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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 27, 2026

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.)**
495 Ryan Avenue **Suite 125** **Chico, California** **(Address of principal executive offices)**	**95973** **(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 6, 2026, there were 2,895,456 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 28, 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

On August 28, 2017, we executed a reorganization of our corporate structure. Our original parent company was called Lulu's Holdings, LLC. This entity was converted to Lulu's Holdings, L.P. (the "LP"). We formed two new subsidiaries, Lulu's Fashion Lounge Holdings, Inc. and Lulu's Fashion Lounge Parent, LLC, to sit between the LP and our operating company. Our operating company, previously known as Lulu's Fashion Lounge, Inc., was converted from a California corporation to a Delaware limited liability company, Lulu's Fashion Lounge, LLC, an indirect wholly-owned subsidiary of Lulu's Fashion Lounge Holdings, Inc. In connection with our initial public offering, the LP was liquidated. 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 2026" and/or "2026" relate to the year ending January 3, 2027 and "fiscal 2025" and/or "2025" relate to the year ended December 28, 2025. The fiscal year ending January 3, 2027 consists of 53 weeks, and the fiscal year ended December 28, 2025 consists 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 and comprehensive loss to Adjusted EBITDA and a reconciliation to non-GAAP Free Cash Flow from net cash provided by operating activities. Net loss and comprehensive 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 27, 2026	December 28, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 6,535	$ 2,661
Accounts receivable	5,160	1,712
Inventory, net	31,948	32,444
Assets for recovery	5,113	2,197
Income tax refund receivable, net	262	1,028
Prepaids and other current assets	4,206	3,606
Total current assets	53,224	43,648
Property and equipment, net	1,591	2,311
Goodwill	7,056	7,056
Tradename	18,509	18,509
Intangible assets, net	2,332	2,680
Lease right-of-use assets	11,787	14,521
Other noncurrent assets	566	639
Total assets	$ 95,065	$ 89,364
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities:		
Accounts payable	$ 10,876	$ 8,340
Accrued expenses and other current liabilities	25,543	17,411
Returns reserve	16,781	10,289
Stored-value card liability	16,667	18,231
Asset Based Revolving Credit Facility – current	15,360	14,390
Lease liabilities, current	7,069	6,402
Total current liabilities	92,296	75,063
Lease liabilities, noncurrent	6,750	10,389
Other noncurrent liabilities	1,040	898
Total liabilities	100,086	86,350
Commitments and Contingencies (Note 7)		
Stockholders' equity (deficit):		
Preferred stock: $0.001 par value, 500,000 shares authorized, and no shares issued or outstanding	—	—
Common stock: $0.001 par value, 15,000,000 shares authorized; 3,035,909 and 2,971,729 shares issued and outstanding as of September 27, 2026 and December 28, 2025, respectively[(1)]	43	43
Additional paid-in capital	268,360	266,557
Accumulated deficit	(272,042)	(262,204)
Treasury stock, at cost, 146,555 shares outstanding as of September 27, 2026 and December 28, 2025[(1)]	(1,382)	(1,382)
Total stockholders' equity (deficit)	(5,021)	3,014
Total liabilities and stockholders' equity (deficit)	$ 95,065	$ 89,364

(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 8, *Stockholders' Equity (Deficit)* 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 27, 2026	September 28, 2025	September 27, 2026	September 28, 2025
Net revenue	$ 58,602	$ 73,591	$ 183,940	$ 219,266
Cost of revenue	32,267	42,231	98,702	125,133
Gross profit	26,335	31,360	85,238	94,133
Selling and marketing expenses	15,507	16,935	47,925	54,843
General and administrative expenses	14,718	16,350	45,994	51,956
Loss from operations	(3,890)	(1,925)	(8,681)	(12,666)
Interest expense	(370)	(544)	(1,066)	(1,977)
Other income, net	15	205	113	1,374
Loss before provision for income taxes	(4,245)	(2,264)	(9,634)	(13,269)
Income tax provision	(20)	(53)	(204)	(41)
Net loss and comprehensive loss	(4,265)	(2,317)	(9,838)	(13,310)
Basic loss per share[(1)]	$ (1.48)	$ (0.84)	$ (3.44)	$ (4.79)
Diluted loss per share[(1)]	$ (1.48)	$ (0.84)	$ (3.44)	$ (4.79)
Basic weighted-average shares outstanding[(1)]	2,879,042	2,756,533	2,860,905	2,777,464
Diluted weighted-average shares outstanding[(1)]	2,879,042	2,756,533	2,860,905	2,777,464

(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 8, *Stockholders' Equity (Deficit)* 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 (Deficit)
(in thousands, except share amounts)
(unaudited)

	For the Thirty-Nine Weeks Ended September 27, 2026						
	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Treasury Stock		Total Stockholders' Equity (Deficit)
	Shares[1]	Amount			Shares[1]	Amount	
Balance as of December 28, 2025	2,971,729	$ 43	$ 266,557	$ (262,204)	(146,555)	$ (1,382)	$ 3,014
Issuance of common stock for vesting of restricted stock units ("RSUs")	45,146	—	—	—	—	—	—
Issuance of common stock for employee stock purchase plan ("ESPP")	5,822	—	24	—	—	—	24
Shares withheld for withholding tax on RSUs	(19,203)		(186)	—	—	—	(186)
Equity-based compensation	—	—	713	—	—	—	713
Net loss and comprehensive loss	—	—	—	(4,090)	—	—	(4,090)
Balance as of March 29, 2026	3,003,494	$ 43	$ 267,108	$ (266,294)	(146,555)	$ (1,382)	$ (525)
Issuance of common stock for vesting of RSUs	17,547	—	—	—	—	—	—
Shares withheld for withholding tax on RSUs	(9,783)	—	(122)	—	—	—	(122)
Equity-based compensation	—	—	628	—	—	—	628
Net loss and comprehensive loss	—	—	—	(1,483)	—	—	(1,483)
Balance as of June 28, 2026	3,011,258	$ 43	$ 267,614	$ (267,777)	(146,555)	$ (1,382)	$ (1,502)
Issuance of common stock for vesting of RSUs	16,669	—	—	—	—	—	—
Issuance of common stock for employee stock purchase plan ("ESPP")	3,863	—	15	—	—	—	15
Issuance of common stock for commitment fee under equity line of credit ("ELOC") purchase agreement	11,554	—	200	—	—	—	200
Shares withheld for withholding tax on RSUs	(7,435)	—	(69)	—	—	—	(69)
Equity-based compensation	—	—	600	—	—	—	600
Net loss and comprehensive loss	—	—	—	(4,265)	—	—	(4,265)
Balance as of September 27, 2026	3,035,909	$ 43	$ 268,360	$ (272,042)	(146,555)	$ (1,382)	$ (5,021)

	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 RSUs	59,730	1	—	—	—	—	1
Issuance of common stock for 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

(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 8, *Stockholders' Equity (Deficit)* 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 27, 2026	**September 28, 2025**
Cash Flows from Operating Activities		
Net loss and comprehensive loss	$ (9,838)	$ (13,310)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	3,116	3,889
Noncash lease expense	3,540	3,406
Gain on lease modification	—	(92)
Gain on lease termination	—	(229)
Amortization of debt discount and debt issuance costs	159	490
Loss on disposal of property and equipment	—	2
Equity-based compensation expense	1,947	3,579
Changes in operating assets and liabilities:		
Accounts receivable	(3,448)	(2,581)
Inventories	496	(4,386)
Assets for recovery	(2,916)	(2,842)
Income tax payable	766	2,999
Prepaid and other current assets	(503)	(489)
Accounts payable	2,542	7,350
Accrued expenses and other current liabilities	13,077	10,592
Operating lease liabilities	(3,660)	(3,279)
Other noncurrent liabilities	142	48
Net cash provided by operating activities	5,420	5,147
Cash Flows from Investing Activities		
Capitalized software development costs	(971)	(1,353)
Purchases of property and equipment	(155)	(308)
Other	—	33
Net cash used in investing activities	(1,126)	(1,628)
Cash Flows from Financing Activities		
Repayments on Prior Credit Agreement	—	(13,090)
Proceeds from borrowings on Asset Based Revolving Credit Facility	191,521	51,356
Repayments on Asset Based Revolving Credit Facility	(190,551)	(42,158)
Proceeds from issuance of common stock under ESPP	33	(45)
Principal payments on finance lease obligations	(1,046)	(961)
Withholding tax payments related to vesting of RSUs	(377)	(253)
Repurchase of common stock	—	(886)
Net cash used in financing activities	(420)	(6,037)
Net increase (decrease) in cash and cash equivalents	3,874	(2,518)
Cash and cash equivalents at beginning of period	2,661	4,460
Cash and cash equivalents at end of period	$ 6,535	$ 1,942

(Continued)

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

	Thirty-Nine Weeks Ended	
	September 27, 2026	**September 28, 2025**
Supplemental Disclosure		
Cash paid (refunded) during the period for:		
Income taxes, net	$ (702)	$ (3,006)
Interest	$ 951	$ 1,496
Operating leases	$ 4,297	$ 4,006
Finance leases	$ 1,085	$ 1,003
Supplemental Disclosure of Non-Cash Investing and Financing Activities		
Purchases of property and equipment included in accounts payable and accrued expenses	$ 4	$ 5
Capitalized software development costs included in accrued expenses	$ 25	$ 85
Remeasurement of operating lease right-of-use assets for lease modification	$ 1,266	$ 3,527
Operating right-of-use assets obtained in exchange for new operating lease liabilities	$ 478	$ —
Derecognition of operating lease liabilities and right-of-use assets upon lease termination	$ —	$ 342
Common stock issued as commitment fee under ELOC purchase agreement	$ 200	$ —

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 women's clothing brand offering modern, feminine styles at accessible prices for every occasion. Our goal is to make every customer feel their most confident and beautiful for the moments that matter most.

Impact of Macroeconomic Trends on Business

Changing macroeconomic factors, including inflation, interest rates, 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. During the thirty-nine weeks ended September 27, 2026, the Company's net loss was $9.8 million. As of September 27, 2026, we had total cash and cash equivalents of $6.5 million and $15.4 million in outstanding amounts under the Loan and Security Agreement with White Oak Commercial Finance, LLC, as amended (the "2025 Credit Agreement"), in addition to a $0.3 million letter of credit outstanding. The primary sources of funds for our business activities are cash flows from operations and cash available under the 2025 Credit Agreement. For further information on the 2025 Credit Agreement, see Note 5, *Debt*.

The Company is continuing to take certain cash conservation measures, including adjustments to headcount, marketing and other fixed and variable costs and capital spend to meet its obligations as needed. The Company is also in active negotiations with its existing lender, as well as potential new lenders, regarding additional financing. However, there can be no assurances that the Company will be able to secure additional financing in a timely manner on acceptable terms, if at all. As the ability to secure additional financing is outside of management's control, the Company cannot conclude that management's plans will be effectively implemented within twelve months from the date the condensed consolidated financial statements are issued. Accordingly, the Company has concluded that these plans do not alleviate substantial doubt about the Company's ability to continue as a going concern. The condensed consolidated financial statements do not reflect any adjustments that might result from the outcome of this uncertainty.

LULU'S FASHION LOUNGE HOLDINGS, INC.

Notes to Condensed Consolidated Financial Statements
(unaudited)

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 year ending January 3, 2027 consists of 53 weeks, and the fiscal year ended December 28, 2025 consists 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 discussed in the "Reverse Stock Split" section within Note 8, *Stockholders' Equity (Deficit)*, 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 27, 2026 and its results of operations for the thirteen and thirty-nine weeks ended September 27, 2026 and September 28, 2025 and its cash flows for the thirty-nine weeks ended September 27, 2026 and September 28, 2025. The results of operations for the thirty-nine weeks ended September 27, 2026 are not necessarily indicative of the results to be expected for the fiscal year ending January 3, 2027 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 30, 2026.

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 28, 2025, except as noted below and within the "Recently Issued Accounting Pronouncements" section.

LULU'S FASHION LOUNGE HOLDINGS, INC.

Notes to Condensed Consolidated Financial Statements
(unaudited)

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, store credit breakage, lease right-of-use assets and related lease liabilities, impairment of goodwill, impairment of tradename, income tax valuation allowance and fair value of equity awards. 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 major credit-worthy financial institutions within the United States. To date, the Company has not experienced any losses on its cash deposits. As of September 27, 2026, no single customer accounted for more than 10% of the Company's accounts receivable balance. As of December 28, 2025, two wholesale customers represented 15% and 37%, respectively, of the Company's accounts receivable balance. No single customer accounted for more than 10% of the Company's net revenue during the thirteen and thirty-nine weeks ended September 27, 2026 and September 28, 2025.

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 time of order processing and shipment.

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's returns reserve may fluctuate period over period due to seasonal trends, including fluctuation in sales volumes, merchandise mix and the timing of associated customer returns. The Company also has corresponding assets for recovery that represent the expected net realizable value of the merchandise inventory to be returned.

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The Company sells stored-value gift cards to customers and offers online store credit for certain returns and promotions. The stored-value gift cards and store credits do not have an expiration date. The Company recognizes revenue from stored-value gift cards and store credits when the card or credit is redeemed by the customer. The Company has determined that sufficient evidence exists to support an estimate for stored-value gift card and store credit breakage. The Company estimates breakage related to store credits using historical redemption rates for each store credit issuance year, which reflects customer redemption patterns. The Company evaluates redemption patterns and may record adjustments to its breakage estimate from time to time. 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 27, 2026 was $1.3 million and $3.4 million, respectively. The amount of breakage recognized in revenue during the thirteen and thirty-nine weeks ended September 28, 2025 was $0.4 million and $1.5 million, respectively.

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 during the thirteen and thirty-nine weeks ended September 27, 2026 and September 28, 2025 (in thousands):

	Stored-Value Cards
Balance as of December 28, 2025	$ 18,231
Revenue recognized that was included in contract liability balance at the beginning of the period	(1,826)
Increase due to cash received, other revenue recognized including breakage, and other activity during the period	1,708
Balance as of March 29, 2026	$ 18,113
Revenue recognized that was included in contract liability balance at the beginning of the period	(1,434)
Increase due to cash received, other revenue recognized including breakage, and other activity during the period	987
Balance as of June 28, 2026	$ 17,666
Revenue recognized that was included in contract liability balance at the beginning of the period	(1,094)
Increase due to cash received, other revenue recognized including breakage, and other activity during the period	95
Balance as of September 27, 2026	$ 16,667

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

Selling and Marketing Expenses

Advertising costs included in selling and marketing expenses were $11.4 million and $12.4 million for the thirteen weeks ended September 27, 2026 and September 28, 2025, respectively, and $35.9 million and $42.0 million for the thirty-nine weeks ended September 27, 2026 and September 28, 2025, respectively.

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 shares of common stock 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 shares of common stock 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 27, 2026	September 28, 2025	September 27, 2026	September 28, 2025
Stock options	10,760	10,760	10,760	10,760
RSUs	59,882	132,904	59,882	132,904
PSUs	160,771	167,438	160,771	167,438
ESPP	2,485	14,289	2,485	14,289
Total	233,898	325,391	233,898	325,391

Goodwill, Tradename and Intangible Assets

The Company tests for goodwill and intangible assets for 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.

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During the thirteen weeks ended September 27, 2026, the Company identified indicators of potential impairment, including continued net losses, volatile stock price, overall financial performance, industry and competitive environment conditions and macroeconomic conditions. In response, the Company performed interim quantitative impairment tests of its goodwill and indefinite-lived tradename and evaluated its other intangible assets for impairment as of September 27, 2026.

The fair value of the Company's single reporting unit was estimated using a combination of (i) the guideline public company method, applying revenue and EBITDA multiples of similar companies, and (ii) the discounted cash flow method. Based on this assessment, the Company concluded that the fair value of the reporting unit exceeded its carrying value and, therefore, no goodwill impairment was recorded for the thirteen and thirty-nine weeks ended September 27, 2026. The carrying value of goodwill was $7.1 million as of both September 27, 2026, and December 28, 2025.

The fair value of the tradename was estimated using the income-based relief-from-royalty method. Under this method, revenues expected to be generated by the tradename are multiplied by a selected royalty rate, and the estimated after-tax royalty savings are discounted to present value using a rate that reflects the risk of the intangible asset. Based on this assessment, the Company concluded that the fair value of the tradename exceeded its carrying value and, therefore, no tradename impairment was recorded for the thirteen and thirty-nine weeks ended September 27, 2026. The carrying value of the tradename was $18.5 million as of both September 27, 2026, and December 28, 2025. See Note 3, *Fair Value Measurements*, for additional information regarding these fair value measurements.

Recently Adopted Accounting Pronouncements

The Company is an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), and a smaller reporting company and non-accelerated filer as defined in the rules under the Exchange Act. Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. The Company has elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that it (i) is no longer an emerging growth company or (ii) affirmatively and irrevocably opts out of the extended transition period provided in the JOBS Act. As a result, these condensed consolidated financial statements may not be comparable to companies that comply with the new or revised accounting pronouncements as of public company effective dates. We will no longer qualify as an emerging growth company as of the end of fiscal 2026, but will remain a (i) smaller reporting company until our outstanding common stock held by nonaffiliates has a value of $250 million or more at the end of a second fiscal quarter; and (ii) non-accelerated filer until we have a public float of $75 million or more at the end of a second fiscal quarter. For as long as we continue to be both a smaller reporting company and non-accelerated filer, we may continue to take advantage of exemptions from certain reporting requirements that are applicable to other public companies, including not being required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and reduced financial reporting requirements.

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In July 2025, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("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. The Company adopted this guidance for fiscal year 2026, and it did not have a material impact on our condensed consolidated financial statements or related disclosures.

Recently Issued Accounting Pronouncements

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)*, to disclose specific information about certain income statement expense line items in the notes to its financial statements for interim and annual reporting periods. 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*, to clarify that 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 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,* to amend 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 condensed consolidated financial statements and related disclosures.

In December 2025, FASB issued ASU 2025-11, *Interim Reporting (Topic 270): Narrow-Scope Improvements*, which clarifies the guidance in Topic 270 to improve the consistency of interim financial reporting. The ASU provides a comprehensive list of required interim disclosures and introduces a disclosure principle requiring entities to disclose events since the end of the last annual reporting period that have a material impact on the entity. ASU 2025-11 is effective for annual periods beginning after December 15, 2027, including interim periods within those fiscal years, with early adoption permitted. We are currently evaluating this pronouncement to determine its impact on our condensed consolidated financial statements and related disclosures.

In December 2025, FASB issued ASU 2025-12, *Codification Improvements* as part of its standing project to correct, clarify, and make narrow improvements to U.S. GAAP across a broad range of topics. This guidance is effective for annual reporting periods beginning after December 15, 2026, and interim periods within those annual reporting periods. Early adoption is permitted. We are currently evaluating this pronouncement to determine its impact on our condensed consolidated financial statements and related disclosures.

3. Fair Value Measurements

The Company's financial instruments consist of cash and cash equivalents, accounts payable, accrued expenses, other current liabilities and borrowings under the 2025 Credit Agreement. As of September 27, 2026 and December 28, 2025, the carrying values of cash and cash equivalents, accounts payable, accrued expenses and other current liabilities approximate fair value due to their short-term maturities.

Borrowings under the 2025 Credit Agreement bear interest at a rate equal to the 30-day SOFR rate plus 3.95% and

are 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. Because the interest rate is variable and reset based on SOFR with a market-based margin, the fair value of amounts outstanding under the 2025 Credit Agreement approximates carrying value.

Goodwill, tradename and intangible assets are measured at fair value on a nonrecurring basis when impairment is recognized. During the thirteen weeks ended September 27, 2026, the Company identified indicators of potential impairment and performed interim quantitative impairment tests of goodwill and tradename as of September 27, 2026, as discussed in Note 2, *Significant Accounting Policies*. The fair value of the Company's single reporting unit was estimated using a combination of the guideline public company method and the discounted cash flow method, weighted equally. Significant assumptions included projected revenue and cash flows. The fair value of the tradename was estimated using the income-based relief-from-royalty method. Under this method, revenues expected to be generated by the tradename are multiplied by a selected royalty rate, and the estimated after-tax royalty savings are discounted to present value using a rate that reflects the risk of the intangible asset. These fair value measurements were classified within Level 3 of the fair value hierarchy because they were based on significant unobservable inputs. As a result of these assessments, the Company concluded that the fair value of the tradename exceeded its carrying value and, therefore, no tradename impairment was recorded for the thirteen and thirty-nine weeks ended September 27, 2026. The carrying value of the tradename was $18.5 million as of both September 27, 2026 and December 28, 2025. The fair value of the reporting unit exceeded its carrying value and, accordingly, no goodwill impairment was recognized for the thirteen and thirty-nine weeks ended September 27, 2026.

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 27, 2026	December 28, 2025
Leasehold improvements	1 – 6	$ 3,509	$ 3,504
Equipment	1 – 5	3,706	3,589
Furniture and fixtures	1 – 6	1,766	1,742
Total property and equipment		8,981	8,835
Less: accumulated depreciation and amortization		(7,390)	(6,524)
Property and equipment, net		$ 1,591	$ 2,311

Depreciation and amortization of property and equipment was $0.3 million and $0.4 million for the thirteen weeks ended September 27, 2026 and September 28, 2025, respectively, and $0.9 million and $1.3 million for the thirty-nine weeks ended September 27, 2026 and September 28, 2025, respectively.

Amortization of right-of-use assets was $0.3 million and $0.4 million for the thirteen weeks ended September 27, 2026 and September 28, 2025, respectively, and amortization of right-of-use assets was $1.0 million and $1.1 million for the thirty-nine weeks ended September 27, 2026 and September 28, 2025, respectively.

Intangible Assets, net

Intangible assets, net consists of capitalized internal-use software development, which is amortized over a three-year period.

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The gross carrying amount of capitalized software was $18.0 million and $17.0 million as of September 27, 2026 and December 28, 2025, respectively, and accumulated amortization was $15.6 million and $14.3 million, respectively. Intangible asset amortization expense was $0.4 million and $0.5 million for the thirteen weeks ended September 27, 2026 and September 28, 2025, respectively. Intangible assets amortization expense was $1.3 million and $1.5 million for the thirty-nine weeks ended September 27, 2026 and September 28, 2025, respectively.

As of September 27, 2026, estimated future amortization expense related to capitalized software is expected to be approximately $0.4 million in the remaining fiscal 2026, $1.2 million in fiscal 2027, $0.6 million in fiscal 2028, and $0.1 million in fiscal 2029.

Accrued Expenses and Other Current Liabilities

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

	September 27, 2026	December 28, 2025
Accrued compensation and benefits	$ 2,634	$ 4,826
Accrued marketing	6,719	4,659
Accrued inventory	11,516	3,369
Accrued freight	1,938	2,460
Other	2,736	2,097
Accrued expenses and other current liabilities	$ 25,543	$ 17,411

5. Debt

Credit Facility

On November 15, 2021, the Company entered into a credit agreement with Bank of America (the "Prior Credit Agreement") for a revolving facility that provided for borrowings up to $50.0 million with a maturity date of November 15, 2024. The Prior 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 Prior Credit Agreement was satisfied in full and terminated upon entry into the 2025 Credit Agreement, described below.

On August 14, 2025, the Company and its subsidiaries (collectively, the "Borrowers") entered into the 2025 Credit Agreement for 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 tied to a borrowing base calculated based on advance rates for various assets serving as collateral for the 2025 Credit Agreement. The 2025 Credit Agreement provides that at two times during each year (counted from the anniversary date of the 2025 Credit Agreement), the Borrowers may elect to include an increased inventory formula into the borrowing base, giving them access to more loan availability than under the standard borrowing base calculation. As originally executed, the 2025 Credit Agreement provided for an initial increased inventory availability period beginning in November 2025 and ending in February 2026 and permitted the Borrowers to elect up to two additional 60-day periods during each of the second and third 12-month periods following the closing date. 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 of the greater of $4 million or 20% of the total

commitment in minimum excess availability under the 2025 Credit Agreement, and additional reporting requirements when excess availability is less than $5 million. As of September 27, 2026, the Company was in compliance with the covenants under the 2025 Credit Agreement, including the minimum excess availability requirement. 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.

On July 27, 2026, the Company entered into a Second Amendment to the 2025 Credit Agreement (the "Second Amendment"), which changes the earliest date the Borrowers can include an increased inventory formula into the revolver borrowing base from August 14, 2026 to July 21, 2026 (the "July 2026 Increased Inventory Availability Period"), provides that, on a going-forward basis after giving effect to the July 2026 Increased Inventory Availability Period, the increased inventory formula may be used once before June 30, 2027 and twice after June 30, 2027 through the third anniversary of the revolver closing date, and provides that during the July 2026 Increased Inventory Availability Period only, for purposes of determining increased reporting requirements, the excess revolver availability requirement is decreased from $5.0 million to $4.0 million. This Second Amendment gives the Borrowers increased flexibility in accessing borrowings and managing inventory levels. In connection with entering into the Second Amendment, the Borrowers paid an amendment fee of $10,000, as specified in the Second Amendment.

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 Prior Credit Agreement. In connection with entering into the 2025 Credit Agreement and the repayment in full of all outstanding obligations under the Prior Credit Agreement, the Prior Credit Agreement and the related forbearance agreement and amendments with Bank of America, were terminated.

As of September 27, 2026, the outstanding borrowing under the 2025 Credit Agreement was $15.4 million in addition to a $0.3 million letter of credit outstanding. After giving effect to the excess availability covenant and the outstanding letter of credit, the unused availability was $0.4 million. During the thirty-nine weeks ended September 27, 2026, the Company borrowed $191.5 million and repaid $190.5 million under the 2025 Credit Agreement and borrowings had a weighted average interest rate of 10.3%.

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 27, 2026 and December 28, 2025, unamortized debt issuance costs recorded within prepaids and other current assets were $0.4 million and $0.6 million related to the 2025 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 variable common area maintenance expenses. The Company records lease expense on a straight-line basis over the term of the lease. Effective May 15, 2026, the Company's corporate headquarters relocated to a new leased facility in Chico, California. In connection with the new lease, the Company recognized an operating lease right-of-use asset of $0.5 million and a corresponding

operating lease liability of $0.5 million. The Company's prior corporate headquarters were located in a different leased facility in Chico, California, and the lease agreement for that facility was terminated on May 31, 2026.

The Company also leases equipment under finance lease agreements expiring on various dates through April 2029. During the thirty-nine weeks ended September 27, 2026, the Company executed a renewal to extend the lease term of certain finance leases related to equipment by 1.2 years. The extension was not previously considered reasonably certain and was accounted for as a lease modification in the first quarter of 2026. As a result, the Company remeasured the associated lease liabilities using an updated incremental borrowing rate of 5.91%. In addition, the lease liabilities were remeasured with a corresponding adjustment to the right-of-use asset of $1.1 million.

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 thirty-nine weeks ended September 28, 2025, the Company modified the terms and discount rate of two of its operating leases. As a result of the modification, the Company derecognized the related right-of-use asset and lease liability of $3.1 million and $3.2 million, respectively. The modification resulted in the recognition of a gain of $0.1 million.

As of September 27, 2026, 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
2026 remaining 3 months	$ 1,960	$ 385	$ 2,345
2027	5,990	493	6,483
2028	5,640	13	5,653
2029	138	2	140
2030	54	—	54
Total undiscounted lease payments	13,782	893	14,675
Present value adjustment	(843)	(13)	(856)
Total lease liabilities	12,939	880	13,819
Less: lease liabilities, current	(6,209)	(860)	(7,069)
Lease liabilities, noncurrent	$ 6,730	$ 20	$ 6,750

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.

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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 27, 2026, 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 (Deficit)

Common Stock

Pursuant to the Company's amended and restated certificate of incorporation, the Company is authorized to issue 15,000,000 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 27, 2026, the Company has reserved 10,760 shares of common stock for issuance upon the exercise of stock options, and 361,779 shares of common stock available for future issuance under the Lulu's Fashion Lounge Holdings, Inc. Omnibus Equity Plan (the "Omnibus Equity Plan"), and 64,994 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 "Reverse Stock Split" within this Note 8, *Stockholders' Equity (Deficit)* 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 500,000 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 27, 2026 and December 28, 2025, no shares of preferred stock were issued and outstanding.

Registration Statement on Form S-3

On July 2, 2026, the Company filed a Form S-3 universal shelf registration statement (the "Shelf Registration Statement") with the SEC, which was declared effective on July 14, 2026. The Shelf Registration Statement permits the Company to sell, in one or more public offerings, shares of its common stock, shares of its preferred stock, warrants, and units in an aggregate amount of up to $7.5 million, subject to limitations in accordance with General Instruction I.B.6 of Form S-3. In no event will the Company sell shares pursuant to the Shelf Registration Statement with a value of more than one-third of the aggregate market value of its common stock held by non-affiliates in any 12-month period, so long as the aggregate market value of its common stock held by non-affiliates is less than $75.0 million. The Company has not yet sold any securities under the Shelf Registration Statement. The Shelf Registration Statement will expire on July 14, 2029.

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(unaudited)

Equity Line of Credit

On August 11, 2026, the Company entered into a Purchase Agreement (the "Purchase Agreement") with ARC Group International Ltd. (the "Investor"), pursuant to which the Company has the right to sell to the Investor up to $4.5 million of shares of the Company's common stock subject to the terms and conditions set forth in the Purchase Agreement during a commitment period that will terminate on the earlier of the 36-month anniversary of the Purchase Agreement or the date the Investor has purchased shares equal to the full commitment amount. The purchase price per share will be based on a discount to the volume-weighted average price of the Company's common stock over specified pricing periods, and sales under the Purchase Agreement are subject to certain limitations as described in the Purchase Agreement. The Company retains full discretion over the timing and amount of any sales under the Purchase Agreement and there is no requirement that the Company sell any shares thereunder. Actual sales of shares of common stock to the Investor from time to time will depend on a variety of factors, including, without limitation, market conditions, the trading price of the common stock and determinations by the Company as to the appropriate sources of funding for the Company and its operations, and the satisfaction of any necessary conditions, including the filing of a post-effective amendment to its registration statement on Form S-3 (File No. 333-297232) or a new registration statement covering the resale of shares issuable under the Purchase Agreement. In connection with entering into the Purchase Agreement, the Company issued shares of common stock valued at $200,000 to the Investor as a commitment fee. As of the date of this Quarterly Report, the Company has not sold any shares under the Purchase Agreement. The Purchase Agreement also provides the Company with the option, following the termination of the Purchase Agreement upon either the conclusion of the commitment period or the Investor's purchase of shares equal to the full commitment amount, to enter into a subsequent purchase agreement with the Investor for up to an additional $5.5 million on substantially the same terms as the Purchase Agreement, provided that no commitment fee would be payable by the Company to the Investor under any such subsequent purchase agreement.

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. The Company has registered shares issuable under the Omnibus Equity Plan pursuant to various Registration Statements on Form S-8.

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. The Company has registered shares issuable under the ESPP pursuant to various Registration Statements on Form S-8.

As of September 27, 2026, the Company had 361,779 shares and 64,994 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 rates at which awards vest 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.

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Notes to Condensed Consolidated Financial Statements
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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 27, 2026 and September 28, 2025, equity-based compensation expense related to our ESPP was immaterial. During the thirty-nine weeks ended September 27, 2026 and September 28, 2025, the Company issued 9,685 shares and 8,658 shares, respectively, pursuant to the ESPP six-month purchase periods ended August 25, 2026 and August 25, 2025, respectively.

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 27, 2026, the Company utilized the following assumptions:

Expected term (in years)		0.50 to 1.00
Expected volatility		103.20 to 124.31 %
Risk-free interest rate		3.94 to 4.02 %
Dividend yield		-
Weighted-average fair value per share of ESPP awards granted	$	4.80 to 7.49

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

2024 Stock Repurchase Program

On May 8, 2024, the Company announced that its Board of Directors 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"). During the thirteen and thirty-nine weeks ended September 27, 2026 and September 28, 2025, no shares were repurchased pursuant to the Company's 2024 Repurchase Program.

As of September 27, 2026, $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 Repurchase Program does not require the Company to purchase a minimum number of shares, and may be suspended, modified or discontinued at any time without prior notice.

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.

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.

Approval of Cash Payment in lieu of the 2026 Annual RSU Awards

On June 3, 2026, the Compensation Committee of the Board of Directors (the "Compensation Committee") approved a suspension of the 2026 annual awards of RSUs (the "2026 Annual RSU Awards") to the Company's independent directors valued at $100,000 pursuant to the Company's Non-Employee Director Compensation Program, in order to avoid the potential dilutive impact to the Company's outstanding shares of common stock. On July 30, 2026, after consulting with and receiving the recommendations of its independent compensation consultant, the Compensation Committee recommended and the Board of Directors approved a cash payment totaling $125,000 to each of the Company's independent directors as an alternative form of compensation in lieu of receiving the 2026 Annual RSU Awards. This cash payment will be payable in monthly installments retroactive to the date of the 2026 annual meeting of stockholders through the date of the 2027 annual meeting of stockholders, subject to each independent director's continued service on the Board of Directors through each payment date.

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 28, 2025	10,760	$ 170.25	5.29	
Granted	—	—	—	
Forfeited	—	—	—	
Outstanding as of September 27, 2026	10,760	$ 170.25	4.54	
Exercisable as of September 27, 2026	10,760	$ 170.25	4.54	$ —
Vested and expected to vest as of September 27, 2026	10,760	$ 170.25	4.54	$ —

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 27, 2026 and September 28, 2025.

Restricted Stock Units ("RSUs")

The Company recognized equity-based compensation expense of $0.6 million and $1.8 million during the thirteen and thirty-nine weeks ended September 27, 2026 and $0.9 million and $3.2 million during the thirteen and thirty-nine weeks ended September 28, 2025, respectively, related to RSU awards granted to employees and directors during the

period and prior periods. As of September 27, 2026, the unrecognized equity-based compensation expense is $1.0 million and will be recognized over a weighted-average period of 0.70 years.

The following table summarizes the roll forward of unvested RSUs during the thirty-nine weeks ended September 27, 2026:

	Unvested RSUs	Weighted-Average Fair Value per Share
Balance at December 28, 2025	107,137	$ 35.09
RSUs granted	37,837	16.32
RSUs vested	(79,362)	32.07
RSUs forfeited	(5,730)	31.20
Balance at September 27, 2026	59,882	$ 27.60

Performance Stock Units ("PSUs")

The Company recognized equity-based compensation expense of less than $0.01 million and $0.1 million during the thirteen and thirty-nine weeks ended September 27, 2026, respectively, and $0.1 million and $0.5 million during the thirteen and thirty-nine weeks ended September 28, 2025, respectively, related to the PSUs granted to officers during the prior periods. As of September 27, 2026, the unrecognized equity-based compensation expense is $38 thousand for the financial milestones that were considered probable of achievement, which will be recognized over a weighted-average period of 1.78 years.

The following table summarizes the roll forward of unvested PSUs during the thirty-nine weeks ended September 27, 2026:

	Unvested PSUs	Weighted-Average Fair Value per Share
Balance at December 28, 2025	160,771	$ 33.59
PSUs granted	—	—
PSUs vested	—	—
PSUs forfeited	—	—
Balance at September 27, 2026	160,771	$ 33.59

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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 income tax provision for income taxes (in thousands):

	Thirteen Weeks Ended	
	September 27, 2026	September 28, 2025
Loss before provision for income taxes	$ (4,245)	$ (2,264)
Provision for income taxes	(20)	(53)
Effective tax rate	0.5 %	2.3 %

	Thirty-Nine Weeks Ended	
	September 27, 2026	September 28, 2025
Loss before provision for income taxes	$ (9,634)	$ (13,269)
Provision for income taxes	(204)	(41)
Effective tax rate	2.1 %	0.3 %

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. However, for fiscal 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 benefit for interim periods was determined using a discrete effective tax rate method, as allowed by ASC Topic 740-270, Income Taxes, Interim Reporting.

For fiscal 2026, the Company was able to provide a reasonable annual forecast. As such, beginning with the thirteen weeks ended September 27, 2026, the Company's tax provision for the interim period was determined using an estimated annual effective tax rate method, as the primary method for ASC Topic 740-270, Income Tax, Interim Reporting.

For the thirteen and thirty-nine weeks ended September 27, 2026 and September 28, 2025, the Company's effective tax rate differed from the federal income tax rate of 21% primarily due to the establishment or adjustment of a valuation allowance against its deferred taxes, as the Company could not provide sufficient positive evidence that the deferred tax assets ("DTAs") will be more-likely-than-not realized in the future.

The Company regularly assesses the realizability of DTAs and records a valuation allowance to reduce the DTAs to the amount that is more likely than not to be realized. In assessing the realizability of our DTAs, 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 management has concluded that it is more likely than not that the Company will not realize its U.S. net deferred tax assets and, accordingly, continues to maintain a valuation allowance against those assets.

10. Related Party Transactions

Significant Shareholder Relationships

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.

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11. Segment Reporting

The Company identifies operating segments based on whether the Company's Chief Executive Officer, who is the Chief Operating Decision Maker ("CODM"), regularly reviews operating results of particular components of the Company's activities and allocates resources and assesses performance based on those results.

The Company has one reportable segment related to the sale of merchandise directly to end customers. Neither sales to wholesale customers nor international customers are greater than 10% of total revenue, and therefore, neither requires separate disclosure as a reportable segment. All long-lived assets are located in the United States and substantially all revenue is attributable to customers based in the United States.

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. When evaluating the Company's financial performance and making strategic decisions, the CODM focuses their review of expenses incurred by the nature of those expenses.

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 27, 2026	September 28, 2025	September 27, 2026	September 28, 2025
Net revenue	$ 58,602	$ 73,591	$ 183,940	$ 219,266
Less:				
Cost of revenue	32,267	42,231	98,702	125,133
Employee expenses (excluding equity-based compensation expense)	9,455	11,179	30,433	35,118
Equity-based compensation expense	600	823	1,947	3,579
Advertising expenses	11,430	12,417	35,946	42,008
Other net costs (1)	8,173	8,039	23,774	22,800
Depreciation and amortization (2)	552	621	1,706	1,920
Interest expense	370	545	1,066	1,977
Income tax provision	20	53	204	41
Segment net loss	$ (4,265)	$ (2,317)	$ (9,838)	$ (13,310)

(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

Company's Cost Reduction Initiatives

Subsequent to the end of the thirteen weeks ended September 27, 2026, the Board of Directors approved a reduction of approximately 10% of the Company's workforce across the organization, representing an anticipated annualized cost savings of $5.0 million, as part of the Company's ongoing cost reduction efforts and continued focus on its path to profitability. The total pre-tax charges, which the Company expects to incur in the fourth quarter of fiscal 2026, are estimated to be approximately $0.4 million consisting of severance costs.

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President and CIO's Employment Term

On October 30, 2026, the Company and Mark Vos agreed that Mr. Vos's employment as President and Chief Information Officer will conclude on December 31, 2026, at the end of the current term under his employment agreement dated May 12, 2022 ("Employment Agreement"), as amended by the Amendment to Employment Agreement, dated March 5, 2023, and the Second Amendment to Employment Agreement, dated January 9, 2024. Mr. Vos will continue serving as President and Chief Information Officer through December 31, 2026. The Company and Mr. Vos are continuing discussions regarding potential post-employment consulting services and related transition terms.

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 28, 2025, filed with the Securities and Exchange Commission ("SEC") on March 30, 2026 (the "2025 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 Part I, Item 1A, "Risk Factors" in our 2025 10-K. 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 women's clothing brand offering modern, feminine styles at accessible prices for every occasion. Our goal is to make every customer feel their most confident and beautiful for the moments that matter most. Lulus primarily serves a large, diverse community of Gen Z and Millennial women, who typically meet us in their 20s and stay with us through their 30s and beyond. We use direct customer feedback and insights to refine product offerings and elevate the customer experience. Lulus' world-class personal stylists, bridal concierge, and customer care team provide thoughtful, personalized service to shoppers around the world.

Recent Developments

Approval of Suspension of 2026 Annual RSU Awards and Cash Payment in Lieu Thereof

On June 3, 2026, the Compensation Committee approved suspending the 2026 Annual RSU Awards to the Company's independent directors valued at $100,000 pursuant to the Company's Non-Employee Director Compensation Program, in order to avoid the potential dilutive impact to the Company's outstanding shares of common stock.

On July 30, 2026, after consulting with and receiving the recommendations of its independent compensation consultant, the Compensation Committee recommended and the Board of Directors approved a cash payment totaling $125,000 to each of the Company's independent directors as an alternative form of compensation in lieu of receiving the 2026 Annual RSU Awards. This cash payment will be payable in monthly installments retroactive to the date of the 2026 annual meeting of stockholders and paid through the date of the 2027 annual meeting of stockholders, subject to each independent director's continued service on the Board of Directors through each payment date.

Registration Statement on Form S-3

On July 2, 2026, we filed a Shelf Registration Statement with the SEC, which was declared effective on July 14, 2026. The Shelf Registration Statement permits us to sell, in one or more public offerings, shares of our common stock, shares of preferred stock, warrants, and units in an aggregate amount of up to $7.5 million, subject to limitations in accordance with General Instruction I.B.6 of Form S-3. In no event will we sell shares pursuant to the Shelf Registration Statement with a value of more than one-third of the aggregate market value of our common stock held by non-affiliates in any 12-month period, so long as the aggregate market value of our common stock held by non-affiliates is less than $75.0 million. We have not yet sold any securities under the Shelf Registration Statement. The Shelf Registration Statement will expire on July 14, 2029.

Nasdaq Listing Compliance Update

On July 6, 2026, the Company submitted a compliance plan (the "Compliance Plan") to the Nasdaq Listing Qualifications Staff of The Nasdaq Stock Market LLC ("Nasdaq") to address its deficiency with the minimum amount of $2.5 million of stockholders' equity required for continued listing on the Nasdaq Capital Market, as set forth in Nasdaq

Listing Rule 5550(b)(1). Subsequently, on August 5, 2026, the Company received notice from Nasdaq confirming the Company had regained compliance with the Nasdaq continued listing requirements by satisfying the alternative market value of listed securities standard of at least $35 million set forth in Nasdaq Listing Rule 5550(b)(2) for ten consecutive business days. The Company's common stock continues to trade on the Nasdaq Capital Market under the symbol "LVLU".

Special Committee of the Board of Directors

On July 13, 2026, we announced that the Board of Directors had formed a special committee of independent directors ("Special Committee") to evaluate strategic alternatives available to us to maximize stockholder value. These alternatives include a possible transaction involving the Company and continued execution of our standalone strategic plan. The Special Committee has retained Solomon Partners as its financial advisor and Willkie Farr & Gallagher LLP as its legal advisor to assist in connection with the strategic review process. The Board of Directors is continuing its strategic alternatives review process.

Second Amendment to the 2025 Credit Agreement

On July 27, 2026, the Company entered into a Second Amendment to the 2025 Credit Agreement (the "Second Amendment"), which changes the earliest date the Borrowers can include an increased inventory formula into the revolver borrowing base from August 14, 2026 to July 21, 2026 (the "July 2026 Increased Inventory Availability Period"), provides that, on a going-forward basis after giving effect to the July 2026 Increased Inventory Availability Period, the increased inventory formula may be used once before June 30, 2027 and twice after June 30, 2027 through the third anniversary of the revolver closing date, and provides that during the July 2026 Increased Inventory Availability Period only, for purposes of determining increased reporting requirements, the excess revolver availability requirement is decreased from $5.0 million to $4.0 million. This Second Amendment gives the Borrowers increased flexibility in accessing borrowings and managing inventory levels. In connection with entering into the Second Amendment, the Borrowers paid an amendment fee of $10,000, as specified in the Second Amendment.

The Company is in active negotiations with its existing lender, as well as with potential new lenders, regarding additional financing. These discussions are ongoing, and there can be no assurance that they will result in definitive agreements or that any financing will be available on acceptable terms.

Equity Line of Credit

On August 11, 2026, the Company entered into a Purchase Agreement (the "Purchase Agreement") with ARC Group International Ltd. (the "Investor"), pursuant to which the Company has the right to sell to the Investor up to $4.5 million of shares of the Company's common stock subject to the terms and conditions set forth in the Purchase Agreement during a commitment period that will terminate on the earlier of the 36-month anniversary of the Purchase Agreement or the date the Investor has purchased shares equal to the full commitment amount. The purchase price per share will be based on a discount to the volume-weighted average price of the Company's common stock over specified pricing periods, and sales under the Purchase Agreement are subject to certain limitations as described in the Purchase Agreement. The Company retains full discretion over the timing and amount of any sales under the Purchase Agreement and there is no requirement that the Company sell any shares thereunder. Actual sales of shares of common stock to the Investor from time to time will depend on a variety of factors, including, without limitation, market conditions, the trading price of the common stock and determinations by the Company as to the appropriate sources of funding for the Company and its operations, and the satisfaction of any necessary conditions, including the filing of a post-effective amendment to its registration statement on Form S-3 (File No. 333-297232) or a new registration statement covering the resale of shares issuable under the Purchase Agreement. In connection with entering into the Purchase Agreement, the Company issued shares of common stock valued at $200,000 to the Investor as a commitment fee. As of the date of this Quarterly Report, the Company has not sold any shares under the Purchase Agreement. The Purchase Agreement also provides the Company with the option, following the termination of the Purchase Agreement upon either the conclusion of the commitment period or the Investor's purchase of shares equal to the full commitment amount, to enter into a subsequent purchase agreement with the Investor for up to an additional $5.5 million on substantially the same terms as the Purchase Agreement, provided that no commitment fee would be payable by the Company to the Investor under any such subsequent purchase agreement.

Company's Cost Reduction Initiatives

Subsequent to the end of the thirteen weeks ended September 27, 2026, the Board of Directors approved a reduction of approximately 10% of the Company's workforce across the organization, representing an anticipated annualized cost savings of $5.0 million, as part of the Company's ongoing cost reduction efforts and continued focus on its path to profitability. The total pre-tax charges, which the Company expects to incur in the fourth quarter of fiscal 2026, are estimated to be approximately $0.4 million consisting of severance costs.

President and CIO's Employment Term

On October 30, 2026, the Company and Mark Vos agreed that Mr. Vos's employment as President and Chief Information Officer will conclude on December 31, 2026, at the end of the current term under his employment agreement dated May 12, 2022 ("Employment Agreement"), as amended by the Amendment to Employment Agreement, dated March 5, 2023, and the Second Amendment to Employment Agreement, dated January 9, 2024. Mr. Vos will continue serving as President and Chief Information Officer through December 31, 2026. The Company and Mr. Vos are continuing discussions regarding potential post-employment consulting services and related transition terms.

Impact of Macroeconomic Trends on Business

Changing macroeconomic factors, including inflation, interest rates, 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. During the thirty-nine weeks ended September 27, 2026, the Company's net loss was $9.8 million. As of September 27, 2026, we had total cash and cash equivalents of $6.5 million and $15.4 million in outstanding amounts under the Loan and Security Agreement with White Oak Commercial Finance, LLC, as amended (the "2025 Credit Agreement"), in addition to a $0.3 million letter of credit outstanding. The primary sources of funds for our business activities are cash flows from operations and cash available under the 2025 Credit Agreement. For further information on the 2025 Credit Agreement, see Note 5, *Debt*.

The Company is continuing to take certain cash conservation measures, including adjustments to headcount, marketing and other fixed and variable costs and capital spend to meet its obligations as needed. The Company is also in active negotiations with its existing lender, as well as with potential new lenders, regarding additional financing. However, there can be no assurances that the Company will be able to secure additional financing in a timely manner on acceptable terms, if at all. As the ability to secure additional financing is outside of management's control, the Company cannot conclude that management's plans will be effectively implemented within twelve months from the date the condensed consolidated financial statements are issued. Accordingly, the Company has concluded that these plans do not alleviate substantial doubt about the Company's ability to continue as a going concern. The condensed consolidated financial statements do not reflect any adjustments that might result from the outcome of this uncertainty.

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 (in thousands, except for percentages) and Average Order Value (defined below).

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 27, 2026	September 28, 2025	September 27, 2026	September 28, 2025
	(in thousands, except percentages and Average Order Value)			
Gross Margin	44.9 %	42.6 %	46.3 %	42.9 %
Net loss and comprehensive loss	$ (4,265)	$ (2,317)	$ (9,838)	$ (13,310)
Adjusted EBITDA (1)	$ (1,801)	$ 364	$ (2,340)	$ (3,824)
Adjusted EBITDA Margin (1)	(3.1)%	0.5 %	(1.3)%	(1.7)%
Active Customers	2,040	2,380	2,040	2,380
Average Order Value	$ 141	$ 141	$ 144	$ 141

(1) For a reconciliation of net loss and net loss margin to non-GAAP Adjusted EBITDA and Adjusted EBITDA Margin for the thirteen and thirty-nine weeks ended September 27, 2026 and September 28, 2025, and why we consider non-GAAP financial measures 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 Lulus' 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. 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 and Adjusted EBITDA Margin

Adjusted EBITDA is a non-GAAP financial measure that we calculate as net income (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. In particular, the exclusion of certain expenses in calculating Adjusted EBITDA facilitates operating performance comparisons on a period-to-period basis and, in the case of exclusion of the impact of equity-based compensation, excludes items that we do not consider to be indicative of our core operating performance. 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.

To supplement our unaudited condensed consolidated financial statements which are prepared in accordance with GAAP, we use "Adjusted EBITDA" and "Adjusted EBITDA Margin" (collectively referred to as "Adjusted EBITDA") 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; 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 and Adjusted EBITDA Margin 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, equity-based compensation and other non-routine expenses. 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 27, 2026	September 28, 2025	September 27, 2026	September 28, 2025
	(in thousands)		(in thousands)	
Net loss and comprehensive loss	$ (4,265)	$ (2,317)	$ (9,838)	$ (13,310)
Depreciation and amortization	991	1,261	3,116	3,889
Interest expense	370	544	1,066	1,977
Income tax provision	20	53	204	41
Equity-based compensation expense (1)	600	823	1,947	3,579
Other non-routine expense (2)	483	—	1,165	—
Adjusted EBITDA	$ (1,801)	$ 364	$ (2,340)	$ (3,824)
Net loss margin	(7.3)%	(3.1)%	(5.3)%	(6.1)%
Adjusted EBITDA Margin	(3.1)%	0.5 %	(1.3)%	(1.7)%

(1) The thirteen and thirty-nine weeks ended September 27, 2026 include equity-based compensation expense for performance stock units ("PSUs") granted during prior periods and restricted stock units ("RSUs") granted during the period and prior periods. The thirteen and thirty-nine weeks ended September 28, 2025 include equity-based compensation expense for PSUs and RSUs granted during the period and prior periods.

(2) The thirteen and thirty-nine weeks ended September 27, 2026 include primarily fees related to the strategic alternatives process.

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 (used in) provided by operating activities for the thirteen and thirty-nine weeks ended September 27, 2026 and September 28, 2025 is as follows:

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 27, 2026	September 28, 2025	September 27, 2026	September 28, 2025
	(in thousands)			
Net cash (used in) provided by operating activities	$ (2,066)	$ (1,819)	$ 5,420	$ 5,147
Capitalized software development costs	(260)	(543)	(971)	(1,353)
Purchases of property and equipment	(23)	(32)	(155)	(308)
Free Cash Flow	$ (2,349)	$ (2,394)	$ 4,294	$ 3,486

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 2025 10-K.

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 27, 2026, we served 2.0 million Active Customers compared to 2.4 million for the trailing 12 months ended September 28, 2025.

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. We will continue to 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 carefully evaluate 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 generally determine to have occurred upon shipment.

Cost of Revenue and Gross Profit

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 the 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, 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 fixed and variable labor 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 and amortization, rent and other occupancy expenses. General and administrative expenses are primarily driven by headcount related costs required to support our business and meet our obligations as a public company.

Interest Expense

Interest expense consists of interest expense related to the prior credit agreement with Bank of America (the "Prior Credit Agreement") and the 2025 Credit Agreement.

Provision for Income Taxes

The provision for income taxes represents federal, state, and local income taxes. The effective rate differs from the statutory rate primarily due to non-deductible equity-based compensation expenses, non-deductible officer compensation, valuation allowance and state taxes. Our effective tax rate will change from quarter to quarter based on recurring and nonrecurring factors including, but not limited to, the geographical mix of earnings, enacted tax legislation, state and local income taxes, the impact of permanent tax adjustments, tax audit settlements, and the interaction of various tax strategies.

We regularly assess the realizability of deferred tax assets ("DTAs") and record a valuation allowance to reduce the DTAs to the amount that is more likely than not to be realized. In assessing the realizability of our DTAs, 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 management has concluded that it is more likely than not that the Company will not realize its U.S. net deferred tax assets and, accordingly, continues to maintain a valuation allowance against those assets.

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:

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 27, 2026	September 28, 2025	September 27, 2026	September 28, 2025
	(in thousands)			
Net revenue	$ 58,602	$ 73,591	$ 183,940	$ 219,266
Cost of revenue	32,267	42,231	98,702	125,133
Gross profit	26,335	31,360	85,238	94,133
Selling and marketing expenses	15,507	16,935	47,925	54,843
General and administrative expenses	14,718	16,350	45,994	51,956
Loss from operations	(3,890)	(1,925)	(8,681)	(12,666)
Interest expense	(370)	(544)	(1,066)	(1,977)
Other income, net	15	205	113	1,374
Loss before provision for income taxes	(4,245)	(2,264)	(9,634)	(13,269)
Income tax provision	(20)	(53)	(204)	(41)
Net loss and comprehensive loss	$ (4,265)	$ (2,317)	$ (9,838)	$ (13,310)

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 27, 2026	September 28, 2025	September 27, 2026	September 28, 2025
Net revenue	100 %	100 %	100 %	100 %
Cost of revenue	55	57	54	57
Gross profit	45	43	46	43
Selling and marketing expenses	26	24	26	25
General and administrative expenses	25	22	25	24
Loss from operations	(6)	(3)	(5)	(6)
Interest expense	(1)	—	(1)	(1)
Other income, net	—	—	—	1
Loss before provision for income taxes	(7)	(3)	(6)	(6)
Income tax provision	—	—	—	—
Net loss and comprehensive loss	(7)%	(3)%	(6)%	(6)%

Comparisons for the Thirteen Weeks ended September 27, 2026 and September 28, 2025

Net Revenue

Net revenue decreased in the thirteen weeks ended September 27, 2026 by $15.0 million, or 20%, compared to the same period of the prior year, primarily due to a 20% decrease in Total Orders Placed and the impact of higher return rates driven primarily from sales mix, partially offset by an increase in wholesale revenue.

Cost of Revenue

Cost of revenue decreased in the thirteen weeks ended September 27, 2026 by $10.0 million, or 24%, compared to the same period of the prior year, primarily driven by reduced sales volume in addition to freight cost savings due to improved shipping rates.

Gross Profit

Gross profit decreased in the thirteen weeks ended September 27, 2026 by $5.0 million, or 16%, compared to the same period of the prior year even though revenues declined by 20%, reflecting the improvement in gross margins to 44.9%

versus 42.6% in the prior year from a combination of strong product margins along with continued freight cost savings due to improved shipping rates.

Selling and Marketing Expenses

Selling and marketing expenses, which are correlated to sales, decreased in the thirteen weeks ended September 27, 2026 by $1.4 million, or 8%, compared to the same period of the prior year, primarily due to lower marketing costs of $0.9 million and merchant processing fees of $0.5 million.

General and Administrative Expenses

General and administrative expenses decreased in the thirteen weeks ended September 27, 2026 by $1.6 million or 10%, compared to the same period of the prior year. The decrease was primarily due to a $0.9 million decrease in variable labor and benefits associated with lower sales volume, a $0.8 million decrease in fixed labor and benefits costs driven by reduced fixed headcount, a $0.2 million decrease in equity-based compensation expense, partially offset by a $0.3 million increase in other general and administrative expenses.

Interest Expense

Interest expense decreased in the thirteen weeks ended September 27, 2026, by $0.2 million, or 32%, compared to the same period of the prior year. Interest expense in the prior year included $0.2 million in fees related to amendments to our Prior Credit Agreement. Excluding the impact of these non-recurring fees, interest expense increased modestly primarily due to higher average borrowings and a higher interest rate.

Income Tax Provision

Income tax provision in the thirteen weeks ended September 27, 2026 decreased by $0.03 million to a provision of $0.02 million, compared to a provision of $0.05 million in the thirteen weeks ended September 28, 2025.

Comparisons for the Thirty-nine Weeks ended September 27, 2026 and September 28, 2025

Net Revenue

Net revenue decreased in the thirty-nine weeks ended September 27, 2026 by $35.3 million, or 16%, compared to the same period of the prior year, primarily due to an 18% decrease in Total Orders Placed partially offset by the impact of higher AOV and an increase in wholesale revenue.

Cost of Revenue

Cost of revenue decreased in the thirty-nine weeks ended September 27, 2026 by $26.4 million, or 21% compared to the same period of the prior year, primarily driven by reduced sales volume in addition to freight cost savings due to improved shipping rates.

Gross Profit

Gross profit decreased in the thirty-nine weeks ended September 27, 2026 by $8.9 million, or 9% compared to the same period of the prior year even though revenues declined by 16%, reflecting the improvement in gross margins to 46.3% versus 42.9% in the prior year from a mix shift to higher margin products combined with freight cost savings due to improved shipping rates.

Selling and Marketing Expenses

Selling and marketing expenses, which are correlated to sales, decreased in the thirty-nine weeks ended September 27, 2026 by $6.9 million, or 13%, compared to the same period of the prior year, primarily due to lower marketing costs of $5.7 million and merchant processing fees of $1.2 million.

General and Administrative Expenses

General and administrative expenses decreased in the thirty-nine weeks ended September 27, 2026 by $6.0 million or 12%, compared to the same period of the prior year. The decrease was primarily due to a $2.7 million decrease in variable labor and benefits associated with lower sales volume and productivity enhancements, a $2.0 million decrease in fixed labor and benefits costs driven by reduced fixed headcount and a $1.6 million decrease in equity-based compensation expense, partially offset by a $0.3 million increase in other general and administrative expenses.

Interest Expense

Interest expense decreased in the thirty-nine weeks ended September 27, 2026, by $0.9 million, or 46%, compared to the same period of the prior year. Interest expense in the prior year included $0.9 million in fees related to amendments to our Prior Credit Agreement. Excluding the impact of these non-recurring fees, interest was in-line with the prior-year period.

Income Tax Provision

Income tax provision in the thirty-nine weeks ended September 27, 2026 increased by $0.2 million to a provision of $0.2 million, compared to a provision of $0.04 million for the thirty-nine weeks ended September 28, 2025. The increase was primarily due to state income taxes and deferred taxes relating to the annual tax amortization expense on certain indefinite-lived intangible assets.

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.

While our quarterly gross profit generally fluctuates in line with our net revenue, it is also based on how we manage our inventory and merchandise mix and can be further affected 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 as we manage distribution center labor to meet the demand based on our seasonality and the changes in the number of short term 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 borrowings under our 2025 Credit Agreement. 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 Facility

On November 15, 2021, we entered into a Credit Agreement with Bank of America (the "lender") for a revolving facility that provided for borrowings up to $50.0 million with a maturity date of November 15, 2024 (the "Prior Credit Agreement"). The Prior 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 Prior Credit Agreement was satisfied in full and terminated upon entry into the 2025 Credit Agreement described below.

On August 14, 2025, we entered into the 2025 Credit Agreement for 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 tied to our borrowing base calculated based on advance rates for various assets serving as collateral for the 2025 Credit Agreement. The 2025 Credit Agreement provides that at two times during each year (counted from the anniversary date of the 2025 Credit Agreement), the Borrowers may elect to include an increased inventory formula into the borrowing base, giving them access to more loan availability than under the standard borrowing base calculation. As originally executed, the 2025 Credit Agreement provided for an initial increased inventory availability period beginning in November 2025 and ending in February 2026 and permitted the Borrowers to elect up to two additional 60-day periods during each of the second and third 12-month periods following the closing date. 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 of the greater of $4 million or 20% of the total commitment in minimum excess availability under the 2025 Credit Agreement, and additional reporting requirements when excess availability is less than $5 million. 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.

On July 27, 2026, we entered into the Second Amendment, which changes the earliest date the Borrowers can include an increased inventory formula into the revolver borrowing base from August 14, 2026 to July 21, 2026 (the "July 2026 Increased Inventory Availability Period"), provides that, on a going-forward basis after giving effect to the July 2026 Increased Inventory Availability Period, the increased inventory formula may be used once before June 30, 2027 and twice after June 30, 2027 through the third anniversary of the revolver closing date, and provides that during the July 2026 Increased Inventory Availability Period only, for purposes of determining increased reporting requirements, the excess revolver availability requirement is decreased from $5.0 million to $4.0 million. This Second Amendment gives the Borrowers increased flexibility in accessing borrowings and managing inventory levels. In connection with entering into the Second Amendment, the Borrowers paid an amendment fee of $10,000, as specified in the Second Amendment.

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 Prior Credit Agreement. In connection with entering into the 2025 Credit Agreement and the repayment in full of all outstanding obligations under the Prior Credit Agreement, the Prior Credit Agreement and the related forbearance agreement and amendments with Bank of America, were terminated.

As of September 27, 2026, the outstanding borrowing under the 2025 Credit Agreement was $15.4 million in addition to a $0.3 million letter of credit outstanding. After giving effect to the Second Amendment, the excess availability covenant and the outstanding letter of credit, the unused availability was $0.4 million. During the thirty-nine weeks ended September 27, 2026, we borrowed $191.5 million and repaid $190.5 million under the 2025 Credit Agreement and borrowings had a weighted average interest rate of 10.3%.

We are in active negotiations with our existing lender, as well as with potential new lenders, regarding additional financing. These discussions are ongoing, and there can be no assurance that they will result in definitive agreements or that any financing will be available on acceptable terms.

Availability and Use of Cash

As of September 27, 2026, we had cash and cash equivalents of $6.5 million. During the thirteen and thirty-nine weeks ended September 27, 2026, we benefited from cost reduction and cash conservation measures, reduced inventory purchases, adjustments to marketing spend and other fixed, variable, and capital spend. We are continuing to take certain cash conservation measures, including adjustments to headcount, marketing and other fixed and variable costs and capital spend to meet its obligations as needed. We are also in active negotiations with our existing lender, as well as with potential new lenders, regarding additional financing. However, there can be no assurances that we will be able to secure additional financing in a timely manner on acceptable terms, if at all. As the ability to secure additional financing is outside of management's control, we cannot conclude that management's plans will be effectively implemented within twelve months from the date the condensed consolidated financial statements are issued. Accordingly, we have concluded that these plans do not alleviate substantial doubt about our ability to continue as a going concern. The condensed consolidated financial statements do not reflect any adjustments that might result from the outcome of this uncertainty. The condensed consolidated financial statements do not reflect any adjustments that might result from the outcome of this uncertainty. 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 2025 10-K, Part II - Item 1A, "Risk Factors" of our Quarterly Report on Form 10-Q for the quarter ended June 28, 2026 and Part II, Item 1A, "Risk Factors" in this Quarterly Report on Form 10-Q for the quarter ended September 27, 2026.

Repurchases Pursuant to the 2024 Repurchase Program

On May 8, 2024, we announced that 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 27, 2026, no shares were repurchased pursuant to the Company's 2024 Repurchase Program. As of September 27, 2026, 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 continue to 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 continue to 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 8, *Stockholders' Equity (Deficit)*, of the accompanying notes to our 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 27, 2026	September 28, 2025
	(in thousands)	
Net cash provided by (used in):		
Operating activities	$ 5,420	$ 5,147
Investing activities	(1,126)	(1,628)
Financing activities	(420)	(6,037)
Net increase (decrease) in cash and cash equivalents	$ 3,874	$ (2,518)

Operating Activities

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

During the thirty-nine weeks ended September 27, 2026, net cash provided by operating activities was $5.4 million, which consisted of a net loss of $9.8 million, partially offset by non-cash charges of $8.7 million and a net change of $6.5 million in operating assets and liabilities. The non-cash charges were primarily comprised of $3.5 million of non-cash lease expense, $3.1 million of depreciation and amortization and $1.9 million of equity-based compensation expense. The net change in operating assets and liabilities was primarily driven by a $13.1 million increase in accrued expenses, returns reserve and stored-value card liabilities and a $2.5 million increase in accounts payable due to timing of payments. These increases were partially offset by a $3.7 million decrease in lease liabilities, a $3.4 million increase in accounts receivable pertaining to timing-related increase in higher credit card receivables and a $2.9 million increase in assets for recovery.

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 driven by an 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 increase in assets for recovery and a $2.6 million increase in accounts receivable pertaining to higher credit card receivables.

Investing Activities

Our primary investing activities have consisted of purchases of equipment to support our business operations 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 27, 2026, net cash used in investing activities related to the purchase of capitalized software and property and equipment was $1.1 million, as compared to $1.6 million during the thirty-nine weeks ended September 28, 2025.

Financing Activities

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

During the thirty-nine weeks ended September 27, 2026, cash used in financing activities was $0.4 million, primarily due to $190.5 million of repayments under our 2025 Credit Agreement and $1.0 million of principal payments on finance lease obligations, partially offset by $191.5 million proceeds from borrowings under our 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 Prior 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.

Contractual Obligations and Other Commitments

There have been no other material changes to our contractual obligations and commitments as disclosed in our 2025 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 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 2025 10-K and the notes to the audited consolidated financial statements appearing elsewhere in our 2025 10-K. There have been no significant changes to our critical accounting policies and estimates as disclosed in our 2025 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

The Company is an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”), and a smaller reporting company and non-accelerated filer as defined in the rules under the Exchange Act. Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. The Company has elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that it (i) is no longer an emerging growth company or (ii) affirmatively and irrevocably opts out of the extended transition period provided in the JOBS Act. As a result, these condensed consolidated financial statements may not be comparable to companies that comply with the new or revised accounting pronouncements as of public company effective dates. We will no longer qualify as an emerging growth company as of the end of fiscal 2026, but will remain a (i) smaller reporting company until our outstanding common

stock held by nonaffiliates has a value of $250 million or more at the end of a second fiscal quarter; and (ii) non-accelerated filer until we have a public float of $75 million or more at the end of a second fiscal quarter. For as long as we continue to be both a smaller reporting company and non-accelerated filer, we may continue to take advantage of exemptions from certain reporting requirements that are applicable to other public companies, including not being required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and reduced financial reporting requirements.

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 2025 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) and Chief Financial 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 and Chief Financial Officer concluded that, as of September 27, 2026, 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 27, 2026 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 2025 10-K and “Risk Factors” in Part II, Item 1A of our Form 10-Q for the quarter ended June 28, 2026 (the “Second Quarter 2026 10-Q”). There have been no material changes to the risk factors previously disclosed in the 2025 10-K and the Second Quarter 2026 10-Q, except for the following risk factor that has been modified from the risk factor presented in the 2025 10-K.

We have outstanding borrowings under the 2025 Credit Agreement, any failure to comply with our existing covenants could result in an event of default, and we may be unable to obtain additional financing on acceptable terms or at all, which could limit our financial and operating flexibility and materially adversely affect our business.

On August 14, 2025, we 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 amount that we 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 Company now owned or acquired in the future. The 2025 Credit Agreement includes covenants that limit our 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) (as such terms are defined in the 2025 Credit Agreement).

As of September 27, 2026, the outstanding borrowing under the 2025 Credit Agreement was $15.4 million in addition to a $0.3 million letter of credit outstanding. After giving effect to the excess availability covenant and the outstanding letter of credit, the unused availability was $0.4 million.

Our borrowing base fluctuates and directly impacts our ability to borrow additional amounts under the 2025 Credit Agreement. In addition, the Administrative Agent has discretion under the 2025 Credit Agreement to establish reserves, revise eligibility criteria and modify advance rates. Any of these actions could reduce our borrowing availability, potentially at times when we most need liquidity. The covenants in the 2025 Credit Agreement could limit our ability to finance our future operations or capital needs, or to pursue available business opportunities. Additionally, we may be required to take certain actions that would act in a manner contrary to our business objectives to meet the covenants.

We may need to seek additional financing to fund our operations, working capital needs and inventory purchases, or to refinance the 2025 Credit Agreement before or at its maturity. Additional financing may not be available to us on acceptable terms, or at all. The lenders have no obligation to provide any increase under the uncommitted accordion. The 2025 Credit Agreement restricts our ability to incur additional indebtedness and grant liens, and substantially all of our personal property is already pledged as collateral, which may limit our ability to obtain other debt financing. Our ability to obtain financing may also be adversely affected by our operating results, the market price and trading volume of our common stock, and conditions in the credit and equity markets. If we are unable to obtain financing when needed, we may be required to delay, reduce or eliminate planned investments, reduce inventory purchases, implement further cost reductions, sell assets or pursue other strategic alternatives. Any of these actions could materially adversely affect our business, financial condition and results of operations.

If management concludes that there is substantial doubt about our ability to continue as a going concern, or if the report of our independent registered public accounting firm on our annual consolidated financial statements includes an explanatory paragraph to that effect, it could constitute a breach of our financial reporting covenant and an event of default under the 2025 Credit Agreement unless we obtain a waiver or amendment from the lenders. The lenders are under no obligation to provide a waiver or amendment and may condition one on fees, higher interest rates, additional reserves or more restrictive terms. A going concern determination could also adversely affect our relationships with vendors, payment processors, wholesale partners, landlords and employees, who may seek less favorable terms, deposits or reserves. It could also adversely affect the market price of our common stock and our ability to obtain additional financing.

Our failure to comply with any of the covenants under our 2025 Credit Agreement could prevent us from being able to draw on the revolving credit facility, cause an event of default under the 2025 Credit Agreement and result in an

acceleration of our outstanding indebtedness and various other rights and remedies of the lenders including the sale of the collateral. If our outstanding indebtedness were to be accelerated, we likely would not be able to satisfy all of our obligations under such indebtedness, which would materially adversely affect our financial condition and results of operations.

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

On May 8, 2024, the Company announced that its Board of Directors 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. During the thirteen weeks ended September 27, 2026, no shares were repurchased pursuant to the Company's 2024 Repurchase Program. As of September 27, 2026, $1.1 million remained available under the 2024 Repurchase Program authorization.

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 27, 2026, 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.

Item 6. Exhibits.

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed/ Furnished Herewith
		Form	File No.	Exhibit	Filing Date	
10.1	Second Amendment to Loan and Security Agreement, dated as of July 27, 2026, 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	07/31/2026	
10.2	Purchase Agreement, dated as of August 11, 2026, by and between Lulu's Fashion Lounge Holdings, Inc. and ARC Group International Ltd.	10-Q	001-41059	10.4	08/12/2026	
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a).					*
31.2	Certification of Chief Financial 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.					**
32.2	Certification of Chief Financial 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.

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, 2026

By: /s/ Crystal Landsem

Crystal Landsem
Chief Executive Officer
(Principal Executive Officer)

Date: November 12, 2026

By: /s/ Heidi Crane

Heidi Crane
Chief Financial Officer
(Principal Financial and Accounting Officer)

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, 2026

By: /s/ Crystal Landsem

Crystal Landsem
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Heidi Crane, 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, 2026

By: /s/ Heidi Crane

Heidi Crane

Chief Financial Officer

(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 27, 2026 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, 2026

By: /s/ Crystal Landsem

Crystal Landsem
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

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 27, 2026 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, 2026

By: /s/ Heidi Crane

Heidi Crane
Chief Financial Officer
(Principal Financial and Accounting Officer)