

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

FORM 10-Q

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

For the quarterly period ended May 4, 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 001-37641

DULUTH HOLDINGS INC.
(Exact name of registrant as specified in its charter)

Wisconsin
(State or other jurisdiction of
incorporation or organization)

201 East Front Street
Mount Horeb, Wisconsin
(Address of principal executive offices)

39-1564801
(I.R.S. Employer
Identification Number)

53572
(Zip Code)

(608) 424-1544
(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
Class B Common Stock, No Par Value	DLTH	NASDAQ Global Select Market

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

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

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

Large Accelerated Filer	☐	Accelerated Filer	☐
Non-accelerated Filer	☒	Smaller Reporting Company	☒
		Emerging Growth Company	☐

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares outstanding of the Registrant's Class A common stock, no par value, as of June 4, 2025, was 3,364,200.
The number of shares outstanding of the Registrant's Class B common stock, no par value, as of June 4, 2025, was 34,214,660.

DULUTH HOLDINGS INC.
QUARTERLY REPORT ON FORM 10-Q
FOR QUARTER ENDED May 4, 2025
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PART I. FINANCIAL INFORMATION**Item 1. Financial Statements**

DULUTH HOLDINGS INC.
Condensed Consolidated Balance Sheets - Assets
(Unaudited)
(Amounts in thousands)

	<u>May 4, 2025</u>	<u>February 2, 2025</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 8,579	\$ 3,335
Receivables	4,248	3,970
Income tax receivable	—	—
Inventory, less reserves of \$2,333 and \$2,135, respectively	176,108	166,545
Prepaid expenses & other current assets	<u>22,189</u>	<u>17,781</u>
Total current assets	211,124	191,631
Property and equipment, net	106,274	111,560
Operating lease right-of-use assets	100,076	102,663
Finance lease right-of-use assets, net	32,112	32,957
Available-for-sale security	4,860	4,491
Other assets, net	9,259	9,140
Deferred tax assets	—	—
Total assets	<u>\$ 463,705</u>	<u>\$ 452,442</u>

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

DULUTH HOLDINGS INC.
Condensed Consolidated Balance Sheets – Liabilities and Shareholders' Equity
(Unaudited)
(Amounts in thousands)

	May 4, 2025	February 2, 2025
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Trade accounts payable	\$ 45,940	\$ 73,882
Accrued expenses and other current liabilities	27,543	35,684
Income taxes payable	65	65
Current portion of operating lease liabilities	15,875	15,534
Current portion of finance lease liabilities	2,578	2,541
Line of credit	64,000	—
Current maturities of TRI long-term debt	953	931
Total current liabilities	156,954	128,637
Operating lease liabilities, less current maturities	86,471	89,222
Finance lease liabilities, less current maturities	29,962	30,621
TRI long-term debt, less current maturities	24,054	24,283
Deferred tax liabilities	1,371	—
Total liabilities	298,812	272,763
Shareholders' equity:		
Preferred stock, no par value; 10,000 shares authorized; no shares issued or outstanding as of May 4, 2025 and February 2, 2025	—	—
Common stock (Class A), no par value; 10,000 shares authorized; 3,364 shares issued and outstanding as of May 4, 2025 and February 2, 2025	—	—
Common stock (Class B), no par value; 200,000 shares authorized; 32,154 shares issued and 31,890 shares outstanding as of May 4, 2025 and 32,077 shares issued and 31,813 shares outstanding as of February 2, 2025	—	—
Treasury stock, at cost; 264 and 264 shares as of May 4, 2025 and February 2, 2025, respectively	(2,596)	(2,332)
Capital stock	108,329	108,009
Retained earnings	62,428	77,721
Accumulated other comprehensive loss	(300)	(722)
Total shareholders' equity of Duluth Holdings Inc.	167,861	182,676
Noncontrolling interest	(2,968)	(2,997)
Total shareholders' equity	164,893	179,679
Total liabilities and shareholders' equity	\$ 463,705	\$ 452,442

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

DULUTH HOLDINGS INC.
Condensed Consolidated Statements of Operations
(Unaudited)
(Amounts in thousands, except per share figures)

	Three Months Ended	
	May 4, 2025	April 28, 2024
Net sales	\$ 102,704	\$ 116,684
Cost of goods sold (excluding depreciation and amortization)	49,349	55,060
Gross profit	53,355	61,624
Selling, general and administrative expenses	65,707	70,595
Operating loss	(12,352)	(8,971)
Interest expense	1,481	993
Other (loss) income, net	(161)	16
Loss before income taxes	(13,994)	(9,948)
Income tax expense (benefit)	1,270	(2,083)
Net loss	(15,264)	(7,865)
Less: Net income attributable to noncontrolling interest	29	8
Net loss attributable to controlling interest	<u>\$ (15,293)</u>	<u>\$ (7,873)</u>
Basic earnings per share (Class A and Class B):		
Weighted average shares of common stock outstanding	33,714	33,087
Net loss per share attributable to controlling interest	<u>\$ (0.45)</u>	<u>\$ (0.24)</u>
Diluted earnings per share (Class A and Class B):		
Weighted average shares and equivalents outstanding	33,714	33,087
Net loss per share attributable to controlling interest	<u>\$ (0.45)</u>	<u>\$ (0.24)</u>

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

DULUTH HOLDINGS INC.
Condensed Consolidated Statements of Comprehensive (Loss) Income
(Unaudited)
(Amounts in thousands)

	Three Months Ended	
	May 4, 2025	April 28, 2024
Net loss	\$ (15,264)	\$ (7,865)
Other comprehensive loss		
Securities available-for sale:		
Unrealized security gain (loss) arising during the period	422	(140)
Income tax expense (benefit)	—	(35)
Other comprehensive income (loss)	422	(105)
Comprehensive loss	(14,842)	(7,970)
Comprehensive income attributable to noncontrolling interest	29	8
Comprehensive loss attributable to controlling interest	<u>\$ (14,871)</u>	<u>\$ (7,978)</u>

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

DULUTH HOLDINGS INC.
Condensed Consolidated Statement of Shareholders' Equity
(Unaudited)
(Amounts in thousands)

	Three Months Ended May 4, 2025						
	Capital stock			Retained earnings	Accumulated other comprehensive (loss) income	Noncontrolling interest in variable interest entity	Total shareholders' equity
	Shares	Amount	Treasury stock				
Balance at February 2, 2025	35,177	\$ 108,009	\$ (2,332)	\$ 77,721	\$ (722)	\$ (2,997)	\$ 179,679
Issuance of common stock	766	66	—	—	—	—	66
Stock-based compensation	—	254	—	—	—	—	254
Restricted stock forfeitures	(567)	—	—	—	—	—	—
Restricted stock surrendered for taxes	(122)	—	(264)	—	—	—	(264)
Other comprehensive loss	—	—	—	—	422	—	422
Net (loss) income	—	—	—	(15,293)	—	29	(15,264)
Balance at May 4, 2025	35,254	\$ 108,329	\$ (2,596)	\$ 62,428	\$ (300)	\$ (2,968)	\$ 164,893

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

DULUTH HOLDINGS INC.
Condensed Consolidated Statement of Shareholders' Equity
(Unaudited)
(Amounts in thousands)

	Three Months Ended April 28, 2024						
	Capital stock			Retained earnings	Accumulated other comprehensive loss	Noncontrolling interest in variable interest entity	Total shareholders' equity
	Shares	Amount	Treasury stock				
Balance at January 28, 2024	34,387	\$ 103,579	\$ (1,738)	\$ 121,392	\$ (427)	\$ (3,056)	\$ 219,750
Issuance of common stock	782	110	—	—	—	—	110
Stock-based compensation	—	1,372	—	—	—	—	1,372
Restricted stock forfeitures	(15)	—	—	—	—	—	—
Restricted stock surrendered for taxes	(80)	—	(383)	—	—	—	(383)
Other comprehensive income	—	—	—	—	(105)	—	(105)
Net loss	—	—	—	(7,873)	—	8	(7,865)
Balance at April 28, 2024	35,074	\$ 105,061	\$ (2,121)	\$ 113,519	\$ (532)	\$ (3,048)	\$ 212,879

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

DULUTH HOLDINGS INC.
Condensed Consolidated Statements of Cash Flows
(Unaudited)
(Amounts in thousands)

	Three Months Ended	
	May 4, 2025	April 28, 2024
Cash flows from operating activities:		
Net loss	\$ (15,264)	\$ (7,865)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	6,749	8,251
Stock based compensation	254	1,372
Deferred income taxes	1,371	(2,274)
Loss on disposal of property and equipment	748	13
Changes in operating assets and liabilities:		
Receivables	(278)	(4,617)
Income taxes receivable	—	533
Inventory	(9,563)	(10,677)
Prepaid expense & other current assets	(1,920)	871
Software hosting implementation costs, net	(2,446)	(2,617)
Trade accounts payable	(28,159)	(13,150)
Accrued expenses and deferred rent obligations	(7,940)	(4,488)
Other assets	(193)	37
Noncash lease impacts	178	945
Net cash used in operating activities	(56,463)	(33,666)
Cash flows from investing activities:		
Purchases of property and equipment	(1,332)	(1,525)
Principal receipts from available-for-sale security	53	48
Net cash used in investing activities	(1,279)	(1,477)
Cash flows from financing activities:		
Proceeds from line of credit	64,450	28,000
Payments on line of credit	(450)	(17,000)
Payments on TRI long term debt	(225)	(204)
Payments on finance lease obligations	(622)	(737)
Payments of tax withholding on vested restricted shares	(264)	(383)
Other	97	109
Net cash provided by financing activities	62,986	9,785
Increase (decrease) in cash and cash equivalents	5,244	(25,358)
Cash and cash equivalents at beginning of period	3,335	32,157
Cash and cash equivalents at end of period	<u>\$ 8,579</u>	<u>\$ 6,799</u>
Supplemental disclosure of cash flow information:		
Interest paid	\$ 1,481	\$ 993
Income taxes paid	\$ —	\$ 2
Supplemental disclosure of non-cash information:		
Unpaid liability to acquire property and equipment	\$ 1,271	\$ 1,392

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

DULUTH HOLDINGS INC.
Notes to Condensed Consolidated Financial Statements (Unaudited)

1. NATURE OF OPERATIONS AND BASIS OF PRESENTATION

A. Nature of Operations

Duluth Holdings Inc. (“Duluth Trading” or the “Company”), a Wisconsin corporation, is a lifestyle brand of men’s and women’s casual wear, workwear and accessories sold primarily through the Company’s own omnichannel platform. The Company’s products are marketed under the Duluth Trading name, with the majority of products being exclusively developed and sold as Duluth Trading branded merchandise.

The Company identifies its operating segments according to how its business activities are managed and evaluated. The Company continues to report one reportable external segment, consistent with the Company’s omnichannel business approach. The Company’s revenues generated outside the United States were insignificant.

The Company has two classes of authorized common stock: Class A common stock and Class B common stock. The rights of holders of Class A common stock and Class B common stock are identical, except for voting and conversion rights. Each share of Class A common stock is entitled to ten votes per share and is convertible at any time into one share of Class B common stock. Each share of Class B common stock is entitled to one vote per share. The Company’s Class B common stock trades on the NASDAQ Global Select Market under the symbol “DLTH.”

B. Basis of Presentation

The condensed consolidated financial statements are prepared in accordance with U.S. Generally Accepted Accounting Principles (“U.S. GAAP”). The Company consolidates TRI Holdings, LLC (“TRI”) as a variable interest entity (see Note 6 “Variable Interest Entity” for further information). All significant intercompany balances and transactions have been eliminated in consolidation.

The Company’s fiscal year ends on the Sunday nearest to January 31 of the following year. Fiscal 2025 is a 52-week period and ends on February 1, 2026. Fiscal 2024 was a 53-week period and ended on February 2, 2025. The three months of fiscal 2025 and fiscal 2024 represent the Company’s 13-week periods ended May 4, 2025 and April 28, 2024, respectively.

The accompanying condensed consolidated financial statements as of and for the three months ended May 4, 2025 and April 28, 2024 have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”) and, in the opinion of the Company, include all adjustments (which are normal and recurring in nature) necessary to present fairly the financial position, results of operations and cash flows of the Company for the interim periods presented. Certain information and footnote disclosures normally included in consolidated financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such SEC rules and regulations as of and for the three months ended May 4, 2025 and April 28, 2024. These interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes included in the Company’s annual report on Form 10-K for the fiscal year ended February 2, 2025.

C. Inventory

Inventory consists of finished goods stated at the lower of cost or net realizable value, with cost determined using the first-in, first-out valuation method. The Company records an inventory reserve for the anticipated loss associated with selling inventories below cost. Inventory reserve for excess and obsolete items was \$2.3 million and \$2.1 million as of May 4, 2025 and February 2, 2025, respectively.

DULUTH HOLDINGS INC.
Notes to Condensed Consolidated Financial Statements (Unaudited)

D. Prepaid Expenses and Other Assets

Prepaid expenses and other assets consist of the following:

<i>(in thousands)</i>	May 4, 2025	February 2, 2025
Prepaid expenses & other current assets		
Pending returns inventory, net	\$ 1,735	\$ 2,301
Current software hosting implementation costs, net	3,728	3,749
Other prepaid expenses	16,726	11,731
Prepaid expenses & other current assets	\$ 22,189	\$ 17,781
Other assets, net		
Intangible assets, net	\$ 410	\$ 414
Non-current software hosting implementation costs	7,456	7,498
Other assets, net	1,393	1,228
Other assets, net	\$ 9,259	\$ 9,140

E. Seasonality of Business

The Company's business is affected by the pattern of seasonality common to most apparel businesses. Historically, the Company has recognized a significant portion of its revenue and operating profit in the fourth fiscal quarter of each year due to increased sales during the holiday season.

F. Cash and Cash Equivalents

The Company considers short-term investments with original maturities of three months or less when purchased to be cash equivalents. Amounts receivable from credit card issuers are typically converted to cash within 2 to 4 days of the original sales transaction and are considered to be cash equivalents.

G. Significant Accounting Policies

There have been no significant changes to the Company's significant accounting policies as described in the Company's Annual Report on Form 10-K for the year ended February 2, 2025.

DULUTH HOLDINGS INC.
Notes to Condensed Consolidated Financial Statements (Unaudited)

2. LEASES

Based on the criteria set forth in ASC Topic 842, *Leases* (“ASC 842”), the Company recognizes right-of-use (ROU) assets and lease liabilities related to leases on the Company’s consolidated balance sheets. The Company determines if an arrangement is, or contains, a lease at inception. ROU assets represent the right to use an underlying asset for the lease term and lease liabilities reflect the obligation to make lease payments arising from the lease. At any given time during the lease term, the lease liability represents the present value of the remaining lease payments and the ROU asset is measured at the amount of the lease liability, adjusted for pre-paid rent, unamortized initial direct costs and the remaining balance of lease incentives received. Both the lease ROU asset and liability are reduced to zero at the end of the lease.

The Company leases retail space under non-cancelable lease agreements, which expire on various dates through 2036. Substantially all of these arrangements are store leases. Store leases generally have initial lease terms ranging from five years to fifteen years with renewal options and rent escalation provisions. At the commencement of a lease, the Company includes only the initial lease term as the option to extend is not reasonably certain. The Company does not record leases with a lease term of 12 months or less on the Company’s consolidated balance sheets.

When calculating the lease liability on a discounted basis, the Company applies its estimated discount. The Company bases this discount on a collateralized interest rate as well as publicly available data for instruments with similar characteristics.

In addition to rent payments, leases for retail space contain payments for real estate taxes, insurance costs, common area maintenance, and utilities that are not fixed. The Company accounts for these costs as variable payments and does not include such costs as a lease component.

The expense components of the Company’s leases reflected on the Company’s consolidated statement of operations were as follows:

	Consolidated Statement of Operations	Three Months Ended	
		May 4, 2025	April 28, 2024
(in thousands)			
Finance lease expenses			
Amortization of right-of-use assets	Selling, general and administrative expenses	\$ 722	\$ 838
Interest on lease liabilities	Interest expense	368	409
Total finance lease expense		\$ 1,090	\$ 1,247
Operating lease expense			
	Selling, general and administrative expenses	\$ 4,898	\$ 5,093
Amortization of build-to-suit leases capital contribution	Selling, general and administrative expenses	321	321
Variable lease expense	Selling, general and administrative expenses	2,801	2,922
Total lease expense		\$ 9,110	\$ 9,583

DULUTH HOLDINGS INC.
Notes to Condensed Consolidated Financial Statements (Unaudited)

Other information related to leases were as follows:

	Three Months Ended	
	May 4, 2025	April 28, 2024
<i>(in thousands)</i>		
Cash paid for amounts included in the measurement of lease liabilities:		
Financing cash flows from finance leases	\$ 622	\$ 737
Operating cash flows from finance leases	\$ 368	\$ 409
Operating cash flows from operating leases	\$ 4,921	\$ 5,268
Right-of-use assets obtained in exchange for lease liabilities:		
Operating leases	\$ 1,398	\$ -
Weighted-average remaining lease term (in years):		
Finance leases	10	10
Operating leases	6	7
Weighted-average discount rate:		
Finance leases	4.5%	4.5%
Operating leases	4.4%	4.2%

Future minimum lease payments under the non-cancellable leases are as follows as of May 4, 2025:

Fiscal year	Finance	Operating
<i>(in thousands)</i>		
2025 (remainder of fiscal year)	\$ 2,981	14,961
2026	3,993	19,860
2027	3,993	18,552
2028	4,017	16,641
2029	4,217	14,116
Thereafter	20,997	33,447
Total future minimum lease payments	\$ 40,198	\$ 117,577
Less – Discount	(7,658)	(15,231)
Lease liability	\$ 32,540	\$ 102,346

DULUTH HOLDINGS INC.
Notes to Condensed Consolidated Financial Statements (Unaudited)

3. DEBT AND CREDIT AGREEMENT

Debt consists of the following:

(in thousands)	May 4, 2025	February 2, 2025
TRI Senior Secured Note	\$ 21,507	\$ 21,714
TRI Note	3,500	3,500
	\$ 25,007	\$ 25,214
Less: current maturities	953	931
TRI long-term debt	\$ 24,054	\$ 24,283
Duluth Line of credit	\$ 64,000	\$ —
Less: current maturities	64,000	—
Duluth long-term debt	\$ —	\$ —

TRI Holdings, LLC

TRI entered into a senior secured note (“TRI Senior Secured Note”) with an original balance of \$26.7 million. The TRI Senior Secured Note is scheduled to mature on October 15, 2038 and requires installment payments with an interest rate of 4.95%. See Note 6 “Variable Interest Entities” for further information.

TRI entered into a promissory note (“TRI Note”) with an original balance of \$3.5 million. The TRI Note is scheduled to mature in November 2038 and requires annual interest payments at a rate of 3.05%, with a final balloon payment due in November 2038.

While the above notes are consolidated in accordance with ASC Topic 810, *Consolidation*, the Company is not the guarantor nor obligor of these notes.

Credit Agreement

On May 14, 2021, the Company entered into a credit agreement (the “Credit Agreement”), which was treated as a modification for accounting purposes. The Credit Agreement originally matured on May 14, 2026 and provided for borrowings of up to \$150.0 million that were available under a revolving senior credit facility, with a \$5.0 million sublimit for issuance of standby letters of credit, as well as a \$10.0 million sublimit for swing line loans. At the Company’s option, the interest rate applicable to the revolving senior credit facility was a floating rate equal to: (i) the Bloomberg Short-Term Bank Yield Index rate (“BSBY”) plus the applicable rate of 1.25% to 2.00% determined based on the Company’s rent adjusted leverage ratio, or (ii) the base rate plus the applicable rate of 0.25% to 1.00% based on the Company’s rent adjusted leverage ratio. The Credit Agreement was secured by essentially all Company assets and required the Company to maintain compliance with certain financial and non-financial covenants, including a maximum rent adjusted leverage ratio and a minimum fixed charge coverage ratio as defined in the Credit Agreement.

On July 8, 2022, the Company entered into the First Amendment to the Credit Agreement (the “First Amendment”), which was treated as a modification for accounting purposes. The First Amendment amended the Credit Agreement in order to (i) increase the revolving commitment from \$150.0 million to \$200.0 million; (ii) extend the maturity date from May 14, 2026 to July 8, 2027; (iii) amend the pricing index to replace BSBY with the Term Secured Overnight Financing Rate; and (iv) reduce the commitment fee in some instances.

On January 31, 2025 the Company entered into the Second Amendment to the Credit Agreement (the “Second Amendment”). The Second Amendment amended the Credit Agreement, in part, to (i) decrease the revolving commitment from \$200 million to \$100 million; (ii) revise the definition of “Applicable Rate” to provide for pricing terms in the event of a Rent Adjusted Leverage Ratio greater than or equal to 3.50:1.0; (iii) limit the exceptions to the prohibition on restricted payments to (a) making dividends or distributions by any subsidiary to the Company, and (b) the acquisition of equity interests in satisfaction of tax withholding obligations associated with restricted stock or awards under employee incentive plans; and (iv) provide that the Maximum Rent Adjusted Leverage Ratio and the Minimum Fixed Charge Coverage Ratio will be measured commencing on the fiscal quarter ending May 2, 2021 and measured quarterly thereafter as of the last day of each fiscal quarter of the Company (other than for the fiscal quarter ending February 2, 2025). The reduction in the revolving commitment rightsized the credit facility with the Company’s cash needs to fund seasonal inventory builds and capital

DULUTH HOLDINGS INC.
Notes to Condensed Consolidated Financial Statements (Unaudited)

expenditure expectations and resulted in fee savings. The Credit Agreement was extinguished on April 28, 2025, resulting in a write down of \$0.2 million of debt issuance costs related to the terminated line of credit.

On April 28, 2025, the Company entered into a new credit agreement (the “New Credit Agreement”) among the Company, certain financial institutions as Lenders thereto, and BMO Bank N.A., as Administrative Agent, a Swing Line Lender and a Letter of Credit Issuer. The Credit Agreement provides for borrowings of up to \$100.0 million in aggregate principal amount that are available under an asset-based revolving senior credit facility (the “Revolver”) with a \$10.0 million sublimit for the issuance of standby letters of credit.

Under the New Credit Agreement, (i) each Secured Overnight Financing Rate (“SOFR”) loan will bear interest on the outstanding principal amount at a rate per annum equal to adjusted term SOFR plus 150 basis points; (ii) each base rate loan will bear interest on the outstanding principal amount from the applicable borrowing date at a rate per annum equal to the Base Rate (as defined in the New Credit Agreement) plus 50 basis points; (iii) each swing line loan will bear interest on the outstanding principal amount from the applicable borrowing date at a rate per annum equal to the base rate plus the applicable margin; and (iv) each other obligation will bear interest on the unpaid amount at a rate per annum equal to the base rate plus the applicable margin.

The new \$100.0 million Revolver replaces the current revolving credit facility at a lower interest rate and extends the availability of funds to April 28, 2030. The Company believes the New Credit Agreement will provide the Company with flexibility and liquidity to finance seasonal inventory builds.

DULUTH HOLDINGS INC.
Notes to Condensed Consolidated Financial Statements (Unaudited)

4. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consist of the following:

	May 4, 2025	February 2, 2025
<i>(in thousands)</i>		
Salaries and benefits	\$ 2,552	\$ 3,897
Deferred revenue	8,514	9,783
Freight	1,381	2,495
Product returns	3,808	4,568
Unpaid purchases of property & equipment	1,375	1,264
Accrued advertising	2,977	929
Other	6,936	12,748
Total accrued expenses and other current liabilities	<u>\$ 27,543</u>	<u>\$ 35,684</u>

5. FAIR VALUE

ASC Topic 820, *Fair Value Measurements and Disclosures* (“ASC 820”), defines fair value as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date (i.e., an exit price). The exit price is based on the amount that the holder of the asset or liability would receive or need to pay in an actual transaction (or in a hypothetical transaction if an actual transaction does not exist) at the measurement date. ASC 820 describes a fair value hierarchy based on three levels of inputs that may be used to measure fair value, of which the first two are considered observable and the last unobservable, as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Company’s assets and liabilities measured at fair value are categorized as Level 3 instruments. The fair value of the Company’s available-for-sale security was valued based on a discounted cash flow method (Level 3), which incorporates the U.S. Treasury yield curve, credit information and an estimate of future cash flows. During the three months ended May 4, 2025, certain changes in the inputs did impact the fair value of the available-for-sale security. The calculated fair value is based on estimates that are subjective in nature and involve uncertainties and matters of significant judgement and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The amortized cost and fair value of the Company’s available-for-sale security and the corresponding amount of gross unrealized gains and losses recognized in accumulated other comprehensive income are as follows:

	May 4, 2025			
	Cost or Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
<i>(in thousands)</i>				
Level 3 security:				
Corporate trust	\$ 5,303	\$ —	\$ (443)	\$ 4,860

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Notes to Condensed Consolidated Financial Statements (Unaudited)

	February 2, 2025			
	Cost or	Gross	Gross	Estimated
	Amortized	Unrealized	Unrealized	Fair Value
	Cost	Gains	Losses	
(in thousands)				
Level 3 security:				
Corporate trust	\$ 5,356	\$ —	\$ (865)	\$ 4,491

The Company does not intend to sell the available-for-sale-security in the near term and does not believe that it will be required to sell the security. The Company reviews its securities on a quarterly basis to monitor its exposure to other-than-temporary impairment.

No other-than-temporary impairment was recorded in the unaudited condensed consolidated statements of operations for the three months ended May 4, 2025 or April 28, 2024.

The following table presents future principal receipts related to the Company's available-for-sale security by contractual maturity as of May 4, 2025.

	Amortized	Estimated
	Cost	Fair Value
(in thousands)		
Within one year	\$ 224	\$ 192
After one year through five years	1,469	1,305
After five years through ten years	2,183	2,018
After ten years	1,427	1,345
Total	\$ 5,303	\$ 4,860

The carrying values and fair values of other financial instruments in the Consolidated Balance Sheets are as follows:

	May 4, 2025		February 2, 2025	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
(in thousands)				
TRI Long-term debt, including short-term portion	\$ 25,007	\$ 23,116	\$ 25,214	\$ 21,225

The above long-term debt, including short-term portion is attributable to the consolidation of TRI in accordance with ASC Topic 810, *Consolidation*. The fair value was also based on a discounted cash flow method (Level 3) based on credit information and an estimate of future cash flows.

6. VARIABLE INTEREST ENTITY

Based upon the criteria set forth in ASC 810, *Consolidation*, the Company consolidates variable interest entities ("VIEs") in which it has a controlling financial interest and is therefore deemed the primary beneficiary. A controlling financial interest will have both of the following characteristics: (a) the power to direct the VIE activities that most significantly impact economic performance; and (b) the obligation to absorb the VIE losses and the right to receive benefits that are significant to the VIE. The Company has determined that it was the primary beneficiary of one VIE as of May 4, 2025 and February 2, 2025.

The Company leases the Company's headquarters in Mt. Horeb, Wisconsin from TRI. In conjunction with the lease, the Company invested \$6.3 million in a trust that loaned funds to TRI for the construction of the Company's headquarters. TRI is a Wisconsin limited liability company whose primary purpose and activity is to own this real property. The Company considers itself the primary beneficiary for TRI as the Company has both the power to direct the activities that most significantly impact the entity's economic performance and is expected to receive benefits that are significant to TRI. As the Company is the

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primary beneficiary, it consolidates TRI and the lease is eliminated in consolidation. The Company does not consolidate the trust as the Company is not the primary beneficiary.

The condensed consolidated balance sheets include the following amounts as a result of the consolidation of TRI as of May 4, 2025 and February 2, 2025:

<i>(in thousands)</i>	May 4, 2025	February 2, 2025
Cash	\$ 18	\$ 11
Property and equipment, net	22,166	22,321
Total assets	\$ 22,184	\$ 22,332
Other current liabilities	\$ 145	\$ 115
Current maturities of long-term debt	953	931
TRI long-term debt	24,054	24,283
Noncontrolling interest in VIE	(2,968)	(2,997)
Total liabilities and shareholders' equity	\$ 22,184	\$ 22,332

7. LOSS PER SHARE

Earnings per share is computed under the provisions of ASC 260, *Earnings Per Share*. Basic earnings per share is based on the weighted average number of common shares outstanding for the period. Diluted earnings per share is based on the weighted average number of common shares plus the effect of dilutive potential common shares outstanding during the period using the treasury stock method. Dilutive potential common shares include outstanding restricted stock and are considered only for dilutive earnings per share unless considered anti-dilutive. The reconciliation of the numerator and denominator of the basic and diluted earnings per share calculation is as follows:

<i>(in thousands, except per share data)</i>	Three Months Ended	
	May 4, 2025	April 28, 2024
Numerator - net loss attributable to controlling interest	\$ (15,293)	\$ (7,873)
Denominator - weighted average shares (Class A and Class B)		
Basic	33,714	33,087
Dilutive shares	—	—
Diluted	33,714	33,087
Loss per share (Class A and Class B)		
Basic	\$ (0.45)	\$ (0.24)
Diluted	\$ (0.45)	\$ (0.24)

The computation of diluted loss per share excluded (0.8) million and 0.3 million of unvested restricted stock for the three months ended May 4, 2025 and April 28, 2024, because their inclusion would be anti-dilutive due to a net loss.

8. STOCK-BASED COMPENSATION

The Company accounts for its stock-based compensation plan in accordance with ASC 718, *Stock Compensation*, which requires the Company to measure all share-based payments at grant date fair value and recognize the cost over the requisite service period of the award.

Total stock compensation expense associated with restricted stock recognized by the Company was \$0.3 million and \$1.4 million for the three months ended May 4, 2025 and April 28, 2024 respectively. The Company's total stock compensation expense is included in selling, general and administrative expenses on the Condensed Consolidated Statements of Operations.

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A summary of the activity in the Company's unvested restricted stock during the three months ended May 4, 2025 is as follows:

	Shares	Weighted average fair value per share
Outstanding at February 2, 2025	1,686,267	\$ 6.02
Granted	741,563	2.21
Vested	(394,010)	6.94
Forfeited	(567,341)	6.07
Outstanding at May 4, 2025	<u>1,466,479</u>	<u>\$ 3.71</u>

At May 4, 2025, the Company had unrecognized compensation expense of \$3.9 million related to the restricted stock awards, which is expected to be recognized over a weighted average period of 2.7 years.

9. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

<i>(in thousands)</i>	May 4, 2025	February 2, 2025
Land and land improvements	\$ 4,486	\$ 4,486
Leasehold improvements	58,202	57,732
Buildings	36,291	36,272
Vehicles	84	84
Warehouse equipment	65,612	65,592
Office equipment and furniture	54,542	54,542
Computer equipment	9,784	9,472
Software	40,537	39,952
	<u>269,538</u>	<u>268,132</u>
Accumulated depreciation and amortization	(165,337)	(159,450)
	<u>104,201</u>	<u>108,682</u>
Construction in progress	2,073	2,878
Property and equipment, net	<u>\$ 106,274</u>	<u>\$ 111,560</u>

10. REVENUE

The Company's revenue primarily consists of the sale of apparel, footwear and hard goods. Revenue for merchandise that is shipped to our customers from our distribution centers and stores is recognized upon shipment. Store revenue is recognized at the point of sale, net of returns, and excludes taxes. Shipping and processing revenue generated from customer orders are included as a component of net sales and shipping and processing expense, including handling expense, is included as a component of selling, general and administrative expenses. Sales tax collected from customers and remitted to taxing authorities is excluded from revenue and is included in accrued expenses.

Sales disaggregated based upon sales channel is presented below.

<i>(in thousands)</i>	Three Months Ended	
	May 4, 2025	April 28, 2024
Direct-to-consumer	\$ 62,552	\$ 75,444
Stores	<u>40,152</u>	<u>41,240</u>

DULUTH HOLDINGS INC.
Notes to Condensed Consolidated Financial Statements (Unaudited)

	\$	102,704	\$	116,684
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Contract Assets and Liabilities

The Company's contract assets primarily consist of the right of return for amounts of inventory to be returned that is expected to be resold and is recorded in Prepaid expenses and other current assets on the Company's consolidated balance sheets. The Company's contract liabilities primarily consist of gift card liabilities and are recorded in Accrued expenses and other current liabilities under deferred revenue (see Note 4 "Accrued Expenses and Other Current Liabilities") on the Company's consolidated balance sheets. Upon issuance of a gift card, a liability is established for its cash value. The gift card liability is relieved and revenues on gift cards are recorded at the time of redemption by the customer.

Contract assets and liabilities on the Company's consolidated balance sheets are presented in the following table:

<i>(in thousands)</i>	<u>May 4, 2025</u>	<u>February 2, 2025</u>
Contract assets	\$ 1,735	\$ 2,301
Contract liabilities	\$ 8,514	\$ 9,782

Revenue from gift cards is recognized when the gift card is redeemed by the customer for merchandise or as a gift card breakage, an estimate of gift cards which will not be redeemed. The Company does not record breakage revenue when escheat liability to the relevant jurisdictions exists. Gift card breakage is recorded within Net sales on the Company's consolidated statement of operations. The following table provides the reconciliation of the contract liability related to gift cards for the three months ended:

<i>(in thousands)</i>	<u>May 4, 2025</u>	<u>April 28, 2024</u>
Balance as of beginning of period	\$ 9,782	\$ 9,579
Gift cards sold	2,797	2,222
Gift cards redeemed	(4,034)	(3,635)
Gift card breakage	(31)	(61)
Balance as of end of period	<u>\$ 8,514</u>	<u>\$ 8,105</u>

11. INCOME TAXES

The Company's provision for income taxes during the interim reporting periods has historically been calculated by applying an estimate of the annual effective tax rate for the full year to "ordinary" income or loss (pre-tax income or loss excluding unusual or infrequently occurring discrete items) for the reporting period. The effective tax rate related to controlling interest was (9%) and 21% for the three months ended May 4, 2025 and April 28, 2024, respectively. The income from TRI was excluded from the calculation of the Company's effective tax rate, as TRI is a limited liability company and not subject to income tax. The effective tax rate fluctuated significantly year over year primarily as a result of the Company recording a valuation allowance on its deferred tax assets as of May 4, 2025.

12. SEGMENT REPORTING

As of May 4, 2025 and April 28, 2024, we had one reportable segment. The Company's operating segment is based on how the Chief Operating Decision Maker ("CODM") makes decisions about allocating resources and assessing performance. Our CODM is our Chief Executive Officer and the CODM receives discrete financial information for the Company's gross margin and a summarized comprehensive statement of income monthly that categorizes selling, general and administrative expenses

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into four line items with remaining expenses and expenditures for long-lived assets being consolidated as an omnichannel business. The following table summarizes the Company's gross margin and selling, general and administrative expenses.

	Three Months Ended	
	May 4, 2025 (13 weeks)	April 28, 2024 (13 weeks)
<i>(in thousands)</i>		
Net sales	\$ 102,704	\$ 116,684
Cost of goods sold	49,349	55,060
Gross margin	<u>\$ 53,355</u>	<u>\$ 61,624</u>
Less:		
Outbound shipping expenses	\$ 6,186	\$ 6,759
Advertising expenses	10,076	11,982
Variable expenses	10,886	10,646
Overhead expenses	38,559	41,208
Total selling, general and administrative	<u>65,707</u>	<u>70,595</u>
Operating loss	(12,352)	(8,971)
Interest expense	1,481	993
Other (loss) income, net	(161)	16
Loss before income taxes	(13,994)	(9,948)
Income tax expense (benefit)	1,270	(2,083)
Net loss	(15,264)	(7,865)
Less: Net income (loss) attributable to noncontrolling interest	29	8
Net loss attributable to controlling interest	<u>\$ (15,293)</u>	<u>\$ (7,873)</u>

13. RECENT ACCOUNTING PRONOUNCEMENTS

Recently Adopted Accounting Pronouncements

Segment Reporting – Improvements to Reportable Segment Disclosures

In November 2023, the FASB issued ASU No. 2023-07, "Segment Reporting: Improvements to Reportable Segment Disclosures." This ASU improves reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. In addition, the amendments enhance interim disclosure requirements, clarify circumstances in which an entity can disclose multiple segment measures of profit or loss, provide new segment disclosure requirements for entities with a single reportable segment, and contain other disclosure requirements. The new guidance is effective for public companies with annual periods beginning after December 15, 2023, and interim periods within an annual period beginning after December 15, 2024, with early adoption permitted. The Company adopted ASU 2023-07 on January 29, 2024, the first day of the Company's first quarter for the fiscal year ending February 2, 2025, the Company's fiscal year 2024.

Recent Accounting Pronouncements Not Yet Adopted

Income Taxes – Improvements to Income Tax Disclosures

In December 2023, the FASB issued ASU No. 2023-09, "Income Taxes: Improvements to Income Tax Disclosures." This ASU improves the transparency of income tax disclosures by requiring (i) consistent categories and greater disaggregation of information in the rate reconciliation and (ii) income taxes paid disaggregated by jurisdiction. This new guidance will be effective for annual periods beginning after December 15, 2024, and early adoption is permitted. Management is currently evaluating the effects this guidance will have on its consolidated financial statements.

Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures

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In November 2024, the FASB issued ASU No. 2024-03, “Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures.” This ASU requires that each interim and annual reporting period an entity disclose more information about the components of certain expense captions that is currently disclosed in the financial statements. This update is effective for annual reporting periods beginning after December 15, 2027. Early adoption is permitted. Management is currently evaluating the effects this guidance will have on its consolidated financial statements.

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

The following discussion and analysis of the financial condition and results of our operations should be read in conjunction with the financial statements and related notes of Duluth Holdings Inc. included in Item 1 of this Quarterly Report on Form 10-Q and with our audited financial statements and the related notes included in our Annual Report on Form 10-K for the fiscal year ended February 2, 2025 (“2024 Form 10-K”).

The Company’s fiscal year ends on the Sunday nearest to January 31 of the following year. Fiscal 2025 is a 52-week period and ends on February 1, 2026. Fiscal 2024 was a 53-week period and ended on February 2, 2025. The three months of fiscal 2025 and fiscal 2024 represent our 13-week periods ended May 4, 2025 and April 28, 2024, respectively.

Unless the context indicates otherwise, the terms the “Company,” “Duluth,” “Duluth Trading,” “we,” “our,” or “us” are used to refer to Duluth Holdings Inc.

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 that are subject to risks and uncertainties. All statements other than statements of historical or current facts included in this Quarterly Report on Form 10-Q are forward-looking statements. Forward looking statements refer to our current expectations and projections relating to our financial condition, results of operations, plans, objectives, strategies, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as “anticipate,” “could,” “estimate,” “expect,” “project,” “plan,” “potential,” “intend,” “believe,” “may,” “might,” “will,” “objective,” “should,” “would,” “can have,” “likely,” and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events. For example, all statements we make relating to our estimated and projected earnings, revenue, costs, expenditures, cash flows, growth rates and financial results, our plans and objectives for future operations, growth initiatives, or strategies are forward-looking statements. All forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements, including the risks and uncertainties described under Part I, Item 1A “Risk Factors,” in our 2024 Form 10-K, and other SEC filings, which factors are incorporated by reference herein. These risks and uncertainties include, but are not limited to, the following: the impact of inflation and measures to control inflation on our results of operations; the prolonged effects of economic uncertainties on store and website traffic; disruptions to our distribution network, supply chains and operations; failure to effectively manage inventory levels; our ability to maintain and enhance a strong brand and sub-brand image; adapting to declines in consumer confidence, inflation and decreases in consumer spending; disruptions to our e-commerce platform; our ability to meet customer delivery time expectations; our ability to properly allocate inventory throughout our distribution network to fulfill customer demand; our failure to meet our debt covenant ratios; natural disasters, unusually adverse weather conditions, boycotts, prolonged public health crises, epidemics or pandemics and unanticipated events; generating adequate cash from our existing stores and direct sales to support our growth; the impact of changes in corporate tax regulations and sales tax; identifying and responding to new and changing customer preferences; the success of the locations in which our stores are located; effectively relying on sources for merchandise located in foreign markets; transportation delays and interruptions, including port congestion; our inability to timely and effectively obtain shipments of products from our suppliers and deliver merchandise to our customers; the inability to maintain the performance of our maturing store portfolio; our inability to deploy marketing tactics to strengthen brand awareness and attract new customers in a cost effective manner; our ability to successfully open new stores; effectively adapting to new challenges associated with our expansion into new geographic markets; competing effectively in an environment of intense competition or elevated promotions; our ability to adapt to significant changes in sales due to the seasonality of our business; price reductions or inventory shortages resulting from failure to purchase the appropriate amount of inventory in advance of the season in which it will be sold; the potential for further increases in price and lack of availability of raw materials; our dependence on third-party vendors to provide us with sufficient quantities of merchandise at acceptable prices; the susceptibility of the price and availability of our merchandise to international trade conditions, including tariffs; failure of our vendors and their manufacturing sources to use acceptable labor or other practices; our dependence upon key executive management or our inability to hire or retain the talent required for our business; increases in costs of fuel or other energy, transportation or utility costs and in the costs of labor and employment; failure of our information technology systems to support our current and growing business, before and after our planned upgrades; disruptions in our supply chain and fulfillment centers; our inability to protect our trademarks or other intellectual property rights; infringement on the intellectual property of third parties; acts of war, terrorism or civil unrest; the impact of governmental laws and regulations and the outcomes of legal proceedings; changes in U.S. and non-U.S. laws affecting the importation and taxation of goods, including imposition of unilateral tariffs on imported goods; our ability to secure the personal and/or financial information of our customers and employees; failure to comply with data privacy regulations; our ability to comply with the security standards for the credit card industry; our failure to maintain adequate internal controls over our financial and management systems; acquisition, disposition, and development risks; and other factors that may be disclosed in our SEC filings or otherwise.

Moreover, we operate in an evolving environment, new risk factors and uncertainties emerge from time to time and it is not possible for management to predict all risk factors and uncertainties, 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 statement. We qualify all of our forward-looking statements by these cautionary statements.

We undertake no obligation to update or revise these forward-looking statements, except as required under the federal securities laws.

Overview

We are a lifestyle brand of men's and women's casual wear, workwear and accessories sold primarily through our own omnichannel platform. We offer products nationwide through our website and catalog. In 2010, we initiated our omnichannel platform with the opening of our first store. Since then, we have expanded our retail presence, and as of May 4, 2025, we operated 62 retail stores and three outlet stores.

We offer a comprehensive line of innovative, durable and functional products, such as our Longtail T[®] shirts, Buck Naked[™] underwear, Fire Hose[®] work pants, and No-Yank[®] Tank, which reflect our position as the Modern, Self-Reliant American Lifestyle brand. Our brand has a heritage in workwear that transcends tradesmen and appeals to a broad demographic for everyday and on-the-job use.

From our heritage as a catalog for those working in the building trades, Duluth Trading has become a widely recognized brand and proprietary line of innovative and functional apparel and gear. Over the last decade, we have created strong brand awareness, built a loyal customer base and generated sales momentum. We have done so by sticking to our roots of "there's gotta be a better way" and through our relentless focus on providing our customers with quality, functional products.

A summary of our financial results is as follows:

Net sales decreased by 12.0% over the prior year first quarter to \$102.7 million;

Net loss of \$15.3 million in fiscal 2025 first quarter compared to the prior year first quarter net loss of \$7.9 million; and

Adjusted EBITDA decreased to (\$3.8) million in fiscal 2025 first quarter compared to the prior year first quarter Adjusted EBITDA of \$1.8 million.

See the "Reconciliation of Net Loss to EBITDA and EBITDA to Adjusted EBITDA" section for a reconciliation of our net loss to EBITDA and EBITDA to Adjusted EBITDA, both of which are non-U.S. GAAP financial measures. See also the information under the heading "Adjusted EBITDA" in the section "How We Assess the Performance of Our Business" for our definition of Adjusted EBITDA.

Our management's discussion and analysis includes market sales metrics for our stores, website and catalog sales. Market areas are determined by a third-party that divides the United States and Puerto Rico into 280 unique geographical areas. Our store market sales metrics include sales from our stores, website and catalog. Our non-store market sales metrics include sales from our website and catalog.

Economic Conditions

The macroeconomic environment is experiencing inflation, tariff and recessionary concerns and general uncertainty regarding the future economic environment and therefore we cannot predict the ultimate impact of these economic conditions on our operational and financial performance. Given the uncertainty, we cannot reasonably estimate store traffic patterns and the prolonged impact on overall consumer demand.

How We Assess the Performance of Our Business

In assessing the performance of our business, we consider a variety of financial and operating measures that affect our operating results.

Net Sales

Net sales reflect our sale of merchandise plus shipping and handling revenue collected from our customers, less returns and discounts. Direct-to-consumer sales are recognized upon shipment of the product and store sales are recognized at the point of sale.

Gross Profit

Gross profit is equal to our net sales less cost of goods sold. Gross profit as a percentage of our net sales is referred to as gross margin. Cost of goods sold includes the direct cost of purchased merchandise; inventory shrinkage; inventory adjustments due to obsolescence, including excess and slow-moving inventory and lower of cost and net realizable reserves; inbound freight; and freight from our distribution centers to our retail stores. The primary drivers of the costs of individual goods are raw material costs. Depreciation and amortization are excluded from gross profit. We expect gross profit to increase to the extent that we successfully grow our net sales. Our gross profit may not be comparable to other retailers, as we do not include distribution network and store occupancy expenses in calculating gross profit, but instead we include them in selling, general and administrative expenses.

Selling, General and Administrative Expenses

Selling, general and administrative expenses include all operating costs not included in cost of goods sold. These expenses include all payroll and payroll-related expenses and occupancy expenses related to our stores and to our operations at our headquarters, including utilities, depreciation and amortization and distribution network expenses. They also include marketing expense, which primarily includes digital and television advertising, catalog production, mailing and print advertising costs, as well as all logistics costs associated with shipping product to our customers, consulting and software expenses and professional services fees. Selling, general and administrative expenses as a percentage of net sales is usually higher in lower-volume quarters and lower in higher-volume quarters because a portion of the costs are relatively fixed.

Adjusted EBITDA

We believe Adjusted EBITDA is a useful measure of operating performance, as it provides a clearer picture of operating results by excluding the effects of financing and investing activities by eliminating the effects of interest and depreciation costs and eliminating expenses that are not reflective of underlying business performance. We use Adjusted EBITDA to facilitate a comparison of our operating performance on a consistent basis from period-to-period and to provide for a more complete understanding of factors and trends affecting our business.

We define Adjusted EBITDA as consolidated net income before depreciation and amortization, interest expense and provision for income taxes adjusted for the impact of certain items, including non-cash, restructuring expenses and other items we do not consider representative of our ongoing operating performance. We believe Adjusted EBITDA is less susceptible to variances in actual performance resulting from depreciation, amortization and other items. We also use Adjusted EBITDA as one of the key financial metrics in determining bonus compensation for our employees. This non-GAAP measure may not be comparable to similarly titled measures used by other companies.

Results of Operations

The following table summarizes our unaudited consolidated results of operations for the periods indicated, both in dollars and as a percentage of net sales.

	Three Months Ended	
	May 4, 2025	April 28, 2024
<i>(in thousands)</i>		
Net sales	\$ 102,704	\$ 116,684
Cost of goods sold (excluding depreciation and amortization)	49,349	55,060
Gross profit	53,355	61,624
Selling, general and administrative expenses	65,707	70,595
Operating loss	(12,352)	(8,971)
Interest expense	1,481	993
Other (loss) income, net	(161)	16
Loss before income taxes	(13,994)	(9,948)
Income tax expense (benefit)	1,270	(2,083)
Net loss	(15,264)	(7,865)
Less: Net income (loss) attributable to noncontrolling interest	29	8
Net loss attributable to controlling interest	\$ (15,293)	\$ (7,873)
Percentage of Net sales:		
Net sales	100.0 %	100.0 %
Cost of goods sold (excluding depreciation and amortization)	48.0 %	47.2 %
Gross margin	52.0 %	52.8 %

Selling, general and administrative expenses	64.0 %	60.5 %
Operating loss	(12.0)%	(7.7)%
Interest expense	1.4 %	0.9 %
Other (loss) income, net	(0.2)%	- %
Loss before income taxes	(13.6)%	(8.5)%
Income tax expense (benefit)	1.2 %	(1.8)%
Net loss	(14.9)%	(6.7)%
Less: Net income (loss) attributable to noncontrolling interest	- %	- %
Net loss attributable to controlling interest	(14.9)%	(6.7)%

Three Months Ended May 4, 2025, Compared to Three Months Ended April 28, 2024

Net Sales

Net sales decreased \$14.0 million, or 12.0%, to \$102.7 million in the three months ended May 4, 2025 compared to \$116.7 million in the three months ended April 28, 2024. The decrease in net sales was primarily driven by decline in web traffic due to slower promotional activity.

Store market net sales decreased \$6.4 million, or 8.2%, to \$71.6 million in the three months ended May 4, 2025 compared to \$78.1 million in the three months ended April 28, 2024. Non-store market net sales decreased by \$5.5 million, or 16.5%, to \$28.0 million in the three months ended May 4, 2025 compared to \$33.6 million in the three months ended April 28, 2024.

Gross Profit

Gross profit decreased \$8.3 million, or 13.4%, to \$53.4 million in the three months ended May 4, 2025 compared to \$61.6 million in the three months ended April 28, 2024. As a percentage of net sales, gross margin decreased to 52.0% of net sales in the three months ended May 4, 2025, compared to 52.8% of net sales in the three months ended April 28, 2024. The decrease in gross margin percentage was primarily driven by higher clearance penetration, partially offset by improvement in product costs from our direct to factory sourcing initiative.

Selling, General and Administrative Expenses

Selling, general and administrative expenses decreased \$4.9 million, or 6.9%, to \$65.7 million in the three months ended May 4, 2025 compared to \$70.6 million in the three months ended April 28, 2024. Selling, general and administrative expenses as a percentage of net sales increased to 64.0% in the three months ended May 4, 2025, compared to 60.5% in the three months ended April 28, 2024.

The increase in selling, general and administrative expense as a percentage of net sales was mainly driven by decrease in net sales, partially offset by a decrease in advertising spend.

Income Taxes

Income tax expense was \$1.3 million in the three months ended May 4, 2025, compared to income tax benefit of \$2.1 million in the three months ended April 28, 2024. The provision for first quarter of fiscal 2025 reflected an addition to valuation allowance of \$4.1 million which was established against the net amount of deferred tax assets as well as pre-tax loss in the previous fiscal year.

Net Loss Attributable to Controlling Interest

Net loss attributable to controlling interest was \$15.3 million, in the three months ended May 4, 2025 compared to net loss of \$7.9 million in the three months ended April 28, 2024.

Reconciliation of Net Loss to EBITDA and EBITDA to Adjusted EBITDA

The following table presents reconciliations of net loss to EBITDA and EBITDA to Adjusted EBITDA, both of which are non-U.S. GAAP financial measures, for the periods indicated below. See the above section titled “How We Assess the Performance of Our Business,” for our definition of Adjusted EBITDA.

	Three Months Ended	
	May 4, 2025	April 28, 2024
<i>(in thousands)</i>		
Net loss	\$ (15,264)	\$ (7,865)
Depreciation and amortization	6,749	8,251
Amortization of internal-use software hosting subscription implementation costs	1,129	1,170
Interest expense	1,481	993
Income tax expense (benefit)	1,270	(2,083)
EBITDA	\$ (4,635)	\$ 466
Long-term incentive expense	293	1,372
Impairment expense	549	—
Adjusted EBITDA	\$ (3,793)	\$ 1,838

As a result of the factors discussed above in the “Results of Operations” section, Adjusted EBITDA decreased \$5.6 million to (\$3.8) million in the three months ended May 4, 2025 compared to \$1.8 million in the three months ended April 28, 2024. As a percentage of net sales, Adjusted EBITDA decreased to (3.7%) of net sales in the three months May 4, 2025 compared to 1.6% of net sales in the three months ended April 28, 2024.

Liquidity and Capital Resources

General

Our business relies on cash from operating activities and a credit facility as our primary sources of liquidity. Our primary cash needs have been for inventory, marketing and advertising, payroll, store leases, and capital expenditures associated with infrastructure and information technology. The most significant components of our working capital are cash, inventory, accounts payable and other current liabilities. At May 4, 2025, our net working capital was \$54.2 million, including \$8.6 million of cash and cash equivalents.

We expect to spend approximately \$17.0 million in fiscal 2025 on capital expenditures, inclusive of software hosting implementation costs, primarily due to investments in logistics optimization, including investments in the fulfillment network and information technology. Due to the seasonality of our business, the fourth quarter typically has the most significant impact on our amount of cash from operating activities. We also use cash in our investing activities for capital expenditures throughout all four quarters of our fiscal year.

We believe that our cash flow from operating activities and the availability of cash under our credit facility will be sufficient to cover working capital requirements and anticipated capital expenditures for the foreseeable future.

Cash Flow Analysis

A summary of operating, investing and financing activities is shown in the following table.

	Three Months Ended	
	May 4, 2025	April 28, 2024
<i>(in thousands)</i>		
Net cash used in operating activities	\$ (56,463)	\$ (33,666)
Net cash used in investing activities	(1,279)	(1,477)
Net cash provided by financing activities	62,986	9,785
Increase (decrease) in cash and cash equivalents	\$ 5,244	\$ (25,358)

Net Cash Used in Operating Activities

Operating activities consist primarily of net loss adjusted for non-cash items that include depreciation and amortization, stock-based compensation and the effect of changes in operating assets and liabilities.

For the three months ended May 4, 2025, net cash used in operating activities was \$56.5 million, which primarily consisted of cash used in operating assets and liabilities of \$50.3 million and a \$15.3 million net loss for the three months ended May 4, 2025 partially offset by depreciation of \$6.7 million. The cash used in operating assets and liabilities of \$50.3 million was primarily due to a \$28.2 million decrease in accounts payable and \$9.6 million increase in inventory.

For the three months ended April 28, 2024, net cash used in operating activities was \$33.7 million, which primarily consisted of cash used in operating assets and liabilities of \$33.2 million and a \$7.9 million net loss for the three months ended April 28, 2024 partially offset by depreciation of \$8.3 million. The cash used in operating assets and liabilities of \$33.2 million was primarily due to a \$10.7 million increase in inventory and \$13.2 million decrease in trade accounts payable.

Net Cash Used in Investing Activities

Investing activities consist primarily of capital expenditures related to investments in infrastructure and information technology.

For the three months ended May 4, 2025 and April 28, 2024, net cash used in investing activities was \$1.3 million and \$1.5 million, respectively.

Net Cash Provided by Financing Activities

Financing activities consist primarily of borrowings and payments related to our revolving line of credit as well as payments on finance lease obligations.

For the three months ended May 4, 2025 and April 28, 2024, net cash provided by financing activities was \$63.0 million and \$9.8 million, respectively, primarily consisting of net borrowings under our revolving line of credit.

Contractual Obligations

There have been no significant changes to our contractual obligations as described in our Annual Report on Form 10-K for the fiscal year ended February 2, 2025.

Off-Balance Sheet Arrangements

We are not a party to any material off-balance sheet arrangements.

Critical Accounting Policies and Critical Accounting Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses, as well as the related disclosures of contingent assets and liabilities at the date of the financial statements. We evaluate our accounting policies, estimates, and judgments on an on-going basis. We base our estimates and judgments on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions and conditions and such differences could be material to the consolidated financial statements.

As of the date of this filing, there were no significant changes to any of the critical accounting policies and estimates described in our 2024 Form 10-K.

Recent Accounting Pronouncements

See Note 14 “Recent Accounting Pronouncements,” of Notes to Condensed Consolidated Financial Statements included in Part 1, Item 1, of this quarterly report on Form 10-Q for information regarding recent accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no significant changes in the market risks described in our 2024 Form 10-K. See Note 3 “Debt and Credit Agreement,” of Notes to Condensed Consolidated Financial Statements included in Part 1, Item 1, of this quarterly report on Form 10-Q, for disclosure on our interest rate related to borrowings under our credit agreement.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Section 13a-15(b) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), requires management of an issuer subject to the Exchange Act to evaluate, with the participation of the issuer’s principal executive and principal

financial officers, or persons performing similar functions, the effectiveness of the issuer’s disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act), as of the end of each fiscal quarter. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of such date, our disclosure controls and procedures were effective.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rule 13a-15(d) and 15d-15(d) under the Exchange Act) that occurred 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

From time to time, we are subject to certain legal proceedings and claims in the ordinary course of business. We are not presently party to any legal proceedings the resolution of which we believe would have a material adverse effect on our business, financial condition, operating results or cash flows. We establish reserves for specific legal matters when we determine that the likelihood of an unfavorable outcome is probable and the loss is reasonably estimable.

Item 1A. Risk Factors

We operate in a rapidly changing environment that involves a number of risks that may have a material adverse effect on our business, financial condition and results of operations. For a detailed discussion of the risks that affect our business, please refer to the section entitled “Risk Factors” in our 2024 Form 10-K, or other SEC filings. There have been no material changes to our risk factors as previously disclosed in our fiscal 2024 Annual Report on Form 10-K.

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

We did not sell any equity securities during the quarter ended May 4, 2025, which were not registered under the Securities Act.

The following table contains information regarding shares acquired by us during the quarter, which consisted solely of shares acquired from employees in lieu of amounts required to satisfy minimum tax withholding requirements upon the vesting of the employees’ restricted stock during the three months ended May 4, 2025.

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may yet to be purchased under the plans or programs
February 3, 2025 - March 2, 2025	2,273	\$ 3.01	—	\$ —
March 3, 2025 - April 6, 2025	242,595	2.41	—	—
April 7, 2025 - May 4, 2025	148,277	1.74	—	—
Total	393,145	\$ 2.16	—	\$ —

Item 5. Other Information

During the three months ended May 4, 2025, no director or Section 16 officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

EXHIBIT INDEX

Exhibit No.	
10.1	<u>Second Amendment, dated as of January 31, 2025, among Duluth Holdings Inc., the Lenders party thereto, Bank of America, N.A., as Administrative Agent, Swingline Lender and L/C Issuer, BofA Securities, Inc., as a Joint Lead Arranger and Sole Bookrunner, and Keybank Capital Markets Inc., as a Joint Lead Arranger, incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed February 6, 2025.</u>
10.2	<u>Employment Agreement between Stephanie L. Pugliese and Duluth Holdings Inc., effective as of May 5, 2025, incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed April 2, 2025.</u>
10.3	<u>Credit Agreement, dated as of April 28, 2025, among Duluth Holdings Inc., certain financial institutions as Lenders thereto, and BMO Bank N.A., Administrative Agent, Swing Line Lender and a Letter of Credit Issuer, incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed May 1, 2025.</u>
10.4	<u>Pledge and Security Agreement, dated as of April 28, 2025, by and between Duluth Holdings Inc. and BMO Bank, N.A., incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed May 1, 2025.</u>
10.5	<u>Consulting Agreement, dated as of May 1, 2025, by and between Duluth Holdings Inc. and Ronald Robinson.*</u>
10.6	<u>Inducement Stock Award Agreement, dated May 5, 2025, by and between Ms. Pugliese and the Company.</u>
10.7	<u>Inducement Restricted Stock Award Agreement, dated May 5, 2025, by and between Ms. Pugliese and the Company.</u>
31.1	<u>Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities and Exchange Act, as amended.*</u>
31.2	<u>Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities and Exchange Act of 1934, as amended.*</u>
32.1	<u>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.*</u>
32.2	<u>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.*</u>
101.INS	XBRL Instance Document**
101.SCH	XBRL Taxonomy Extension Schema Document**
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document**
101.DEF	XBRL Taxonomy Extension Definition Document**
101.LAB	XBRL Taxonomy Extension Label Linkbase Document**
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document**
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended May 4, 2025 has been formatted in Inline XBRL (Inline Extensible Business Reporting Language and contained in Exhibits 101).

+ Indicates a management contract or compensation plan or arrangement

* Filed herewith

** In accordance with Regulation S-T, the XBRL-related information in Exhibit 101 to this Quarterly Report on Form 10-Q shall be deemed to be "furnished" and not "filed."

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.

Date: June 6, 2025

DULUTH HOLDINGS INC.
(Registrant)

/s/ Heena Agrawal
Heena Agrawal
Senior Vice President, Chief Financial Officer
(On behalf of the Registrant and as Principal Financial Officer and Interim Principal Accounting Officer)

May 1, 2025

Dear Ronnie,

This letter agreement (this “Agreement”) sets forth the terms and conditions whereby you agree to provide certain consulting services (as described in Schedule 1) to Duluth Holdings Inc., a Wisconsin corporation, with offices located at 201 East Front Street, Mount Horeb, Wisconsin 53572 (the “Company”).

1. Services.

1.1 The Company hereby engages you, and you hereby accept such engagement, as an independent contractor to provide certain consulting services to the Company on the terms and conditions set forth in this Agreement.

1.2 You shall provide to the Company the consulting services set forth in Schedule 1 (the “Services”).

1.3 The Company does not and shall not control or direct the manner or means by which you perform the Services.

1.4 As set forth in Schedule 1, the Company shall provide you with access to its premises, materials, information, and systems to the extent necessary for the performance of the Services.

1.5 You shall comply with all rules and procedures communicated to you in writing by the Company, including those related to safety, security, and confidentiality.

2. Term. The term of this Agreement shall commence as of the date set forth above and shall continue through September 2025, unless earlier terminated in accordance with Section 9 (the “Term”). Any extension of the Term will be subject to mutual written agreement between you and the Company (referred to collectively as the “Parties”).

3. Fees and Expenses.

3.1 As full compensation for the Services and the rights granted to the Company in this Agreement, the Company shall pay you a fixed monthly fee according to the following scheduled (the “Fees”):

Month	Fixed Monthly Fee (prorated for any partial month)
May 2025	\$20,000.00
June 2025	\$20,000.00
July 2025	\$10,000.00
August 2025	\$10,000.00
September 2025	\$10,000.00

You acknowledge that you will receive an IRS Form 1099 from the Company, and that you shall be solely responsible for all federal, state, and local taxes, as set out in Section 4.2.

3.2 The Company will reimburse you for all pre-approved travel or other costs or expenses incurred by you in connection with the performance of the Services.

3.3 The Company shall pay all undisputed Fees within thirty (30) days after the Company’s receipt of an invoice submitted by you in accordance with the payment schedule set forth above.

4. Relationship of the Parties.

4.1 You are an independent contractor of the Company, and this Agreement shall not be construed to create any association, partnership, joint venture, employment, or agency relationship between you and the Company for any purpose. You have no authority (and shall not hold yourself out as having authority) to bind the Company and you shall not make any agreements or representations on the Company's behalf without the Company's prior written consent.

4.2 Without limiting Section 4.1, you will not be eligible to participate in any vacation, group medical or life insurance, disability, profit sharing or retirement benefits, or any other fringe benefits or benefit plans offered by the Company to its employees, and the Company will not be responsible for withholding or paying any income, payroll, Social Security, or other federal, state, or local taxes, making any insurance contributions, including for unemployment or disability, or obtaining workers' compensation insurance on your behalf. You shall be responsible for, and shall indemnify the Company against, all such taxes or contributions, including penalties and interest. Any persons employed or engaged by you in connection with the performance of the Services shall be your employees or contractors and you shall be fully responsible for them and indemnify the Company against any claims made by or on behalf of any such employee or contractor.

5. Intellectual Property Rights.

5.1 All documents, work product, and other materials that are delivered by you under this Agreement (collectively, the "Deliverables") and all other writings, technology, inventions, discoveries, processes, techniques, methods, ideas, concepts, research, proposals, and materials, and all other work product of any nature whatsoever, that are created, prepared, produced, authored, edited, modified, conceived, or reduced to practice in the course of performing the Services (collectively, and including the Deliverables, "Work Product"), and all patents, copyrights, trademarks (together with the goodwill symbolized thereby), trade secrets, know-how, and other confidential or proprietary information, and other intellectual property rights (collectively "Intellectual Property Rights") therein, shall be owned exclusively by the Company. You hereby irrevocably assign to the Company and its successors and assigns, for no additional consideration, your entire right, title, and interest in and to the Work Product and all Intellectual Property Rights therein, including the right to sue, counterclaim, and recover for all past, present, and future infringement, misappropriation, or dilution thereof.

5.2 To the extent any copyrights are assigned under this Section 5, you hereby irrevocably waive in favor of the Company, to the extent permitted by applicable law, any and all claims you may now or hereafter have in any jurisdiction to all rights of paternity or attribution, integrity, disclosure, and withdrawal and any other rights that may be known as "moral rights" in relation to all Work Product to which the assigned copyrights apply.

5.3 As between you and the Company, the Company is, and will remain, the sole and exclusive owner of all right, title, and interest in and to any documents, specifications, data, know-how, methodologies, software, and other materials provided to you by the Company ("Company Materials"), and all Intellectual Property Rights therein. You have no right or license to reproduce or use any Company Materials except solely during the Term to the extent necessary to perform your obligations under this Agreement. All other rights in and to the Company Materials are expressly reserved by the Company. You have no right or license to use the Company's trademarks, service marks, trade names, logos, symbols, or brand names.

5.4 You shall require each of your employees and contractors, if any, to execute written agreements containing obligations of confidentiality and non-use and assignment of inventions and other work product consistent with the provisions of this Section 5 prior to such employee or contractor providing any Services under this Agreement.

6. Confidentiality.

6.1 You acknowledge that you will have access to information that is treated as confidential and proprietary by the Company including without limitation the existence and terms of this Agreement, trade secrets, technology, and information pertaining to business operations and strategies, customers, pricing, marketing, finances, sourcing, personnel, or operations of the Company, its affiliates, or their suppliers or customers, in each case whether spoken, written, printed, electronic, or in any other form or medium (collectively, the "Confidential Information"). Any Confidential Information that you access or develop in connection with the Services, including but not limited to any Work Product, shall be subject to the terms and conditions of this clause. You agree to treat all Confidential Information as strictly confidential, not to disclose Confidential Information or permit it to be disclosed, in whole or part, to any third party without the prior written consent of the Company in each instance, and not to use any Confidential Information for any purpose except as required in the performance of the Services. You shall notify the Company immediately in the event you become aware of any loss or disclosure of any Confidential Information.

6.2 Confidential Information shall not include information that: (a) is or becomes generally available to the public other than through your breach of this Agreement or (b) is communicated to you by a third party that had no confidentiality obligations with respect to such information.

6.3 Nothing herein shall be construed to prevent disclosure of Confidential Information as may be required by applicable law or regulation, or pursuant to the valid order of a court of competent jurisdiction or an authorized government agency, provided that the disclosure does not exceed the extent of disclosure required by such law, regulation, or order.

7. Representations and Warranties.

7.1 You represent and warrant to the Company that:

(a) you have the right to enter into this Agreement, to grant the rights granted herein, and to perform fully all of your obligations in this Agreement;

(b) your entering into this Agreement with the Company and your performance of the Services do not and will not conflict with or result in any breach or default under any other agreement to which you are subject;

(c) you have the required skill, experience, and qualifications to perform the Services, you shall perform the Services in a professional and workmanlike manner in accordance with industry standards for similar services, and you shall devote sufficient resources to ensure that the Services are performed in a timely and reliable manner;

(d) you shall perform the Services in compliance with all applicable federal, state, and local laws and regulations, including by maintaining all licenses, permits, and registrations required to perform the Services;

(e) the Company will receive good and valid title to all Work Product, free and clear of all encumbrances and liens of any kind; and

(f) all Work Product is and shall be your original work (except for material in the public domain or provided by the Company) and, to the best of your knowledge, does not and will not violate or infringe upon the intellectual property right or any other right whatsoever of any person, firm, corporation, or other entity.

7.2 The Company hereby represents and warrants to you that (a) it has the full right, power, and authority to enter into this Agreement and to perform its obligations hereunder; and (b) the execution of this Agreement by its representative whose signature is set forth at the end of this Agreement has been duly authorized by all necessary corporate action.

8. Indemnification.

8.1 You shall defend, indemnify, and hold harmless the Company and its affiliates and their officers, directors, employees, agents, successors, and assigns from and against all losses, damages, liabilities, deficiencies, actions, judgments, interest, awards, penalties, fines, costs, or expenses of whatever kind (including reasonable attorneys' fees) arising out of or resulting from: (a) bodily injury, death of any person, or damage to real or tangible personal property resulting from your acts or omissions or (b) your breach of any representation, warranty, or obligation under this Agreement.

8.2 The Company may satisfy such indemnity (in whole or in part) by way of deduction from any payment due to you.

9. Termination.

9.1 You or the Company may terminate this Agreement at any time or for any reason upon five (5) business days advance written notice to the other party to this Agreement. In the event of termination pursuant to this clause, the Company shall pay you on a pro-rata basis any Fees then due and payable for any Services completed up to and including the date of such termination and reimburse you for all pre-approved expenses incurred by you up to and including the date of such termination.

9.2 Upon expiration or termination of this Agreement for any reason, or at any other time upon the Company's written request, you shall promptly after such expiration or termination deliver to the Company all Deliverables (whether complete or incomplete) and all materials, equipment, and other property provided for your use by the Company.

9.3 The terms and conditions of this clause and Section 4, Section 5, Section 6, Section 7, Section 8, Section 10, Section 11, and Section 12 shall survive the expiration or termination of this Agreement.

10. Assignment. You shall not assign any rights or delegate or subcontract any obligations under this Agreement without the Company's prior written consent. Any assignment in violation of the foregoing shall be deemed null and void. The Company may freely assign its rights and obligations under this Agreement at any time. Subject to the limits on assignment stated above, this Agreement will inure to the benefit of, be binding on, and be enforceable against each of the Parties hereto and their respective successors and assigns.

11. Governing Law, Jurisdiction and Venue. This Agreement and all related documents shall be governed by and construed in accordance with the laws of the State of Wisconsin, without giving effect to any conflict of laws principles that would cause the laws of any other jurisdiction to apply. Any action or proceeding by either of the Parties to enforce this Agreement shall be brought only in any state or federal court located in the State of Wisconsin, County of Dane. The Parties hereby irrevocably submit to the exclusive jurisdiction of these courts and waive the defense of inconvenient forum to the maintenance of any action or proceeding in such venue.

12. Miscellaneous.

12.1 You shall not export, directly or indirectly, any technical data acquired from the Company, or any products utilizing any such data, to any country in violation of any applicable export laws or regulations.

12.2 All notices, requests, consents, claims, demands, waivers, and other communications hereunder (each, a "Notice") shall be in writing and addressed to the Parties at the addresses set forth on the first page of this Agreement (or to such other address that may be designated by the receiving party from time to time in accordance with this Section). All Notices shall be delivered by personal delivery, nationally recognized overnight courier (with all fees prepaid), email, or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this Agreement, a Notice shall be deemed effective upon personal delivery to or receipt by the recipient, except that if

delivery is refused or cannot be made for any reason, then such Notice shall be deemed given on the third day after it is sent.

12.3 This Agreement, together with any other documents incorporated herein by reference and related exhibits and schedules, constitutes the sole and entire agreement of the Parties to this Agreement with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, with respect to such subject matter.

12.4 This Agreement may only be amended, modified, or supplemented by an agreement in writing signed by each party hereto, and any of the terms thereof may be waived, only by a written document signed by each party to this Agreement or, in the case of waiver, by the party or parties waiving compliance.

12.5 If any term or provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

12.6 This Agreement may be executed in multiple counterparts and by electronic signature, each of which shall be deemed an original and all of which together shall constitute one instrument.

If this letter accurately sets forth our understanding, kindly execute the enclosed copy of this letter and return it to the undersigned.

Very truly yours,

DULUTH HOLDINGS INC.

By: /s/ Stephen L. Schlecht
Stephen L. Schlecht, Chairman and
Interim Chief Executive Officer

ACCEPTED AND AGREED:

R SQUARED CONSULTING LLC

By: /s/ Ronnie Robinson
Ronnie Robinson, Sole Member

SCHEDULE 1
SERVICES

1. Consulting Services:

a. Supply Chain

- i. Collect and analyze relevant supply chain data during first two months
- ii. Evaluate options and formulate strategic recommendations to share with the leadership team
- iii. Engage in the hiring process of the open leader of supply chain position
- iv. Ensure that the person can lead the agreed strategies and execution
- v. Mentor the supply chain leader and engage with them for a period of time to establish the strategies, short-term and long-term goals

b. Sourcing

- i. Collect and analyze relevant sourcing data during first two months
- ii. Evaluate options and formulate strategic recommendations to share with the leadership team
- iii. Mentor the SVP of Product Development and Sourcing and engage with them for a period of time to establish the strategies, short-term and long-term goals

c. CEO Advisor

- i. Sounding board/advisor on all things related to Business Operations/Supply Chain and Sourcing

CERTIFICATIONS

I, Stephanie Pugliese, Chief Executive Officer, certify that:

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

Date: June 6, 2025

/s/ Stephanie Pugliese

Stephanie Pugliese

Chief Executive officer

CERTIFICATIONS

I, Heena Agrawal, Chief Financial Officer, certify that:

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

Date: June 6, 2025

/s/ Heena Agrawal

Heena Agrawal

Chief Financial Officer

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

In connection with the Quarterly Report on Form 10-Q of Duluth Holdings Inc. (the “Company”) for the quarterly period ended May 4, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Stephanie Pugliese, as Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”); and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ **Stephanie Pugliese**
Name: **Stephanie Pugliese**
Title: **Chief Executive Officer**
Date: **June 6, 2025**

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liability under that section. This certification shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.

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

In connection with the Quarterly Report on Form 10-Q of Duluth Holdings Inc. (the “Company”) for the quarterly period ended May 4, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Heena Agrawal, as Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”); and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Heena Agrawal

Name: **Heena Agrawal**
Title: **Chief Financial Officer**
Date: **June 6, 2025**

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liability under that section. This certification shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.
