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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2024

OR

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

Commission File Number: 001-40257

Cricut, Inc.
(Exact name of Registrant as specified in its charter)

Delaware	**87-0282025**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**

10855 South River Front Parkway
South Jordan, Utah 84095
(385) 351-0633
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

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 A Common Stock, par value $0.001 per share	CRCT	The 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, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

☐ Large accelerated filer	☒ Accelerated filer
☐ Non-accelerated filer	☐ Smaller reporting company
☐ Emerging growth company	

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

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

As of October 29, 2024, the registrant had 53,395,799 shares of Class A Common Stock, and 161,051,577 shares of Class B Common Stock, outstanding.

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NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which statements involve substantial risk and uncertainties. These forward-looking statements, which are subject to a number of risks, uncertainties and assumptions about us, generally relate to future events or our future financial or operating performance. In some cases, you can identify these statements by forward-looking words such as "believe," "may," "will," "estimate," "continue," "anticipate," "design," "intend," "expect," "could," "plan," "potential," "predict," "seek," "should," "would," "target," "project" or "contemplate" or the negative version of these words and other comparable terminology that concern our expectations, strategy, plans, intentions or projections. Forward-looking statements contained in this Quarterly Report on Form 10-Q include, but are not limited to, statements about:

- our ability to attract and engage users and attract and expand our relationships with brick-and-mortar and online retail partners and distributors;
- our future results of operations, including trends in revenue, costs, operating expenses and key metrics;
- our ability to compete successfully in competitive markets;
- our expectations and management of future growth;
- our ability to manage our supply chain, manufacturing, distribution and fulfillment, including the ability to forecast demand and manage our inventory;
- our ability to enter new markets and manage our expansion efforts, including internationally;
- our ability to attract and retain management, key employees and qualified personnel;
- our ability to effectively and efficiently protect our brand;
- our ability to maintain, protect and enhance our intellectual property and not infringe upon others' intellectual property;
- our continued use of open source software;
- our estimated Serviceable Addressable Market, or SAM, and Total Addressable Market, or TAM;
- our ability to prevent serious errors, defects or vulnerabilities in our products and software;
- the adequacy of our capital resources to fund operations and growth;
- our ability to remain in compliance with laws and regulations that currently apply or become applicable to our business both domestically and internationally;
- Petrus' significant influence over us and our status as a "controlled company" under the rules of the Nasdaq Global Select Market, or the Exchange;
- expectations regarding the financial condition of our brick-and-mortar and online retail partners, online and e-commerce channels and users;
- risks related to general socio-economic and political conditions, consumer confidence, as well as current macro-economic and post-COVID-19 factors; and
- the other factors identified under, or incorporated by reference in, the section titled "Risk Factors" appearing elsewhere in this Quarterly Report on Form 10-Q.

We caution you that the foregoing list may not contain all of the forward-looking statements made in this Quarterly Report on Form 10-Q.

You should not rely upon forward-looking statements as predictions of future events. These statements are only predictions based primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, results of operations and prospects. There are important factors that could cause our actual results, events or circumstances to differ materially from the results, events or circumstances expressed or implied by the forward-looking statements, including those factors discussed, or incorporated by reference, in the section titled "Risk Factors" and elsewhere in this Quarterly Report on Form 10-Q. You should specifically consider the numerous risks outlined, or incorporated by reference, in the section titled "Risk Factors." Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained, or incorporated by reference, in this Quarterly Report on Form 10-Q.

Neither we nor any other person assumes responsibility for the accuracy and completeness of any of these forward-looking statements. Moreover, the forward-looking statements made in this Quarterly Report on Form 10-Q relate only to events as of the date on which the statements are made. We undertake no obligation to update any of these forward-looking statements after the date of this Quarterly Report on Form 10-Q to reflect events or circumstances after the date of this Quarterly Report on Form 10-Q or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments we may make.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this Quarterly Report on Form 10-Q, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Cricut, Inc.
Condensed Consolidated Balance Sheets
(in thousands, except share and per share)

	As of September 30, 2024 (unaudited)	As of December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 142,376	$ 142,187
Marketable securities	104,566	102,952
Accounts receivable, net	93,302	111,247
Inventories	167,503	244,469
Prepaid expenses and other current assets	33,010	19,114
Total current assets	540,757	619,969
Property and equipment, net	39,792	47,614
Operating lease right-of-use asset	9,047	12,353
Deferred tax assets	46,839	34,823
Other assets	27,330	35,363
Total assets	$ 663,765	$ 750,122
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 45,524	$ 76,860
Accrued expenses and other current liabilities	77,437	71,933
Deferred revenue, current portion	43,376	40,304
Operating lease liabilities, current portion	4,595	5,230
Dividends payable, current portion	379	2,137
Total current liabilities	171,311	196,464
Operating lease liabilities, net of current portion	5,864	8,938
Deferred revenue, net of current portion	2,530	2,931
Other non-current liabilities	8,224	6,916
Total liabilities	187,929	215,249
Commitments and contingencies (Note 11)		
Stockholders' equity:		
Preferred stock, par value $0.001 per share, 100,000,000 shares authorized, no shares issued and outstanding as of September 30, 2024 and December 31, 2023.	—	—
Common stock, par value $0.001 per share, 1,250,000,000 shares authorized as of September 30, 2024, 214,422,477 shares issued and outstanding as of September 30, 2024; 1,250,000,000 shares authorized as of December 31, 2023, 217,915,713 shares issued and outstanding as of December 31, 2023.	214	218
Additional paid-in capital	463,717	505,864
Retained earnings	11,488	28,514
Accumulated other comprehensive income	417	277
Total stockholders' equity	475,836	534,873
Total liabilities and stockholders' equity	$ 663,765	$ 750,122

See accompanying notes to these unaudited condensed consolidated financial statements.

Cricut, Inc.
Condensed Consolidated Statements of Operations and Comprehensive Income
(unaudited)
(in thousands, except share and per share amounts)

	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Revenue:				
Platform	$ 77,674	$ 77,455	$ 233,609	$ 231,082
Products	90,216	97,454	269,620	302,819
Total revenue	167,890	174,909	503,229	533,901
Cost of revenue:				
Platform	10,000	8,276	27,647	24,045
Products	80,527	84,699	216,785	263,601
Total cost of revenue	90,527	92,975	244,432	287,646
Gross profit	77,363	81,934	258,797	246,255
Operating expenses:				
Research and development	15,240	15,910	44,408	50,057
Sales and marketing	35,278	28,375	101,662	87,398
General and administrative	16,249	13,962	50,494	55,334
Total operating expenses	66,767	58,247	196,564	192,789
Income from operations	10,596	23,687	62,233	53,466
Other income (expense):				
Interest income	2,718	1,340	8,189	6,211
Interest expense	(84)	(81)	(245)	(240)
Other income	932	569	2,067	1,863
Total other income, net	3,566	1,828	10,011	7,834
Income before provision for income taxes	14,162	25,515	72,244	61,300
Provision for income taxes	2,674	8,290	21,340	18,952
Net income	$ 11,488	$ 17,225	$ 50,904	$ 42,348
Other comprehensive income:				
Change in net unrealized gains (losses) on marketable securities, net of tax	$ 46	$ 76	$ —	$ (54)
Change in foreign currency translation adjustment, net of tax	229	(56)	140	(88)
Comprehensive income	$ 11,763	$ 17,245	$ 51,044	$ 42,206
Earnings per share, basic	$ 0.05	$ 0.08	$ 0.24	$ 0.20
Earnings per share, diluted	$ 0.05	$ 0.08	$ 0.24	$ 0.19
Weighted-average common shares outstanding, basic	214,769,065	217,737,089	214,706,773	216,771,051
Weighted-average common shares outstanding, diluted	215,749,745	220,424,691	215,281,337	219,920,343

See accompanying notes to these unaudited condensed consolidated financial statements.

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

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount				
Balance as of December 31, 2023	217,915,713	$ 218	$ 505,864	$ 28,514	$ 277	$ 534,873
Net income	—	—	—	19,647	—	19,647
Issuance of common stock upon vesting or exercise of stock-based awards, net of withholding tax	548,344	1	(2,324)	—	—	(2,323)
Forfeiture of unvested common stock and dividend equivalents	(64,001)	—	73	—	—	73
Repurchase of common stock	(1,697,272)	(2)	(10,793)	—	—	(10,795)
Stock-based compensation	—	—	11,473	—	—	11,473
Other comprehensive loss	—	—	—	—	(376)	(376)
Balance as of March 31, 2024	216,702,784	$ 217	$ 504,293	$ 48,161	$ (99)	$ 552,572
Net income	—	—	—	19,769	—	19,769
Issuance of common stock upon vesting or exercise of stock-based awards, net of withholding tax	880,919	1	(4,426)	—	—	(4,425)
Forfeiture of unvested common stock and dividend equivalents	(24,629)	—	48	—	—	48
Repurchase of common stock	(1,473,061)	(2)	(9,306)	—	—	(9,308)
Dividends declared	—	—	(53,727)	(67,930)	—	(121,657)
Stock-based compensation	—	—	11,304	—	—	11,304
Other comprehensive income	—	—	—	—	241	241
Balance as of June 30, 2024	216,086,013	$ 216	$ 448,186	$ —	$ 142	$ 448,544
Net income	—	—	—	11,488	—	11,488
Issuance of common stock upon vesting or exercise of stock-based awards, net of withholding tax	124,753	—	(379)	—	—	(379)
Forfeiture of unvested common stock and dividend equivalents	(2,819)	—	9	—	—	9
Repurchase of common stock	(1,785,470)	(2)	(10,378)	—	—	(10,380)
Dividend equivalents issued and other	—	—	13,685	—	—	13,685
Stock-based compensation	—	—	12,594	—	—	12,594
Other comprehensive income	—	—	—	—	275	275
Balance as of September 30, 2024	214,422,477	$ 214	$ 463,717	$ 11,488	$ 417	$ 475,836

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount				
Balance as of December 31, 2022	219,656,587	$ 220	$ 672,990	$ —	$ (475)	$ 672,735
Net income	—	—	—	9,099	—	9,099
Issuance of common stock upon vesting or exercise of stock-based awards, net of withholding tax	43,671	—	(169)	—	—	(169)
Forfeiture of unvested common stock and dividend equivalents	(103,906)	—	275	—	—	275
Repurchase of common stock	(346,699)	(1)	(3,243)	—	—	(3,244)
Dividend equivalents issued	—	—	4,366	—	—	4,366
Stock-based compensation	—	—	10,895	—	—	10,895
Other comprehensive income	—	—	—	—	206	206
Balance as of March 31, 2023	219,249,653	$ 219	$ 685,114	$ 9,099	$ (269)	$ 694,163
Net income	—	—	—	16,024	—	16,024
Issuance of common stock upon vesting or exercise of stock-based awards, net of withholding tax	884,619	1	(4,583)	—	—	(4,582)
Forfeiture of unvested common stock and dividend equivalents	(199,898)	—	120	—	—	120
Repurchase of common stock	(104,070)	—	(967)	—	—	(967)
Dividends declared	—	—	(209,502)	(25,123)	—	(234,625)
Stock-based compensation	—	—	12,542	—	—	12,542
Other comprehensive loss	—	—	—	—	(368)	(368)
Balance as of June 30, 2023	219,830,304	$ 220	$ 482,724	$ —	$ (637)	$ 482,307
Net income	—	—	—	17,225	—	17,225
Issuance of common stock upon vesting or exercise of stock-based awards, net of withholding tax	76,041	—	(1,000)	—	—	(1,000)
Forfeiture of unvested common stock and dividend equivalents	(12,154)	—	6	—	—	6
Repurchase of common stock	(38,758)	—	(348)	—	—	(348)
Dividend equivalents issued			14,803			14,803
Stock-based compensation	—	—	13,258	—	—	13,258
Other comprehensive income	—	—	—	—	20	20
Balance as of September 30, 2023	219,855,433	$ 220	$ 509,443	$ 17,225	$ (617)	$ 526,271

See accompanying notes to these unaudited condensed consolidated financial statements.

Cricut, Inc.
Condensed Consolidated Statements of Cash Flows
(unaudited)
(in thousands)

	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Cash flows from operating activities:		
Net income	$ 50,904	$ 42,348
Adjustments to reconcile net income to net cash and cash equivalents provided by operating activities:		
Depreciation and amortization (including amortization of debt issuance costs)	22,308	22,072
Bad debt expense (benefit)	(454)	2,144
Impairments	—	1,960
Stock-based compensation	33,255	34,789
Deferred income tax	(12,016)	(11,938)
Non-cash lease expense	3,805	3,727
Unrealized foreign currency loss	304	950
Provision for inventory obsolescence	110	17,942
Other	(1,810)	(1,846)
Changes in operating assets and liabilities:		
Accounts receivable	18,061	41,200
Inventories	86,283	37,488
Prepaid expenses and other current assets	(13,673)	7,490
Other assets	(605)	274
Accounts payable	(30,635)	17,102
Accrued expenses and other current liabilities and other non-current liabilities	7,574	(17,437)
Operating lease liabilities	(4,197)	(4,056)
Deferred revenue	2,671	1,817
Net cash and cash equivalents provided by operating activities	161,885	196,026
Cash flows from investing activities:		
Purchases of marketable securities	(110,521)	(44,256)
Proceeds from maturities of marketable securities	110,527	19,200
Purchases of property and equipment, including capitalized software development costs	(14,442)	(18,942)
Net cash and cash equivalents used in investing activities	(14,436)	(43,998)
Cash flows from financing activities:		
Repurchases of common stock	(30,483)	(4,558)
Proceeds from exercise of stock options	—	382
Employee tax withholding payments on stock-based awards	(7,144)	(6,328)
Cash dividend	(109,775)	(293,820)
Net cash and cash equivalents used in financing activities	(147,402)	(304,324)
Effect of exchange rate on changes on cash and cash equivalents	142	(95)
Net increase (decrease) in cash and cash equivalents	189	(152,391)
Cash and cash equivalents at beginning of period	142,187	224,943
Cash and cash equivalents at end of period	$ 142,376	$ 72,552
Supplemental disclosures of cash flow information:		
Cash paid during the period for interest	$ —	$ —
Cash paid during the period for income taxes	$ 34,898	$ 21,590
Supplemental disclosures of non-cash investing and financing activities:		
Right-of-use assets obtained in exchange for new operating lease liabilities	$ 477	$ —
Property and equipment included in accounts payable and accrued expenses and other current liabilities	$ 1,479	$ 2,764
Tax withholdings on stock-based awards included in accrued expenses and other current liabilities	$ 436	$ 1,129
Stock-based compensation capitalized for software development costs	$ 1,121	$ 1,520
Dividends declared but unpaid	$ 410	$ —

See accompanying notes to these unaudited condensed consolidated financial statements.

Cricut, Inc.
Notes to Condensed Consolidated Financial Statements
(unaudited)

1. Description of Business and Basis of Presentation

Nature of Business

Cricut, Inc. ("Cricut" or the "Company") is a designer and marketer of a creativity platform that enables users to turn ideas into professional-looking handmade goods. Using the Company's platform, versatile connected machines, and accessories and materials, users create everything from personalized birthday cards, mugs and T-shirts to large-scale interior decorations. The Company's subscription services, connected machines and related accessories and materials are primarily marketed under the Cricut brand in the United States, as well as Europe and other countries around the world. Headquartered in South Jordan, Utah, the Company is an innovator in its industry, focused on bringing innovative technology (automation and consumerization of industrial tools) to the craft, DIY, and home décor categories. The Company's condensed consolidated financial statements include the operations of its wholly owned subsidiaries, which are located throughout Europe and in the Asia-Pacific region.

The Company designs, markets, and distributes the Cricut family of products, including the platform, connected machines, and accessories and materials. In addition, Cricut sells a broad line of images, fonts, and projects for purchase à la carte.

During the year ended December 31, 2023 and prior periods, we had three reportable segments: Connected Machines, Subscriptions, and Accessories and Materials. As of January 2024, we realigned our operating segment structure and now have two reportable segments: Platform and Products. The change in operating segments is based on how the Company's chief operating decision maker ("CODM") makes operating decisions and assesses business performance. Prior period segment information has been recast retrospectively to reflect the realignment. See Note 16, Segment Information, for further discussion of the Company's segment reporting structure.

Basis of Presentation and Consolidation

The accompanying condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States ("GAAP") and applicable rules and regulations of the U.S. Securities and Exchange Commission ("SEC") regarding interim financial reporting. Certain information and note disclosures normally included in the financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. Therefore, these unaudited interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes included in the annual report on Form 10-K for the fiscal year ended December 31, 2023 (the "Annual Report"). However, the Company believes that the disclosures provided herein are adequate to prevent the information presented from being misleading.

The condensed consolidated financial statements include the accounts of Cricut, Inc. and its wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

The condensed consolidated balance sheet as of December 31, 2023 was derived from the audited consolidated financial statements as of that date but does not include all disclosures including certain notes required by GAAP on an annual reporting basis.

In the opinion of management, the accompanying interim condensed consolidated financial statements reflect all normal recurring adjustments necessary to present fairly the financial position, results of operations, cash flows and the changes in equity for the interim periods. The results for the three and nine months ended September 30, 2024 are not necessarily indicative of the results to be expected for any subsequent quarter, the fiscal year ending December 31, 2024, or any other period.

Recently Issued Accounting Pronouncements

In March 2024, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") Compensation-Stock Compensation (Topic 718). The ASU clarifies how an entity determines whether a profits interest or similar award is (1) within the scope of ASC 718 or (2) not a share-based payment arrangement and therefore within the scope of other guidance. The guidance in ASU 2024-01 applies to all entities that issue profits interest awards as compensation to employees or non-employees in exchange for goods or services. Public business entities must apply the ASU’s guidance to annual periods beginning after December 15, 2025. The Company is currently evaluating the impact of this standard on the consolidated financial statements.

In December, 2023, the FASB issued ASU 2023-09, *Income Taxes* (Topic 740): *Improvements to Income Tax Disclosures*. This ASU establishes new income tax disclosure requirements in addition to modifying and eliminating certain existing requirements. Under the new guidance, entities must consistently categorize and provide greater disaggregation of information in the rate reconciliation. They must also further disaggregate income taxes paid. Public business entities must apply the ASU’s guidance to annual periods beginning after December 15, 2024 (2025 for calendar-year-end Public business entities). The Company is currently evaluating the impact of this standard on the consolidated financial statements.

In November 2023, the Financial Accounting Standards Board (“FASB”) issued ASU 2023-07, *Segment Reporting* (Topic 280): *Improvements to Reportable Segment Disclosures.* This ASU improves reportable segment disclosure requirements, primarily through enhanced disclosures about significant expenses, and is effective for fiscal years beginning after December 15, 2023 on a retrospective basis. The Company is currently evaluating the impact of this standard on the consolidated financial statements.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. For revenue recognition, examples of estimates and judgments include: determining the nature and timing of satisfaction of performance obligations, determining the standalone selling price of performance obligations, and estimating variable consideration such as sales incentives and product returns. Other estimates include the warranty reserve, allowance for credit losses, inventory reserve, intangible assets and other long-lived assets valuation, legal contingencies, stock-based compensation, income taxes, deferred tax assets valuation and developed software, among others. These estimates and assumptions are based on the Company’s best estimates and judgment. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including any effects of the economic environment, which management believes to be reasonable under the circumstances. Management adjusts such estimates and assumptions when facts and circumstances dictate. Actual results could differ from these estimates.

Fair Value Measurement

The Company measures at fair value certain of its financial and non-financial assets and liabilities by using a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

Money market funds and certain marketable securities are highly liquid investments and are actively traded. The pricing information for these assets is readily available and can be independently validated as of the measurement date. This approach results in the classification of these securities as Level 1 of the fair value hierarchy. Other marketable securities such as U.S. Treasury securities are valued using observable inputs from similar assets, or from observable data in markets that are not active; these assets are classified as Level 2 of the fair value hierarchy. There were no transfers between Levels 1, 2 or 3 for any of the periods presented. There were no liabilities measured at fair value on a recurring basis as of September 30, 2024 and December 31, 2023.

Earnings Per Share

Earnings per share is computed using the two-class method required for multiple classes of common stock and participating securities. The rights, including the liquidation and dividend rights and sharing of losses, of the Class A common stock and Class B common stock are identical, other than voting rights. As the liquidation and dividend rights and sharing of profits are identical, the undistributed earnings are allocated on a proportionate basis and the resulting net income per share will, therefore, be the same for both Class A and Class B common stock on an individual or combined basis.

Basic earnings per share is computed using the weighted-average number of outstanding shares of common stock during the period. Diluted earnings per share is computed using the weighted-average number of outstanding shares of common stock and, when dilutive, potential shares of common stock outstanding during the period. Stock-based awards subject to conditions other than service conditions are considered contingently issuable shares and are included in basic EPS based on the number of awards that would be issuable if the reporting date were the end of the contingency period.

Accounts Receivable

Accounts receivable are recorded at original invoice amounts less estimates for credit losses. Management determines the allowance for credit losses by specifically identifying troubled accounts and by using historical write off experience, adjusted for current market conditions and reasonable supportable forecasts of future economic conditions, applied to an aging of all other accounts. If a retailer fails to follow the policies and guidelines in our sales agreements, we may choose to temporarily or permanently stop shipping product to that retailer.

As of September 30, 2024, December 31, 2023, and January 1, 2023, the Company had net accounts receivable balances of $93.3 million, $111.2 million and $136.5 million, respectively. As of September 30, 2024, and December 31, 2023, the Company had an allowance for credit losses against accounts receivable of $1.1 million and $2.0 million, respectively.

3. Revenue and Deferred Revenue

Deferred revenue relates to performance obligations for which payments have been received from the customer prior to revenue recognition. Deferred revenue primarily consists of deferred subscription-based services. Deferred revenue also includes amounts allocated from the sale of a connected machine to the unspecified upgrades and enhancements and the Company’s cloud-based services. The Company has recognized no contract assets as of September 30, 2024, December 31, 2023 and January 1, 2023.

The following table summarizes the changes in the deferred revenue balance for the nine months ended September 30, 2024 and 2023:

	Nine Months Ended September 30,	
(in thousands)	**2024**	**2023**
Deferred revenue, beginning of period	$ 43,235	$ 38,658
Recognition of revenue included in beginning of period deferred revenue	(37,568)	(32,134)
Revenue deferred, net of revenue recognized on contracts in the respective period	40,239	33,951
Deferred revenue, end of period	$ 45,906	$ 40,475

As of September 30, 2024, the aggregate amount of the transaction price allocated to remaining performance obligations was equal to the deferred revenue balance.

The Company expects the following recognition of deferred revenue as of September 30, 2024:

	Year Ended December 31,				
(in thousands)	**2024 (remainder of year)**	**2025**	**2026**	**2027**	**Total**
Revenue expected to be recognized	$ 24,978	$ 19,031	$ 1,590	$ 307	$ 45,906

The Company’s revenue from contracts with customers disaggregated by major product lines, excluding sales-based taxes, are included in Note 16 under the heading “Segment Information.”

Revenue recognized during the three and nine months ended September 30, 2024 related to performance obligations satisfied or partially satisfied was $0.4 million and $3.3 million, respectively.

The following table presents the total revenue by geography based on the ship-to address for the periods indicated:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
(in thousands)				
North America*	$ 129,390	$ 137,320	$ 398,640	$ 430,200
International	38,500	37,589	104,589	103,701
Total revenue	$ 167,890	$ 174,909	$ 503,229	$ 533,901

*North America revenue consists of revenues from the United States and Canada.

The following table presents the total revenue by source for the periods indicated:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
(in thousands)				
Platform	$ 77,674	$ 77,455	$ 233,609	$ 231,082
Connected machines	43,909	49,495	124,827	120,910
Accessories and materials	46,307	47,959	144,793	181,909
Total revenue	$ 167,890	$ 174,909	$ 503,229	$ 533,901

4. Cash, Cash Equivalents, and Financial Instruments

The following table shows the Company's cash, cash equivalents, and marketable securities by significant investment category as of September 30, 2024 and December 31, 2023:

	As of September 30, 2024				
	Adjusted Cost	Total Unrealized Gains	Fair Value	Cash and Cash Equivalents	Marketable Securities
(in thousands)					
Cash	$ 138,526	$ —	$ 138,526	$ 138,526	$ —
Level 1:					
Money market funds	3,850	—	3,850	3,850	—
Subtotal	3,850	—	3,850	3,850	—
Level 2:					
U.S. treasury securities	104,025	541	104,566	—	104,566
Subtotal	104,025	541	104,566	—	104,566
Total	$ 246,401	$ 541	$ 246,942	$ 142,376	$ 104,566

(in thousands)	As of December 31, 2023 Adjusted Cost	Total Unrealized Gains	Fair Value	Cash and Cash Equivalents	Marketable Securities
Cash	$ 44,809	$ —	$ 44,809	$ 44,809	$ —
Level 1:					
Money market funds	97,378	—	97,378	97,378	—
Subtotal	97,378	—	97,378	97,378	—
Level 2:					
U.S. treasury securities	102,411	541	102,952	—	102,952
Subtotal	102,411	541	102,952	—	102,952
Total	$ 244,598	$ 541	$ 245,139	$ 142,187	$ 102,952

Marketable securities held as of September 30, 2024 generally mature over the next twenty-four months. As of September 30, 2024 and December 31, 2023 all balances were in a gain position, therefore there are no allowances for credit losses recorded for the periods presented.

5. Inventories

Inventories are comprised of the following:

(in thousands)	As of September 30, 2024	As of December 31, 2023
Raw materials	$ 41,975	$ 44,935
Finished goods	204,693	286,988
Total inventories	246,668	331,923
Less: reserves	(54,526)	(54,416)
Total inventories, net	$ 192,142	$ 277,507
Inventories current	$ 167,503	$ 244,469
Inventories non-current (included in other assets)	$ 24,639	$ 33,038

The Company's recorded inventory reserves as of September 30, 2024 consisted of $2.9 million related to excess connected machine inventory, $46.3 million related to excess accessories and materials inventory, and $5.4 million related to raw material components. Amounts charged to the reserve account are recorded primarily in cost of revenues.

6. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consist of the following:

(in thousands)	As of September 30, 2024	As of December 31, 2023
Sales incentives	$ 29,981	$ 30,479
Other accrued liabilities and other current liabilities	47,456	41,454
Total accrued expenses	$ 77,437	$ 71,933

7. Revolving Credit Facility

On August 4, 2022, the Company entered into a credit agreement (the "Credit Agreement") with JPMorgan Chase Bank, N.A, Citigroup N.A., PNC Bank, N.A., KeyBank, N.A., and other parties. The Credit Agreement replaced the Company's prior asset-based Credit Agreement with JPMorgan Chase Bank, N.A., Citigroup N.A., and Origin Bank. The Credit Agreement provides for a five-year revolving credit facility (the "Credit Facility") of up to $300.0 million, maturing on August 4, 2027. In addition, during the term of the Credit Agreement, the Company may increase the aggregate amount of the Credit Facility by up to an additional $150.0 million, (for maximum aggregate lender commitments of up to $450.0 million), subject to customary conditions under the Credit Agreement, including obtaining a consent from participating lenders (or another lender, if applicable) to such increase. The Credit Facility may be used to issue letters of credit and for other business purposes, including working capital needs. The current unused fee rate is 0.175% on per annum basis.

As of September 30, 2024, and December 31, 2023 total unamortized debt issuance costs were $0.9 million and $1.2 million, respectively.

The Credit Agreement is collateralized by substantially all of the Company's assets and contains affirmative and negative covenants, representations and warranties, events of default and other terms customary for loans of this nature. In particular, the Credit Agreement will not permit the leverage ratio to be greater than 3.0 to 1.0, measured on the last day of any fiscal quarter. In addition, the Credit Agreement will not permit the interest coverage ratio to be less than 3.0 to 1.0, for any period of four consecutive quarters, measured on the last day of any fiscal quarter. Management has determined that the Company was in compliance with all financial and non-financial debt covenants as of September 30, 2024. As of September 30, 2024 and December 31, 2023, no amounts were outstanding under the Credit Agreement and available borrowings were $300.0 million.

Generally, borrowings under the Credit Agreement bear interest at a rate based on an alternative base rate ("ABR"), plus, in each case, an applicable margin. The applicable margin will range from (a) borrowings bearing interest at the ABR plus 2.00%, and (b) borrowings bearing interest at the Adjusted Term Secured Overnight Financing Rate, the Adjusted Australian Dollar Rate, the Adjusted Canadian Dollar Offered Rate or the Adjusted New Zealand Dollar Rate, as applicable for the interest period in effect for such borrowing plus the applicable rate.

8. Income Taxes

The Company computes interim period income taxes by applying an estimated annual effective tax rate to our year-to-date income from operations before income taxes, except for significant unusual or infrequently occurring items. The estimated effective tax rate is adjusted each quarter.

The Company's provision for income taxes was $2.7 million and $21.3 million for the three and nine months ended September 30, 2024, respectively, and $8.3 million and $19.0 million for the three and nine months ended September 30, 2023, respectively. The provision for income taxes varied from the tax computed at the U.S. federal statutory income tax rate for the three-month period ended September 30, 2024, primarily due to a reduction in the unfavorable prior-period adjustments, increases in the foreign derived intangible income deduction, and a $0.9 million decrease from discrete items related to stock-based compensation. For the nine-month period ended September 30, 2024, the income tax provision varied from the tax computed at the U.S. federal statutory income tax primarily due to an increase in stock-based compensation difference attributable to the decrease in stock price upon vesting versus the stock price at the grant date and a decrease to the research and development credit.

The Company reviews its deferred tax assets for realization based upon historical taxable income, prudent and feasible tax planning strategies, the expected timing of the reversals of existing temporary differences and expected future taxable income. The Company has concluded that it is more likely than not that the net deferred tax assets will be realized. Accordingly, the Company has not recorded a valuation allowance against net deferred tax assets for any of the periods presented.

9. Capital Structure

As of September 30, 2024, the Company had authorized 100,000,000 shares of preferred stock, par value $0.001 per share, and 1,250,000,000 shares of common stock, par value $0.001 per share, which was divided between two series: Class A common stock and Class B common stock. As of September 30, 2024, the Company had 1,000,000,000 shares of Class A common stock and 250,000,000 shares of Class B common stock authorized and 53,344,901 shares of Class A common stock and 161,077,576 shares of Class B common stock issued and outstanding. Each share of Class A common stock is entitled to one vote per share. Each share of Class B common stock is entitled to five votes per share and is convertible at any time into one share of Class A common stock. During the nine months ended September 30, 2024 and 2023, 5,332,089 and 9,008,751 shares of Class B common stock were converted to Class A common stock, respectively.

Stock Repurchase Program

On July 19, 2022, the Company's Board of Directors approved a share repurchase program to purchase shares of our outstanding Class A common stock up to an aggregate transactional value of $50 million which was recently completed. On May 6, 2024 the Company's Board of Directors approved an additional $50 million for the share repurchase program to purchase shares of its outstanding Class A common stock depending on the Company's continuing analysis of market, financial, and other factors. The share repurchase program may be suspended or discontinued at any time and does not have a predetermined expiration date.

During the nine months ended September 30, 2024, the Company repurchased and retired 4,955,803 shares of our Class A common stock for $30.4 million.

Dividends

On May 6, 2024, the Company declared a special dividend of $0.40 per share and a recurring semi-annual dividend of $0.10 per share on its Class A and Class B common stock, payable on July 19, 2024 to shareholders of record as of July 2, 2024. As part of the dividends, and pursuant to the underlying award agreements, holders of restricted stock units ("RSUs") and performance-based restricted stock units ("PRSUs") received a dividend equivalent of $0.50 per unit in the form of additional RSUs or PRSUs subject to the same vesting conditions as the original awards. The aggregate dividend of $121.7 million was to be satisfied in cash of $108.2 million payable to holders of Class A and Class B common stock with the remaining $13.5 million satisfied on the payment date in the form of dividend equivalents to RSU or PRSU holders prior to any subsequent forfeitures.

On May 18, 2023, the Company declared a special dividend of $1.00 per share on its Class A and Class B common stock, payable on July 17, 2023 to shareholders of record as of July 3, 2023. As part of the dividend, and pursuant to the underlying award agreements, holders of restricted stock units ("RSUs") and performance-based restricted stock units ("PRSUs") received a dividend equivalent of $1.00 per unit in the form of additional RSUs or PRSUs subject to the same vesting conditions as the original awards. The aggregate dividend of $234.6 million was to be satisfied in cash of $219.8 million payable to holders of Class A and Class B common stock with the remaining $14.8 million satisfied on the payment date in the form of dividend equivalents to RSU or PRSU holders prior to any subsequent forfeitures.

On December 21, 2022, the Company declared a special dividend of $0.35 per share on its Class A and Class B common stock, payable on February 15, 2023 to shareholders of record as of February 1, 2023. As part of the dividend, and pursuant to the underlying award agreements, holders of RSUs and PRSUs received a dividend equivalent of $0.35 per unit in the form of additional RSUs or PRSUs subject to the same vesting conditions as the original awards. The aggregate dividend of $81.4 million was to be satisfied in cash of $76.9 million payable to holders of Class A and Class B common stock with the remaining $4.5 million satisfied on the payment date in the form of dividend equivalents to RSU or PRSU holders prior to any subsequent forfeitures.

During the three and nine months ended September 30, 2024, an aggregate of $108.2 million and $109.8 million was paid in cash, respectively, and $13.5 million and $13.5 million was satisfied in the form of dividend equivalents to RSU or PRSU holders, respectively. During the three and nine months ended September 30, 2023, $218.0 million and $293.8 million was paid in cash, respectively, and $14.8 million and $19.2 million was satisfied in the form of dividend equivalents to RSU or PRSU holders, respectively.

Dividends payable includes dividends declared but not yet paid and prior dividends on unvested shares of Class B common stock payable upon future vesting.

10. Stock-Based Compensation

Stock-Based Compensation Cost

The following table shows the stock-based compensation cost by award type for the periods indicated:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
(in thousands)				
Equity classified awards				
Restricted stock units	$ 11,828	$ 11,022	$ 31,652	$ 30,041
Stock options	40	617	720	1,763
Class B common stock	727	1,619	2,999	4,891
Liability classified awards	13	10	35	36
Total stock-based compensation	$ 12,608	$ 13,268	$ 35,406	$ 36,731

The following table sets forth the total stock-based compensation cost included in the Company's condensed consolidated statements of operations and comprehensive income or capitalized to assets for the periods indicated:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
(in thousands)				
Cost of revenue				
Platform	$ 341	$ 422	$ 833	$ 751
Products	170	322	566	1,220
Total cost of revenue	511	744	1,399	1,971
Research and development	4,266	4,732	11,519	13,355
Sales and marketing	3,474	3,156	9,398	9,362
General and administrative	3,628	3,850	10,939	10,101
Total stock-based compensation expense	$ 11,879	$ 12,482	$ 33,255	$ 34,789
Capitalized for software development costs	426	545	1,122	1,520
Capitalized to inventories	303	241	1,029	422
Total stock-based compensation	$ 12,608	$ 13,268	$ 35,406	$ 36,731

As of September 30, 2024, there was $79.1 million of unrecognized stock-based compensation cost related to service-based awards which is expected to be recognized over a weighted-average period of 2.4 years. The total unrecognized compensation expense related to unvested PRSUs was approximately $195.3 million as of September 30, 2024.

2021 Equity Incentive Plan

In March 2021, the Company's 2021 Equity Incentive Plan became effective. The 2021 Equity Incentive Plan provides for the grant of incentive stock options to employees and for the grant of non-statutory stock options, restricted stock, restricted stock units, stock appreciation rights, performance units and performance shares to our employees, directors and consultants and our parent and subsidiary corporations' employees and consultants. As of September 30, 2024, 50,764,570 shares of Class A common stock were reserved for issuance under this plan including shares reserved for previously granted awards discussed below as well as shares reserved for issuance of future awards under the plan.

A summary of the Company's service-based restricted stock unit ("RSU") activity under the 2021 Equity Incentive Plan is as follows:

	Number of RSUs		Weighted-Average Grant Date Fair Value (per share)
Outstanding at December 31, 2023	8,893,831	$	14.38
Granted	5,340,981	$	5.88
Dividend equivalent grants	499,066		—
Vested	(2,656,423)	$	16.08
Forfeited / cancelled	(666,797)	$	12.42
Outstanding at September 30, 2024	11,410,658	$	10.10

The Company has granted PRSUs under the 2021 Equity Incentive Plan to certain employees of the Company that represent shares potentially issuable in the future. In July 2024, the Company granted PRSUs by which the first tranche of 30% and the second tranche of 70% will vest upon the Company achieving certain adjusted operating income targets during any four consecutive quarters of the respective performance periods, subject to employees remaining with the Company through the vesting date. The performance periods for the first and second tranches is 4 and 5.0 years, respectively. Adjusted operating income means GAAP operating income adjusted to exclude stock-based compensation expense and payroll expense specifically related to these PRSU awards.

In 2022, the Company granted PRSUs that vest in two equal tranches subject to the Company achieving certain cumulative adjusted earnings per share over eight quarters at any point during the 5-year performance period, subject to employees remaining with the Company through the vesting date. Adjusted earnings per share means GAAP net income adjusted to exclude income tax expenses, as well as stock-based compensation expense and payroll tax expense specifically related to these PRSU awards.

A summary of the Company's PRSU activity under the 2021 Equity Incentive Plan is as follows:

	Number of PRSUs (a)		Weighted-Average Grant Date Fair Value (per share)
Outstanding at December 31, 2023	6,766,001	$	23.32
Granted	9,808,000	$	5.55
Dividend equivalent grants	1,366,343	$	—
Forfeited / cancelled	(360,081)	$	22.18
Outstanding at September 30, 2024	17,580,263	$	12.60

a. Represents the maximum number of PRSUs assuming all performance targets are achieved.

The expense recognized each period for the PRSUs is primarily dependent upon the Company's estimate of the probability of achieving the performance targets. At September 30, 2024, the Company determined it was not probable any performance conditions would be achieved so no stock-based compensation was recorded for the PRSUs during the nine months ended September 30, 2024.

Options under the 2021 Equity Incentive Plan have a contractual term of 10 years. The exercise price of an incentive stock option and non-qualified stock option shall not be less than 100% of the fair market value of the shares on the date of grant.

A summary of the Company's stock option activity under the 2021 Equity Incentive Plan is as follows:

	Number of Options	Weighted-Average Exercise Price	Weighted-Average Remaining Term (Years)	Aggregate Intrinsic Value
				(in thousands)
Outstanding at December 31, 2023	2,999,085	$ 18.65	3.5	$ —
Forfeited / cancelled	(223,245)	$ 18.54		
Outstanding at September 30, 2024	2,775,840	$ 18.25	2.4	$ —
Vested and exercisable at September 30, 2024	2,744,200	$ 18.25	2.4	$ —

During the nine months ended September 30, 2024 and 2023, no options were granted.

Certain employees received restricted stock unit equivalents ("RSU equivalents") which upon vesting are settled for a cash payment equal to the difference between the Company's stock price on the vesting date less the base price specified at the time of the grant. As of September 30, 2024, the total recognized liability for these awards was immaterial.

Unvested Class B Common Stock

The Company's unvested Class B common stock resulted from the corporate reorganization in March 2021 and is not part of the 2021 Equity Incentive Plan. Activity related to Class B common stock subject to future vesting for the nine months ended September 30, 2024 is as follows:

	Number of Unvested Shares	Weighted-Average Grant Date Fair Value (per share)
Outstanding at December 31, 2023	1,656,679	$ 20.00
Vested	(1,343,776)	$ 20.00
Forfeited / cancelled	(91,449)	$ 20.00
Outstanding at September 30, 2024	221,454	$ 20.00

Options to Purchase Class B Common Stock

The Company's options to purchase Class B common stock resulted from the corporate reorganization in March 2021 and are not part of the 2021 Equity Incentive Plan. A summary of the Company stock option activity for the options to purchase shares of Class B common stock is as follows:

	Number of Options	Weighted-Average Exercise Price	Weighted-Average Remaining Term (Years)	Aggregate Intrinsic Value
				(in thousands)
Outstanding at December 31, 2023	259,425	$ 7.69	1.9	$ —
Forfeited / cancelled	(48,000)	$ 7.62		
Outstanding at September 30, 2024	211,425	$ 7.29	1.1	$ —
Vested and exercisable at September 30, 2024	211,425	$ 7.29	1.1	$ —

During the nine months ended September 30, 2024 and 2023, the total intrinsic value of options exercised was immaterial.

2021 Employee Stock Purchase Plan

In March 2021, the Company's 2021 Employee Stock Purchase Plan ("2021 ESPP") became effective. Subject to any limitations contained therein, the 2021 ESPP allows eligible employees to contribute, through payroll deductions, up to 15% of their eligible compensation to purchase the Company's Class A common stock at a discounted price per share. As of September 30, 2024, 10,602,602 shares of our Class A common stock were available for sale under the 2021 ESPP.

No offerings have been authorized to date by the administrator under the 2021 ESPP. If the administrator authorizes an offering period under the 2021 ESPP, the administrator will establish the duration of offering periods and purchase periods, including the starting and ending dates of offering periods and purchase periods, provided that no offering period may have a duration exceeding 27 months.

11. Commitments and Contingencies

Litigation

The Company is subject to certain outside claims and litigation arising in the ordinary course of business. Management is not aware of any contingencies which it believes will have a material effect on its financial position, results of operations or liquidity.

12. Leases

The Company leases office space with lease terms ranging from one to six years. These leases require monthly lease payments that may be subject to annual increases throughout the lease term. Certain of these leases also include renewal options at the election of the Company to renew or extend the lease.

The Company has determined its leases should be classified as operating leases. Variable lease costs are comprised primarily of the Company's proportionate share of operating expenses, property taxes, and insurance and are classified as lease cost due to the Company's election to not separate lease and non-lease components. The Company incurred operating lease costs of $1.3 million and $4.0 million for the three and nine months ended September 30, 2024, respectively, and $1.3 million and $4.0 million, respectively for the three and nine months ended September 30, 2023. The Company also incurred variable lease costs of $0.1 million and $0.3 million for the three and nine months ended September 30, 2024, respectively, and $0.1 million and $0.2 million, for the three and nine months ended September 30, 2023, respectively.

Cash paid for amounts included in the measurement of operating lease liabilities was $1.5 million for both the three months ended September 30, 2024 and 2023, and $4.5 million for both the nine months ended September 30, 2024 and 2023. These amounts were included in net cash provided by operating activities in the Company's consolidated statements of cash flows.

As of September 30, 2024, the maturities of the Company's operating lease liabilities were as follows:

Year Ended December 31,	**Operating Leases**
	(in thousands)
2024 (remainder of the year)	$ 1,241
2025	4,611
2026	3,997
2027	967
Total lease payments	$ 10,816
Less: imputed interest	$ (357)
Present value of operating lease liabilities	$ 10,459
Operating lease liabilities, current	$ 4,595
Operating lease liabilities, non-current	$ 5,864

The weighted average remaining operating lease term and the weighted average discount rate used to determine the operating lease liability were as follows:

	As of September 30, 2024	**As of December 31, 2023**
Weighted-average remaining lease term of operating leases	2.3 years	2.9 years
Weighted-average discount rate of operating leases	3.0 %	2.5 %

13. Restructuring

During the three months ended March 31, 2024, and March 31, 2023, the Company undertook restructuring plans to improve efficiency and streamline operations. Costs for each plan were primarily settled within the first fiscal quarter of 2023 and 2024, respectively. During the nine months ended September 30, 2024, the Company recognized severance costs of $0.9 million, of which $0.4 million, $0.4 million and $0.1 million were recorded within research and development, selling and marketing, and general and administrative expense, respectively. During the nine months ended September 30, 2023, the Company recognized severance costs of $1.2 million, of which $0.7 million, $0.3 million, $0.2 million were recorded within research and development, selling and marketing, and general and administrative expense, respectively.

14. Employee Benefit Plan

The Company sponsors a 401(k) plan for the benefit of its employees who have attained at least 18 years of age. The Company matches 50% of the first 12% of an employee's salary contributed to the plan on the first day of the month following their hire date. The Company contributed $0.6 million and $0.5 million for the three months ended September 30, 2024 and 2023, respectively, and $1.8 million and $1.9 million for the nine months ended September 30, 2024 and 2023, respectively.

15. Net Income Per Share

The computation of net income per share is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
(in thousands, except share and per share amounts)				
Basic earnings per share:				
Net income	$ 11,488	$ 17,225	$ 50,904	$ 42,348
Shares used in computation:				
Weighted-average common shares outstanding, basic	214,769,065	217,737,089	214,706,773	216,771,051
Earnings per share, basic	$ 0.05	$ 0.08	$ 0.24	$ 0.20
Diluted earnings per share:				
Net income	$ 11,488	$ 17,225	$ 50,904	$ 42,348
Shares used in computation:				
Weighted-average common shares outstanding, basic	214,769,065	217,737,089	214,706,773	216,771,051
Weighted-average effect of potentially dilutive securities:				
Unvested Class B common stock subject to forfeiture	155,639	1,524,534	379,998	2,029,734
Employee stock options	—	42,039	—	24,903
Restricted stock units	825,041	1,121,029	194,566	1,094,655
Diluted weighted-average common shares outstanding	215,749,745	220,424,691	215,281,337	219,920,343
Diluted net income per share	$ 0.05	$ 0.08	$ 0.24	$ 0.19

The following potentially dilutive shares were excluded from the computation of diluted earnings per share for the periods presented because including them would have had an anti-dilutive effect:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Employee stock options	2,987,265	3,001,077	2,987,265	3,001,077
Restricted stock units	5,480,606	4,605,725	6,173,601	4,630,993
Unvested Class B common stock subject to forfeiture	125,115	315,858	221,454	367,133

As of September 30, 2024, 17,580,263 PRSUs were not assessed for inclusion in diluted earnings per share, and any potential antidilutive shares were excluded from the table above because they are subject to performance conditions that were not achieved as of such date.

16. Segment Information

In January 2024, the Company reevaluated its operating segments in order to better align with how the CODM evaluates performance and allocates resources. The key factor evaluated by the Company resulted from the growth and expansion of Design Space, the Company's digital platform. Since its initial public offering, the Company's digital platform has evolved and grown considerably. Key enhancements to the platform include the size of its images, fonts, and projects library, the introduction of advanced design tools, the software support for several new cutting machines, and the creation of enhanced subscriptions offerings. The change in operating segments reflects the Company's strategy to focus on continuing to expand revenue and margin generated from its digital platform and Paid Subscribers. At the same time, a number of product related factors also contributed to this decision, including the relative importance of physical products to the platform, including bundles (comprised of several combinations of machines, accessories, and materials), and changes in our Accessories and Materials business. Based on these changes, the Company has determined that it was appropriate to reduce its reportable segments from three to two, combining its Subscriptions and digital content businesses into one Platform segment, and its Connected Machines and Accessories and Materials businesses into one Product segment. Prior period segment results have been retrospectively recast to reflect the new reportable segments.

The CODM reviews revenue and gross profit for each of the reportable segments. Gross profit is defined as revenue less cost of revenue incurred by the segment. The Company considered the provisions of ASC 280-10-50 as it relates to the information provided to and used by the CODM for evaluating performance and allocating resources to operating segments.

The Company does not allocate assets at the reportable segment level as these are managed on an entity wide group basis. As of September 30, 2024, long-lived assets located outside the United States, primarily located in Malaysia and China, were $5.2 million.

The Platform segment derives revenue primarily from monthly and annual subscription fees, digital content, and a portion of the revenue allocated to unspecified future upgrades and enhancements related to the essential software and access to the Company's cloud-based services. For the nine months ended September 30, 2024, upfront digital content revenue comprised 1% of Platform revenue. The remaining Platform revenue consists of ratably recognized subscription revenue. The Products segment derives revenue primarily from the sale of its connected machine hardware, and sale of craft, DIY, home décor products and extensions. There are no internal revenue transactions between the Company's segments.

Key financial performance measures of the segments including revenue, cost of revenue and gross profit are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
(in thousands)				
Platform:				
Revenue	$ 77,674	$ 77,455	$ 233,609	$ 231,082
Cost of revenue	10,000	8,276	27,647	24,045
Gross profit	$ 67,674	$ 69,179	$ 205,962	$ 207,037
Products:				
Revenue	$ 90,216	$ 97,454	$ 269,620	$ 302,819
Cost of revenue	80,527	84,699	216,785	263,601
Gross profit	$ 9,689	$ 12,755	$ 52,835	$ 39,218
Consolidated:				
Revenue	$ 167,890	$ 174,909	$ 503,229	$ 533,901
Cost of revenue	90,527	92,975	244,432	287,646
Gross profit	$ 77,363	$ 81,934	$ 258,797	$ 246,255

17. Subsequent Events

On November 1, 2024, the Board of Directors approved a recurring semi-annual dividend of $0.10 per share on its Class A and Class B common stock, payable on January 21, 2025 to shareholders of record as of January 7, 2025.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read together with our interim condensed consolidated financial statements and related notes and other financial information appearing elsewhere in this Quarterly Report on Form 10-Q and our audited consolidated financial statements included in our Annual Report. This discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results could differ materially from these forward-looking statements as a result of many factors, including those discussed, or incorporated by reference, in the sections titled "Risk Factors" and "Note Regarding Forward-Looking Statements."

Overview of Our Business and History

At Cricut, our mission is to help people lead creative lives. We have designed and built a creativity platform that enables our engaged and loyal community of nearly 5.9 million Active Users to turn ideas into professional-looking handmade goods. We define "Active User" as a registered user of at least one registered connected machine who has utilized their connected machine to create a project in the last 365 days. With our highly versatile Design Space Platform and our products, including our connected machines and accessories and materials, our users create everything from personalized birthday cards, mugs and T-shirts, to large-scale interior decorations.

Our users' journeys typically begin with the purchase of a connected machine. We currently sell a portfolio of connected machines that cut, write, score and create other decorative effects using a wide variety of materials including paper, vinyl, iron-on vinyl, pens, and more. Our connected machines are designed for a wide range of uses and are available at a variety of price points (MSRP by machine family as of September 30, 2024):

- Cricut Joy family for personalization, organization, and customization, $149.00 - $199.00 MSRP
- Cricut Explore family for cutting, writing and scoring, $249.00 - $319.00 MSRP

- Cricut Maker family for cutting, writing, scoring and adding decorative effects to a wider range of materials, $399.00 - $429.00 MSRP
- Cricut Venture for cutting, writing, and scoring large-format projects at professional speeds, $999.00 MSRP

Our platform integrates our design apps and connected machines, allowing our users to create and share seamlessly. Our software is cloud-based, meaning that users can access and work on their projects anywhere, at any time, across desktops or mobile devices. We enable our users to be inspired, to create and share projects with the Cricut community and to follow others doing the same. On our platform, users can find inspiration, purchase or upload content like fonts and images, design a project from scratch or find a vast array of ready-to-make projects.

Users can leverage the full power of our platform by using our connected machines together with our free design apps, in-app purchases and subscription offerings to design and complete projects. All users can access a select number of free images, fonts and projects from our design apps or upload their own. In addition, we offer a wider selection of images, fonts and projects for purchase à la carte, including licensed content from partners with well-known brands and characters, like major motion picture studios. We also have two subscription offerings:

- Cricut Access: Provides a subscription to images, fonts and projects as well as other member benefits, including exclusive software features and functionality, discounts, and priority Cricut Member Care. Cricut Access is billed monthly for $9.99 per month or annually for $95.88 per year.
- Cricut Access Premium: Includes all of the benefits of Cricut Access as well as additional discounts and preferred shipping and is billed annually for $119.88 per year.

As of September 30, 2024, we had over 2.8 million Paid Subscribers to Cricut Access and Cricut Access Premium.

We sell a broad range of accessories and materials that bring our users' designs to life, from advanced tools like heat presses to Cricut-branded rulers, scoring tools, pens, paper and iron-on vinyl, all designed to work seamlessly with our connected machines. Designing and completing projects drives repeat purchases of Cricut-branded accessories and materials.

We design and develop our software and hardware products, and we work with third-party contract manufacturers to source components and finished goods and with third-party logistics companies to warehouse and distribute our products.

We sell our connected machines and accessories and materials through our brick-and-mortar and online retail partners, as well as through our website at cricut.com. Our partners include Amazon, Hobby Lobby, HSN, Jo-Ann, Michaels, Target, Walmart and many others. We also sell our products and subscriptions to Cricut Access and Cricut Access Premium on cricut.com.

Historically, we have experienced the highest revenue levels in the fourth quarter of the year, coinciding with the holiday shopping season in the United States. For example, in 2021, 2022 and 2023, our fourth quarter represented 30%, 32% and 30% of total revenue for the year, respectively. Our promotional discounting activity is higher in the fourth quarter as well, which negatively impacts gross margin during this period. For example, gross margin in the fourth quarter of 2023 was 42%, compared to gross margin of 45% for all of 2023. Additionally, sales of accessories and materials typically rise and fall with seasonal holiday crafting periods. The yearly seasonality patterns experienced in 2021, 2022, and 2023 are not representative of our typical historical patterns due to the unique aspects of the pandemic and condition of the global economy. For example, we experienced unusually high demand in the first and second quarters of 2021, which is inconsistent with normal seasonality patterns. In 2022, we experienced a deceleration of sales post-Q1 due to the global economic slowdown which drove a deviation from our typically expected seasonality. As the impact of the pandemic and global economic challenges on behaviors abate, we expect to return to a more normal seasonality pattern. As we continue to grow internationally, we expect we may experience seasonality in additional markets, which may differ from the seasonality experienced in the United States.

In January 2024, the Company reevaluated its operating segments in order to better align with how the CODM evaluates performance and allocates resources. The key factor evaluated by the Company resulted from the growth and expansion of Design Space, the Company's digital platform. Since its initial public offering, the Company's digital platform has evolved and grown considerably. Key enhancements to the platform include the size of its images, fonts, and projects library, the introduction of advanced design tools, the software support for several new cutting machines, and the creation of enhanced subscriptions offerings. In 2020, revenue and gross profit generated from the platform represented 12% and 31% of total, respectively. In 2023, revenue and gross profit generated from the platform represented 40% and 80% of total, respectively. Over this same time period, Paid Subscribers on the platform grew 115% from 1.3 million to nearly 2.8 million. The change in operating segments reflects the Company's strategy to focus on continuing to expand revenue and margin generated from its digital platform and Paid Subscribers. At the same time, a number of product related factors also contributed to this decision, including the relative importance of physical products to the platform, including bundles (comprised of several combinations of machines, accessories, and materials), and changes in our Accessories and Materials business. Based on these changes, the Company has determined that it was appropriate to reduce its reportable segments from three to two, combining its Subscriptions and digital content businesses into one Platform segment, and its Connected Machines and Accessories and Materials businesses into one Product segment. Prior period segment results have been retrospectively recast to reflect the new reportable segments.

For more information regarding our business model, factors affecting our performance, and seasonality, please see "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report, which is incorporated herein by reference.

Key Business Metrics

In addition to the measures presented in our interim condensed consolidated financial statements, we use the following key metrics to evaluate our business, measure our performance, identify trends and make strategic decisions.

	As of September 30,	
	2024	2023
Active Users (in thousands)	5,894	5,929
90-Day Engaged Users (in thousands)	3,532	3,641
Paid Subscribers (in thousands)	2,838	2,699

	Three Months Ended September 3	
	2024	2023
Platform ARPU	$ 52.86	$ 51.

Active Users

We define Active Users as registered users of at least one registered connected machine who have utilized their connected machine to create a project in the last 365 days. One user may own multiple registered connected machines but is only counted once if that user registers those connected machines by using the same email address. If possession of a connected machine is transferred to a new owner and registered by that new owner, the new owner is added to the total Active Users and the prior owner is removed from the total Active Users if the prior owner does not own any other registered connected machines. Active Users is a key indicator of the health of our business, because changes in the number of Active Users excludes non-users to better represent opportunities for us to drive additional platform and accessories and materials revenue.

90-Day Engaged Users

We define 90-Day Engaged Users as registered users of at least one registered connected machine who have utilized their connected machine to create a project in the last 90 days. One user may own multiple registered connected machines but is only counted once if that user registers those connected machines by using the same email address. If possession of a connected machine is transferred to a new owner and registered by that new owner, the new owner is added to the total 90-Day Engaged Users and the prior owner is removed from the total 90-Day Engaged Users if the prior owner does not own any other registered connected machines. 90-Day Engaged Users excludes non-users to better represent opportunities for us to drive additional platform and accessories and materials revenue.

Paid Subscribers

We define Paid Subscribers as the number of users with a subscription to Cricut Access or Cricut Access Premium, excluding cancelled, unpaid or free trial subscriptions, as of the end of a period. Paid Subscribers is a key metric to track growth in our Platform revenue and potential leverage in our gross margin.

Platform ARPU

We define Platform ARPU as Platform revenue in a 12-month period divided by Active Users. Platform ARPU allows us to forecast Platform revenue over time and is an indicator of our ability to expand with users and of user engagement with our subscription offerings.

Components of our Results of Operations

We operate and manage our business in two reportable segments: Platform and Products. We identify our reportable segments based on the information used by management to monitor performance and make operating decisions. See Note 16 to our unaudited consolidated financial statements included elsewhere in this filing for additional information regarding our reportable segments.

Revenue

Platform

We generate Platform revenue primarily from sales of subscriptions to Cricut Access and Cricut Access Premium, digital content, and a minimal amount of revenue allocated to the unspecified future upgrades and enhancements related to the essential software and access to our cloud-based services. For a monthly or annual subscription fee, Cricut Access includes a subscription to images, fonts and projects as well as other member benefits, including exclusive software features and functionality, discounts, and priority Cricut Member Care. For our annual subscription fee, Cricut Access Premium includes all the benefits of Cricut Access as well as additional discounts and preferred shipping. Digital content includes à la carte digital content purchases, including fonts, images and projects. Platform revenue is recognized on a ratable basis over time, during the subscription term for subscriptions, and at the point in time when control is transferred for à la carte digital content.

Products

We generate Products revenue from sales of connected machines and ancillary products, net of sales discounts, incentives and returns, and includes amounts allocated to the material right for discounts on materials and accessories available only to Paid Subscribers. Our connected machines portfolio consists of machines in four product families: Cricut Maker, which includes Maker and Maker 3; Cricut Explore, which includes Explore Air 2 and Explore 3; Cricut Joy, which includes Joy and Joy Xtra; and Cricut Venture. Our ancillary products include Cricut EasyPress, Cricut MugPress, hand tools, machine replacement tools and blades, and project materials such as vinyl and iron-on. Products revenue is recognized at the point in time when control is transferred, which is either upon shipment or delivery to the customer in accordance with the terms of each customer contract.

Cost of Revenue

Platform

Cost of revenue related to Platform consists primarily of hosting fees, digital content costs, amortization of capitalized software development costs and software maintenance costs. We expect our cost of revenue related to Platform as a percentage of revenue to fluctuate in the near term as we expand our content offerings, including localized content for international target markets, and decrease over time as we drive greater scale and efficiency in our business.

Products

Cost of revenue related to Products consists of product costs, including costs of components, cost of contract manufacturers for production, inspecting and packaging, shipping, receiving, handling, warehousing and fulfillment, duties and other applicable importing costs, warranty replacement, excess and obsolete inventory write-downs, tooling and equipment depreciation and royalties. We expect our cost of revenue related to Products as a percentage of revenue to fluctuate in the near term as we continue selling through end of life machines, address global supply chain challenges and continue to invest in the growth of our business and decrease over the long term as we drive greater scale and efficiency in our business.

Operating Expenses

Research and Development

Research and development expenses consist primarily of costs associated with the development of our platform and products, including personnel-related expenses for engineering, product development and quality assurance, as well as prototype costs, service fees incurred by contracting with vendors and allocated overhead. We expect our research and development expenses to fluctuate in the near term as we refine our product roadmaps. We expect to produce gross savings of approximately $3.2 million during 2024 as a result of the Q1 2024 restructuring plan.

Sales and Marketing

Sales and marketing expenses consist primarily of the advertising and marketing of our products, third-party payment processing fees, personnel-related expenses, including salaries and bonuses, benefits and stock-based compensation expense, as well as sales incentives, professional services, promotional items, and allocated overhead costs. We expect our sales and marketing expenses as a percentage of revenue to fluctuate in the near term. We expect to produce gross savings of approximately $2.5 million during 2024 as a result of the Q1 2024 restructuring plan.

General and Administrative

General and administrative expenses consist of personnel-related expenses for our finance, legal, human resources and administrative personnel, including salaries and bonuses, benefits and stock-based compensation expense, as well as the costs of professional services, any allocated overhead, information technology, impairment charges of unused equipment, and other administrative expenses. We expect our general and administrative expenses as a percentage of revenue to increase in the near term as we expand our operations, invest in systems enhancements, and incur expenses required of a public company. We expect to produce gross savings of approximately $0.6 million during 2024 as a result of the Q1 2024 restructuring plan.

Other Income, Net

Other income, net consists primarily of interest income from our investments in marketable securities, offset by interest expense associated with our debt financing arrangements and amortization of debt issuance costs.

Provision for Income Taxes

Provision for income taxes consists of income taxes in the United States and certain state and foreign jurisdictions in which we conduct business. We have not recorded a valuation allowance against our deferred tax assets as we have concluded that it is more likely than not that the deferred tax assets will be realized.

Results of Operations

The following tables set forth the components of our interim condensed consolidated statements of operations for each of the periods presented and as a percentage of our revenue for those periods. The period-to-period comparison of results of operations is not necessarily indicative of results of future periods.

The following table is presented in thousands:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
(in thousands)				
Revenue:				
Platform	$ 77,674	$ 77,455	$ 233,609	$ 231,082
Products	90,216	97,454	269,620	302,819
Total revenue	167,890	174,909	503,229	533,901
Cost of revenue:				
Platform[(1)]	10,000	8,276	27,647	24,045
Products[(1)]	80,527	84,699	216,785	263,601
Total cost of revenue	90,527	92,975	244,432	287,646
Gross profit	77,363	81,934	258,797	246,255
Operating expenses:				
Research and development[(1)]	15,240	15,910	44,408	50,057
Sales and marketing[(1)]	35,278	28,375	101,662	87,398
General and administrative[(1)]	16,249	13,962	50,494	55,334
Total operating expenses	66,767	58,247	196,564	192,789
Income from operations	10,596	23,687	62,233	53,466
Other income, net	3,566	1,828	10,011	7,834
Income before provision for income taxes	14,162	25,515	72,244	61,300
Provision for income taxes	2,674	8,290	21,340	18,952
Net income	$ 11,488	$ 17,225	$ 50,904	$ 42,348

(1) Includes stock-based compensation expense as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
(in thousands)				
Cost of revenue				
Platform	$ 341	$ 422	$ 833	$ 751
Products	170	322	566	1,220
Total cost of revenue	511	744	1,399	1,971
Research and development	4,266	4,732	11,519	13,355
Sales and marketing	3,474	3,156	9,398	9,362
General and administrative	3,628	3,850	10,939	10,101
Total stock-based compensation expense	$ 11,879	$ 12,482	$ 33,255	$ 34,789

Comparison of the Three and Nine Months Ended September 30, 2024 and 2023

Revenue

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2024	2023	$	%	2024	2023	$	%
(dollars in thousands)								
Revenue:								
Platform	$ 77,674	$ 77,455	$ 219	— %	$ 233,609	$ 231,082	$ 2,527	1 %
Products	90,216	97,454	(7,238)	(7)%	269,620	302,819	(33,199)	(11)%
Total revenue	$ 167,890	$ 174,909	$ (7,019)	(4)%	$ 503,229	$ 533,901	$ (30,672)	(6)%

Three Months Ended September 30, 2024 and 2023

Platform revenue increased by $0.2 million, or 0%, to $77.7 million for the three months ended September 30, 2024 from $77.5 million for the three months ended September 30, 2023. The increase was driven by an increase in the number of paid subscribers which increased from 2.7 million as of September 30, 2023 to 2.8 million as of September 30, 2024.

Products revenue decreased by $7.2 million, or 7%, to $90.2 million for the three months ended September 30, 2024 from $97.5 million for the three months ended September 30, 2023. The decrease was primarily driven by increased promotional activity on similar gross sales.

Nine Months Ended September 30, 2024 and 2023

Platform revenue increased by $2.5 million, or 1%, to $233.6 million for the nine months ended September 30, 2024 from $231.1 million for the nine months ended September 30, 2023. The increase was driven by an increase in the number of paid subscribers which increased from 2.7 million as of September 30, 2023 to 2.8 million as of September 30, 2024.

Products revenue decreased by $33.2 million, or 11%, to $269.6 million for the nine months ended September 30, 2024 from $302.8 million for the nine months ended September 30, 2023. The decrease was primarily driven by fewer units of Accessories & Materials sold and increased promotional activity during the period.

Cost of Revenue, Gross Profit and Gross Margin

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2024	2023	$	%	2024	2023	$	%
(dollars in thousands)								
Cost of Revenue:								
Platform	$ 10,000	$ 8,276	$ 1,724	21 %	$ 27,647	$ 24,045	$ 3,602	15 %
Products	80,527	84,699	(4,172)	(5)%	216,785	263,601	(46,816)	(18)%
Total cost revenue	$ 90,527	$ 92,975	$ (2,448)	(3)%	$ 244,432	$ 287,646	$ (43,214)	(15)%
Gross Profit:								
Platform	67,674	69,179	(1,505)	(2)%	205,962	207,037	(1,075)	(1)%
Products	9,689	12,755	(3,066)	(24)%	52,835	39,218	13,617	35 %
Total gross profit	$ 77,363	$ 81,934	$ (4,571)	(6)%	$ 258,797	$ 246,255	$ 12,542	5 %
Gross Margin								
Platform	87 %	89 %			88 %	90 %		
Products	11 %	13 %			20 %	13 %		

Three Months Ended September 30, 2024 and 2023

Platform cost of revenue increased by $1.7 million, or 21%, to $10.0 million for the three months ended September 30, 2024 from $8.3 million for the three months ended September 30, 2023. The increase was primarily driven by increases in hosting fees, external digital content costs, and software development expenses.

Gross margin for Platform was 87% for the three months ended September 30, 2024 and 89% for the three months ended September 30, 2023. The decrease was primarily driven by increases in hosting fees, external digital content costs, and software development expenses.

Products cost of revenue decreased by $4.2 million, or 5%, to $80.5 million for the three months ended September 30, 2024 from $84.7 million for the three months ended September 30, 2023. The decrease was primarily driven by a reduction in inventory impairment charges compared to prior year.

Gross margin for Products was 11% for the three months ended September 30, 2024 and 13% for the three months ended September 30, 2023. The decrease was primarily driven by increased promotional activity, partially offset by a reduction in inventory impairment charges compared to prior year.

Nine Months Ended September 30, 2024 and 2023

Platform cost of revenue increased by $3.6 million, or 15%, to $27.6 million for the nine months ended September 30, 2024 from $24.0 million for the nine months ended September 30, 2023. The increase was primarily driven by increases in amortization of capitalized software costs, software development expenses, and hosting fees.

Gross margin for Platform was 88% for the nine months ended September 30, 2024 and 90% for the nine months ended September 30, 2023. The decrease was primarily driven by increases in amortization of capitalized software costs and software development expenses.

Products cost of revenue decreased by $46.8 million, or 18%, to $216.8 million for the nine months ended September 30, 2024 from $263.6 million for the nine months ended September 30, 2023. The decrease was primarily driven by a reduction in inventory impairment charges compared to prior year and fewer units of Accessories & Materials sold during the period.

Gross margin for Products was 20% for the nine months ended September 30, 2024 and 13% for the nine months ended September 30, 2023. The increase was primarily driven by a reduction in inventory impairment charges compared to prior year, partially offset by increased promotional activity.

Operating Expenses

Research and Development

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2024	2023	$	%	2024	2023	$	%
(dollars in thousands)								
Research and development	$ 15,240	$ 15,910	$ (670)	(4)%	$ 44,408	$ 50,057	$ (5,649)	(11)%
As a percentage of total revenue	9 %	9 %			9 %	9 %		

Research and development expenses decreased by $0.7 million, or 4%, to $15.2 million for the three months ended September 30, 2024 from $15.9 million for the three months ended September 30, 2023. The decrease was primarily due to a $1.1 million decrease in personnel-related expense, partially offset by an increase in professional services expense.

Research and development expenses decreased by $5.6 million, or 11%, to $44.4 million for the nine months ended September 30, 2024 from $50.1 million for the nine months ended September 30, 2023. The decrease was primarily due to a $4.2 million decrease in personnel-related expense and a $1.6 million decrease in product development expenses for future products.

Sales and Marketing

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2024	2023	$	%	2024	2023	$	%
(dollars in thousands)								
Sales and marketing	$ 35,278	$ 28,375	$ 6,903	24 %	$ 101,662	$ 87,398	$ 14,264	16 %
As a percentage of total revenue	21 %	16 %			20 %	16 %		

Sales and marketing expenses increased by $6.9 million, or 24%, to $35.3 million for the three months ended September 30, 2024 from $28.4 million for the three months ended September 30, 2023. The increase was primarily due to a $5.7 million increase in advertising and other marketing costs and a $1.7 million increase in personnel-related expense, partially offset by a decrease in software and website subscriptions expense.

Sales and marketing expenses increased by $14.3 million, or 16%, to $101.7 million for the nine months ended September 30, 2024 from $87.4 million for the nine months ended September 30, 2023. The increase was primarily due to a $11.2 million increase in advertising and other marketing costs and a $3.6 million increase in personnel-related expense, partially offset by a decrease in software and website subscriptions expense.

General and Administrative

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2024	2023	$	%	2024	2023	$	%
(dollars in thousands)								
General and administrative	$ 16,249	$ 13,962	$ 2,287	16 %	$ 50,494	$ 55,334	$ (4,840)	(9)%
As a percentage of total revenue	10 %	8 %			10 %	10 %		

General and administrative expenses increased by $2.3 million, or 16%, to $16.2 million for the three months ended September 30, 2024 from $14.0 million for the three months ended September 30, 2023. The increase was primarily driven by a $4.5 million net reversal of bad debt expense in Q3 2023. This was partially offset by a loss on foreign currency translation and decreases in impairment of unused equipment, software, and inventory.

General and administrative expenses decreased by $4.8 million, or 9%, to $50.5 million for the nine months ended September 30, 2024 from $55.3 million for the nine months ended September 30, 2023. The decrease was primarily due to a $2.8 million decrease in bad debt expense and a $1.6 million decrease in professional services.

Other Income, Net

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2024	2023	$	%	2024	2023	$	%
(dollars in thousands)								
Other income, net	$ 3,566	$ 1,828	$ 1,738	95 %	$ 10,011	$ 7,834	$ 2,177	28 %

Other income, net increased by $1.7 million or 95% to $3.6 million for the three months ended September 30, 2024 from $1.8 million for the three months ended September 30, 2023. The increase was primarily driven by an increase in interest income due to an increase in maturities of marketable securities in 2024.

Other income, net increased by $2.2 million or 28% to $10.0 million for the nine months ended September 30, 2024 from $7.8 million for the nine months ended September 30, 2023. The increase was primarily driven by an increase in interest income due to an increase in maturities of marketable securities in 2024.

Income Tax Expense

(dollars in thousands)	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Change $	Change %	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023	Change $	Change %
Provision for income taxes	$ 2,674	$ 8,290	$ (5,616)	(68)%	$ 21,340	$ 18,952	$ 2,388	13 %

Provision for income taxes decreased by $5.6 million, or 68%, to $2.7 million for the three months ended September 30, 2024 from $8.3 million for the three months ended September 30, 2023. The decrease was primarily due to a reduction in unfavorable prior-period adjustments due to the filing of the prior-year tax returns in Q3, increases in the foreign derived intangible income deduction, and a decrease from discrete items related to stock-based compensation.

Provision for income taxes increased by $2.4 million, or 13%, to $21.3 million for the nine months ended September 30, 2024 from $19.0 million for the nine months ended September 30, 2023. The increase was primarily due to an increase in stock-based compensation difference attributable to the decrease in stock price upon vesting versus the stock price at the grant date, and a decrease to the research and development credit.

Liquidity and Capital Resources

Our operations during the periods presented have been financed primarily through cash flow from operating activities. We believe our balances of cash and cash equivalents and marketable securities, which totaled $142.4 million and $104.6 million, respectively, as of September 30, 2024, along with forecasted cash expected to be generated by ongoing operations and $300.0 million in available borrowings and the option to increase the aggregate amount of our credit facility by up to an additional $150.0 million (see Note 7) will be sufficient to satisfy our cash requirements over the next 12 months and beyond. Except for the dividends announced in May and November 2024 and the share repurchase program announced in May 2024, our cash requirements have not changed materially since our Annual Report.

During the nine months ended September 30, 2024 and 2023, we paid a dividend of $109.8 million and $293.8 million to holders of Class A and Class B common stock, respectively.

Our future capital requirements may vary materially from those currently planned and will depend on many factors, including our rate of revenue growth, the timing and extent of spending on research and development efforts and other growth initiatives, the expansion of sales and marketing activities, the timing of new product introductions, market acceptance of our products and overall economic conditions. To the extent that current and anticipated future sources of liquidity are insufficient to fund our future business activities and requirements, we may be required to seek additional equity or debt financing. The sale of additional equity would result in additional dilution to our stockholders. The incurrence of debt financing would result in debt service obligations, and the instruments governing such debt could provide for operating and financing covenants that would restrict our operations. There can be no assurances that we will be able to raise additional capital. The inability to raise capital would adversely affect our ability to achieve our business objectives.

Cash Flows

(in thousands)	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Net cash flows provided by operating activities	$ 161,885	$ 196,026
Net cash flows used in investing activities	(14,436)	(43,998)
Net cash flows used in financing activities	(147,402)	(304,324)

Operating Activities

The change in net cash flows from operating activities for the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023 is primarily due to a decrease in the provision for obsolete inventory, a smaller reduction in accounts receivable in 2024 compared to 2023, an increase in prepaid balances due to estimated tax payments made in 2024, and a decrease in accounts payable driven by a decrease in foreign trade payables due to lower inventory purchases in 2024, offset by a decrease in inventory from current year sales and the inventory replenishment rate decreasing as the Company works to reduce inventory levels and an increase in accrued liabilities related to income taxes payable.

Investing Activities

The change in net cash flows from investing activities for the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023 was due to an increase in proceeds from the maturities of marketable securities in 2024.

Financing Activities

The change in net cash flows from financing activities for the nine months ended September 30, 2024 compared to nine months ended September 30, 2023 was primarily due to dividend payments of $293.8 million in 2023 compared to the dividend payment in 2024 of $109.8 million, offset by an increase in the repurchase of common stock in 2024.

Critical Accounting Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our condensed consolidated financial statements, which have been prepared in accordance with United States generally accepted accounting principles ("GAAP"). The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported revenues and expenses incurred during the reporting periods. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. The critical accounting policies that reflect our more significant judgments and estimates used in the preparation of our condensed consolidated financial statements include those described in Note 2 of the notes to our condensed consolidated financial statements in the section titled "Summary of Significant Accounting Policies" in Part I, Item 1 of this Quarterly Report on Form 10-Q and in our Annual Report.

ITEM 3. QUALITATIVE AND QUANTITATIVE DISCLOSURES ABOUT MARKET RISK

For a discussion of the Company's market risk, please refer to Part II, Item 7A, "Quantitative and Qualitative Disclosures About Market Risk" in our Annual Report. There have been no material changes to the Company's market risk during the three and nine months ended September 30, 2024.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15(b) under the Exchange Act, our management, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this Quarterly Report on Form 10-Q, our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and to provide reasonable assurance that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the period covered by this Quarterly Report on Form 10-Q that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, do not expect that our disclosure controls or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been or would be detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are not presently a party to any material pending legal proceedings. We are, from time to time, subject to legal proceedings and claims arising from the normal course of business activities, and an unfavorable resolution of any of these matters could materially affect our business, results of operations, financial condition or cash flows.

Litigation may be necessary, among other things, to defend ourselves or our users by determining the scope, enforceability and validity of third-party proprietary rights, to establish our proprietary rights, or to address royalty payments we make. The results of any current or future litigation cannot be predicted with certainty, and regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this report, you should carefully consider the risk factors discussed in “Part II. Item 1A — Risk Factors” in our quarterly report on Form 10-Q for the period ended March 31, 2024, filed on May 7, 2024, which are hereby incorporated by reference. The risks and uncertainties described in such risk factors and elsewhere in this report have the potential to materially affect our business, financial condition, results of operations, cash flows, projected results and future prospects. We do not believe that there have been any material changes to the risk factors previously disclosed in our recent SEC filings, including our previously filed Form 10-Q, as referenced above, as updated by our Quarterly Report on Form 10-Q for the quarter ended June 30, 2024, filed on August 6, 2024.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Sales of Unregistered Securities

None.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table provides information regarding share repurchases made by Cricut during the three months ended September 30, 2024:

Period	Total Number of Shares Purchased[1]	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Maximum Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program
				(in thousands)
July 1, 2024 through July 31, 2024	1,022,603	$5.56	1,022,603	$35,501
August 1, 2024 through August 31, 2024	—	$—	—	$35,501
September 1, 2024 through September 30, 2024	762,867	$6.11	762,867	$30,839
Total	1,785,470	$5.79	1,785,470	$30,839

(1) On August 9, 2022, we announced that our Board of Directors approved a common stock repurchase program to purchase shares of our outstanding Class A common stock up to an aggregate transactional value of $50 million. On May 6, 2024, the Board of Directors approved an additional $50 million for the share repurchase program, to purchase shares of our outstanding Class A common stock depending on our continuing analysis of market, financial, and other factors. The share repurchase program may be suspended or discontinued at any time and does not have a predetermined expiration date.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Securities Trading Plans of Directors and Executive Officers

During our last fiscal quarter, the following directors and officer, each as defined in Rule 16a-1(f), adopted a “Rule 10b5-1 trading arrangement,” as defined in Regulation S-K Item 408, as follows:

On August 29, 2024, Len Blackwell, a member of our Board of Directors, adopted a Rule 10b5-1 trading arrangement providing for the sale from time to time of an aggregate of up to 447,867 shares of our Class A common stock. The trading arrangement is intended to satisfy the affirmative defense in Rule 10b5-1(c). The duration of the trading arrangement is until September 2, 2025, or earlier if all transactions under the trading arrangement are completed.

On August 19, 2024, Ashish Arora, our Chief Executive Officer and a member of our Board of Directors, adopted a Rule 10b5-1 trading arrangement providing for the sale from time to time of an aggregate of up to 2,030,000 shares of our Class A common stock. The trading arrangement is intended to satisfy the affirmative defense in Rule 10b5-1(c). The duration of the trading arrangement is until October 17, 2025, or earlier if all transactions under the trading arrangement are completed.

No other officers or directors, as defined in Rule 16a-1(f), adopted and/or terminated a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement,” as defined in Regulation S-K Item 408, during the last fiscal quarter.

ITEM 6. EXHIBITS

The documents listed below are incorporated by reference or are filed with this Quarterly Report on Form 10-Q, in each case as indicated therein (numbered in accordance with Item 601 of Regulation S-K).

EXHIBIT INDEX

Exhibit Number	Description
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*†	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002.
32.2*†	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104*	Cover Page Interactive Data File - the cover page interactive data is embedded within the Inline XBRL document or included within the Exhibit 101 attachments

* Filed herewith

+ Indicates management contract or compensatory plan.

† The certifications furnished in Exhibits 32.1 and 32.2 hereto are deemed to accompany this Quarterly Report on Form 10-Q and will not be deemed "filed" for purposes of Section 18 or the Securities Exchange Act of 1934, as amended, except to the extent that the registrant specifically incorporates it by reference.

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:	November 5, 2024	By:		/s/ Ashish Arora
			Name:	Ashish Arora
			Title:	Chief Executive Officer
				(*Principal Executive Officer*)
Date:	November 5, 2024	By:		/s/ Kimball Shill
			Name:	Kimball Shill
			Title:	Chief Financial Officer
				(*Principal Financial Officer*)
Date:	November 5, 2024	By:		/s/ Ryan Harmer
			Name:	Ryan Harmer
			Title:	VP of Accounting, Corporate Controller
				(Principal Accounting Officer)

Exhibit 31.1

**CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14a OF
THE SECURITIES EXCHANGE ACT OF 1934
AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES OXLEY ACT OF 2002**

I, Ashish Arora, certify that:

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

CRICUT, INC.

Date: November 5, 2024

/s/ Ashish Arora
Ashish Arora
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

**CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14a OF
THE SECURITIES EXCHANGE ACT OF 1934
AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES OXLEY ACT OF 2002**

I, Kimball Shill, certify that:

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

CRICUT, INC.

Date: November 5, 2024

/s/ Kimball Shill
Kimball Shill
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

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

I, Ashish Arora, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of Cricut, Inc. for the fiscal quarter ended September 30, 2024 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Cricut, Inc.

CRICUT, INC.

Date: November 5, 2024

/s/ Ashish Arora
Ashish Arora
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

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

I, Kimball Shill, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of Cricut, Inc. for the fiscal quarter ended September 30, 2024 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Cricut, Inc.

CRICUT, INC.

Date: November 5, 2024

/s/ Kimball Shill
Kimball Shill
Chief Financial Officer
(Principal Financial Officer)