

**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 June 30, 2026

OR



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

For the transition period from ____ to ____
Commission File Number: 001-40257

Cricut, Inc.

(Exact name of Registrant as specified in its charter)

Delaware

**(State or other jurisdiction of
incorporation or organization)**

87-0282025

**(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 July 29, 2026, the registrant had 54,662,100 shares of Class A Common Stock, and 154,782,316 shares of Class B Common Stock, outstanding.

TABLE OF CONTENTS

	PAGE
<u>NOTE REGARDING FORWARD-LOOKING STATEMENTS</u>	2
<u>PART I. FINANCIAL INFORMATION</u>	4
<u>Item 1. Financial Statements (unaudited)</u>	4
<u>Condensed Consolidated Balance Sheets (unaudited)</u>	4
<u>Condensed Consolidated Statements of Operations and Comprehensive Income (unaudited)</u>	5
<u>Condensed Consolidated Statements of Changes in Stockholders' Equity (unaudited)</u>	6
<u>Condensed Consolidated Statements of Cash Flows (unaudited)</u>	7
<u>Notes to Condensed Consolidated Financial Statements</u>	8
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	20
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	30
<u>Item 4. Controls and Procedures</u>	30
<u>PART II. OTHER INFORMATION</u>	32
<u>Item 1. Legal Proceedings</u>	32
<u>Item 1A. Risk Factors</u>	32
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	32
<u>Item 3. Default Upon Senior Securities</u>	32
<u>Item 4. Mine Safety Disclosures</u>	33
<u>Item 5. Other Information</u>	33
<u>Item 6. Exhibits</u>	33
<u>Signatures</u>	34

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, to help people lead creative lives through our creativity platform, 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 in both our platform and products segments;
- 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, particularly in light of geopolitical conflict or war;
- 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 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 factors, including the impact of heightened, new, or proposed tariffs; 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 amounts)

	As of June 30, 2026 (unaudited)	As of December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	\$ 266,911	\$ 256,216
Marketable securities	19,354	19,434
Accounts receivable, net	72,099	92,011
Inventories	105,842	102,664
Prepaid expenses and other current assets	35,797	29,266
Total current assets	500,003	499,591
Property and equipment, net	48,190	40,260
Operating lease right-of-use assets	9,853	10,880
Deferred tax assets	16,456	13,210
Other assets	11,182	16,865
Total assets	<u>\$ 585,684</u>	<u>\$ 580,806</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 54,583	\$ 71,553
Accrued expenses and other current liabilities	65,107	71,146
Deferred revenue, current portion	53,762	50,409
Operating lease liabilities, current portion	3,174	3,606
Dividends payable, current portion	24,310	24,361
Total current liabilities	200,936	221,075
Operating lease liabilities, net of current portion	7,207	8,018
Deferred revenue, net of current portion	2,567	2,872
Other non-current liabilities	6,783	5,280
Total liabilities	217,493	237,245
Commitments and contingencies (Note 11)		
Stockholders' equity:		
Preferred stock, par value \$0.001 per share, 100,000,000 shares authorized, and no shares issued and outstanding as of June 30, 2026 and December 31, 2025.	—	—
Common stock, par value \$0.001 per share, 1,250,000,000 shares authorized as of June 30, 2026, 209,369,360 shares issued and outstanding as of June 30, 2026; 1,250,000,000 shares authorized as of December 31, 2025, 211,336,284 shares issued and outstanding as of December 31, 2025.	209	211
Additional paid-in capital	325,838	339,224
Retained earnings	42,225	3,960
Accumulated other comprehensive income	(81)	166
Total stockholders' equity	368,191	343,561
Total liabilities and stockholders' equity	<u>\$ 585,684</u>	<u>\$ 580,806</u>

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 June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenue:				
Platform	\$ 85,009	\$ 80,697	\$ 169,777	\$ 160,683
Products	71,276	91,415	145,979	174,063
Total revenue	156,285	172,112	315,756	334,746
Cost of revenue:				
Platform	5,964	8,816	15,323	17,484
Products	33,913	61,757	91,327	117,375
Total cost of revenue	39,877	70,573	106,650	134,859
Gross profit	116,408	101,539	209,106	199,887
Operating expenses:				
Research and development	16,859	16,762	33,461	32,419
Sales and marketing	37,996	35,877	74,323	72,562
General and administrative	14,135	18,795	31,018	35,460
Total operating expenses	68,990	71,434	138,802	140,441
Income from operations	47,418	30,105	70,304	59,446
Other income (expense):				
Interest income	2,995	3,578	5,219	6,935
Interest expense	(80)	(81)	(160)	(160)
Other income (expense)	(19)	241	36	243
Total other income, net	2,896	3,738	5,095	7,018
Income before provision for income taxes	50,314	33,843	75,399	66,464
Provision for income taxes	11,260	9,355	16,027	18,062
Net income	\$ 39,054	\$ 24,488	\$ 59,372	\$ 48,402
Other comprehensive income (loss):				
Change in net unrealized gains (losses) on marketable securities, net of tax	\$ (3)	\$ 70	\$ (21)	\$ 185
Change in foreign currency translation adjustment, net of tax	(185)	279	(226)	381
Comprehensive income	\$ 38,866	\$ 24,837	\$ 59,125	\$ 48,968
Earnings per share, basic	\$ 0.19	\$ 0.12	\$ 0.28	\$ 0.23
Earnings per share, diluted	\$ 0.19	\$ 0.11	\$ 0.28	\$ 0.23
Weighted-average common shares outstanding, basic	209,570,145	211,865,363	210,044,466	212,514,662
Weighted-average common shares outstanding, diluted	211,062,032	214,529,726	211,965,164	214,649,931

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, 2025	211,336,284	\$ 211	\$ 339,224	\$ 3,960	\$ 166	\$ 343,561
Net income	—	—	—	20,318	—	20,318
Issuance of common stock upon vesting or exercise of stock-based awards, net of withholding tax	1,326,380	1	(4,275)	—	—	(4,274)
Repurchase of common stock	(2,765,378)	(2)	(12,259)	—	—	(12,261)
Dividends and dividend equivalents issued	—	—	—	3,203	—	3,203
Stock-based compensation	—	—	7,003	—	—	7,003
Other comprehensive loss	—	—	—	—	(59)	(59)
Balance as of March 31, 2026	209,897,286	\$ 210	\$ 329,693	\$ 27,481	\$ 107	\$ 357,491
Net income	—	—	—	39,054	—	39,054
Issuance of common stock upon vesting or exercise of stock-based awards, net of withholding tax	1,214,368	1	(2,667)	—	—	(2,666)
Repurchase of common stock	(1,742,294)	(2)	(7,518)	—	—	(7,520)
Dividends declared	—	—	—	(24,310)	—	(24,310)
Stock-based compensation	—	—	6,330	—	—	6,330
Other comprehensive loss	—	—	—	—	(188)	(188)
Balance as of June 30, 2026	209,369,360	\$ 209	\$ 325,838	\$ 42,225	\$ (81)	\$ 368,191

	Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount				
Balance as of December 31, 2024	213,295,922	\$ 213	\$ 466,554	\$ —	\$ (6)	\$ 466,761
Net income	—	—	—	23,914	—	23,914
Issuance of common stock upon vesting or exercise of stock-based awards, net of withholding tax	606,114	1	(2,659)	—	—	(2,658)
Repurchase of common stock	(2,126,464)	(2)	(11,998)	—	—	(12,000)
Dividends and dividend equivalents issued	—	—	806	2,083	—	2,889
Stock-based compensation	—	—	11,051	—	—	11,051
Other comprehensive income	—	—	—	—	217	217
Balance as of March 31, 2025	211,775,572	\$ 212	\$ 463,754	\$ 25,997	\$ 211	\$ 490,174
Net income	—	—	—	24,488	—	24,488
Issuance of common stock upon vesting or exercise of stock-based awards, net of withholding tax	1,608,171	1	(6,841)	—	—	(6,840)
Repurchase of common stock	(917,342)	(1)	(4,740)	—	—	(4,741)
Dividends declared	—	—	(154,297)	(50,485)	—	(204,782)
Stock-based compensation	—	—	10,289	—	—	10,289
Other comprehensive income	—	—	—	—	349	349
Balance as of June 30, 2025	212,466,401	\$ 212	\$ 308,165	\$ —	\$ 560	\$ 308,937

See accompanying notes to these unaudited condensed consolidated financial statements.

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

	Six Months Ended June 30,	
	2026	2025
Cash flows from operating activities:		
Net income	\$ 59,372	\$ 48,402
Adjustments to reconcile net income to net cash and cash equivalents provided by operating activities:		
Depreciation and amortization (including amortization of debt issuance costs)	11,756	12,083
Bad debt benefit	(386)	(1,594)
Stock-based compensation	12,195	20,138
Deferred income tax	(3,239)	(10,374)
Non-cash lease expense	1,654	1,858
Unrealized foreign currency (gain) loss	556	(995)
Provision for inventory obsolescence, net	(2,780)	(11,081)
Other	40	11
Changes in operating assets and liabilities:		
Accounts receivable	19,705	22,446
Inventories	5,397	4,787
Prepaid expenses and other current assets	(6,724)	10,762
Other assets	87	(3,479)
Accounts payable	(17,057)	18,335
Accrued expenses, other current liabilities and other non-current liabilities	(4,549)	(17,158)
Operating lease liabilities	(1,870)	(2,197)
Deferred revenue	3,047	5,379
Net cash and cash equivalents provided by operating activities	77,204	97,323
Cash flows from investing activities:		
Proceeds from maturities of marketable securities	—	26,114
Purchases of property and equipment, including capitalized software development costs	(18,634)	(10,594)
Net cash and cash equivalents provided by (used in) investing activities	(18,634)	15,520
Cash flows from financing activities:		
Repurchases of common stock	(19,781)	(16,741)
Employee tax withholding payments on stock-based awards	(6,856)	(9,315)
Cash dividend	(21,157)	(21,493)
Net cash and cash equivalents used in financing activities	(47,794)	(47,549)
Effect of exchange rate on changes in cash and cash equivalents	(81)	623
Net increase in cash and cash equivalents	10,695	65,917
Cash and cash equivalents at beginning of period	256,216	232,140
Cash and cash equivalents at end of period	\$ 266,911	\$ 298,057
Supplemental disclosures of cash flow information:		
Cash paid during the period for income taxes	\$ 1,188	\$ 10,938
Supplemental disclosures of non-cash investing and financing activities:		
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 627	\$ 371
Property and equipment included in accounts payable, accrued expenses and other current liabilities	\$ 3,555	\$ 2,718
Tax withholdings on stock-based awards included in accrued expenses and other current liabilities	\$ 569	\$ 635
Stock-based compensation capitalized for software development costs	\$ 790	\$ 848
Dividends declared but unpaid	\$ 24,310	\$ 204,814

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 and products 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 machine bundles and ancillary products. In addition, Cricut sells a broad line of fonts, images, templates, and projects for purchase à la carte.

The Company organizes its business into the following two reportable segments: Platform and Products. See Note 15, 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, 2025 (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, 2025 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 six months ended June 30, 2026 are not necessarily indicative of the results to be expected for any subsequent quarter, the fiscal year ending December 31, 2026, or any other period.

Recently Adopted Accounting Pronouncements

In August 2025, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2025-05, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Trade Receivables and Contract Assets*. The amendments in ASU 2025-05 permit entities to elect a practical expedient when estimating expected credit losses on accounts receivable and contract assets. Under this election, entities may assume that current conditions as of the balance sheet date do not change for the remaining life of accounts receivable and contract assets when developing forecasts as part of estimating expected credit losses. The Company adopted ASU 2025-05 effective January 1, 2026. The adoption did not have a material effect on the Company's consolidated financial statements.

Recently Issued Accounting Pronouncements

In September 2025, the FASB issued ASU 2025-06, *Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*, which removes all references to software development project stages. The ASU requires entities to begin capitalizing software costs when management authorizes and commits to funding the software project, and it is probable that the project will be completed and the software will be used for its intended purpose. This ASU is effective for annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods, with early adoption permitted. Upon adoption, the guidance can be applied prospectively, retrospectively, or with a modified transition approach. The Company is currently evaluating the impact of this standard on our consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, *"Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses,"* which requires entities to disaggregate operating expenses into specific categories such as employee compensation, depreciation, and intangible asset amortization, by relevant expense caption on the statement of operations. The standard is effective for annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted on either a prospective or retrospective basis. The Company is currently evaluating the impact of this standard on the consolidated financial statements and related disclosures.

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 customer rebates and product returns. Other estimates include the warranty reserve, allowance for credit losses, inventory reserve, 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 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. Marketable securities which include 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 liabilities measured at fair value on a recurring basis as of June 30, 2026 and December 31, 2025.

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 receivable. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received.

As of June 30, 2026, December 31, 2025, and January 1, 2025, the Company had net accounts receivable balances of \$72.1 million, \$92.0 million and \$102.0 million, respectively. As of June 30, 2026, and December 31, 2025, the Company had an allowance for credit losses against accounts receivable of \$1.5 million and \$1.7 million, respectively.

Changes in Laws and Regulations

On February 20, 2026, the U.S. Supreme Court ruled that tariffs imposed under the International Emergency Economic Powers Act ("IEEPA") were unauthorized. Following the ruling, U.S. Customs and Border Protection ("CBP") established a phased refund process through its Consolidated Administration and Processing of Entries ("CAPE") functionality. In April 2026, we submitted a refund request for eligible IEEPA tariff entries through the initial phase of the CAPE process. The Company evaluated recovery of IEEPA tariffs under gain contingency guidance and recognized a benefit during the second quarter of 2026 upon approval of its refund claims by CBP. Refunds, including interest, totaled \$20.3 million, of which \$17.9 million was recognized as a reduction of product cost of revenue, \$1.7 million as a reduction of inventory, and \$0.7 million as interest income. As of June 30, 2026, the Company had received \$16.8 million in cash and recorded a receivable of \$3.5 million for the remaining approved refund amount.

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 bundle to the unspecified upgrades and enhancements and the Company's cloud-based services. Contract costs consist of amounts paid to obtain contracts with customers in connection with sales of subscriptions through third-party apps. Contract costs are amortized over the subscription term. As of June 30, 2026 and December 31, 2025 the Company had \$1.1 million and \$1.1 million recorded for capitalized contract costs, respectively.

The following table summarizes the changes in the deferred revenue balance for the six months ended June 30, 2026 and 2025:

	Six Months Ended June 30,	
	2026	2025
(in thousands)		
Deferred revenue, beginning of period	\$ 53,281	\$ 48,253
Recognition of revenue included in beginning of period deferred revenue	(39,444)	(35,372)
Revenue deferred, net of revenue recognized on contracts in the respective period	42,492	40,751
Deferred revenue, end of period	<u>\$ 56,329</u>	<u>\$ 53,632</u>

As of June 30, 2026, 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 June 30, 2026:

	Year Ended December 31,				
	2026 (remainder of year)	2027	2028	2029	Total
<i>(in thousands)</i>					
Revenue expected to be recognized	\$ 42,987	\$ 11,931	\$ 1,281	\$ 130	\$ 56,329

The Company's revenue from contracts with customers disaggregated by major product lines, excluding sales-based taxes, are included in Note 15, Segment Information.

Revenue recognized during the three and six months ended June 30, 2026 related to performance obligations satisfied or partially satisfied was \$1.3 million and \$5.3 million, respectively.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
<i>(in thousands)</i>				
North America*	\$ 120,365	\$ 135,825	\$ 238,967	\$ 263,394
International	35,920	36,287	76,789	71,352
Total revenue	\$ 156,285	\$ 172,112	\$ 315,756	\$ 334,746

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

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 June 30, 2026 and December 31, 2025:

	As of June 30, 2026				
	Adjusted Cost	Total Unrealized Gains	Fair Value	Cash and Cash Equivalents	Marketable Securities
<i>(in thousands)</i>					
Cash	\$ 134,594	\$ —	\$ 134,594	\$ 134,594	\$ —
Level 1:					
Money market funds	132,317	—	132,317	132,317	—
Level 2:					
U.S. treasury securities	19,353	1	19,354	—	19,354
Total	\$ 286,264	\$ 1	\$ 286,265	\$ 266,911	\$ 19,354

	As of December 31, 2025				
	Adjusted Cost	Total Unrealized Gains	Fair Value	Cash and Cash Equivalents	Marketable Securities
<i>(in thousands)</i>					
Cash	\$ 194,182	\$ —	\$ 194,182	\$ 194,182	\$ —
Level 1:					
Money market funds	62,034	—	62,034	62,034	—
Level 2:					
U.S. treasury securities	19,405	29	19,434	—	19,434
Total	\$ 275,621	\$ 29	\$ 275,650	\$ 256,216	\$ 19,434

Marketable securities held as of June 30, 2026 generally mature over the next 12 months. As of June 30, 2026 and December 31, 2025 all securities were in an unrealized gain position. The Company determined that an allowance for credit losses was unnecessary for the periods presented.

5. Inventories

Inventories are comprised of the following:

	As of June 30, 2026	As of December 31, 2025
<i>(in thousands)</i>		
Raw materials	\$ 20,683	\$ 25,650
Finished goods	117,113	117,185
Total inventories	137,796	142,835
Less: reserves	(26,530)	(29,309)
Total inventories, net	\$ 111,266	\$ 113,526
Inventories current	\$ 105,842	\$ 102,664
Inventories non-current (included in Other assets)	\$ 5,424	\$ 10,862

As of June 30, 2026 and December 31, 2025, the Company had \$0.8 million and \$0.0 million in finished goods that were undergoing rework prior to being in a sellable condition. The Company's recorded inventory reserves as of June 30, 2026 consisted of \$18.6 million related to finished goods inventory and \$7.9 million related to raw materials 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:

	As of June 30, 2026	As of December 31, 2025
<i>(in thousands)</i>		
Customer rebates	\$ 27,327	\$ 37,627
Other accrued liabilities and other current liabilities	37,780	33,519
Total accrued expenses	\$ 65,107	\$ 71,146

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 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 June 30, 2026, and December 31, 2025 total unamortized debt issuance costs were \$0.4 million and \$0.5 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 June 30, 2026. As of June 30, 2026 and December 31, 2025, 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 estimated effective tax rate was 22.4% and 21.3% for the three and six months ended June 30, 2026, respectively, and 27.6% and 27.2% for the three and six months ended June 30, 2025, respectively. The Company's provision for income taxes was \$11.3 million and \$16.0 million for the three and six months ended June 30, 2026, respectively, and \$9.4 million and \$18.1 million for the three and six months ended June 30, 2025, respectively. The provision for income taxes varied from the tax computed at the U.S. federal statutory income tax rate for the three and six months ended June 30, 2026, primarily due to an increase in the deduction related to foreign derived deduction eligible income and an increase in 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 June 30, 2026, 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 June 30, 2026, 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 54,587,044 shares of Class A common stock and 154,782,316 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 six months ended June 30, 2026 and 2025, 1,156,092 and 2,360,303 shares of Class B common stock were converted to Class A common stock, respectively.

Stock Repurchase Program

On May 2, 2025 the Board of Directors approved replenishing the repurchase program up to an aggregate transactional value of \$50 million 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 six months ended June 30, 2026, the Company repurchased and retired 4,507,672 shares of its Class A common stock for \$19.7 million.

Dividends

On May 1, 2026, the Company declared a recurring semi-annual dividend of \$0.10 per share on its Class A and Class B common stock, payable on July 21, 2026 to shareholders of record as of July 7, 2026. 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 \$0.10 per unit in the form of additional RSUs or PRSUs subject to the same vesting conditions as the original awards. The aggregate dividend of \$24.3 million is to be satisfied in cash of \$20.9 million payable to holders of Class A and Class B common stock with the remaining \$3.4 million satisfied on the payment date in the form of dividend equivalents to RSU or PRSU holders prior to any subsequent forfeitures.

On October 31, 2025, the Company declared a recurring semi-annual dividend of \$0.10 per share on its Class A and Class B common stock, payable on January 20, 2026 to shareholders of record as of January 6, 2026. 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 \$0.10 per unit in the form of additional RSUs or PRSUs subject to the same vesting conditions as the original awards. The aggregate dividend of \$24.3 million was to be satisfied in cash of \$21.1 million payable to holders of Class A and Class B common stock with the remaining \$3.2 million satisfied on the payment date in the form of dividend equivalents to RSU or PRSU holders prior to any subsequent forfeitures.

On May 2, 2025, the Company declared a special dividend of \$0.75 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 21, 2025 to shareholders of record as of July 7, 2025. As part of the dividends, and pursuant to the underlying award agreements, holders of RSUs and PRSUs received a dividend equivalent of \$0.85 per unit in the form of additional RSUs and PRSUs subject to the same vesting conditions as the original awards. The aggregate dividend of \$204.8 million was to be satisfied in cash of \$180.6 million payable to holders of Class A and Class B common stock with the remaining \$24.2 million satisfied on the payment date in the form of dividend equivalents to RSU or PRSU holders prior to any subsequent forfeitures.

On November 1, 2024, the Company declared 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. As part of the dividends, and pursuant to the underlying award agreements, holders of RSUs and PRSUs received a dividend equivalent of \$0.10 per unit in the form of additional RSUs or PRSUs subject to the same vesting conditions as the original awards. The aggregate dividend of \$24.2 million was to be satisfied in cash of \$21.3 million payable to holders of Class A and Class B common stock with the remaining \$2.9 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 six months ended June 30, 2026, an aggregate of \$0.0 million and \$21.2 million, respectively, was paid in cash, and \$0.0 million and \$3.2 million, respectively, was satisfied in the form of dividend equivalents to RSU or PRSU holders. During the three and six months ended June 30, 2025, \$0.0 million and \$21.5 million, respectively, was paid in cash and \$0.0 million and \$2.9 million, respectively, was satisfied in the form of dividend equivalents to RSU or PRSU holders.

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 June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
<i>(in thousands)</i>				
Equity classified awards				
Restricted stock units	\$ 6,286	\$ 10,231	\$ 13,273	\$ 21,019
ESPP awards	44	—	44	—
Class B common stock	—	58	16	321
Liability-classified awards	8	9	8	11
Total stock-based compensation	\$ 6,338	\$ 10,298	\$ 13,341	\$ 21,351

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 June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
<i>(in thousands)</i>				
Cost of revenue				
Platform	\$ 204	\$ 273	\$ 396	\$ 540
Products	21	9	40	15
Total cost of revenue	225	282	436	555
Research and development	2,481	3,359	4,869	6,796
Sales and marketing	1,911	2,737	3,765	5,851
General and administrative	1,116	3,310	3,125	6,936
Total stock-based compensation expense	\$ 5,733	\$ 9,688	\$ 12,195	\$ 20,138
Capitalized for software development costs	422	425	790	848
Capitalized to inventories	183	185	356	365
Total stock-based compensation	\$ 6,338	\$ 10,298	\$ 13,341	\$ 21,351

As of June 30, 2026, there was \$53.9 million of unrecognized stock-based compensation cost related to service-based awards, which is expected to be recognized over a weighted-average period of 2.8 years. The total unrecognized compensation expense related to unvested PRSUs that are not probable of vesting was \$89.5 million as of June 30, 2026.

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. Outstanding restricted stock units and performance units are entitled to dividend equivalents in the form of additional unvested restricted stock units or unvested performance units equal in value to the amount of any declared dividend based on the closing price of the Company's Class A stock on the dividend payment date. Dividend equivalents are forfeited if the underlying award does not vest. As of June 30, 2026, 55,944,771 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 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, 2025	13,045,511	\$ 7.13
Granted	4,893,242	\$ 4.23
Dividend equivalent grants	308,414	\$ —
Vested	(4,247,234)	\$ 8.08
Forfeited / cancelled	(734,162)	\$ 7.65
Outstanding at June 30, 2026	13,265,771	\$ 5.47

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 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, 2025	18,985,312	\$ 13.13
Granted	1,508,750	\$ 4.23
Dividend equivalent grants	448,845	\$ —
Forfeited / cancelled	(547,804)	\$ 8.60
Outstanding at June 30, 2026	<u>20,395,103</u>	<u>\$ 12.59</u>

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 during the performance period. At June 30, 2026, the Company determined it was not probable any performance conditions would be achieved so no stock-based compensation was recorded for these PRSUs during the six months ended June 30, 2026.

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, 2025	2,700,911	\$ 17.50	1.1	\$ —
Forfeited / cancelled	<u>(2,225,727)</u>	\$ 17.50		
Outstanding and expected to vest at June 30, 2026	<u>475,184</u>	\$ 17.50	4.7	\$ —
Vested and exercisable at June 30, 2026	<u>475,184</u>	\$ 17.50	4.7	\$ —

During the six months ended June 30, 2026 and 2025, 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. Due to the cash settlement feature, these awards are liability classified awards and require initial and subsequent measurement at fair value. As of June 30, 2026 and December 31, 2025, the total recognized liability for the unvested awards was not material and the number of awards was not material.

Class B Common Stock

The Company's Class B common stock resulted from the corporate reorganization in March 2021 and is not part of the 2021 Equity Incentive Plan. The remaining 6,153 Class B common stock vested during the six months ended June 30, 2026.

2021 Employee Stock Purchase Plan

In March 2021, the Company's 2021 Employee Stock Purchase Plan ("ESPP") became effective. Subject to any limitations contained therein, the 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 June 30, 2026, 10,602,602 shares of our Class A common stock were available for issuance under the ESPP. No offering period may have a duration exceeding 27 months. Eligible employees may elect to participate in the ESPP only during an open enrollment period. The offering period immediately follows the open enrollment window, at which time ESPP contributions are withheld from the participant's regular paycheck. The ESPP provides for a 15% discount on the market value of the stock at the lower of the enrollment date price (first day of the offering period) and the exercise date price (last day of the offering period).

The Company has authorized offering periods under the ESPP, which commenced on April 1, 2026. During the six months ended June 30, 2026, no shares were issued under the ESPP and stock-based compensation expense related to the ESPP was not material. Payroll contributions accruing beginning April 1, 2026 will be used to issue shares at the end of the offering period ending on September 30, 2026.

11. Commitments and Contingencies

Litigation

The Company is subject to certain outside claims and litigation, as well as regulatory disputes, audits, government inquiries and other proceedings, 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.

During the three months ended June 30, 2026, the Company settled an outstanding legal claim related to a royalties dispute, which resulted in the release of \$6.4 million of previously accrued liabilities and reductions to Platform and Products Cost of revenue of \$3.2 million each, respectively.

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 \$1.0 million and \$1.9 million for the three and six months ended June 30, 2026, respectively, and \$1.1 million and \$2.2 million, respectively, for the three and six months ended June 30, 2025. The Company also incurred variable lease costs of \$0.1 million and \$0.1 million for the three and six months ended June 30, 2026, and \$0.0 million and \$0.1 million for the three and six months ended June 30, 2025.

Cash paid for amounts included in the measurement of operating lease liabilities was \$1.1 million and \$2.2 million for the three and six months ended June 30, 2026, respectively, and \$1.2 million and \$2.5 million for the

three and six months ended June 30, 2025, respectively. These amounts were included in net cash provided by operating activities in the Company's consolidated statements of cash flows.

As of June 30, 2026, the maturities of the Company's operating lease liabilities were as follows:

Year Ended December 31,	Operating Leases	
	(in thousands)	
2026 (remainder of the year)	\$	2,153
2027		3,165
2028		4,169
2029		1,721
Total lease payments	\$	11,208
Less: imputed interest	\$	(827)
Present value of operating lease liabilities	\$	10,381
Operating lease liabilities, current	\$	3,174
Operating lease liabilities, non-current	\$	7,207

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 June 30, 2026	As of December 31, 2025
Weighted-average remaining lease term of operating leases	2.8 years	3.3 years
Weighted-average discount rate of operating leases	5.3 %	5.4 %

13. 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 \$0.7 million and \$0.7 million for the three months ended June 30, 2026 and 2025, respectively, and \$1.7 million and \$1.5 million for the six months ended June 30, 2026 and 2025, respectively.

14. Net Income Per Share

The computation of net income per share is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
<i>(in thousands, except share and per share amounts)</i>				
Basic earnings per share:				
Net income	\$ 39,054	\$ 24,488	\$ 59,372	\$ 48,402
Shares used in computation:				
Weighted-average common shares outstanding, basic	209,570,145	211,865,363	210,044,466	212,514,662
Earnings per share, basic	\$ 0.19	\$ 0.12	\$ 0.28	\$ 0.23
Diluted earnings per share:				
Net income	\$ 39,054	\$ 24,488	\$ 59,372	\$ 48,402
Shares used in computation:				
Weighted-average common shares outstanding, basic	209,570,145	211,865,363	210,044,466	212,514,662
Weighted-average effect of potentially dilutive securities:				
Unvested common stock subject to forfeiture	—	—	1,326	18,683
Restricted stock units	1,484,531	2,664,363	1,915,405	2,116,586
Employee stock purchase plan	7,356	—	3,967	—
Diluted weighted-average common shares outstanding	211,062,032	214,529,726	211,965,164	214,649,931
Diluted earnings per share	\$ 0.19	\$ 0.11	\$ 0.28	\$ 0.23

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 June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Employee stock options	475,184	2,928,389	475,184	2,928,389
Restricted stock units	1,798,435	3,126,575	1,891,198	3,278,096
Unvested Class B common stock subject to forfeiture	—	16,408	—	16,408

15. Segment Information

The Company organizes its business into the following two reportable segments: Platform and Products. The chief operating decision makers ("CODM") review revenue and gross profit for each of the reportable segments. The CODM consists of the Company's Chief Executive Officer and Chief Financial Officer. The reported measure of segment profit or loss is gross profit, which is defined as revenue less cost of revenue incurred by the segment. The Company identifies cost of revenue as the significant segment expense category included in each reportable segment. No other segment-level expense categories are regularly provided to the CODM. The key operating decisions made by the CODM include assessing segment performance and resource allocation. The CODM primarily focuses on revenue and gross profit of the Platform and Products segments, as well as consolidated operating results and capital expenditures. The CODM uses this information to make budgeting and forecasting decisions, including hiring and compensation of certain employees, and allocating financial or capital resources. The reportable segments reflect the Company's strategy to focus on continuing to expand revenue and margin generated from its digital platform and Paid Subscribers (as defined below) and the relative importance of physical

products to the platform, including bundles (comprised of several combinations of machines, accessories and materials).

The Platform segment derives revenue primarily from monthly and annual subscription fees, purchases of digital content, and a minimal amount 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 six months ended June 30, 2026, upfront digital content revenue comprised 2% of Platform revenue. The remaining Platform revenue includes subscription revenue recognized ratably and revenue related to unspecified future upgrades and enhancements to the essential software and access to the Company's cloud-based services, both of which are recognized over the applicable service period.

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.

The Company does not allocate assets at the reportable segment level as these are managed on an entity wide group basis. As of June 30, 2026, long-lived assets located outside the United States, primarily located in Malaysia and China, were \$9.4 million.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
<i>(in thousands)</i>				
Platform:				
Revenue	\$ 85,009	\$ 80,697	\$ 169,777	\$ 160,683
Cost of revenue	5,964	8,816	15,323	17,484
Gross profit	<u>\$ 79,045</u>	<u>\$ 71,881</u>	<u>\$ 154,454</u>	<u>\$ 143,199</u>
Products:				
Revenue	\$ 71,276	\$ 91,415	\$ 145,979	\$ 174,063
Cost of revenue	33,913	61,757	91,327	117,375
Gross profit	<u>\$ 37,363</u>	<u>\$ 29,658</u>	<u>\$ 54,652</u>	<u>\$ 56,688</u>
Consolidated:				
Revenue	\$ 156,285	\$ 172,112	\$ 315,756	\$ 334,746
Cost of revenue	39,877	70,573	106,650	134,859
Gross profit	<u>\$ 116,408</u>	<u>\$ 101,539</u>	<u>\$ 209,106</u>	<u>\$ 199,887</u>

A reconciliation of our total segment and consolidated gross profit to our income before provision for income taxes is presented in our condensed consolidated statements of operations and comprehensive income.

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 6.0 million Active Users (as defined below) to turn ideas into professional-looking handmade goods. With our highly versatile Design Space Platform and our products, 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 bundle. 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, adhesive vinyl, iron-on vinyl, pens, and more. Our connected machines are designed in a variety of sizes for a wide range of uses. They are available at multiple price points and in various bundle configurations.

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. In addition, our AI functionality within our app enables users to generate unique, cut-ready images from text or image prompts for personalized crafting projects like stickers, decals, and more. 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 Standard: Provides a subscription to fonts, images, templates, projects, and AI credits as well as other member benefits, including exclusive software features and functionality, discounts, and priority Cricut Member Care. Cricut Access Standard is billed monthly starting at \$9.99 per month or annually at \$95.88 per year.
- Cricut Access Premium: Includes all of the benefits of Cricut Access Standard as well as additional discounts, additional AI credits, and is billed monthly starting at \$14.99 per month or annually at \$119.88 per year.

As of June 30, 2026, we had 3.1 million Paid Subscribers (as defined below) to Cricut Access Standard and Cricut Access Premium.

We sell a broad range of products in the Cricut ecosystem that help bring designs to life. These products work seamlessly and easily together, which helps build brand loyalty among our user base. Cricut products give users peace of mind with a brand they trust for durability, selection, and compliance. Creating projects drives repeat purchases of Cricut products for years after a user first buys a connected machine bundle, demonstrating a growing customer lifetime value through ongoing engagement with our platform.

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 products through our brick-and-mortar and online retail partners, as well as through our website at Cricut.com. Our partners include Amazon, Hobby Lobby, Michaels, Target, Walmart and many others. We also sell our products, including subscriptions to Cricut Access Standard 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 2023, 2024 and 2025, our fourth quarter represented 30%, 29% and 29% 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 2025 was 47%, compared to gross margin of 55% for all of 2025. 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.

The current global macroeconomic environment, including regulation, tariffs that have materially increased, and may continue to increase even after tariffs imposed under IEEPA were rescinded, our costs and the potential for further trade barriers, or additional retaliatory changes by U.S. trading partners may impact our business and

international expansion. We are beginning to experience supply-chain cost pressure related to the Middle East conflict, primarily through higher fuel and petrochemical-related input costs. While we continue to evaluate actions to mitigate these pressures, the current environment requires a thoughtful and measured approach given the price sensitivity of the consumer.

On February 20, 2026, the U.S. Supreme Court ruled that IEEPA tariffs were unauthorized. Following the ruling, CBP established a phased refund process through its CAPE functionality. In April 2026, we submitted a refund request for eligible IEEPA tariff entries through the initial phase of the CAPE process. During the second quarter of 2026, CBP approved refunds, including interest, totaling \$20.3 million. Of the approved amount, \$17.9 million was recognized as a reduction of product cost of revenue, \$1.7 million was recorded as a reduction of inventory, and \$0.7 million was recognized as interest income. As of June 30, 2026, we had received \$16.8 million in cash and recorded a receivable of \$3.5 million for the remaining approved refund amount.

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 June 30,	
	2026	2025
Active Users (in thousands)	5,969	5,901
90-Day Engaged Users (in thousands)	3,494	3,482
Paid Subscribers (in thousands)	3,103	3,010

	As of June 30,	
	2026	2025
Platform ARPU	\$ 56.37	\$ 53.84

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 product 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 product revenue.

Paid Subscribers

We define Paid Subscribers as the number of users with a subscription to Cricut Access Standard or Cricut Access Premium, excluding cancelled, unpaid, paused, 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 15 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 Standard 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 Standard includes a subscription to fonts, images, templates, projects, and AI credits as well as other member benefits, including exclusive software features and functionality, discounts, and priority Cricut Member Care. Cricut Access Premium includes all the benefits of Cricut Access Standard as well as additional discounts and AI credits. Digital content includes à la carte digital content purchases, including fonts, images, templates, 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 machine bundles and ancillary products, net of sales discounts, rebates and returns. Our connected machines portfolio consists of machines in four product families: Cricut Maker, which includes Maker, Maker 3, and Maker 4; Cricut Explore, which includes Explore Air 2, Explore 3, Explore 4, and Explore 5; Cricut Joy, which includes Joy, Joy Xtra, and Joy 2; and Cricut Venture. Our ancillary products include Cricut EasyPress, Cricut MugPress, hand tools, machine replacement tools and blades, and project materials such as adhesive vinyl and iron-on vinyl. 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, software maintenance costs, and royalties. 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 to 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 increase in the near term as we refine our product roadmaps.

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 customer rebates, 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.

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, and invest in systems enhancements.

Other Income

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 June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
<i>(in thousands)</i>				
Revenue:				
Platform	\$ 85,009	\$ 80,697	\$ 169,777	\$ 160,683
Products	71,276	91,415	145,979	174,063
Total revenue	156,285	172,112	315,756	334,746
Cost of revenue:				
Platform ⁽¹⁾	5,964	8,816	15,323	17,484
Products ⁽¹⁾	33,913	61,757	91,327	117,375
Total cost of revenue	39,877	70,573	106,650	134,859
Gross profit	116,408	101,539	209,106	199,887
Operating expenses:				
Research and development ⁽¹⁾	16,859	16,762	33,461	32,419
Sales and marketing ⁽¹⁾	37,996	35,877	74,323	72,562
General and administrative ⁽¹⁾	14,135	18,795	31,018	35,460
Total operating expenses	68,990	71,434	138,802	140,441
Income from operations	47,418	30,105	70,304	59,446
Other income, net	2,896	3,738	5,095	7,018
Income before provision for income taxes	50,314	33,843	75,399	66,464
Provision for income taxes	11,260	9,355	16,027	18,062
Net income	\$ 39,054	\$ 24,488	\$ 59,372	\$ 48,402

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
<i>(in thousands)</i>				
Cost of revenue				
Platform	\$ 204	\$ 273	\$ 396	\$ 540
Products	21	9	40	15
Total cost of revenue	225	282	436	555
Research and development	2,481	3,359	4,869	6,796
Sales and marketing	1,911	2,737	3,765	5,851
General and administrative	1,116	3,310	3,125	6,936
Total stock-based compensation expense	\$ 5,733	\$ 9,688	\$ 12,195	\$ 20,138

Comparison of the Three and Six Months Ended June 30, 2026 and 2025

Revenue

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2026	2025	\$	%	2026	2025	\$	%
(dollars in thousands)								
Revenue:								
Platform	\$ 85,009	\$ 80,697	\$ 4,312	5 %	\$ 169,777	\$ 160,683	\$ 9,094	6 %
Products	71,276	91,415	(20,139)	(22)%	145,979	174,063	(28,084)	(16)%
Total revenue	<u>\$ 156,285</u>	<u>\$ 172,112</u>	<u>\$ (15,827)</u>	<u>(9)%</u>	<u>\$ 315,756</u>	<u>\$ 334,746</u>	<u>\$ (18,990)</u>	<u>(6)%</u>

Three Months Ended June 30, 2026 and 2025

Platform revenue increased by \$4.3 million, or 5%, to \$85.0 million for the three months ended June 30, 2026, from \$80.7 million for the three months ended June 30, 2025. The increase was driven by an increase in Paid Subscribers from 3.0 million as of June 30, 2025 to 3.1 million as of June 30, 2026.

Products revenue decreased by \$20.1 million, or 22%, to \$71.3 million for the three months ended June 30, 2026, from \$91.4 million for the three months ended June 30, 2025. The decrease was primarily driven by lower sales volume and lower average selling prices from increased promotional activity compared to the prior year.

Six Months Ended June 30, 2026 and 2025

Platform revenue increased by \$9.1 million, or 6%, to \$169.8 million for the six months ended June 30, 2026, from \$160.7 million for the six months ended June 30, 2025. The increase was driven by an increase in Paid Subscribers from 3.0 million as of June 30, 2025 to 3.1 million as of June 30, 2026.

Products revenue decreased by \$28.1 million, or 16%, to \$146.0 million for the six months ended June 30, 2026, from \$174.1 million for the six months ended June 30, 2025. The decrease was primarily driven by lower sales volume and lower average selling prices from increased promotional activity compared to the prior year.

Cost of Revenue, Gross Profit and Gross Margin

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2026	2025	\$	%	2026	2025	\$	%
(dollars in thousands)								
Cost of Revenue:								
Platform	\$ 5,964	\$ 8,816	\$ (2,852)	(32)%	\$ 15,323	\$ 17,484	\$ (2,161)	(12)%
Products	33,913	61,757	(27,844)	(45)%	91,327	117,375	(26,048)	(22)%
Total cost revenue	<u>\$ 39,877</u>	<u>\$ 70,573</u>	<u>\$ (30,696)</u>	<u>(43)%</u>	<u>\$ 106,650</u>	<u>\$ 134,859</u>	<u>\$ (28,209)</u>	<u>(21)%</u>
Gross Profit:								
Platform	79,045	71,881	7,164	10 %	154,454	143,199	11,255	8 %
Products	37,363	29,658	7,705	26 %	54,652	56,688	(2,036)	(4)%
Total gross profit	<u>\$ 116,408</u>	<u>\$ 101,539</u>	<u>\$ 14,869</u>	<u>15 %</u>	<u>\$ 209,106</u>	<u>\$ 199,887</u>	<u>\$ 9,219</u>	<u>5 %</u>
Gross Margin								
Platform	93 %	89 %			91 %	89 %		
Products	52 %	32 %			37 %	33 %		

Three Months Ended June 30, 2026 and 2025

Platform cost of revenue decreased by \$2.9 million, or 32%, to \$6.0 million for the three months ended June 30, 2026, from \$8.8 million for the three months ended June 30, 2025. The decrease was primarily driven by a favorable legal outcome.

Gross margin for Platform was 93% for the three months ended June 30, 2026, and 89% for the three months ended June 30, 2025. The increase was primarily driven by a favorable legal outcome.

Products cost of revenue decreased by \$27.8 million, or 45%, to \$33.9 million for the three months ended June 30, 2026, from \$61.8 million for the three months ended June 30, 2025. The decrease was primarily driven by IEEPA tariff refunds, lower sales volume, and a favorable legal outcome.

Gross margin for Products was 52% for the three months ended June 30, 2026 and 32% for the three months ended June 30, 2025. The increase was primarily driven by IEEPA tariff refunds and a favorable legal outcome.

Six Months Ended June 30, 2026 and 2025

Platform cost of revenue decreased by \$2.2 million, or 12%, to \$15.3 million for the six months ended June 30, 2026, from \$17.5 million for the six months ended June 30, 2025. The decrease was primarily driven by a favorable legal outcome.

Gross margin for Platform was 91% for the six months ended June 30, 2026, and 89% for the six months ended June 30, 2025. The increase was primarily driven by a favorable legal outcome.

Products cost of revenue decreased by \$26.0 million, or 22%, to \$91.3 million for the six months ended June 30, 2026, from \$117.4 million for the six months ended June 30, 2025. The decrease was primarily driven by IEEPA tariff refunds, lower sales volume, and a favorable legal outcome.

Gross margin for Products was 37% for the six months ended June 30, 2026 and 33% for the six months ended June 30, 2025. The increase was primarily driven by IEEPA tariff refunds and a favorable legal outcome.

Operating Expenses

Research and Development

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2026	2025	\$	%	2026	2025	\$	%
(dollars in thousands)								
Research and development	\$ 16,859	\$ 16,762	\$ 97	1 %	\$ 33,461	\$ 32,419	\$ 1,042	3 %
As a percentage of total revenue	11 %	10 %			11 %	10 %		

Research and development expenses increased by \$0.1 million, or 1%, to \$16.9 million for the three months ended June 30, 2026 from \$16.8 million for the three months ended June 30, 2025. The increase was primarily due to a \$0.2 million increase in product development expense.

Research and development expenses increased by \$1.0 million, or 3%, to \$33.5 million for the six months ended June 30, 2026 from \$32.4 million for the six months ended June 30, 2025. The increase was primarily due to a \$1.0 million increase in personnel related expenses.

Sales and Marketing

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2026	2025	\$	%	2026	2025	\$	%
<i>(dollars in thousands)</i>								
Sales and marketing	\$ 37,996	\$ 35,877	\$ 2,119	6 %	\$ 74,323	\$ 72,562	\$ 1,761	2 %
As a percentage of total revenue	24 %	21 %			24 %	22 %		

Sales and marketing expenses increased by \$2.1 million, or 6%, to \$38.0 million for the three months ended June 30, 2026 from \$35.9 million for the three months ended June 30, 2025. The increase was primarily driven by a \$2.6 million increase in advertising and other marketing expense. This was partially offset by a \$0.4 million decrease in payment processing fees.

Sales and marketing expenses increased by \$1.8 million, or 2%, to \$74.3 million for the six months ended June 30, 2026 from \$72.6 million for the six months ended June 30, 2025. The increase was primarily driven by a \$2.3 million increase in advertising and other marketing costs and a \$1.1 million increase in software subscriptions. This was partially offset by a \$0.7 million decrease in payment processing fees and a \$0.6 million decrease in professional services expense.

General and Administrative

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2026	2025	\$	%	2026	2025	\$	%
<i>(dollars in thousands)</i>								
General and administrative	\$ 14,135	\$ 18,795	\$ (4,660)	(25)%	\$ 31,018	\$ 35,460	\$ (4,442)	(13)%
As a percentage of total revenue	9 %	11 %			10 %	11 %		

General and administrative expenses decreased by \$4.7 million, or 25%, to \$14.1 million for the three months ended June 30, 2026 from \$18.8 million for the three months ended June 30, 2025. The decrease was primarily driven by a \$2.2 million decrease in professional services expense, a \$2.0 million decrease of personnel related expenses and a \$0.8 million reduction in bad debt expense. This was partially offset by a \$0.7 million increase in foreign currency translation.

General and administrative expenses decreased by \$4.4 million, or 13%, to \$31.0 million for the six months ended June 30, 2026 from \$35.5 million for the six months ended June 30, 2025. The decrease was primarily driven by a \$3.9 million decrease in professional services expense and a \$2.5 million decrease in personnel related expenses. This was partially offset by an increase of \$1.2 million driven by a reversal of bad debt expense in 2025 and a \$1.0 million increase in foreign currency translation.

Other Income

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2026	2025	\$	%	2026	2025	\$	%
<i>(dollars in thousands)</i>								
Other income, net	\$ 2,896	\$ 3,738	\$ (842)	(23)%	\$ 5,095	\$ 7,018	\$ (1,923)	(27)%

Other income, net decreased by \$0.8 million or 23% to \$2.9 million for the three months ended June 30, 2026 from \$3.7 million for the three months ended June 30, 2025. The decrease was primarily driven by a decrease in interest income.

Other income, net decreased by \$1.9 million or 27% to \$5.1 million for the six months ended June 30, 2026 from \$7.0 million for the six months ended June 30, 2025. The decrease was primarily driven by a decrease in interest income.

Provision for Income Taxes

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2026	2025	\$	%	2026	2025	\$	%
<i>(dollars in thousands)</i>								
Provision for income taxes	\$ 11,260	\$ 9,355	\$ 1,905	20 %	\$ 16,027	\$ 18,062	\$ (2,035)	(11)%

Provision for income taxes increased by \$1.9 million, or 20%, to \$11.3 million for the three months ended June 30, 2026 from \$9.4 million for the three months ended June 30, 2025. The increase was primarily due to a \$16.5 million increase in pre-tax book income.

Provision for income taxes decreased by \$2.0 million, or 11%, to \$16.0 million for the six months ended June 30, 2026 from \$18.1 million for the six months ended June 30, 2025. The decrease was primarily due to an increase in the research and development credit and an increase in the deduction related to foreign derived deduction eligible income ("FDDEI").

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 \$266.9 million and \$19.4 million, respectively, as of June 30, 2026, 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 recently announced semi-annual dividend and our continuing share repurchase program, our cash requirements have not changed materially since our Annual Report.

During the six months ended June 30, 2026, we paid dividends of \$21.2 million to holders of Class A and Class B common stock. On July 21, 2026, we paid a dividend of \$20.9 million to holders of Class A and Class B common stock.

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, including the impact of regulatory and economic uncertainty, as well as heightened, new, or proposed tariffs. 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

	Six Months Ended June 30,	
	2026	2025
<i>(in thousands)</i>		
Net cash flows provided by operating activities	\$ 77,204	\$ 97,323
Net cash flows provided by (used in) investing activities	(18,634)	15,520
Net cash flows used in financing activities	(47,794)	(47,549)

Operating Activities

The change in net cash flows from operating activities for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 is due to a net decrease in operating assets and liabilities of \$2.0 million in 2026 compared to a net increase of \$38.9 million in 2025, offset by a net increase in non-cash operating expenses of \$19.8 million in 2026 compared to a net increase of \$10.0 million in 2025.

Investing Activities

The change in net cash flows from investing activities for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 was due primarily to proceeds from maturities of marketable securities received in 2025. This was partially offset by higher capitalized software development costs in 2026 compared to 2025.

Financing Activities

Net cash flows from financing activities for the six months ended June 30, 2026 compared to six months ended June 30, 2025 were comparable.

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 six months ended June 30, 2026.

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 management's 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, as well as regulatory disputes, audits, government inquiries and other proceedings 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 I. Item 1A — Risk Factors” in our Annual Report on Form 10-K for the period ended December 31, 2025, filed on March 4, 2026, and in “Part II. Item 1A — Risk Factors” in our Quarterly Report on Form 10-Q for the period ended March 31, 2026, filed on May 6, 2026, both of 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-K and 10-Q, as referenced above.

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 common stock repurchases made by Cricut during the three months ended June 30, 2026:

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 <i>(in thousands)</i>
April 1, 2026 through April 30, 2026	899,009	\$4.26	899,009	\$25,260
May 1, 2026 through May 31, 2026	—	\$—	—	\$25,260
June 1, 2026 through June 30, 2026	843,285	\$4.34	843,285	\$21,600
<i>Total</i>	<u>1,742,294</u>	<u>\$4.30</u>	<u>1,742,294</u>	<u>\$21,600</u>

(1) On May 2, 2025, the Board of Directors approved a replenishing of the share repurchase program authorizing the Company to purchase up to an aggregate of \$50 million of our outstanding Class A common stock depending on our continuing analysis of market, financial, and other factors. The common stock 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, no director or officer, as defined in Rule 16a-1(f), adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," each as defined in Regulation S-K Item 408.

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: August 4, 2026

By: /s/ Ashish Arora

Name: Ashish Arora
Title: Chief Executive Officer
(Principal Executive Officer)

Date: August 4, 2026

By: /s/ Kimball Shill

Name: Kimball Shill
Title: Chief Financial Officer
(Principal Financial Officer)

Date: August 4, 2026

By: /s/ Ryan Harmer

Name: Ryan Harmer
Title: SVP of Accounting, Corporate Controller
(Principal Accounting Officer)

**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: August 4, 2026

/s/ Ashish Arora

Ashish Arora
Chief Executive Officer
(Principal Executive Officer)

**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: August 4, 2026

/s/ Kimball Shill

Kimball Shill
Chief Financial Officer
(Principal Financial Officer)

**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 June 30, 2026 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: August 4, 2026

/s/ Ashish Arora

Ashish Arora
Chief Executive Officer
(Principal Executive Officer)

**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 June 30, 2026 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: August 4, 2026

/s/ Kimball Shill

Kimball Shill
Chief Financial Officer
(Principal Financial Officer)