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 March 31, 2025

OR

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

For the transition period from __________ to __________

Commission File Number: 001-40828

a.k.a. Brands Holding Corp.

(Exact name of registrant as specified in its charter)

Delaware	**87-0970919**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

100 Montgomery Street, Suite 2270
San Francisco, California 94104
(Address of principal executive offices, including zip code)

415-295-6085
(Registrant's Telephone Number, Including Area Code)

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, par value $0.001 per share	**AKA**	**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act: None

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 (the "Exchange Act") 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 May 9, 2025, the registrant had 10,714,794 shares of common stock outstanding.

a.k.a. BRANDS HOLDING CORP.
FORM 10-Q

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FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q, including statements regarding our future results of operations and financial position, or that describe our plans, goals, intentions, objectives, strategies, expectations, beliefs and assumptions, are forward-looking statements. The words "believe," "may," "might," "will," "estimate," "continue," "anticipate," "intend," "expect," "project," "plan," "objective," "could," "would," "should" and similar expressions are intended to identify forward-looking statements. 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 financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. We caution that the forward-looking statements in this Quarterly Report on Form 10-Q are subject to a number of known and unknown risks, uncertainties and assumptions that may cause our actual results, performance or achievements to be materially different from any future results, performances or achievements expressed or implied by the forward-looking statements. Factors that could contribute to these differences include, among other things:

- economic downturns and market conditions beyond our control, including periods of inflation;
- the quality of global financial markets;
- risks related to doing business in China, including changes in the political and economic policies of the Chinese government or in relations between China and the United States;
- rapid changes in consumer preferences in the apparel, footwear and accessories industry;
- our ability to acquire new customers in a cost-effective manner;
- our ability to retain existing customers and maintain average order value levels;
- the effectiveness of our marketing and our ability to maintain high customer traffic;
- the rate of merchandise returns;
- our ability to manage inventory effectively;
- our ability to procure sufficient quantities of third-party merchandise on favorable terms;
- our ability to identify brands to acquire or to integrate and manage our acquisitions and investments effectively;
- the effectiveness of our growth strategy;
- our ability to expand into new markets;
- risks related to doing business internationally, including international economic, geopolitical instability (including the ongoing Ukraine and Israel wars, relations between China and Taiwan, trade wars and relations between the U.S. and Mexico), legal, compliance and supply chain risks;
- interruptions in or increased costs of shipping;
- risks related to our direct-to-consumer business model;
- risks related to sales of our products through wholesale and third-party marketplace providers;
- risks related to our use of social media and influencers in marketing, including potential impact to our reputation or regulatory scrutiny;
- our ability to achieve projected results or to meet the expectations of securities analysts or investors;
- fluctuations in our operating results;
- our ability to track our key operating metrics accurately;
- our ability to maintain our corporate integrity or the image and reputation of our brands;
- our ability to continue to comply with the New York Stock Exchange (the "NYSE") listing standards and maintain the listing of our common stock on the NYSE;
- potential liability for uncollected sales tax in certain jurisdictions;
- foreign currency exchange rate fluctuations;
- the effects of weather conditions, natural disasters or other unexpected events, including global health crises;
- our ability to attract or retain key personnel, manage executive officer succession effectively or hire, develop and motive key employees;
- risks related to our decentralized brand management structure;

- increases in labor costs or fluctuations in wage rates or the price, availability or quality of raw materials and finished goods;
- risks related to distribution, including expansion of the capacity of our fulfillment centers;
- our ability to meet stakeholder expectations for ethically- and sustainably-sourced fashion;
- declines in the fair value of intangible assets, or impairment of goodwill, of a business unit;
- our ability to comply with changing laws or regulations or contractual or other obligations related to data privacy and security;
- our reliance upon third-party suppliers and manufacturers;
- changes in accounting standards and subjective assumptions, estimates and judgments by management relating to complex accounting matters;
- our and our suppliers' compliance with laws or regulations regarding consumer protection, promotions, safety or other matters;
- risks related to climate change;
- our ability to comply with changing U.S., Australian or international trade policy, tariff or import/export regulations;
- our reliance on overseas manufacturing and supply partners, including vendors located in jurisdictions presenting an increased risk of bribery and corruption;
- inadequacy, interruption or integration or security failure of our and third parties' information technology systems;
- security breaches or resulting loss, theft, misuse or unauthorized disclosure or access of customer, supplier or sensitive company information;
- risks related to customer use of mobile devices to shop;
- restrictions or changes to "cookie" technology as a means of tracking consumer behavior;
- third-party claims of infringement, misappropriation or other violation of intellectual property rights;
- our ability to adequately establish, maintain, protect or enforce our intellectual property or proprietary rights, or prevent third parties from making unauthorized use of such rights, such as by counterfeiting of our products;
- risks related to collecting payments from customers;
- system interruptions that impair customer access to our sites or other performance failures in our technology infrastructure;
- the impact of our indebtedness, including future indebtedness, on our business and growth prospects;
- our ability to service our indebtedness;
- limitations on our operations as a result of restrictive covenants in our financing documents;
- our ability to refinance our indebtedness;
- our ability to raise capital or generate cash flows necessary to expand our operations;
- risks related to Summit Partners LP's control of us;
- volatility in our stock price, including as a result of sales of substantial amounts of our common stock;
- our decisions concerning the allocation of capital including the extent to which we repurchase shares of our common stock;
- our ability to develop and maintain proper and effective internal control over financial reporting; and
- the other risk factors set forth under Item 1A of Part I of our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the Securities and Exchange Commission (the "SEC") on March 6, 2025 (the "2024 Form 10-K").

Moreover, we operate in a very competitive and rapidly changing environment, and new risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Quarterly Report on Form 10-Q may not occur, and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance or events and circumstances reflected in the forward-looking statements will be achieved or occur. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. We undertake no obligation to update publicly any forward-looking statements for any reason after the date of this Quarterly Report on Form 10-Q to conform these statements to actual results or changes in our expectations, unless otherwise required by law.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

a.k.a. BRANDS HOLDING CORP.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share amounts)
(unaudited)

	March 31, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	$ 26,679	$ 24,192
Accounts receivable, net	13,402	8,107
Inventory	94,401	95,750
Prepaid expenses and other current assets	14,362	16,720
Total current assets	148,844	144,769
Property and equipment, net	32,636	31,262
Operating lease right-of-use assets	73,445	65,382
Intangible assets, net	49,889	52,354
Goodwill	89,606	89,254
Deferred tax assets	48	47
Other assets	2,101	2,136
Total assets	$ 396,569	$ 385,204
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 27,409	$ 30,299
Accrued liabilities	31,226	31,216
Sales returns reserve	9,634	7,587
Deferred revenue	13,175	12,215
Income taxes payable	654	1,039
Operating lease liabilities, current	8,884	8,382
Current portion of long-term debt	7,000	6,300
Total current liabilities	97,982	97,038
Long-term debt	112,910	105,411
Operating lease liabilities	72,373	63,496
Other long-term liabilities	1,825	1,625
Total liabilities	285,090	267,570
Commitments and contingencies (Note 15)		
Stockholders' equity:		
Preferred stock, $0.001 par value; 50,000,000 shares authorized; zero shares issued or outstanding as of each of March 31, 2025 and December 31, 2024	—	—
Common stock, $0.001 par value; 500,000,000 shares authorized; 10,692,964 and 10,669,649 shares issued and outstanding as of March 31, 2025 and December 31, 2024, respectively	128	128
Additional paid-in capital	473,311	471,758
Accumulated other comprehensive loss	(60,207)	(60,849)
Accumulated deficit	(301,753)	(293,403)
Total stockholders' equity	111,479	117,634
Total liabilities and stockholders' equity	$ 396,569	$ 385,204

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

a.k.a. BRANDS HOLDING CORP.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except share and per share amounts)
(unaudited)

	Three Months Ended March 31,	
	2025	2024
Net sales	$ 128,657	$ 116,840
Cost of sales	55,001	51,166
Gross profit	73,656	65,674
Operating expenses:		
Selling	38,184	34,215
Marketing	15,173	14,879
General and administrative	25,682	22,673
Total operating expenses	79,039	71,767
Loss from operations	(5,383)	(6,093)
Other expense, net:		
Interest expense	(2,663)	(2,278)
Other expense	(295)	(543)
Total other expense, net	(2,958)	(2,821)
Loss before income taxes	(8,341)	(8,914)
Provision for income taxes	(9)	(19)
Net loss	$ (8,350)	$ (8,933)
Net loss per share:		
Basic and diluted	$ (0.78)	$ (0.85)
Weighted average shares outstanding:		
Basic and diluted	10,686,730	10,520,458

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

a.k.a. BRANDS HOLDING CORP.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)
(unaudited)

	Three Months Ended March 31,	
	2025	2024
Net loss	$ (8,350)	$ (8,933)
Other comprehensive income (loss):		
Currency translation	642	(4,980)
Total comprehensive loss	$ (7,708)	$ (13,913)

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

a.k.a. BRANDS HOLDING CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(in thousands, except share data)
(unaudited)

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance as of December 31, 2024	10,669,649	$ 128	$ 471,758	$ (60,849)	$ (293,403)	$ 117,634
Equity-based compensation	—	—	2,059	—	—	2,059
Issuance of common stock under employee equity plans, net of shares withheld	39,225	—	(249)	—	—	(249)
Repurchase of shares	(15,910)	—	(257)	—	—	(257)
Cumulative translation adjustment	—	—	—	642	—	642
Net loss	—	—	—	—	(8,350)	(8,350)
Balance as of March 31, 2025	10,692,964	$ 128	$ 473,311	$ (60,207)	$ (301,753)	$ 111,479

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance as of December 31, 2023	10,567,881	$ 128	$ 466,172	$ (50,269)	$ (267,413)	$ 148,618
Equity-based compensation	—	—	1,956	—	—	1,956
Issuance of common stock under employee equity plans, net of shares withheld	19,458	—	(88)	—	—	(88)
Repurchase of shares	(104,103)	—	(1,063)	—	—	(1,063)
Cumulative translation adjustment	—	—	—	(4,980)	—	(4,980)
Net loss	—	—	—	—	(8,933)	(8,933)
Balance as of March 31, 2024	10,483,236	$ 128	$ 466,977	$ (55,249)	$ (276,346)	$ 135,510

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

a.k.a. BRANDS HOLDING CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Cash flows from operating activities:		
Net loss	$ (8,350)	$ (8,933)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	1,855	1,536
Amortization expense	2,519	2,762
Amortization of debt issuance costs	144	153
Lease incentives	1,025	—
Loss on disposal of businesses	—	673
Non-cash operating lease expense	2,833	2,075
Equity-based compensation	2,059	1,956
Changes in operating assets and liabilities:		
Accounts receivable, net	(5,289)	688
Inventory	1,572	(4,898)
Prepaid expenses and other current assets	2,279	2,118
Accounts payable	(2,699)	(4,058)
Income taxes payable	(388)	10
Accrued liabilities	143	(1,058)
Sales returns reserve	2,042	(2,073)
Deferred revenue	941	3,470
Lease liabilities	(2,561)	(2,108)
Net cash used in operating activities	(1,875)	(7,687)
Cash flows from investing activities:		
Purchases of intangible assets	—	(1)
Purchases of property and equipment	(3,436)	(754)
Net cash used in investing activities	(3,436)	(755)
Cash flows from financing activities:		
Proceeds from line of credit, net of issuance costs	21,500	16,500
Repayment of line of credit	(11,300)	(6,000)
Repayment of debt	(2,100)	(450)
Taxes paid related to net share settlement of equity awards	(248)	(88)
Repurchase of shares	(257)	(1,063)
Net cash provided by financing activities	7,595	8,899
Effect of exchange rate changes on cash, cash equivalents and restricted cash	108	(590)
Net increase (decrease) in cash, cash equivalents and restricted cash	2,392	(133)
Cash, cash equivalents and restricted cash at beginning of period	26,479	24,029
Cash, cash equivalents and restricted cash at end of period	$ 28,871	$ 23,896
Reconciliation of cash, cash equivalents and restricted cash:		
Cash and cash equivalents	$ 26,679	$ 21,939
Restricted cash, included in prepaid expenses and other current assets	472	295
Restricted cash, included in other assets	1,720	1,662
Total cash, cash equivalents and restricted cash	$ 28,871	$ 23,896

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

a.k.a. BRANDS HOLDING CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(tabular amounts in thousands, except share, per share data, unit, per unit data, ratios, or as noted)
(unaudited)

Note 1. Organization and Description of Business

a.k.a. Brands Holding Corp. (together with its wholly-owned subsidiaries, collectively, the "Company"), which operates under the name "a.k.a. Brands" or "a.k.a.," is a portfolio of next-generation fashion brands for the next generation of consumers. The Company seeks to leverage its industry expertise and operational synergies to accelerate its brands so they can grow faster, reach broader audiences, achieve greater scale and enhance their profitability.

The Company is headquartered in San Francisco, California, with buying, studio, marketing, fulfillment and administrative functions primarily in Australia and the United States.

Note 2. Significant Accounting Policies

Principles of Consolidation and Basis of Presentation

The Company's unaudited condensed consolidated interim financial statements have been prepared in accordance with Article 10 of the SEC's Regulation S-X. As permitted under those rules, certain footnotes or other financial information that are normally required by generally accepted accounting principles in the United States ("GAAP") can be condensed or omitted. These financial statements have been prepared on the same basis as our annual financial statements and, in the opinion of management, reflect all adjustments, consisting only of normal recurring adjustments, which are necessary for the fair statement of our financial information. The accompanying unaudited condensed consolidated financial statements and related financial information should be read in conjunction with the audited consolidated financial statements and the related notes thereto for the year ended December 31, 2024 which are included in the 2024 Form 10-K. The year-end condensed consolidated balance sheet data were derived from audited financial statements, but do not include all disclosures required by GAAP. These interim results are not necessarily indicative of the results to be expected for the fiscal year ending December 31, 2025 or for any other interim period or for any other future year. The accompanying condensed consolidated financial statements include the balances of the Company and all of its wholly-owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities in the consolidated financial statements and accompanying notes. Actual results could materially differ from those estimates. On an ongoing basis, the Company evaluates items subject to significant estimates and assumptions.

Revenue Recognition

Revenue is primarily derived from the sale of apparel merchandise through the Company's online websites, stores, third-party marketplaces, wholesale partnerships and, when applicable, shipping revenue.

Revenue is recognized in an amount that reflects the consideration expected to be received in exchange for products. To determine revenue recognition for contracts with customers in accordance with *Revenue from Contracts with Customers (Topic 606)*, the Company recognizes revenue from the commercial sales of products and contracts by applying the following five steps: (1) identification of the contract, or contracts, with the customer; (2) identification of the performance obligations in the contract; (3) determination of the transaction price; (4) allocation of the transaction price to the performance obligations in the contract; and (5) recognition of revenue when, or as, the Company satisfies its performance obligation. A contract is created with the customer at the time the order is placed by the customer, which creates a single performance obligation. The Company recognizes revenue for its single performance obligation at the time control of the product passes to the customer, which is when the goods are transferred to a third-party common carrier, for purchases through the Company's online websites or by wholesale partners, or at point of sale, for purchases in its stores. In addition, the Company has elected to treat shipping and handling as fulfillment activities and not a separate performance obligation.

Net sales from product sales includes shipping charged to the customer and is recorded net of taxes collected from customers, which are recorded in accrued liabilities and are remitted to governmental authorities. Cash discounts earned by the customers at the time of purchase and estimates for sales return allowances are deducted from gross revenue in determining net sales.

The Company generally provides refunds for goods returned within30 to 45 days from the original purchase date. A returns reserve is recorded by the Company based on historical refund experience with a corresponding reduction of sales and cost of sales. The sales return reserve was $9.6 million and $7.6 million as of March 31, 2025 and December 31, 2024, respectively.

The following table presents a summary of the Company's sales return reserve:

	Three Months Ended March 31,	
	2025	2024
Beginning balance	$ 7,587	$ 9,610
Returns	(25,105)	(25,900)
Provision	27,152	23,625
Ending balance	$ 9,634	$ 7,335

The Company also sells gift cards and issues online credits in lieu of cash refunds or exchanges. Proceeds from the issuance of gift cards and online credits issued are recorded as deferred revenue and recognized as revenue when the gift cards or online credit are redeemed or, upon inclusion in gift card and online credit breakage estimates. Breakage estimates are determined based on prior historical experience.

Revenue recognized in net sales on breakage of gift cards and online credit for thethree months ended March 31, 2025 and 2024 was $0.3 million and $0.5 million, respectively.

The following table presents the disaggregation of the Company's net sales by geography, based on customer address:

	Three Months Ended March 31,	
	2025	2024
U.S.	$ 88,054	$ 77,138
Australia & New Zealand	35,593	33,516
Rest of world	5,010	6,186
Total	$ 128,657	$ 116,840

Segment Information

Operating segments are defined as components of an entity for which separate financial information is available and is regularly reviewed by the Chief Operating Decision Maker (the "CODM") in deciding how to allocate resources and in assessing performance. The Company has determined that its four brands are each an operating segment. The Company has aggregated its operating segments into one reportable segment based on the similar nature of products sold, production, merchandising and distribution processes involved, target customers and economic characteristics.

Recent Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-09, Improvements to Income Tax Disclosures, which will require incremental income tax disclosures on an annual basis for all public entities. The amendments require that public business entities disclose specific categories in the rate reconciliation and provide additional information for reconciling items meeting a quantitative threshold. The amendments also require disclosure of income taxes paid to be disaggregated by jurisdiction, and disclosure of income tax expense disaggregated by federal, state and foreign. ASU 2023-09 is effective for annual reporting beginning with the fiscal year ending December 31, 2025. The Company is currently evaluating the incremental disclosures that will be required in the Company's consolidated financial statements.

In November 2024, FASB issued ASU 2024-03, Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses ("ASU 2024-03") and in January 2025, FASB issued ASU 2025-01, Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date, which clarified the effective date of ASU 2024-03. ASU 2024-03 will require the Company to disclose the amounts of purchases of inventory, employee compensation, depreciation and intangible asset amortization, as applicable, included in certain expense captions in the Company's consolidated statements of income, as well as qualitatively describe remaining amounts included in those captions. The Company intends to adopt ASU 2024-03 for the Company's fiscal year ended December 31, 2027 using a prospective transition method.

Note 3. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets are comprised of the following:

	March 31, 2025	December 31, 2024
Inventory prepayments	$ 5,342	$ 6,693
Other	9,020	10,027
Total prepaid expenses and other current assets	$ 14,362	$ 16,720

Note 4. Property and Equipment, Net

Property and equipment, net is comprised of the following:

	March 31, 2025	December 31, 2024
Furniture and fixtures	$ 5,618	$ 5,608
Machinery and equipment	4,734	4,686
Computer equipment and capitalized software	5,738	7,444
Leasehold improvements	32,170	31,230
Total property and equipment	48,260	48,968
Less: accumulated depreciation	(15,624)	(17,706)
Total property and equipment, net	$ 32,636	$ 31,262

Depreciation expense consisted of the following:

	Three Months Ended March 31,	
	2025	2024
Selling expenses	$ 1,569	$ 1,282
General and administrative expenses	286	254
Total depreciation expense	$ 1,855	$ 1,536

Note 5. Goodwill

The carrying value of goodwill, as of March 31, 2025 and December 31, 2024, was $89.6 million and $89.3 million, respectively. No goodwill impairment was required during either of the three months ended March 31, 2025 and 2024.

The following table summarizes goodwill activity:

Balance as of December 31, 2024	$ 89,254
Changes in foreign currency translation	352
Balance as of March 31, 2025	$ 89,606

Note 6. Intangible Assets

The gross amounts and accumulated amortization of acquired identifiable intangible assets with finite useful lives as of March 31, 2025 and December 31, 2024, included in intangible assets, net in the accompanying condensed consolidated balance sheets, are as follows:

		March 31, 2025		December 31, 2024	
	Useful life	Weighted Average Amortization Period 2025	2025	Weighted Average Amortization Period 2024	2024
Customer relationships	4 years	0.0 years	$ 2,543	0.3 years	$ 7,360
Brands	10 years	5.8 years	83,765	6.0 years	83,612
Trademarks	5 years	0.3 years	98	0.3 years	98
Total intangible assets			86,406		91,070
Less: accumulated amortization			(36,517)		(38,716)
Total intangible assets, net			$ 49,889		$ 52,354

Amortization of acquired intangible assets with finite useful lives is included in general and administrative expenses and was $2.5 million and $2.8 million for the three months ended March 31, 2025 and 2024, respectively.

Future estimated amortization expense for acquired identifiable intangible assets is as follows:

	Amortization Expense
Year ending December 31:	
Remainder of 2025	$ 6,806
2026	9,069
2027	9,069
2028	8,270
2029	7,203
Thereafter	9,472
Total amortization expense	$ 49,889

Note 7. Debt

Senior Secured Credit Facility

On September 24, 2021, certain subsidiaries of the Company entered into a senior secured credit facility comprised of a $100.0 million term loan and a $50.0 million revolving line of credit, as well as an option for additional term loan of up to $50.0 million through an accordion feature. The senior secured credit facility also allows for the issuance of one or more letters of credit from time to time by syndicate lenders. Effective April 4, 2023, the Company modified its senior secured credit facility under existing contractual provisions to yield interest from interest rates based on Term SOFR, as defined in the credit agreement for the senior secured credit facility (the “Credit Agreement”). Key terms and conditions of each facility were as follows:

- The $100.0 million term loan matures five years after closing (September 2026) and requires the Company to make amortized annual payments of 5.0% during the first and second years, 7.5% during the third and fourth years and 10.0% during the fifth year with the balance of the loan due at maturity. Borrowings under the term loan accrue interest at Term SOFR plus an applicable margin dependent upon the Company’s net leverage ratio, as defined in the Credit Agreement. The highest interest rate under the agreement occurs at a net leverage ratio of greater than 2.75x, yielding an interest rate of Term SOFR plus 3.25%.
- The $50.0 million revolving line of credit, which matures five years after closing (September 2026), accrues interest at Term SOFR plus an applicable margin dependent upon the Company’s net leverage ratio. The highest interest rate under the Credit Agreement occurs at a net leverage ratio of greater than 2.75x, yielding an interest rate of Term SOFR plus 3.25%. Additionally, a margin fee of 25-35 basis points is assessed on unused amounts under the revolving line of credit, subject to adjustment based on the Company’s net leverage ratio.

- The $50.0 million accordion feature allows the Company to enter into additional term loan borrowings at terms to be agreed upon at the time of issuance, but on substantially the same basis as the original term loan, which includes the requirement to make amortized annual payments at the same cadence as that of the original term loan.

The senior secured credit facility requires that the Company maintain a maximum total net leverage ratio of 3.50 to 1.00 and maintain a minimum fixed charge coverage ratio of 1.25 to 1.00, each as of the last day of any fiscal quarter. In the event that the Company fails to comply with the financial covenant, the Company will have the option to make certain equity contributions, directly or indirectly, to cure any non-compliance with such covenant, subject to certain other conditions and limitations. The Company is required to make a mandatory prepayment as a percentage of excess cash flows, as defined in the Credit Agreement, in the period based on the Company triggering certain net debt leverage ratios. Specifically, a mandatory prepayment of 50% of excess cash flows is required if the Company's net leverage ratio exceeds 2.75x, and a mandatory prepayment of 25% of excess cash flows is required if the Company's net leverage ratio is greater than or equal to 2.25x. As of March 31, 2025, the Company was in compliance with all financial debt covenants.

During the three months ended March 31, 2025, the Company borrowed $21.5 million under its revolving line of credit, with final payoff due on September 24, 2026, and voluntarily repaid $11.3 million of the amounts outstanding under its revolving line of credit.

As of March 31, 2025, the all-in rate (TermSOFR plus the applicable margin) for the Company's term loan and borrowings under the revolving line of credit was 7.93%.

Total Debt and Interest

Outstanding debt consisted of the following:

	March 31, 2025	December 31, 2024
Term loan	$ 86,950	$ 89,050
Revolving credit facility	33,500	23,300
Capitalized debt issuance costs	(540)	(639)
Total debt	119,910	111,711
Less: current portion	(7,000)	(6,300)
Total long-term debt	$ 112,910	$ 105,411

Interest expense, which included the amortization of debt issuance costs, totaled $2.7 million and $2.3 million for the three months ended March 31, 2025 and 2024, respectively. Additionally, as of March 31, 2025, the Company had $2.2 million of outstanding letters of credit. As of March 31, 2025, the carrying value of the Company's total debt was $119.9 million, while the fair value of the Company's total debt, valued using level 2 inputs, was $111.7 million.

As of March 31, 2025, the maturities of principal amounts of our total debt obligations were as follows:

Year ending December 31:	
Remainder of 2025	$ 4,200
2026	116,250
Total	$ 120,450

Note 8. Leases

The Company leases office locations, warehouse facilities and stores under various non-cancellable operating lease agreements. The Company's leases have remaining lease terms of approximately 1 year to 10 years, which represent the non-cancellable periods of the leases and include extension options that the Company determined are reasonably certain to be exercised. The Company excludes from the lease terms any extension options that are not reasonably certain to be exercised, ranging from approximately 6 months to 3 years. Lease payments consist primarily of fixed rental payments for the right to use the underlying leased assets over the lease terms as well as payments for common area maintenance and administrative services. The Company often receives customary incentives from landlords, such as reimbursements for tenant improvements and rent abatement periods, which effectively reduce the total lease payments owed for these leases. Leases are classified as operating or financing at commencement. The Company does not have any material financing leases.

Operating lease right-of-use assets and liabilities on the condensed consolidated balance sheets represent the present value of the remaining lease payments over the remaining lease terms. The Company uses its incremental borrowing rate to calculate the present value of the lease payments, as the implicit rates in the leases are not readily determinable. Operating lease costs consist primarily of the fixed lease payments included in the operating lease liabilities and are recorded on a straight-line basis over the lease terms.

The Company's operating lease costs were as follows:

	Three Months Ended March 31,	
	2025	2024
Operating lease costs	$ 4,175	$ 2,648
Variable lease costs	436	311
Short-term lease costs	126	84
Total lease costs	$ 4,737	$ 3,043

The Company does not have any sublease income and the Company's lease agreements do not contain any residual value guarantees or material restrictive covenants.

Supplemental cash flow information relating to the Company's operating leases was as follows:

	Three Months Ended March 31,	
	2025	2024
Cash paid for operating lease liabilities	$ 2,930	$ 2,577
Operating lease right-of-use assets obtained in exchange for new operating lease liabilities	10,728	5,627

Other information relating to the Company's operating leases was as follows:

	March 31, 2025	December 31, 2024
Weighted-average remaining lease term	6.7 years	6.7 years
Weighted-average discount rate	7.1%	6.9%

As of March 31, 2025, the maturities of operating lease liabilities were as follows:

Remainder of 2025	$ 10,176
2026	16,386
2027	15,075
2028	14,086
2029	14,086
Thereafter	35,810
Total remaining lease payments	105,619
Less: imputed interest	24,362
Total operating lease liabilities	81,257
Less: current portion	(8,884)
Long-term operating lease liabilities	$ 72,373

Note 9. Income Taxes

Interim income taxes are based on an estimated annualized effective tax rate applied to the respective quarterly periods, adjusted for discrete tax items in the period in which they occur. Although the Company believes its tax estimates are reasonable, the Company can make no assurance that the final tax outcome of these matters will not be different from that which it has reflected in its historical income tax provisions and accruals. The Company will adjust its liability for uncertain tax positions, if any, based on changes in facts and circumstances such as the closing of a tax audit or changes in estimates. The Company's income tax provision may be impacted to the extent that the final outcome of these tax positions is different than the position taken.

The Company is subject to income taxes in the United States and Australia. Significant judgment is required in evaluating the Company's tax positions and determining the provision for income taxes. During the ordinary course of business, the Company considers tax positions for which the ultimate tax determination is uncertain for the purpose of determining whether a reserve is required, despite the Company's belief that the tax positions are fully supportable. To date the Company has not established a reserve provision because the Company believes that all tax positions are highly certain.

The following table summarizes our effective tax rate for the periods presented:

	Three Months Ended March 31,	
	2025	2024
Loss before income taxes	$ (8,341)	$ (8,914)
Provision for income taxes	(9)	(19)
Effective tax rate	—%	—%

For the three months ended March 31, 2025, as compared to the same period in the prior year, the Company's effective tax rate was flat. The effective tax rate was lower than the U.S. statutory rate of 21.0% for the three months ended March 31, 2025 primarily due to non-deductible permanent differences in the U.S. and a full valuation allowance on the net deferred tax assets in U.S. and Australia.

Note 10. Accrued Liabilities

Accrued liabilities consisted of the following:

	March 31, 2025	December 31, 2024
Accrued salaries and other benefits	$ 13,050	$ 10,504
Accrued freight costs	2,672	4,551
Sales tax payable	3,624	3,132
Accrued marketing costs	4,559	5,800
Accrued professional services	1,290	1,160
Other accrued liabilities	6,031	6,069
Total accrued liabilities	$ 31,226	$ 31,216

Note 11. Deferred Revenue

Deferred revenue consisted of the following:

	March 31, 2025	December 31, 2024
Gift cards	$ 11,530	$ 11,473
Other	1,645	742
Total deferred revenue	$ 13,175	$ 12,215

Note 12. Equity-based Compensation

Incentive Plans

2021 Omnibus Incentive Plan

In September 2021, the Company's board of directors adopted, and its stockholders approved, the 2021 Omnibus Incentive Plan (the "2021 Plan") which became effective in connection with the Company's initial public offering of common stock (the "IPO"). The 2021 Plan provides for the grant of stock options, stock appreciation rights, restricted stock awards, restricted stock units and other forms of equity and cash compensation. A total of 408,355 shares of the Company's common stock, as adjusted for the Reverse Stock Split (refer to Note 13, "Stockholders' Equity"), were initially reserved for issuance under the 2021 Plan. The number of shares of common stock reserved and available for issuance under the 2021 Plan increases on January 1 of each year by 1% of the number of shares of the Company's common stock outstanding on the immediately preceding December 31, or such lesser number of shares as determined by the compensation committee of the Company's board of directors. On May 30, 2023, the Company's stockholders approved an amendment to the 2021 Plan to increase the number of shares available for issuance under the 2021 Plan by 833,333 shares of the Company's common stock, as adjusted for the Reverse Stock Split. On May 22, 2024, the Company's stockholders approved an amendment to the 2021 Plan to increase the number of shares available for issuance under the 2021 Plan by 1,100,000 shares of the Company's common stock. As of March 31, 2025, there were 2,662,075 shares reserved for issuance of awards under the 2021 Plan.

2021 Employee Stock Purchase Plan

In September 2021, the Company's board of directors adopted, and its stockholders approved, the 2021 Employee Stock Purchase Plan (the "ESPP") which became effective in connection with the IPO. A total of 102,088 shares of the Company's common stock, as adjusted for the Reverse Stock Split, were initially reserved for issuance under the ESPP. The number of shares reserved and available for issuance under the ESPP automatically increases on January 1 of each year by 1% of the number of shares of the Company's common stock outstanding on the immediately preceding December 31, or such lesser number of shares as determined by the compensation committee of the Company's board of directors. As of March 31, 2025, there were 422,475 shares reserved for issuance under the ESPP.

The offering periods of the ESPP are six months long and are anticipated to be offered twice per year. The price at which common stock is purchased under the ESPP is equal to 85% of the fair market value of a share of the Company's common stock on the first or last day of the offering period, whichever is lower. The fair value of the discount and the look-back period will be estimated using the Black-Scholes option pricing model.

2018 Stock and Incentive Compensation Plan

Prior to the IPO, the 2018 Stock and Incentive Compensation Plan, as amended (the "2018 Plan"), provided for the issuance of time-based incentive units and performance-based incentive units issued by Excelerate, L.P. (the predecessor entity of a.k.a. Brands Holding Corp.). In connection with the reorganization transactions and the IPO, all of the equity interests in Excelerate, L.P., including outstanding incentive units issued as equity-based compensation under the 2018 Plan, were transferred to New Excelerate, L.P. The incentive units issued under the 2018 Plan participate in distributions from New Excelerate, L.P., but only after investors receive their return of capital plus a specified threshold amount per unit. The total incentive pool size under the 2018 Plan was 16,475,735 units. The 2018 Plan was terminated in September 2021 in connection with the IPO, but continues to govern the terms of outstanding incentive units that were granted prior to the IPO. No further incentive units will be granted under the 2018 Plan.

Grant Activity

Stock Options

The 2021 Plan provides for the issuance of incentive and nonqualified stock options. Under the 2021 Plan, the exercise price of a stock option shall not be less than the fair market value of one share of the Company's common stock on the date of grant. Stock options have a contractual term, the period during which they are exercisable, not to exceed ten years from the date of grant, and generally vest over time, based on performance or based on the achievement of a market condition.

In September 2023, an award, including 416,667 performance-based stock options (the "Bryett Award"), was issued to Wesley Bryett, a member of the Company's board of directors and co-founder of Princess Polly. This award expires after ten years, or upon the termination of Mr. Bryett's service to the Company, and includes four tranches of stock options that will vest and become exercisable based upon the achievement of various common stock price targets. The weighted average exercise price for the options in the Bryett Award is $ 109.27. Each tranche of stock options has a different derived service period, the average of which is approximately 5.5 years. As of March 31, 2025, no options issued as part of the Bryett Award had vested, the options held no intrinsic value, and total unrecognized compensation cost related to the Bryett Award was $0.9 million, which is expected to be recognized over 4.0 years.

In connection with the appointment of Ciaran Long as the Chief Executive Officer in January 2025, Mr. Long was granted a performance-based stock option, representing a contingent right to purchase 100,000 shares of common stock at a specified price, upon vesting of the option (the "Long Award"). The Long Award expires after ten years, or upon the termination of Mr. Long's service to the Company, and includes four tranches that will vest and become exercisable based upon the achievement of various common stock price targets. The weighted average exercise price for the option in the Long Award is $ 120.00. Each tranche has a different derived service period, the average of which is approximately 4.2 years. As of March 31, 2025, no tranche of the Long Award had vested, the option held no intrinsic value, and total unrecognized compensation cost related to the Long Award was $1.0 million, which is expected to be recognized over 3.9 years.

A summary of the Company's time-based stock option activity under the 2021 Plan for the three months ended March 31, 2025, is as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value
Balance as of December 31, 2024	39,820	$ 81.47	7.06	$ —
Granted	—	—		
Exercised	—	—		
Forfeited/Repurchased	—	—		
Balance as of March 31, 2025	39,820	$ 81.47	6.81	$ —
Vested as of March 31, 2025	36,982	$ 80.35	6.83	$ —

As of March 31, 2025, there was $0.1 million of total unrecognized compensation cost related to unvested time-based stock options issued under the 2021 Plan, which is expected to be recognized over a weighted-average period of 0.4 years.

Restricted Stock Units

The 2021 Plan provides for the issuance of restricted stock units (“RSUs”). Time-based RSUs issued prior to March 31, 2022 vest over four years while all time-based RSUs issued after that date vest over three years.

In May 2024, an award (the “Interim CEO Award”) of 150,000 performance-based RSUs (“PSUs”) was issued to Ciaran Long, Interim Chief Executive Officer and Chief Financial Officer of the Company. The Interim CEO Award expires after five years, or upon the termination of Mr. Long’s service to the Company, and includes ten tranches of PSUs that will vest based upon the achievement of various common stock price targets. If any common stock price target is achieved for one or more tranches of PSUs prior to April 1, 2025, the vesting date for the applicable tranche(s) will be April 1, 2025. At the time of the grant, each PSU had a fair value of $ 29.50. Each tranche of PSUs has a different derived service period, the average of which is approximately 2.9 years. As of March 31, 2025, the common stock price target for two tranches of PSUs issued as part of the Interim CEO Award had been achieved, and the total unrecognized compensation cost related to the Interim CEO Award was $ 0.2 million, which is expected to be recognized over a weighted average period of 1.9 years.

A summary of the Company's time-based RSU activity under the 2021 Plan for the three months ended March 31, 2025, is as follows:

	Number of Shares	Weighted Average Grant Date Fair Value
Balance as of December 31, 2024	651,287	$ 14.93
Granted	51,439	17.50
Vested	(54,627)	18.67
Forfeited/Repurchased	(5,115)	14.55
Balance as of March 31, 2025	642,984	$ 14.79

As of March 31, 2025, there was $7.4 million of total unrecognized compensation cost related to unvested time-based RSUs issued under the 2021 Plan, which is expected to be recognized over a weighted-average period of 1.8 years.

Incentive Units

The 2018 Plan provided for the issuance of time-based incentive units and performance-based incentive units. Time-based incentive units generally vest over four years. Performance-based incentive units vested upon the satisfaction of the performance condition as described further below.

Time-Based Incentive Partnership Units

The following table summarizes time-based incentive unit activity under the 2018 Plan for the three months ended March 31, 2025:

	Number of Units	Weighted Average Grant Date Fair Value	Weighted Average Participation Threshold	Aggregate Intrinsic Value
Balance as of December 31, 2024	144,003	$ 1.40	$ 22.68	$ —
Granted	—	—	—	
Vested	(112,602)	1.42	22.68	
Forfeited/Repurchased	—	—	—	
Balance as of March 31, 2025	31,401	$ 1.31	$ 22.68	$ —
Vested as of March 31, 2025	9,159,803			

As of March 31, 2025, there was $12,000 of total unrecognized compensation cost related to unvested time-based incentive units issued under the 2018 Plan, which is expected to be recognized over a weighted average period of 0.1 years.

Equity-Based Compensation Expense

The Company recognizes compensation expense in general and administrative expenses within operating expenses for stock options, RSUs, ESPP purchase rights and time-based incentive units granted prior to the IPO by amortizing the grant date fair value on a straight-line basis over the expected vesting period to the extent the vesting of the grant is considered probable. The Company recognizes equity-based award forfeitures in the period such forfeitures occur.

The following table summarizes the Company's equity-based compensation expense by award type for all Plans:

	Three Months Ended March 31,	
	2025	2024
Stock options	$ 220	$ 180
RSUs	1,671	1,128
ESPP purchase rights	38	20
Time-based incentive units	130	628
Total	$ 2,059	$ 1,956

Note 13. Stockholders' Equity

Preferred Stock

In connection with the IPO, the Company's amended and restated certificate of incorporation became effective, which authorized the issuance of 50,000,000 shares of undesignated preferred stock with a par value of $0.001 per share with rights and preferences, including voting rights, designated from time to time by the Company's board of directors. There were no shares of preferred stock issued and outstanding as of March 31, 2025.

Common Stock

The Company has one class of common stock. In connection with the IPO, the Company's amended and restated certificate of incorporation became effective, which authorized the issuance of 500,000,000 shares of common stock with a par value of $0.001 per share, with one vote per share. Holders of common stock are entitled to receive any dividends as may be declared from time to time by the Company's board of directors.

On September 29, 2023, the Company effected a one-for-12 reverse stock split of its common stock (the "Reverse Stock Split"). No fractional shares were issued in connection with the Reverse Stock Split and all holders of such fractional interests received cash equal to such fraction multiplied by the average of the closing sales prices of the Company's common stock during the regular trading hours for the five consecutive trading days immediately preceding the effective date of the Reverse Stock Split, with such average closing sales prices being adjusted to give effect to the Reverse Stock Split. All references in these condensed consolidated financial statements to the Company's outstanding common stock, including per share information, prior to the Reverse Stock Split have been retrospectively adjusted to reflect the Reverse Stock Split.

Share Repurchase Program & Share Forfeitures

On May 25, 2023, the Company's board of directors approved a share repurchase program (the "Share Repurchase Program"). Pursuant to the Share Repurchase Program, the Company was initially authorized to repurchase up to $2.0 million of shares of the Company's common stock. Subsequently, in 2023, the Company's board of directors approved an additional repurchase capacity under the Share Repurchase Program of $3.0 million shares of the Company's common stock. The timing of any repurchases by the Company and the actual number of shares repurchased are at the Company's discretion, and, in deciding when to repurchase shares and the amount of shares to repurchase, the Company will consider available liquidity, general market and economic conditions, alternate uses for the capital and other factors. Share repurchases may be made from time to time through a Rule 10b5-1 trading plan, open market transactions, block trades or in private transactions in accordance with applicable securities laws and regulations and other legal requirements. The Share Repurchase Program may be suspended or discontinued at any time and has no expiration date.

Additionally, from time to time, the Company's employees may surrender shares of the Company's common stock to satisfy their statutory minimum federal and state tax obligations associated with the vesting of restricted shares of common stock issued under the 2021 Plan. With respect to these surrendered shares, the price paid per share is based on the fair value at the time of surrender.

During the three months ended March 31, 2025, inclusive of repurchases under the Share Repurchase Program and shares surrendered by employees to satisfy tax obligations, the Company repurchased 31,336 shares of its common stock for $0.5 million, at an average price of $16.13 per share.

Note 14. Net Loss Per Share

The following table sets forth the computation of basic and diluted net loss per share and a reconciliation of the weighted average number of shares outstanding:

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Numerator:		
Net loss	$ (8,350)	$ (8,933)
Denominator:		
Weighted-average common shares outstanding, basic and diluted	10,686,730	10,520,458
Net loss per share:		
Net loss per share, basic and diluted	$ (0.78)	$ (0.85)

Basic net income (loss) per share is calculated by dividing net income (loss) for the period by the weighted-average number of shares of common stock for the period. Diluted net income (loss) per share has been calculated in a manner consistent with that of basic net income (loss) per share while giving effect to shares issuable upon exercise and/or vesting of potentially dilutive stock option and RSU grants, as well as ESPP purchase rights, outstanding during the period, if applicable. Due to the net loss for all periods shown, no potentially dilutive securities had an impact on diluted loss per share for any period. For the three months ended March 31, 2025 and 2024, 434,436 and 217,355 shares, respectively, were excluded from the calculation of weighted-average diluted common shares outstanding as they had an anti-dilutive effect.

Note 15. Commitments and Contingencies

Legal Proceeding

In April 2024, the Company received a cease and desist letter alleging copyright infringement and related claims. This matter has not proceeded to litigation as of the date that these condensed consolidated financial statements are issued, and the Company has accrued $2.0 million to general and administrative expenses for current estimated losses in connection with these claims. The accrual for estimated losses is based on currently available information and may change as new information becomes available or circumstances change.

Note 16. Segment Information

The Company has determined that its four brands are each an operating segment and has aggregated its operating segments into one reportable segment based on the similar nature of products sold, production, merchandising and distribution processes involved, target customers and economic characteristics. The Chief Executive Officer of the Company is the CODM. The CODM uses both gross margin and Adjusted EBITDA as measures of profit or loss to evaluate performance and allocate resources. Gross margin is disclosed below as the segment profit measure as it is most consistent with the amounts included in the Company's consolidated financial statements.

The following table sets forth gross margin for the periods shown:

	Three Months Ended March 31,	
	2025	2024
Net sales	$ 128,657	$ 116,840
Cost of sales	55,001	51,166
Gross profit	$ 73,656	$ 65,674
Gross margin	57.2 %	56.2 %

Note 17. Subsequent Events

The Company has evaluated subsequent events occurring through the date that these financial statements were issued, and determined the following subsequent events occurred that would require disclosure in these financial statements.

Revolving Line of Credit

On April 1, 2025, the Company borrowed $5.8 million under the revolving line of credit, which is part of the Company's senior secured credit facility. The initial applicable interest rate for the borrowings is 8.00% and final payoff is due on September 24, 2026.

In April and May 2025, the Company repaid $6.0 million of the outstanding balance on its revolving line of credit. The remaining balance is due on September 24, 2026.

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 the condensed consolidated financial statements and related notes that are included elsewhere in this Quarterly Report on Form 10-Q. This discussion contains forward-looking statements based upon current plans, expectations and beliefs that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements because of various factors, including those set forth in the sections captioned “Risk Factors” and “Forward-Looking Statements” and in other parts of this Quarterly Report on Form 10-Q. Our fiscal year ends on December 31.

Overview

a.k.a. Brands is a portfolio of next-generation fashion brands for the next generation of consumers. We seek to leverage our industry expertise and operational synergies to accelerate our brands so they can grow faster, reach broader audiences, achieve greater scale and enhance their profitability. We believe we are disrupting the status quo and pioneering a new approach to fashion.

a.k.a. was founded with a focus on Millennial and Gen Z audiences who primarily find inspiration for fashion on social media. We have since built a portfolio of next-generation brands with distinct fashion offerings and consumer followings:

- Princess Polly, a fashion brand focusing on fun, trendy dresses, tops, shoes and accessories with slim fit, body-confident and trendy fashion designs. The brand targets a female customer between the ages of 15 and 25.
- Petal & Pup, a fashion brand offering an assortment of trendy, flattering and feminine styles and dresses for special occasions. The brand targets female customers typically in their twenties or thirties, with more than 70% of customers between the ages of 25 and 34.
- Culture Kings, a premium online retailer of streetwear apparel, footwear, headwear and accessories. The brand targets male consumers between the ages of 18 and 35 who are fashion conscious, highly social and digitally focused.
- mnml, a streetwear brand that offers competitively priced, on-trend wardrobe staples. The brand targets male consumers between the ages of 18 and 35.

Key Operating and Financial Metrics

Operating Metrics

We use the following metrics to assess the progress of our business, make decisions on where to allocate capital, time and technology investments and assess the near-term and longer-term performance of our business.

The following table sets forth our key operating metrics for each period presented:

(in millions, other than dollar figures)	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Active customers	4.13	3.83
Average order value	$ 78	$ 77
Number of orders	1.66	1.52

Active Customers

We view the number of active customers as a key indicator of our growth, our value proposition, consumer awareness of our brand, and our customer's desire to purchase our products. In any particular period, we determine our number of active customers by counting the total number of unique customer accounts who have made at least one purchase in the preceding 12-month period, measured from the last date of such period.

Average Order Value

We define average order value as net sales in a given period divided by the total orders placed in that period. Average order value may fluctuate as we expand into new categories, geographies or channels, or as our assortment changes.

Number of Orders

We define the number of orders as the total number of orders placed by our customers, prior to product returns, across our platform or in our stores in any given period. An order is counted on the day the customer places the order. We consider the number of orders to be a key indicator of our ability to attract and retain customers, as well as an indicator of the desirability of our products.

Key Financial Metrics

The following table sets forth our key financial metrics prepared in accordance with generally accepted accounting principles in the United States ("GAAP") and non-GAAP financial metrics for each period presented:

(dollars in thousands)	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Gross margin	57%	56 %
Net loss	$ (8,350)	$ (8,933)
Net loss margin	(6)%	(8)%
Adjusted EBITDA	$ 2,665	$ 874
Adjusted EBITDA margin	2 %	1 %
Net cash used in operating activities	$ (1,875)	$ (7,687)
Free Cash Flow	$ (5,311)	$ (8,441)

Adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"), Adjusted EBITDA margin and Free Cash Flow are non-GAAP measures. See "Non-GAAP Financial Measures" below for information regarding our use of Adjusted EBITDA, Adjusted EBITDA margin and Free Cash Flow and their reconciliation to net income (loss), net income (loss) margin and net cash from operating activities, respectively.

Non-GAAP Financial Measures

In addition to our results determined in accordance with GAAP, we monitor the following supplemental non-GAAP financial measures to evaluate our operating performance, identify trends, formulate financial projections and make strategic decisions on a consolidated basis. Accordingly, we believe that non-GAAP financial information may provide useful supplemental information to investors and others in understanding and evaluating our results of operations in the same manner as our management team. The non-GAAP financial measures are presented for supplemental informational purposes only. They should not be considered a substitute for financial information presented in accordance with GAAP, and may be different from similarly-titled non-GAAP measures used by other companies. A reconciliation is provided below for each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with GAAP. Investors are encouraged to review the related GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measures.

Adjusted EBITDA and Adjusted EBITDA Margin

We calculate Adjusted EBITDA as net income (loss) adjusted to exclude: interest and other expense; benefit from or provision for income taxes; depreciation and amortization expense; equity-based compensation expense; inventory step-up amortization expense; distribution center relocation costs; transaction costs; costs related to severance from headcount reductions; goodwill and intangible asset impairment; sales tax penalties; insured losses, net of any recoveries; and one-time or non-recurring items. We calculate Adjusted EBITDA margin as Adjusted EBITDA as a percentage of net sales. Adjusted EBITDA does not represent net income (loss) or cash flow from or used in operating activities as it is defined by GAAP and does not necessarily indicate whether cash flows will be sufficient to fund cash needs. Because other companies may calculate EBITDA and Adjusted EBITDA differently than we do, Adjusted EBITDA may not be comparable to similarly titled measures reported by other companies. Adjusted EBITDA has other limitations as an analytical tool when compared to the use of net income (loss), which is the most directly comparable GAAP financial measure, including that Adjusted EBITDA does not reflect:

- the interest or other expense we incur;
- the provision for or benefit from income tax;
- any attribution of costs to our operations related to our investments and capital expenditures through depreciation and amortization charges;
- any transaction or debt extinguishment costs;
- any costs to establish or relocate distribution centers;
- any costs related to severance from headcount reductions;
- any impairment of goodwill or intangible assets;
- any costs related to sales tax penalties;
- any insured losses, net of recoveries;
- any non-routine legal matters;
- any amortization expense associated with fair value adjustments from purchase price accounting, including intangibles or inventory step-up; and
- the cost of compensation we provide to our employees in the form of equity awards.

The following table reflects a reconciliation of Adjusted EBITDA to net loss and Adjusted EBITDA margin to net loss margin, the most directly comparable financial measures prepared in accordance with GAAP:

	Three Months Ended March 31,	
(dollars in thousands)	**2025**	**2024**
Net loss	$ (8,350)	$ (8,933)
Add (deduct):		
Total other expense, net	2,958	2,821
Provision for income tax	9	19
Depreciation and amortization expense	4,374	4,298
Equity-based compensation expense	2,059	1,956
Distribution center relocation costs	737	—
Non-routine legal matters	711	163
Non-routine items[1]	167	550
Adjusted EBITDA	$ 2,665	$ 874
Net loss margin	(6)%	(8)%
Adjusted EBITDA margin	2 %	1 %

[1]Non-routine items include severance from headcount reductions for the three months ended March 31, 2025, and severance from headcount reductions, sales tax penalties and insured losses, net of recoveries for the three months ended March 31, 2024.

Free Cash Flow

We calculate Free Cash Flow as net cash provided by (used in) operating activities reduced by purchases of property and equipment. Management believes Free Cash Flow is a useful measure of liquidity and an additional basis for assessing our ability to generate cash. There are limitations related to the use of Free Cash Flow as an analytical tool, including that other companies may calculate Free Cash Flow differently, which reduces its usefulness as a comparative measure, and Free Cash Flow does not reflect our future contractual commitments nor does it represent the total residual cash flow for a given period.

The following table presents a reconciliation of Free Cash Flow to net cash used in operating activities, the most directly comparable financial measure prepared in accordance with GAAP:

	Three Months Ended March 31,	
(dollars in thousands)	**2025**	**2024**
Net cash used in operating activities	$ (1,875)	$ (7,687)
Less: purchases of property and equipment	(3,436)	(754)
Free Cash Flow	$ (5,311)	$ (8,441)

Our Free Cash Flow has fluctuated over time primarily as a result of timing of inventory purchases, purchases of property and equipment and fluctuations in earnings.

For the three months ended March 31, 2025, net cash used in operating activities decreased by $5.8 million compared to net cash used in operating activities for the three months ended March 31, 2024. This was attributable primarily to more sell through of inventory in the current period, as compared to the prior period, as net sales grew by 10%.

For the three months ended March 31, 2025, Free Cash Flow increased by $3.1 million compared to Free Cash Flow for the three months ended March 31, 2024This was attributable primarily to more sell through of inventory in the current period, as compared to the prior period, partially offset by additional capital expenditures related to new stores, to support growth in the U.S.

Factors Affecting Our Performance

Macroeconomic Environment

The macroeconomic environment in which we operate impacts consumer behavior and may have a significant impact on our business. While positive conditions in the economy generally promote customer spending on our sites and in our stores, any economic weakness can result in a reduction of customer spending and have a significant negative impact on our results of operations. Specifically, many of our products may be viewed as discretionary items rather than necessities. Consequently, our results of operations tend to be sensitive to changes in the macroeconomic environment that impact consumer discretionary spending. Macroeconomic factors that could cause significant negative impacts on our results of operations include, but are not limited to: inflationary pressures on consumers globally and on our supply chain; elevated interest rates; employment rates; business conditions; changes in the housing market; changes in stock markets; adverse developments affecting the financial services industry; the availability of credit, both for us and for our customers; foreign currency exchange rates; fuel, energy and raw materials costs; supply chain challenges; wars and geopolitical tensions; and the effects of tariffs and other trade policies. For example, since February 2025, the U.S. administration has increased the aggregate tariff and duty levels for imported Chinese goods to greater than 150%, subject to certain exceptions, and additional tariff and/or duty increases could be imposed as trade tensions between the two countries continue to heighten. Tariffs on Chinese goods have an acute effect on our cost of goods sold, as a substantial majority of our products are imported from China. While we are currently evaluating measures to mitigate the effect of the tariffs and duties on our results of operations, including sourcing products from sources located outside of China and proportional increases to the prices of our products, there are countervailing considerations that may prevent us from mitigating the effects, such as the cost of goods from sources located outside of China and customer attraction and retention considerations. Further, sourcing products from new suppliers will result in significant expenses, including brokerage fees, the purchase prices for designs owned by our existing suppliers and termination fees for our arrangements with our existing suppliers, and may result in higher costs of goods, all of which could reduce our gross margin and otherwise materially and adversely affect our results of operations. Additionally, the products we purchase from our new suppliers may be of lesser quality as compared to the products we purchase from our current suppliers and shipping times may be longer, each of which may have a material and adverse effect on our operations and, therefore, our results of operations. We may experience inventory shortages while we identify, transition to and onboard new suppliers, which may lead to decreased sales and material and adverse effects on our results of operations. Moreover, we may be subject to risks associated with our expeditious change of suppliers to address the effects of the tariffs and duties, including more limited diligence on new suppliers and that these operational changes may prove to have been unnecessary in the long-term if trade relations between the U.S. and China improve.

Brand Awareness

Our ability to promote our brands and maintain brand awareness and loyalty is critical to our success. We have a significant opportunity to continue to grow awareness and loyalty to our brands through word of mouth, brand marketing, performance marketing, wholesale and marketplace opportunities, and increased store openings in key locations. We plan to continue to invest in performance marketing and increase our investment in brand awareness across our brands to drive our future growth. Failure to successfully promote our brands and maintain brand awareness would have an adverse impact to our operating results.

Customer Acquisition

To continue to grow our business profitably, we intend to acquire new customers and retain our existing customers at a reasonable cost. Our methods to acquire customers have evolved and will need to continue evolving in response to changes in shopping behaviors, content consumption, costs to advertise and developments in technology. Competition for social media and influencer-based marketing channels continues to increase, making it more difficult to differentiate ourselves and cost-effectively acquire customers. Failure to continue attracting customers efficiently and profitably would adversely impact our profitability and operating results.

Customer Retention

Our results are driven not only by the ability of our brands to acquire customers, but also by their ability to retain customers and encourage repeat purchases. We monitor retention across our entire customer base and use loyalty programs to attempt to retain customers. Failure to retain customers would adversely impact our profitability and operating results.

Inventory Management

Our test, repeat & clear inventory strategy, utilized fully by our Princess Polly and Petal & Pup brands, consists of smaller initial inventory purchases followed by analysis of real-time data and customer feedback, which allows us to identify and quickly re-order best sellers. While our initial orders are limited in size and, therefore, limit financial risk, 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 have begun to adopt this strategy, with initial success, at our Culture Kings and mnml brands as well.

Investment in our Operations and Infrastructure

We will continue to invest in our operations to facilitate further growth of our business. We intend to invest in headcount, inventory, stores, fulfillment, logistics, and software and data capabilities, including best-in-class third-party providers in order to improve customer experience, expand into more markets and drive operational efficiencies. While we are disciplined in our capital spending and believe we can generate positive returns on our investments over the long term, we cannot guarantee that increased spending on these investments will be cost effective or result in future growth in our customer base.

Foreign Currency Rate Fluctuations

Our international operations have provided and are expected to continue to provide a significant portion of our Company's net sales and operating income. As a result, our Company's net sales and operating income will continue to be affected by changes in the U.S. dollar against international currencies, predominantly against the Australian dollar. In order to provide a framework for assessing the performance of our underlying business, excluding the effects of foreign currency rate fluctuations, we compare the percent change in the results from one period to another period in this Quarterly Report on Form 10-Q using a constant currency methodology wherein current and comparative prior period results for our operations reporting in currencies other than U.S. dollars are converted into U.S. dollars at constant exchange rates (i.e., the rates in effect on December 31, 2024, which was the last day of our prior fiscal year) rather than the actual exchange rates in effect during the respective periods. Such disclosure throughout our Management's Discussion and Analysis of Financial Condition and Results of Operations will be described as "on a constant currency basis." Volatility in currency exchange rates may impact our results, including net sales and operating income, in the future.

Results of Operations

The following tables set forth our results of operations for the periods presented and express the relationship of certain line items as a percentage of net sales for those periods. The period-to-period comparison of financial results is not necessarily indicative of future results.

	Three Months Ended March 31,	
(in thousands)	2025	2024
Net sales	$ 128,657	$ 116,840
Cost of sales	55,001	51,166
Gross profit	73,656	65,674
Operating expenses:		
Selling	38,184	34,215
Marketing	15,173	14,879
General and administrative	25,682	22,673
Total operating expenses	79,039	71,767
Loss from operations	(5,383)	(6,093)
Other expense, net:		
Interest expense	(2,663)	(2,278)
Other expense	(295)	(543)
Total other expense, net	(2,958)	(2,821)
Loss before income taxes	(8,341)	(8,914)
Provision for income taxes	(9)	(19)
Net loss	$ (8,350)	$ (8,933)

	Three Months Ended March 31,	
	2025	2024
Net sales	100 %	100 %
Cost of sales	43 %	44 %
Gross profit	57%	56%
Operating expenses:		
Selling	30%	29%
Marketing	12%	13%
General and administrative	20 %	19 %
Total operating expenses	61 %	61 %
Loss from operations	(4%)	(5%)
Other expense, net:		
Interest expense	(2%)	(2%)
Other expense	— %	— %
Total other expense, net	(2 %)	(2 %)
Loss before income taxes	(6 %)	(8 %)
Provision for income taxes	— %	— %
Net loss	(6%)	(8%)

Comparison of the Three Months Ended March 31, 2025 and 2024

Net Sales

	Three Months Ended March 31,	
(in thousands)	**2025**	**2024**
Net sales	$ 128,657	$ 116,840

Net sales increased by $11.8 million, or 10%, for the three months ended March 31, 2025 as compared to the same period in 2024. The increase in net sales was primarily driven by a 9% increase in the number of orders we processed in the three months ended March 31, 2025 compared to the same period in 2024, which was primarily driven by growth in the U.S. across all sales channels, and a 1% increase in average order value in the three months ended March 31, 2025 compared to the same period in 2024. On a constant currency basis, net sales and average order value for the three months ended March 31, 2025 would have increased 12% and 3%, respectively, compared to the same period in 2024.

Cost of Sales

	Three Months Ended March 31,	
(dollars in thousands)	**2025**	**2024**
Cost of sales	$ 55,001	$ 51,166
Percent of net sales	43 %	44 %

Cost of sales increased by $3.8 million, or 7%, for the three months ended March 31, 2025 compared to the same period in 2024. This increase was primarily due to the 10% increase in net sales for the three months ended March 31, 2025, as compared to the same period in 2024, and the impact of growing wholesale initiatives, partially offset by the impact from incremental full price selling and improved inventory position. The decrease in cost of sales as a percentage of net sales was primarily due to the impact from incremental full price selling and improved inventory position, partially offset by the effect of growing wholesale initiatives.

Gross Profit

	Three Months Ended March 31,	
(dollars in thousands)	**2025**	**2024**
Gross profit	$ 73,656	$ 65,674
Gross margin	57 %	56 %

Gross profit increased by $8.0 million, or 12%, for the three months ended March 31, 2025 compared to the same period in 2024. This increase was primarily due to the 10% increase in net sales for the three months ended March 31, 2025, as compared to the same period in 2024, and the impact from incremental full price selling and improved inventory position, partially offset by the effect of growing wholesale initiatives. Gross margin increased due to the impact from incremental full price selling and improved inventory position, partially offset by the effect of growing wholesale initiatives.

Selling Expenses

	Three Months Ended March 31,	
(dollars in thousands)	**2025**	**2024**
Selling	$ 38,184	$ 34,215
Percent of net sales	30 %	29 %

Selling expenses increased by $4.0 million, or 12%, for the three months ended March 31, 2025, as compared to the same period in 2024. This increase was driven by the opening of additional stores, as well as the 10% increase in net sales for the three months ended March 31, 2025, as compared to the same period in 2024. The increase in selling expenses as a percentage of net sales was primarily due to the opening of additional stores.

Marketing Expenses

(dollars in thousands)	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Marketing	$ 15,173	$ 14,879
Percent of net sales	12 %	13 %

Marketing expenses increased by 2% for the three months ended March 31, 2025, as compared to the same period in 2024, due to increased marketing spend compared to the same period in 2024. Marketing expenses as a percentage of net sales decreased due to higher net sales compared to last year.

General and Administrative Expenses

(dollars in thousands)	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
General and administrative	$ 25,682	$ 22,673
Percent of net sales	20 %	19 %

General and administrative expenses increased by $3.0 million, or 13%, for the three months ended March 31, 2025, as compared to the same period in 2024. This increase, as well as the increase in general and administrative expenses as a percentage of net sales, was primarily due to a $1.8 million increase in wages and incentive compensation expense, a $0.5 million increase in non-routine legal matters and a $0.4 million increase in professional fees.

Other Expense, Net

(dollars in thousands)	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Other expense, net:		
Interest expense	$ (2,663)	$ (2,278)
Other expense	(295)	(543)
Total other expense, net	$ (2,958)	$ (2,821)
Percent of net sales	(2)%	(2)%

Total other expense, net increased by $0.1 million, or 5%, for the three months ended March 31, 2025 compared to the same period in 2024, primarily due to higher interest expense from an increase in our long-term debt balance.

Provision for Income Taxes

(dollars in thousands)	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Provision for income taxes	$ (9)	$ (19)
Percent of net sales	— %	— %

Provision for income taxes was flat for the three months ended March 31, 2025 compared to the same period in 2024.

Liquidity and Capital Resources

As of March 31, 2025, our principal sources of liquidity were cash and cash equivalents totaling $26.7 million, our revolving line of credit and our term loan accordion provision.

As of March 31, 2025, most of our cash was held for working capital purposes. We have historically financed our operations and capital expenditures primarily through cash flows generated by operations, the incurrence of debt and through the issuance of equity. We believe that our existing cash, together with cash generated from operations and available borrowing capacity under our credit facilities and lines of credit, will be sufficient to meet our anticipated cash needs for the next 12 months. We believe that cash generated from ongoing operations and continued access to debt markets will be sufficient to satisfy our cash requirements beyond 12 months. However, our liquidity assumptions may prove to be incorrect, and we could exhaust our available financial resources sooner than we currently expect. We may seek to borrow funds under our credit facility or raise additional funds at any time through equity, equity-linked or debt financing arrangements. Our future capital requirements and the adequacy of available funds will depend on many factors, including those described in the section of our 2024 Form 10-K captioned “Risk Factors.” We may not be able to secure additional financing to meet our operating requirements on acceptable terms, or at all. The inability to raise capital if needed would adversely affect our ability to achieve our business objectives.

Senior Secured Credit Facility

In connection with our initial public offering of common stock in September 2021 (the “IPO”), we entered into a senior secured credit facility comprised of a $100.0 million term loan and a $50.0 million revolving line of credit, with an option of up to $50.0 million in an additional term loan through an accordion provision. We used borrowings under this credit facility, together with a portion of the proceeds from the IPO, to repay our previous debt in full. As of March 31, 2025, we owed a combined $87.0 million in term loan and accordion borrowings, as well as $33.5 million borrowed under the revolving line of credit. The term loan requires us to make amortized annual payments of 5.0% during the first and second years, 7.5% during the third and fourth years and 10.0% during the fifth year with the balance of the loan due at maturity. Borrowings under the term loan accrue interest at Term SOFR, as defined in the credit agreement for the senior secured credit facility (the “Credit Agreement”), plus an applicable margin dependent upon our net leverage ratio, as defined in the Credit Agreement. The revolving line of credit, when used, also accrues interest at Term SOFR plus an applicable margin dependent upon our net leverage ratio. The highest interest rates under the Credit Agreement for both the term loan and the revolving line of credit occur at a net leverage ratio of greater than 2.75x, yielding an interest rate of a benchmark rate plus 3.25%. The accordion provision allows us to borrow additional amounts of term loan at terms to be agreed upon at the time of issuance, but on substantially the same basis as the original term loan. As of March 31, 2025, principal payments of our term loan and accordion for the next twelve months are anticipated to total $7.0 million.

Under the senior secured credit facility, we are subject to certain financial covenant ratios and certain annual mandatory prepayment terms based on excess cash flows, as defined in the Credit Agreement, based on our net leverage ratio. If we are unable to comply with certain financial covenant ratios, which include provisions that are not precisely defined and are subject to interpretation, and terms requiring mandatory prepayment based on a percentage of excess cash flows, our long-term liquidity position may be adversely impacted. Furthermore, the variable interest rates associated with our senior secured credit facility could result in interest payments that are higher than anticipated. We were in compliance with all debt covenants as of March 31, 2025, and expect to be in compliance beyond the next 12 months, although our ability to meet these financial ratios and tests can be affected by the interpretation of certain provisions in our Credit Agreement, macro-economic factors and the seasonality of our business, which is more concentrated in the third and fourth fiscal quarters.

Refer to Note 7, “Debt,” in the notes to our condensed consolidated financial statements included in this Quarterly Report on Form 10-Q for additional information regarding our senior secured credit facility.

Material Cash Requirements

There have been no significant changes in our material cash requirements from those reported in the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” section of our 2024 Form 10-K.

Historical Cash Flows

(in thousands)	Three Months Ended March 31, 2025	2024
Net cash used in operating activities	$ (1,875)	$ (7,687)
Net cash used in investing activities	(3,436)	(755)
Net cash provided by financing activities	7,595	8,899

Net Cash from Operating Activities

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

During the three months ended March 31, 2025, net cash used in operating activities decreased by $5.8 million as compared to the same period in 2024. This was attributable primarily to more sell through of inventory in the current period, as compared to the prior period, as net sales grew by 10%.

Net Cash Used in Investing Activities

Our primary investing activities have consisted of acquisitions to support our overall business growth and investments in our fulfillment centers, our stores and our internally developed software to support our infrastructure. Purchases of property and equipment may vary from period to period due to timing of the expansion of our operations.

During the three months ended March 31, 2025, net cash used in investing activities increased by $2.7 million, as compared to the same period in 2024. This was attributable to additional capital expenditures related to new stores compared to the prior year.

Net Cash from Financing Activities

Our financing activities have historically consisted of cash proceeds from borrowings, cash used to pay down borrowings, cash received from the sale of our common stock in the IPO and cash used to repurchase shares of our common stock.

During the three months ended March 31, 2025, net cash provided by financing activities decreased by $1.3 million, as compared to the same period in 2024. This was primarily attributable to additional repayment of amounts owed under our senior secured credit facility in 2025, as compared to the prior period.

Share Repurchase Program

On May 25, 2023, our board of directors approved the Share Repurchase Program, authorizing us to repurchase up to $2.0 million of shares of our common stock. Subsequently, in 2023, our board of directors approved an additional repurchase capacity under the Share Repurchase Program of $3.0 million of shares of our common stock. The timing of any of our repurchases and the actual number of shares repurchased are at our discretion, and, in deciding when to repurchase shares and the amount of shares to repurchase, we will consider available liquidity, general market and economic conditions, alternate uses for the capital and other factors. Share repurchases may be made from time to time through a Rule 10b5-1 trading plan, open market transactions, block trades or in private transactions in accordance with applicable securities laws and regulations and other legal requirements. The Share Repurchase Program may be suspended or discontinued at any time and has no expiration date. All repurchased shares under the Share Repurchase Program will be retired.

During the three months ended March 31, 2025, we repurchased 15,910 shares of our common stock under the Share Repurchase Program for $0.3 million, at an average price of $16.15 per share.

Critical Accounting Estimates

There have been no significant changes in our critical accounting estimates from those reported in the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” section of our 2024 Form 10-K.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a “smaller reporting company,” as defined in Item 10 of Regulation S-K, we are not required to provide this information.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of the end of the period covered by this Quarterly Report on Form 10-Q. This evaluation is performed to determine whether our disclosure controls and procedures are effective to provide reasonable assurance that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure and are effective to provide reasonable assurance that such information is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms. Due to the material weaknesses described below, our Chief Executive Officer and our Chief Financial Officer concluded that the Company's disclosure controls and procedures were not effective at the reasonable assurance level as of March 31, 2025. Nevertheless, based on the performance of additional procedures by management designed to ensure reliability of financial reporting, the Company's management has concluded that, notwithstanding the material weaknesses described below, the condensed consolidated financial statements for the periods covered by and included in this Quarterly Report on Form 10-Q fairly present, in all material respects, the Company's financial position, results of operations and cash flows as of the dates, and for the periods presented, in conformity with GAAP.

Material Weaknesses

We have identified material weaknesses in the design and operation of our internal control over financial reporting in connection with the preparation of our financial statements, as previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2021, that had not been remediated as of March 31, 2025. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of a company's annual or interim financial statements will not be prevented or detected on a timely basis. The Company's management, including our Chief Executive Officer and our Chief Financial Officer concluded that, as of March 31, 2025:

- We did not design and maintain an effective internal control environment commensurate with the financial reporting requirements of a public company. Specifically, we lacked a sufficient complement of personnel with an appropriate level of knowledge, experience and training in internal control over financial reporting and the reporting requirements of a public company. In addition, we did not formally delegate authority or establish appropriate segregation of duties in our finance and accounting functions, including as it relates to the preparation and approval of journal entries. As a result, changes to existing controls or the implementation of new controls have not been sufficient to respond to changes to the risks of material misstatement to financial reporting. These material weaknesses contributed to the following additional material weakness:
- We did not design and maintain effective controls with respect to certain information technology general controls (ITGCs) for information systems relevant to the preparation of our financial statements, specifically, (i) program change management controls to ensure that program and data changes are identified, tested, authorized and implemented appropriately; (ii) user access controls to adequately restrict user and privileged access to appropriate personnel; (iii) computer operations controls to ensure that processing and transfer of data, and data backups and recovery are monitored; and (iv) program development controls to ensure that new software development is tested, authorized and implemented appropriately.

These material weaknesses resulted in immaterial errors to various accounts to our historical annual and interim consolidated financial statements. Additionally, each of these material weaknesses could result in a misstatement of substantially all account balances or disclosures that would result in a material misstatement to our annual or interim condensed consolidated financial statements that would not be prevented or detected.

Remediation Status of Material Weaknesses

We have taken, and continue to take, steps to address the underlying causes of the material weaknesses, including the following:

- We hired additional experienced financial reporting personnel and put new processes in place to achieve complete, accurate and timely financial reporting.

- We also hired a third-party consulting firm with expertise to help us design, implement and document our internal controls in response to the material weaknesses.
- We increased the training of accounting and finance staff related to internal control over financial reporting.
- We are in the process of formalizing and performing a risk assessment process that includes the identification and walkthrough of key business processes to ensure controls are designed and implemented in response to identified risks.
- We continue with the process to (i) identify key systems and processes that require the design and implementation of new controls and enhanced documentation related to existing controls, (ii) design and implement controls for segregation of duties, (iii) assess the design of ITGCs and (iv) implement an enterprise resource planning (“ERP”) system.
- We are completing a segregation of duties assessment and identifying key conflicts and mitigating controls.
- We are developing policies and procedures for the periodic user access review of all users with access to financially relevant systems.

While the material weaknesses have not been remediated as of March 31, 2025, management is devoting substantial resources to the ongoing remediation efforts. As we continue to evaluate and work to improve our internal control over financial reporting, we may take additional measures to address control deficiencies, or we may modify certain of the remediation measures described above. The material weaknesses will not be considered remediated until the applicable controls operate for a sufficient period of time and management has concluded, through testing, that these controls are designed and operating effectively.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the period covered by this Quarterly Report on Form 10-Q 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

In April 2024, we received a cease and desist letter alleging copyright infringement and related claims. This matter has not proceeded to litigation as of the date hereof, and we have accrued $2.0 million to general and administrative expenses for current estimated losses in connection with these claims. The accrual for estimated losses is based on currently available information and may change as new information becomes available or circumstances change.

In addition, we are subject to legal proceedings which arise in the ordinary course of business. Litigation is subject to inherent uncertainties. We currently are not certain whether the ultimate outcome of such legal proceedings, individually or in the aggregate, will have a material adverse effect on our financial position, results of operations or cash flows. If an unfavorable ruling were to occur, there exists the possibility of a material adverse impact on our results of operations in the period in which the ruling occurs. The estimate of the potential impact from such legal proceedings on our financial position or results of operations could change in the future.

ITEM 1A. RISK FACTORS

Reference is made to the information disclosed under Part I, Item 1A - "Risk Factors" in our2024 Form 10-K, which contains a detailed discussion of certain risk factors that could materially adversely affect the Company's business, operating results or financial condition. There are no material changes to the risk factors previously disclosed, nor has the Company identified any previously undisclosed risks that could materially adversely affect the Company’s business, operating results or financial condition.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES, USE OF PROCEEDS AND ISSUER PURCHASES OF EQUITY SECURITIES

On May 25, 2023, the Company's board of directors approved the Share Repurchase Program, authorizing the Company to repurchase up to $2.0 million of shares of the Company's common stock. Subsequently, in 2023, the Company's board of directors approved an additional repurchase capacity under the Share Repurchase Program of $3.0 million of shares of the Company's common stock. The timing of any repurchases by the Company and the actual number of shares repurchased are at the Company's discretion, and, in deciding when to repurchase shares and the amount of shares to repurchase, the Company will consider available liquidity, general market and economic conditions, alternate uses for the capital and other factors. Share repurchases may be made from time to time through a Rule 10b5-1 trading plan, open market transactions, block trades or in private transactions in accordance with applicable securities laws and regulations and other legal requirements. The Share Repurchase Program may be suspended or discontinued at any time and has no expiration date. All repurchased shares under the Share Repurchase Program will be retired.

The following table sets forth our share repurchase activity, on a settlement date basis, for the three months ended March 31, 2025:

Period	Total Number of Shares Purchased[1]	Average Price Paid per Share	Total Number of Shares Purchased as Part of a Publicly Announced Plan or Program	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program (millions)[2]
January 1, 2025 - January 31, 2025	11,178	$ 17.24	5,614	$ 1.2
February 1, 2025 - February 28, 2025	13,062	16.35	5,295	1.2
March 1, 2025 - March 31, 2025	7,096	13.98	5,001	1.1
Total	31,336		15,910	

1. 15,426 of these shares represent shares of common stock surrendered by certain of our employees to satisfy their statutory minimum U.S. federal and state tax obligations associated with the vesting of restricted shares of common stock issued under the 2021 Omnibus Incentive Plan. With respect to these surrendered shares, the price paid per share is based on the fair value at the time of surrender.
2. Reflects the dollar value of shares that may yet be repurchased under the Share Repurchase Program announced on May 25, 2023. The Company's board of directors initially authorized the repurchase of an aggregate of $2.0 million of shares of common stock pursuant to the Share Repurchase Program. On December 18, 2023, the Company announced its board of directors approved an additional repurchase capacity under the Share Repurchase Program of $3.0 million of shares of the Company's common stock.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Rule 10b5-1 Trading Plans

During the three months ended March 31, 2025, none of the Company's directors or executive officersadopted or terminated any contract, instruction or written plan for the purchase or sale of the Company's securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement."

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ITEM 6. EXHIBITS

The following exhibits are filed herewith or incorporated by reference herein:

Exhibit No.	Description
3.1	Amended and Restated Certificate of Incorporation of a.k.a. Brands Holding Corp., filed with the Delaware Secretary of State on September 21, 2021 (incorporated by reference to Exhibit 3.1 to a.k.a. Brands Holding Corp.'s Current Report on Form 8-K (File No. 001-40828), filed with the Securities and Exchange Commission on September 27, 2021).
3.2	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of a.k.a. Brands Holding Corp., filed with the Delaware Secretary of State on September 25, 2023 (incorporated by reference to Exhibit 3.1 to a.k.a. Brands Holding Corp.'s Current Report on Form 8-K (File No. 001-40828) filed with the Securities and Exchange Commission on September 29, 2023).
3.3	Amended and Restated Bylaws of a.k.a. Brands Holding Corp., effective September 21, 2021 (incorporated by reference to Exhibit 3.2 to a.k.a. Brands Holding Corp.'s Current Report on Form 8-K (File No. 001-40828), filed with the Securities and Exchange Commission on September 27, 2021).
31.1*	Certification of Principal Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Principal Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	Inline XBRL Instance 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 Labels Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
104*	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).

* Filed herewith.

** Furnished herewith. The certification attached as Exhibit 32.1 that accompanies this Quarterly Report on Form 10-Q is deemed furnished and not filed with the SEC and is not to be incorporated by reference into any filing of the Company under the Securities Act or the Exchange Act, whether made before or after the date of this Quarterly Report on Form 10-Q, irrespective of any general incorporation language contained in such filing.

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.

a.k.a. Brands Holding Corp.

Date: May 13, 2025	By:	/s/ Kevin Grant
	Name:	Kevin Grant
	Title:	Chief Financial Officer (Authorized Signatory and Principal Financial and Accounting Officer)

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO
SECURITIES EXCHANGE ACT OF 1934 RULES 13a-14(a) AND 15d-14(a),
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Ciaran Long, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of a.k.a. Brands Holding Corp.;

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 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 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.

a.k.a. Brands Holding Corp.

Date: May 13, 2025

By:	/s/ Ciaran Long
Name:	Ciaran Long
Title:	Chief Executive Officer (Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO
SECURITIES EXCHANGE ACT OF 1934 RULES 13a-14(a) AND 15d-14(a),
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Kevin Grant, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of a.k.a. Brands Holding Corp.;

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 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 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.

a.k.a. Brands Holding Corp.

Date: May 13, 2025

By:	/s/ Kevin Grant
Name:	Kevin Grant
Title:	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

Exhibit 32.1

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

I, Ciaran Long, Chief Executive Officer of a.k.a. Brands Holding Corp., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of a.k.a. Brands Holding Corp. for the quarter ended March 31, 2025 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of a.k.a. Brands Holding Corp.

a.k.a. Brands Holding Corp.

Date: May 13, 2025

By:	/s/ Ciaran Long
Name:	Ciaran Long
Title:	Chief Executive Officer (Principal Executive Officer)

Exhibit 32.2

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

I, Kevin Grant, Chief Financial Officer of a.k.a. Brands Holding Corp., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of a.k.a. Brands Holding Corp. for the quarter ended March 31, 2025 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of a.k.a. Brands Holding Corp.

a.k.a. Brands Holding Corp.

Date: May 13, 2025	By:	/s/ Kevin Grant
	Name:	Kevin Grant
	Title:	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)