



**Tile Shop Holdings, Inc. and Subsidiaries
Consolidated Financial Statements**

March 31, 2026

Tile Shop Holdings, Inc. and Subsidiaries
Consolidated Balance Sheets
(dollars in thousands, except share and per share data)

	March 31, 2026 (unaudited)	December 31, 2025 (audited)
Assets		
Current assets:		
Cash and cash equivalents	\$ 8,718	\$ 10,120
Receivables, net	4,285	3,461
Inventories	86,979	89,399
Income tax receivable	1,161	1,161
Other current assets, net	8,511	8,861
Total Current Assets	109,654	113,002
Property, plant and equipment, net	52,252	54,316
Right of use asset	124,958	126,261
Deferred tax assets	6,543	6,554
Other assets	1,382	1,592
Total Assets	\$ 294,789	\$ 301,725
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 24,228	\$ 25,326
Income tax payable	89	79
Current portion of lease liability	29,639	29,882
Other accrued liabilities	30,146	23,920
Total Current Liabilities	84,102	79,207
Long-term debt	15,000	25,000
Long-term lease liability, net	103,392	104,963
Other long-term liabilities	4,793	5,316
Total Liabilities	207,287	214,486
Stockholders' Equity		
Common stock, par value \$0.0001; authorized: 100,000,000 shares; issued and outstanding: 39,570,082 and 39,821,741 shares, respectively	4	4
Preferred stock, par value \$0.0001; authorized: 10,000,000 shares; issued and outstanding: 0 shares	-	-
Additional paid-in capital	98,743	98,517
Accumulated deficit	(11,245)	(11,282)
Total Stockholders' Equity	87,502	87,239
Total Liabilities and Stockholders' Equity	\$ 294,789	\$ 301,725

Tile Shop Holdings, Inc. and Subsidiaries
Consolidated Statements of Income (Unaudited)
(dollars in thousands, except per share data)

	Three Months Ended March 31,	
	2026	2025
Net sales	\$ 86,565	\$ 88,009
Cost of sales	31,832	29,939
Gross profit	54,733	58,070
Selling, general and administrative expenses	54,245	57,887
Income from operations	488	183
Interest (expense)/income, net	(438)	18
Income before income taxes	50	201
Provision for income taxes	(14)	(29)
Net income	\$ 36	\$ 172
Income per common share:		
Basic	\$ 0.00	\$ 0.00
Diluted	\$ 0.00	\$ 0.00
Weighted average shares outstanding:		
Basic	39,110,373	43,822,770
Diluted	39,148,841	43,928,230

Tile Shop Holdings, Inc. and Subsidiaries
Consolidated Statements of Cash Flows (Unaudited)
(dollars in thousands)

	Three Months Ended	
	March 31,	
	2026	2025
Cash Flows From Operating Activities		
Net income	\$ 36	\$ 172
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	3,841	4,005
Amortization of debt issuance costs	18	18
(Gain) loss on disposals of property, plant and equipment	(788)	-
Non-cash lease expense	7,091	6,897
Stock based compensation	350	378
Deferred income taxes	11	26
Changes in operating assets and liabilities:		
Receivables, net	(824)	(774)
Inventories	2,420	(1,878)
Other current assets, net	542	1,062
Accounts payable	(1,084)	3,296
Income tax receivable / payable	10	30
Accrued expenses and other liabilities	(1,899)	(3,238)
Net cash provided by operating activities	9,724	9,994
Cash Flows From Investing Activities		
Purchases of property, plant and equipment	(2,194)	(3,625)
Proceeds from the sale of property, plant and equipment	1,192	-
Net cash used in investing activities	(1,002)	(3,625)
Cash Flows From Financing Activities		
Payments of long-term debt	(17,500)	-
Advances on line of credit	7,500	-
Employee taxes paid for shares withheld	(124)	(267)
Net cash used in financing activities	(10,124)	(267)
Net change in cash and cash equivalents	(1,402)	6,102
Cash and cash equivalents beginning of period	10,120	20,957
Cash and cash equivalents end of period	\$ 8,718	\$ 27,059
Supplemental disclosure of cash flow information		
Purchases of property, plant and equipment included in accounts payable and accrued expenses	\$ 304	\$ 274
Cash paid for interest	509	36
Cash (received) paid for income taxes, net	(7)	-