accounts (except Excluded Accounts). Outstanding borrowings are classified as current liabilities, however, the 2025 Credit Agreement does not mature until August 14, 2028. On October 28, 2025, we entered into an amendment to the 2025 Credit Agreement, which clarified the terms related to the manner in which interest is calculated, provides us greater flexibility with respect to the location of our corporate headquarters and extends the amount of time to produce our borrowing base reports (the "Amendment to the 2025 Credit Agreement"). The foregoing description of the Amendment to the 2025 Credit Agreement is qualified in its entirety by reference to the full text of the Amendment to the 2025 Credit Agreement, a copy of which is filed as Exhibit 10.3 to this Quarterly Report on Form 10-Q and incorporated herein by reference.

The initial funding of the 2025 Credit Agreement occurred on August 14, 2025, and the proceeds were used in part to repay approximately $6.0 million outstanding under the 2021 Credit Agreement. In connection with entering into the 2025 Credit Agreement and the repayment in full of all outstanding obligations under the 2021 Credit Agreement, the 2021 Credit Agreement, along with the related Forbearance Agreement, as amended, were terminated.

As of September 28, 2025, under the 2025 Credit Agreement, the outstanding borrowing was $9.2 million, and after giving effect to the excess availability covenant, the unused availability was $6.8 million. During the thirty-nine weeks ended September 28, 2025, we borrowed $51.4 million and repaid $42.2 million under the 2025 Credit Agreement and had a weighted average interest rate of 8.3%. As of September 28, 2025, we had a $0.3 million letter of credit outstanding with Bank of America. See Note 5, *Debt* within the Notes to the Condensed Consolidated Financial Statements included elsewhere in this Quarterly Report on Form 10-Q for further information on the 2025 Credit Agreement, as amended.

Availability and Use of Cash

The accompanying condensed consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. We alleviated the substantial doubt about our ability to continue as a going concern as a result of successfully entering into the 2025 Credit Agreement, among other factors. Actual results of operations will depend on numerous factors, many of which are beyond our control, as further discussed in Part I, Item 1A, “Risk Factors” included in our 2024 10-K and Part II, Item 1A, “Risk Factors” of our Quarterly Reports on Form 10-Q for the quarters ended March 30, 2025 and June 29, 2025.

Repurchases Pursuant to the 2024 Repurchase Program

On May 3, 2024, our Board of Directors authorized a stock repurchase program to repurchase up to $2.5 million of our common stock (the “2024 Repurchase Program”). During the thirteen and thirty-nine weeks ended September 28, 2025, we repurchased 34,463 shares and 123,934 shares, respectively, of common stock in open market transactions pursuant to a 10b5-1 purchase plan. As of September 28, 2025, there was $1.1 million available under the 2024 Repurchase Program authorization.

The actual timing, number, and value of shares repurchased in the future will be determined at our discretion and will depend on a number of factors, including market conditions, applicable legal requirements, our capital needs, and whether there is a better alternative use of capital. Repurchases will be funded from our existing cash and cash equivalents, or future cash flow. The 2024 Repurchase Program may be modified, suspended, or terminated at any time. For further information on the 2024 Repurchase Program, see Note 2, *Significant Accounting Policies*, within the Notes to the Condensed Consolidated Financial Statements included elsewhere in this Quarterly Report on Form 10-Q.

Cash Flow Analysis

The following table summarizes our cash flows for the periods indicated:

	Thirty-Nine Weeks Ended	
	September 28, 2025	September 29, 2024
	(in thousands)	
Net cash provided by (used in):		
Operating activities	$ 5,147	$ 5,133
Investing activities	(1,628)	(2,415)
Financing activities	(6,037)	1,084
Net increase (decrease) in cash and cash equivalents	$ (2,518)	$ 3,802

Operating Activities

Net cash provided by operating activities consists primarily of net loss adjusted for certain non-cash items, including depreciation, amortization, equity-based compensation, the effect of changes in working capital and other activities.

During the thirty-nine weeks ended September 28, 2025, net cash provided by operating activities was $5.1 million, which consisted of a net loss of $13.3 million, partially offset by non-cash charges of $11.1 million and a net change of $7.3 million in operating assets and liabilities. The non-cash charges were primarily comprised of $3.9 million of depreciation and amortization, $3.6 million of equity-based compensation expense, and $3.4 million of non-cash lease expense. The net change in operating assets and liabilities was primarily driven by a $10.6 million increase in accrued expenses primarily driven by increase in returns reserve and stored-value card liabilities; a $7.4 million increase in accounts payable related to purchases in line with the increase in sales; and a $3.0 million decrease in income tax receivable due to the receipt of state income tax refunds. These increases were partially offset by a $4.4 million increase in inventory, a $3.3 million decrease in operating lease liabilities, a $2.8 million decrease in assets for recovery and a $2.6 million increase in accounts receivable pertaining to higher credit card receivables.

During the thirty-nine weeks ended September 29, 2024, net cash provided by operating activities was $5.1 million, which consisted of a net loss of $23.4 million, partially offset by non-cash charges of $17.2 million and a net change of $11.3 million in operating assets and liabilities. The non-cash charges were primarily comprised of $6.2 of equity-based compensation expense, $4.1 million of depreciation and amortization, $3.8 million of deferred income taxes, and $3.0 million of non-cash lease expense. The net change in operating assets and liabilities was primarily driven by a $19.2 million increase in accrued expenses primarily driven by an increase in return reserve of $7.5 million, an increase in stored value liabilities of $2.9 million due to lower redemption rates, an increase in our non-routine legal reserve accrual of $4.8 million, increase in accrued inventory of $4.0 million related to purchases in line with the increase in sales, and an increase in miscellaneous accruals of $1.3 million offset by a decrease in accrued compensation and benefits of $1.4 million, and a $2.5 million increase in accounts payable due to the timing of payments. These increases were partially offset by a $3.3 million increase in prepaid and other assets, a $3.0 million increase in inventory, a $2.9 million decrease in operating lease liabilities and a $1.7 million decrease in assets for recovery.

Investing Activities

Our primary investing activities have consisted of purchases of equipment to support our overall business growth and internally developed software for the continued development of our proprietary technology infrastructure. Purchases of property and equipment may vary from period to period due to the timing of the expansion or contraction of our operations. We have no material commitments for capital expenditures.

During the thirty-nine weeks ended September 28, 2025, net cash used in investing activities decreased by $0.8 million as compared to the same period in 2024, primarily due to lower purchases of property and equipment.

Financing Activities

Financing activities consist primarily of borrowings and repayments related to our revolving facility under our 2021 Credit Agreement and 2025 Credit Agreement.

During the thirty-nine weeks ended September 28, 2025, cash used in financing activities was $6.0 million, primarily due to $42.2 million of repayments under our 2025 Credit Agreement, $13.1 million of repayments under our 2021 Credit Agreement, $0.9 million used in the repurchase of our common stock, and $1.0 million of principal payments on finance lease obligations, partially offset by $51.4 million of proceeds from borrowings under our 2025 Credit Agreement.

During the thirty-nine weeks ended September 29, 2024, cash provided by financing activities was $1.1 million, primarily due to $31.5 million of proceeds from borrowings under our 2021 Credit Agreement which was partially offset by $28.0 million of repayments under our 2021 Credit Agreement, $1.4 million of principal payments on finance lease obligations, and $1.0 million of withholding tax payments related to the vesting of equity-based awards and $0.3 million used in the repurchase of our common stock.

Contractual Obligations and Commitments

There have been no other material changes to our contractual obligations and commitments as disclosed in our 2024 10-K.

Critical Accounting Policies and Estimates

Our condensed consolidated financial statements and the related notes thereto included elsewhere in this Quarterly Report on Form 10-Q are prepared in accordance with GAAP. The preparation of condensed consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs and expenses and related disclosures. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results could differ significantly from our estimates. To the extent that there are differences between our estimates and actual results, our future financial statement presentation, financial condition, results of operations and cash flows will be affected.

Our critical accounting policies are described under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Policies and Estimates” in our 2024 10-K and the notes to the audited consolidated financial statements appearing elsewhere in our 2024 10-K. There have been no significant changes to our critical accounting policies and estimates as disclosed in our 2024 10-K.

Recent Accounting Pronouncements

See Note 2, *Significant Accounting Policies - Recently Issued Accounting Pronouncements*, in the Notes to the Condensed Consolidated Financial Statements included elsewhere in this Quarterly Report on Form 10-Q for more information about recent accounting pronouncements, the timing of their adoption, and our assessment, to the extent we have made one, of their potential impact on our financial position and our results of operations.

JOBS Act Accounting Election

We are an “emerging growth company,” as defined in the JOBS Act. Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have elected to use this extended transition period until we are no longer an emerging growth company or until we affirmatively and irrevocably opt out of the extended transition period. Accordingly, our consolidated financial statements and our unaudited interim condensed consolidated financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

There has been no material change in our exposure to market risk from that discussed in our 2024 10-K.

Item 4. Controls and Procedures.

Limitations on effectiveness of controls and procedures

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Evaluation of disclosure controls and procedures

Our management, with the participation of our Chief Executive Officer (principal executive officer, principal financial officer and principal accounting officer), evaluated, as of the end of the period covered by this Quarterly Report on Form 10-Q, the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on that evaluation, our Chief Executive Officer concluded that, as of September 28, 2025, our disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended September 28, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

We are from time to time subject to various legal proceedings and claims, including employment claims, wage and hour claims, intellectual property claims, contractual and commercial disputes and other matters that arise in the ordinary course of our business. While the outcome of these and other claims cannot be predicted with certainty, we do not believe that the outcome of these matters will have a material adverse effect on our business, financial condition, cash flows, or results of operations. We are not presently a party to any legal proceedings that we believe would, if determined adversely to us, materially and adversely affect our future business, financial condition, cash flows, or results of operations.

Item 1A. Risk Factors.

For detailed information about certain risk factors that could materially affect our business, financial condition or future results see “Risk Factors” in Part I, Item 1A of our 2024 10-K and in Part II, Item 1A of our Quarterly Reports on Form 10-Q for the quarters ended March 30, 2025 and June 29, 2025. There have been no material changes to the risk factors previously disclosed in the 2024 10-K and the Form 10-Qs for the quarters ended March 30, 2025, and June 29, 2025.

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

A summary of our common stock repurchases during the thirteen weeks ended September 28, 2025, as discussed in Note 2, *Significant Accounting Policies*, within the Notes to the Condensed Consolidated Financial Statements included elsewhere in this Quarterly Report on Form 10-Q, is set forth in the table below.

Period	Total Number of Shares Purchased [(1)]	Weighted-Average Price Paid Per Share	Total Number of Shares Purchased as Part of the Publicly Announced Plan	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Plan
June 30, 2025 through August 3, 2025	23,840	$ 4.35	23,840	$ 1,157,944
August 4, 2025 through August 31, 2025	10,623	$ 3.76	10,623	$ 1,117,998
September 1, 2025 through September 28, 2025	-	$ -	-	$ 1,117,998

(1) On May 8, 2024, the Company's Board of Directors announced that it authorized a stock repurchase program allowing the Company to repurchase up to an aggregate amount of $2.5 million of its shares of common stock (the "2024 Repurchase Program"). The 2024 Repurchase Program may be modified, suspended or terminated by the Company’s Board of Directors at any time. All shares repurchased during the thirty-nine weeks ended September 28, 2025 were repurchased in open market transactions pursuant to the Company’s 2024 Repurchase Program and a 10b5-1 purchase plan entered into by the Company.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Securities Trading Plans of Directors and Executive Officers

During the thirteen weeks ended September 28, 2025, none of the Company’s directors or officers adopted, modified, or terminated a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement,” as such terms are defined under Item 408 of Regulation S-K.

Streamlining of Company’s Merchandising Team

On November 6, 2025, the Board of Directors approved a plan to streamline the Company’s merchandising and buying function, including a reduction in force of those teams, to better align with the Company’s strategic and financial needs. In conjunction with this reduction in force, Ms. Laura Holt, who held the role of Chief Merchandising Officer, elected to resign from the Company, effective November 7, 2025. Subject to an execution of a release of claims by Ms. Holt, the Company will treat her departure as a resignation for good reason and pay Ms. Holt severance benefits equivalent to those set forth in Section 3.4 of her employment agreement entered into on December 21, 2023 (the “Employment Agreement”), which was filed as Exhibit 10.37 to the Company’s Annual Report on Form 10-K filed on March 6, 2024. Pursuant to the terms of the Employment Agreement and the Omnibus Plan, 100% of Ms. Holt’s unvested RSUs and PSUs were forfeited on the effective date of her resignation.

Item 6. Exhibits.

Exhibit Number	Exhibit Description	Incorporated by Reference Form	File No.	Exhibit	Filing Date	Filed/ Furnished Herewith
10.1	Loan and Security Agreement, dated as of August 14, 2025, among Lulu's Fashion Lounge Holdings, Inc., Lulu's Fashion Lounge Parent, LLC and Lulu's Fashion Lounge, LLC, as borrowers, White Oak Commercial Finance, LLC, as administrative agent, and the lenders party thereto.+	8-K	001-41059	10.1	08/14/2025	
10.2	Consulting Project Details #2 to the Master Consulting Services Agreement, dated October 11, 2025, between Lulu's Fashion Lounge, LLC and Business Talent Group, LLC.+	8-K	001-41059	10.1	10/14/2025	*
10.3	First Amendment to Loan and Security Agreement, dated October 28, 2025, among Lulu's Fashion Lounge Holdings, Inc., Lulu's Fashion Lounge Parent, LLC and Lulu's Fashion Lounge, LLC, as borrowers, White Oak Commercial Finance, LLC, as administrative agent, and the lenders party thereto.					*
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a).					*
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350.					**
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data file because its XBRL tags are embedded within the Inline XBRL document					*
101.SCH	Inline XBRL Taxonomy Extension Schema Document					*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					*
104	Cover Page Interactive Data File (as formatted as Inline XBRL and contained in Exhibit 101)					*

* Filed herewith.
** Furnished herewith.
\+ Certain portions of this exhibit have been omitted in accordance with Regulation S-K Item 601(b)(10)(iv) because they are both (i) not material to investors and (ii) the type of information that the Company customarily and actually treats as private or confidential, and have been marked with "[***]" to indicate where omissions have been made. The Company agrees to furnish supplementally an unredacted copy of the exhibit to the SEC upon its request. Additionally, certain schedules and exhibits to this exhibit have been omitted pursuant to Item 601 of Regulation S-K. The Company hereby undertakes to furnish copies of any of the omitted schedules or exhibits to the SEC upon request by the SEC; provided that the Company may request confidential treatment pursuant to Rule 24b-2 of The Securities Exchange Act of 1934, as amended, for any schedules or exhibits so furnished.

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.

LULU'S FASHION LOUNGE HOLDINGS, INC.

Date: November 12, 2025

By: /s/ Crystal Landsem

Crystal Landsem
Chief Executive Officer
(Principal Executive Officer and Principal Financial and Accounting Officer)

FIRST AMENDMENT TO
LOAN AND SECURITY AGREEMENT

THIS FIRST AMENDMENT TO LOAN AND SECURITY AGREEMENT (this "**Amendment**"), dated as of October 28, 2025, is entered into by and among **LULU'S FASHION LOUNGE HOLDINGS, INC.**, a Delaware corporation ("**Holdings**"), **LULU'S FASHION LOUNGE PARENT, LLC**, a Delaware limited liability company ("**Parent**"), and **LULU'S FASHION LOUNGE, LLC**, a Delaware limited liability company ("**Lulus**", and together with Holdings, Parent and any other Person that at any time after the date hereof becomes a Borrower hereunder, jointly, severally and collectively, the "**Borrowers**" and each individually a "**Borrower**"), the Persons from time to time party to the Loan Agreement (as defined below) as Guarantors, the several financial institutions from time to time party to the Loan Agreement as Lenders, and **WHITE OAK COMMERCIAL FINANCE, LLC**, a Delaware limited liability company ("**WOCF**"), as administrative agent for the Lenders (in such capacity, together with its successors and assigns in such capacity, "**Administrative Agent**"). Terms used herein without definition shall have the meanings ascribed to them in the Loan Agreement defined below.

RECITALS

A. Borrowers, Guarantors, Lenders, and Administrative Agent have previously entered into that certain Loan and Security Agreement, dated as of August 14, 2025 (as amended to date, as amended hereby, and the same may be further amended, restated, amended and restated, replaced, supplemented or otherwise modified from time to time, the "**Loan Agreement**"), pursuant to which Administrative Agent and the Lenders have made certain loans and financial accommodations available to Borrowers.

B. Loan Parties have requested, and Administrative Agent and Lenders have agreed, to amend the Loan Agreement on the terms and conditions set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Amendments to Loan Agreement.

(a) Section 2.01(a)(vi)(A) of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

> "(A) Administrative Agent shall at all times have dominion and control over each Collection Account of any Loan Party, and all Deposit Accounts of any Loan Party (other than Excluded Accounts) shall be subject to a Control Agreement which shall provide, (a) in the case of the Collection Account (to the extent that the Collection Account is separate from the Administrative Agent Account), among other things, that all amounts therein will be forwarded by daily sweep to the Administrative Agent Account, or as otherwise directed by Administrative Agent and (b) in the case of each such other Deposit Account, among other things, that upon notice by the Administrative Agent to the deposit account bank, all amounts in each such deposit account will be forwarded by daily sweep to the Administrative Agent. At all times Borrowers shall cause all invoices evidencing Accounts (including Credit Card Receivables) to be marked payable directly to a Collection Account

(it being understood and agreed that any checks received by the Borrowers in respect of Accounts shall be promptly (and, in any event, within five (5) Business Days following receipt) deposited or remitted into a Collection Account). All collections and other amounts received by the Loan Parties from any Account Debtor (including, without limitation, Credit Card Issuers and Credit Card Processors), in addition, all other cash received by the Loan Parties from any other source shall upon receipt be deposited into a Collection Account. Administrative Agent will credit all payments received by it to the Loan Account, conditional upon final collection; credit will be given only for cleared funds received prior to 11:00 a.m. (New York time) by Administrative Agent. In all cases, the Loan Account will be credited only with the net amounts actually received. The Loan Parties will not commingle any collections with any of their other funds or property, but will segregate them from their other assets and will hold them in trust and for the account and as the property of Revolver Lenders. Borrowers hereby agree to, and will cause the other Loan Parties to, endorse any collections upon the request of Administrative Agent. Administrative Agent may apply all amounts received by it to such of the Revolver Loans and in such order as it may elect in its sole and absolute discretion. Unless otherwise agreed by Administrative Agent and Administrative Borrower, any Loan requested by Administrative Borrower and made by Administrative Agent hereunder shall be disbursed to the Disbursement Account."

(b) The first sentence of Section 5.14 of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

"Each Loan Party will, and will cause each of its Subsidiaries to, keep (a) their Inventory (other than in-transit Inventory) only at the locations identified on **Schedule 5.14** to this Agreement (provided that Borrowers may amend **Schedule 5.14** to this Agreement so long as such amendment occurs by written notice to Administrative Agent within three (3) Business Days of the date on which such Inventory is moved to such new location and such new location is within the continental United States), (b) their Equipment only at the locations identified on **Schedule 5.14** to this Agreement (provided that Borrowers may amend **Schedule 5.14** to this Agreement so long as such amendment occurs by written notice to Administrative Agent within three (3) Business Days of the date on which such Equipment is moved to such new location and such new location is within the continental United States), and (c) their respective chief executive offices only at the locations identified on **Schedule 5.14** to this Agreement (provided that Borrowers may amend **Schedule 5.14** to this Agreement to reflect a new chief executive office in Chico, CA so long as such amendment occurs by written notice to Administrative Agent within three (3) Business Days of the date upon which Borrowers relocate to such location)."

(c) Section 6.01(f) of the Loan Agreement is hereby amended and restated in its entirety to read as follows:

"(f) Borrowing Base Report. The following Borrowing Base Reports: (i) if no Increased Reporting Period exists, on or before the fifth (5th) day of each Fiscal Month, a fully completed and executed Borrowing Base Report as of the last day of the previous Fiscal Month, (ii) during an Increased Reporting Period, on or before the fourth (4th) Business Day of each week, a fully completed and executed Borrowing Base Report as of the last day of the previous week; in each case by Borrowers and detailing the Eligible Wholesale Accounts, Eligible Credit Card Receivables and Eligible Inventory, containing a calculation of Revolver Availability Reserves and Revolver Availability and reflecting all sales, collections, debit and credit adjustments, purchases and cost of goods sold for inventories, and a detailed calculation of (A) those Accounts that are not Eligible Wholesale Accounts or Eligible Credit Card Receivables and (B) Inventory which is not Eligible Inventory, all of which calculations shall be prepared under the supervision of the chief financial officer of each Borrower and certified by such officer."

2. Calculation of Interest for October 2025. Administrative Agent, the Lenders, and Borrowers hereby acknowledge, confirm, and agree that (a) Section 2.01(a)(vi)(A) of the Loan Agreement (prior to giving effect to this Amendment) provided that, for purposes of calculating interest due to the Revolver Lenders, credit will be given to collections on the date that is two (2) Business Days after receipt by Administrative Agent of cleared funds (such provisions, the "**Collection Day Provisions**") and (b) notwithstanding anything in the Loan Agreement or any other Loan Documents, the Collection Day Provisions shall be inapplicable to the calculation of interest due to the Revolver Lenders for the month of October 2025 (*i.e.*, October 1, 2025 through and including October 31, 2025).

3. Effectiveness of this Amendment. This Amendment shall become effective upon the satisfaction, as determined by Administrative Agent, of the following conditions (such date, the "**Amendment Effective Date**"):

(a) Amendment. Administrative Agent shall have received this Amendment, fully executed in a sufficient number of counterparts for distribution to all parties.

(b) Representations and Warranties. The representations and warranties set forth herein and in the Loan Agreement shall be true and correct in all material respects on and as of the date hereof (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof).

(c) No Default or Event of Default. No Default or Event of Default would result after giving effect to this Amendment.

4. Representations and Warranties. Each Loan Party represents and warrants as follows:

(a) Authority. Such Loan Party has the requisite corporate power and authority to execute and deliver this Amendment, and to perform its obligations hereunder, under the Loan Agreement (as amended or modified hereby) and under the other Loan Documents to which it is a party.

(b) Enforceability. This Amendment has been duly executed and delivered by each Loan Party. This Amendment, the Loan Agreement (as amended or modified hereby) and each other Loan Document is the legal, valid and binding obligation of each Loan Party, enforceable against each Loan Party in accordance with its terms, and is in full force and effect.

(c) Representations and Warranties. The representations and warranties contained in the Loan Agreement and each other Loan Document are true and correct in all material respects on and as of the date hereof (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof).

(d) Due Execution. The execution, delivery and performance of this Amendment are within the power of each Loan Party, have been duly authorized by all necessary corporate action, have received all necessary governmental approval, if any, and do not contravene any law or any contractual restrictions binding on any Loan Party.

(e) No Default. There exists no Default or Event of Default, in each case, immediately before and after giving effect to this Amendment.

5. Reference to and Effect on the other Loan Documents.

(a) Upon and after the effectiveness of this Amendment, each reference in the Loan Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Loan Agreement, and each reference in the other Loan Documents to "the Loan Agreement", "thereof" or words of like import referring to the Loan Agreement, shall mean and be a reference to the Loan Agreement as modified and amended hereby.

(b) Except as specifically amended above, the Loan Agreement and all other Loan Documents, are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed and shall constitute the legal, valid, binding and enforceable obligations of Loan Parties to Administrative Agent and Lenders.

(c) The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of Administrative Agent or any Lender under the Loan Agreement or any of the other Loan Documents, nor constitute a waiver of any provision of the Loan Agreement or any of the other Loan Documents.

(d) To the extent that any terms and conditions in any of the other Loan Documents shall contradict or be in conflict with any terms or conditions of the Loan Agreement, after giving effect to this Amendment, such terms and conditions are hereby deemed modified or amended accordingly to reflect the terms and conditions of the Loan Agreement as modified or amended hereby.

6. Loan Document. This Amendment shall constitute a Loan Document.

7. Reaffirmation. Each Loan Party, as debtor, grantor, mortgagor, pledgor, guarantor, assignor, or in other similar capacities in which such Loan Party grants liens or security interests in its properties or otherwise acts as accommodation party, guarantor or indemnitor, as the case may be, in any case under the Loan Documents, hereby (a) acknowledges, ratifies and confirms that all Obligations constitute valid and existing "Obligations" under the Loan Agreement (as amended by this Amendment), and (b) ratifies and confirms that (i) any and all Loan Documents to which it is a party and (ii) its respective guarantees, pledges, grants of security interests and other similar rights or obligations, as applicable, under each of the Loan Documents to which it is party, in each case, remain in full force and effect notwithstanding the effectiveness of this Amendment. Without limiting the generality of the foregoing, each Loan Party further agrees (A) that any reference to "Obligations" contained in any Loan Documents shall include, without limitation, the "Obligations" as such term is defined in the Loan Agreement (as amended by this Amendment) and (B) that the related guarantees and grants of security contained in such Loan Documents shall include and extend to such Obligations.

8. Release. Effective on the date hereof, each Loan Party hereby waives, releases, remises and forever discharges Administrative Agent and each Lender, each of their respective Affiliates, and each of their respective successors in title, past, present and future officers, directors, employees, limited partners, general partners, investors, attorneys, assigns, subsidiaries, shareholders, trustees, agents and other professionals and all other persons and entities to whom the Administrative Agent or any Lender would be liable if such persons or entities were found to be liable to such Loan Party from any and all claims, offsets, defenses and counterclaims, known or unknown, existing on or prior to the date hereof with respect to the Loan Agreement or any other Loan Document, such waiver and release being with full knowledge and understanding of the circumstances and effect thereof and after having consulted legal counsel with respect thereto.

9. Governing Law; Dispute Resolution. SECTIONS 10.16 ("GOVERNING LAW: JURISDICTION, ETC.") and 10.17 ("WAIVER OF RIGHT TO JURY TRIAL") OF THE LOAN AGREEMENT ARE INCORPORATED HEREIN BY REFERENCE, AND SHALL APPLY TO THIS AMENDMENT MUTATIS MUTANDIS AS IF FULLY SET FORTH HEREIN.

10. Miscellaneous. Sections 1.02 ("Certain Rules of Construction"), 10.01 ("Amendments, Etc."), 10.02 ("Notices; Electronic Communications"), 10.06 ("Successors and Assigns"), 10.10 ("Counterparts; Integration; Effectiveness"), 10.12 ("Severability") and 10.18 ("Waivers Regarding Insolvency Proceedings.") of the Loan Agreement are incorporated herein by reference, and shall apply to this Amendment mutatis mutandis as if fully set forth herein.

[Remainder of page Intentionally Blank]

IN WITNESS WHEREOF, the parties have entered into this Amendment as of the date first above written.

BORROWERS:

LULU'S FASHION LOUNGE HOLDINGS, INC.,
a Delaware corporation

By: ___/s/ *Crystal Landsem*_____________
Name: ___Crystal Landsem_______________
Title: ____CEO________________________

LULU'S FASHION LOUNGE PARENT, LLC,
a Delaware limited liability company

By: ___/s/ *Crystal Landsem*_____________
Name: ___Crystal Landsem_______________
Title: ____CEO________________________

LULU'S FASHION LOUNGE, LLC,
a Delaware limited liability company

By: ___/s/ *Crystal Landsem*_____________
Name: ___Crystal Landsem_______________
Title: ____CEO________________________

[Signatures continue on following page]

ADMINISTRATIVE AGENT:

WHITE OAK COMMERCIAL FINANCE, LLC,
as Administrative Agent

By: *<u>/s/ Meredith Fitz</u>*_________________________
Name: Meredith Fitz
Title: Executive Vice President

LENDERS:

WHITE OAK ABL 3, LLC, as a Lender

By: *<u>/s/ Meredith Fitz</u>*_________________________
Name: Meredith Fitz
Title: Executive Vice President

[Signature Page to First Amendment to Loan and Security Agreement]

Exhibit 31.1

CERTIFICATION

I, Crystal Landsem, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Lulu’s Fashion Lounge Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement 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(s) 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 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(s) 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 the 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 control 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 control over financial reporting.

Date: November 12, 2025

By: /s/ Crystal Landsem
Crystal Landsem
Chief Executive Officer
(Principal Executive Officer and Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Lulu's Fashion Lounge Holdings, Inc. (the "Company") for the period ended September 28, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) 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.

Date: November 12, 2025

By: /s/ Crystal Landsem

Crystal Landsem
Chief Executive Officer
(Principal Executive Officer and Principal Financial and Accounting Officer)