

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2025

Or

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

For the transition period from _____ to _____

Commission file number: 001-41850

BED BATH & BEYOND, INC.

(Exact name of registrant as specified in its charter)

Delaware

87-0634302

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification Number)

433 W. Ascension Way, 3rd Floor

Murray, Utah

84123

(Address of principal executive offices)

(Zip code)

(801) 947-3100

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.0001 par value per share	BBBY	New York Stock Exchange
Warrants to Purchase Shares of Common Stock	BBBY WS	New York Stock Exchange

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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

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

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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

The aggregate market value of voting and non-voting common equity held by non-affiliates of the registrant as of the last business day of the registrant's most recently completed second quarter (June 30, 2025), was approximately \$0.4 billion based upon the last sales price reported by the New York Stock Exchange. For purposes of this disclosure, shares of Common Stock held by directors and certain officers and by others who may be deemed to be affiliates of the registrant have been excluded. The exclusion of such shares is not intended to, and shall not, constitute a determination as to which persons or entities may be affiliates as that term is defined in the federal securities laws.

There were 69,009,239 shares of the Registrant's common stock, par value \$0.0001, outstanding on February 20, 2026.

DOCUMENTS INCORPORATED BY REFERENCE

Certain information required by Part III of Form 10-K is incorporated by reference to the Registrant's proxy statement for the 2026 Annual Stockholders Meeting, which will be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year to which this Report relates.

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Bed Bath & Beyond, Overstock.com, Beyond+, welcome rewards, buybuy BABY, Kirkland's, and Kirkland's Home are registered trademarks of Bed Bath & Beyond, Inc. Other service marks, trademarks and trade names which may be referred to herein are the property of their respective owners.

SPECIAL CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K (this "Annual Report") and the information incorporated herein by reference, and our other public documents and statements our officers and representatives may make from time to time, contain forward-looking statements within the meaning of the federal securities laws. These statements are intended to be covered by the safe harbor provisions of these laws. You can find many of these statements by looking for words such as "may," "would," "could," "should," "will," "expect," "anticipate," "predict," "project," "potential," "continue," "contemplate," "seek," "assume," "believe," "intend," "plan," "forecast," "goal," "estimate," or other similar terms or expressions or the negative of these terms or expressions, although not all forward-looking statements contain these identifying terms or expressions.

These forward-looking statements involve known and unknown risks and uncertainties and relate to future events or our future financial or operating performance. These forward-looking statements are not historical facts, and are based on current expectations, estimates and projections about our industry and business, and on management's beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond our control. Accordingly, you are cautioned that any such forward-looking statements are not guarantees of future performance and are subject to assumptions, risks, uncertainties, and other important factors that are difficult to predict, and that actual results and outcomes may be materially different from the results, performance, achievements, or outcomes expressed or implied by any of our forward-looking statements for a variety of reasons, including the risks, uncertainties and assumptions described in this Annual Report, especially under the headings "Summary of Risk Factors," "Risk Factors," "Legal Proceedings," and "Management's Discussion and Analysis of Financial Condition and Results of Operations." Although we believe that our assumptions and expectations reflected in the forward-looking statements are reasonable as of the date of this Annual Report, we cannot guarantee or offer any assurance of future results, levels of activity, performance, achievements or events. Our forward-looking statements contained in this report speak only as of the date of this Annual Report and, except as required by law, we undertake no obligation to update forward-looking statements to reflect events or circumstances occurring after the date of this Annual Report or any changes in our expectations or any change in any events, conditions or circumstances on which any of our forward-looking statements are based.

SUMMARY RISK FACTORS

Our business is subject to numerous risks and uncertainties, including those described in Part I, Item 1A. "Risk Factors" in this Annual Report on Form 10-K. You should carefully consider these risks and uncertainties when investing in our common stock. The principal risks and uncertainties affecting our business include the following:

- We depend on third-party companies to perform functions critical to our business, and any failure or increased cost on their part could have a material adverse effect on our business.
- We face intense competition and may not be able to compete successfully against existing or future competitors.
- We may not timely identify or effectively respond to consumer needs, expectations or trends, which could adversely affect our relationship with our customers, the demand for our products and services, and our market share.
- Our business depends on effective marketing, including marketing via email, search engine marketing, influencer marketing, and social media marketing. Our competitors have and may continue to cause us to increase our marketing costs and decrease certain other types of marketing, and have and may continue to outspend us on marketing or be more efficient in their spend.
- Economic factors, including recessions, other economic downturns, inflation, our exposure to the U.S. housing market, and decreases in consumer spending, have affected and could continue to adversely affect us.
- Trade policies or restrictions, import and export policies, tariffs, bans, or other measures or events and related macroeconomic effects.
- Our changing business model and use of the Bed Bath & Beyond brand, Overstock brand, buybuy BABY brand, Kirkland's and Kirkland's Home brand, Beyond brand, and other brands of ours, could negatively impact our business.
- The changing job market, the changes in our leadership team, the change in our compensation approach, changing job structures, or any inability to attract, retain and engage key personnel could affect our ability to successfully grow our business.
- We rely upon paid and natural search engines to rank our product offerings, and our financial results may suffer if we are unable to maintain our prior rankings in natural searches.
- If we are not profitable and/or are unable to generate sufficient positive cash flow from operations, our ability to continue in business will depend on our ability to raise additional capital, obtain financing or monetize significant assets, and we may be unable to do so.
- Our business depends on the Internet, our infrastructure and transaction-processing systems, and catastrophic events could adversely affect our operating results.
- Compliance with ever-evolving federal, state, and foreign laws and other requirements relating to the handling of information about individuals necessitates significant expenditure and resources, and any failure by us, our vendors or our business partners to comply may result in significant liability, negative publicity, and/or an erosion of trust, which could materially adversely affect our business, results of operations, and financial condition.
- If we or our third-party providers experience cyberattacks or data security incidents, there may be damage to our brand and reputation, material financial penalties, and legal liability, which would materially adversely affect our business, results of operations, and financial condition.
- Failure to comply with, or changes in, laws, regulations and enforcement activities may adversely affect the products, services and markets in which we operate.
- From time to time we are subject to various legal proceedings which could adversely affect our business, financial condition or results of operations.
- Damage to our reputation or brand image could adversely affect our sales and results of operations.
- If we do not successfully optimize and operate our fulfillment center or customer service operations, our business could be harmed.
- If we fail to effectively utilize technological advancements, including in artificial intelligence, our business and financial performance could be negatively impacted.
- Global conflict could negatively impact our business, results of operations, and financial condition.
- Product safety and quality concerns could have a material adverse impact on our revenue and profitability.
- We depend on our suppliers' and fulfillment partners' representations regarding product safety, content and quality, product compliance with various laws and regulations, including registration and/or reporting obligations, and for proper labeling of products.
- We have an evolving business model, which increases the complexity of our business.
- Exercising the Warrants is a risky investment and those who exercise their Warrants may not be able to recover the value of their investment in the common stock received upon such exercise. Warrant holders could sustain a total loss of the exercise price of any Warrants that they exercise.

- Investment in new business strategies, acquisitions, dispositions, partnerships, or other transactions could disrupt our ongoing business, present risks not originally contemplated and materially adversely affect our business, reputation, results of operations and financial condition.
- Regulatory changes or actions may alter the nature of an investment in us or restrict the use of cryptocurrencies and blockchain technology in a manner that adversely affects our business, prospects and operations.
- The Merger may not be completed and the Merger Agreement may be terminated in accordance with its terms.
- If the Merger is completed, combining our business with that of TBHC may be more difficult, costly or time-consuming than expected and the combined company may fail to realize the anticipated benefits of the Merger, which may adversely affect the combined company's business results and negatively affect the value of the combined company's common stock.

PART I

ITEM 1. BUSINESS

The following description of our business contains forward-looking statements relating to future events or our future financial or operating performance that involve risks and uncertainties, as set forth above under "Special Note Regarding Forward-Looking Statements." Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors described in this Annual Report, including those set forth under "Special Cautionary Note Regarding Forward-Looking Statements" Item 1A under the heading "Risk Factors," or elsewhere in this Annual Report.

Introduction

Bed Bath & Beyond, Inc., is an e-commerce-focused retailer with an affinity model that owns or has ownership interests in various brands, offering a comprehensive array of products and services that enable its customers to enhance everyday life through quality, style, and value. We currently own Bed Bath & Beyond, Overstock, and buybuy BABY, among other brands. We strive to curate an exceptional online shopping experience. Our diversified portfolio of retail offerings allow us to offer a comprehensive array of products and add-on services, catering to customers in the United States. Our e-commerce platform, which is also accessible through our mobile apps, includes www.bedbathandbeyond.com and www.overstock.com, and is collectively referred to as the "Website." The Website is targeted at customers seeking a diverse array of top-tier, on-trend products at competitive prices. From furniture, bedding, and bath essentials to patio and outdoor furniture, area rugs, tabletop and cookware, décor, storage, jewelry, watches, and fashion – we offer an extensive range of products at a smart value. In addition to products, we also offer an increasing number of add-on services across our platforms, including warranties, shipping insurance, and installation services.

Our company, based in Murray, Utah, was founded as a Utah limited liability company in 1997, reorganized as a C corporation in the State of Utah in 1998, and reincorporated in Delaware in 2002. We launched our initial website in March 1999. In November 2023, we changed our corporate name from Overstock.com, Inc. to Beyond, Inc., and transferred the principal listing of our common stock from the Nasdaq Global Market to the New York Stock Exchange. In August 2025, we changed our corporate name from Beyond, Inc. to Bed Bath & Beyond, Inc. and changed our ticker symbol from "BYON" to "BBBY". Our common stock ceased trading under the ticker symbol "BYON" at the close of market August 28, 2025, and on August 29, 2025, our common stock began trading under the ticker symbol "BBBY" on the New York Stock Exchange. We will not distinguish between our prior and current corporate name and will refer to our current corporate name throughout this Annual Report on Form 10-K. As used herein, "Bed Bath & Beyond", "the Company", "we", "our" and similar terms include Bed Bath & Beyond, Inc. and its controlled subsidiaries, unless the context indicates otherwise.

Our Business

Our mission revolves around delivering an unparalleled shopping experience for products and services, tailored especially for our target audience – discerning consumers who seek seamless support in their search for high-quality, stylish products at competitive prices. Our commitment extends to providing a diverse range of offerings that cater to varied budget requirements.

In an ever-evolving market, our focus is on standing out in the online sphere by offering products and services for the home. We believe that our competitive edge lies in the following:

- **Simplified Customer Experience:** We prioritize an easy, user-friendly interface, emphasizing price, value, and quality. Our extensive product range is delivered in a personalized format, accessible seamlessly through our mobile apps, and complemented by our dedicated customer service team.
- **Cutting-edge Technologies:** Our proprietary technologies and strategic technical alliances enhance the overall shopping experience, providing our customers with an intuitive and streamlined experience.
- **Specialized Logistics:** Our logistics capabilities are finely tuned to the demands of the furniture and home furnishings category, which we have honed over decades of e-commerce expertise.
- **Strategic Partnerships:** We foster long-term, mutually beneficial relationships with third-party manufacturers, distributors, and suppliers, collectively referred to as our "partners". This network forms the backbone of our supply chain, allowing us to pursue our goal of consistently meeting customer demands. We also partner with third parties to provide various financial products and services.
- **Omni-Channel Relaunch:** In addition to our partners, we've had a collaborative partnership with The Brand House Collective, Inc. (formerly known as Kirkland's, Inc.) ("TBHC"), and own approximately 40% of TBHC's common stock. In 2025, TBHC converted several Kirkland's Home stores and launched Bed Bath & Beyond brand stores

through an exclusive license with the Company to operate Bed Bath & Beyond neighborhood stores. Additionally, we've entered into a pending merger agreement with TBHC slated to close in the first half of 2026, that is intended to further enable the Company to bring back the omni-channel experience to our Bed Bath & Beyond and buybuy BABY customer base. In January 2025, we also entered into an asset purchase agreement with BBBY Acquisition Co. LLC to acquire certain rights in the buybuy BABY brand, as well as assets, data, information and content related to the associated buybuy BABY website.

- **Customer Loyalty Programs:** Our customer engagement and retention are bolstered by our welcome rewards+ membership program and private label credit card, enhancing the overall value proposition for our customers.

We endeavor to continually expand our product assortment, which as of the date of this Annual Report, reaches into the millions, to keep pace with current trends and evolving customer preferences. The vast majority of our retail transactions are fulfilled through our network of partners, who benefit from the access we provide to a large customer base and a suite of convenient services, including marketing, order fulfillment, customer service, and returns handling. Our asset-light supply chain allows us to ship directly to customers from our partners or our warehouses, which primarily handle orders from our partners' owned inventory.

Additional Offerings

We offer additional products or services that may complement our primary retail offerings but are not significant to our revenues, including:

- **Business Advertising Opportunities:** Providing businesses with a platform to showcase their products or services on our Website, fostering additional exposure and opportunities for collaboration.
- **Marketplace Services:** Offering a unique service to our partners, enabling them to showcase and sell their products on third-party sites through our Marketplace, creating additional avenues for sales and visibility.
- **Supplier Oasis Integration:** Our Supplier Oasis platform, a singular integration point that empowers our partners to efficiently manage their products, inventory, and sales channels. This streamlined interface also provides access to multi-channel fulfillment services through our expansive distribution network, enhancing operational efficiency for our valued partners.

Manufacturer, Distributor, and Supplier Relationships

We proactively cultivate and nurture relationships with manufacturers, distributors, and suppliers to help provide an uninterrupted stream of diverse product offerings for our customers. While our manufacturers, distributors, and suppliers regularly update us on available product quantities, our arrangements with them typically do not guarantee the sustained availability of these products over a predetermined period. Our relationships are generally non-exclusive. This allows us the flexibility to exercise discretion in selecting and changing suppliers based on our evolving product assortment needs. The terms under which products are sold through our Website are predominantly in our discretion.

Sales and Marketing

We employ a diverse array of strategies to market to and engage our retail consumer audience, using both traditional and digital channels. Our outreach includes targeted direct mail as well as online initiatives, encompassing search engine marketing, display ads, affiliate marketing, e-mail campaigns, and social media promotions. Additionally, we enhance brand visibility through comprehensive advertising efforts across television, video ads, streaming video and audio platforms, social media channels, and strategic event sponsorships.

Customer Service

Our commitment to delivering responsive customer service extends across our channels, including our apps and Website. Staffed by a team of dedicated in-house and outsourced professionals, our customer service department seeks to provide prompt and thorough responses to customer inquiries via phone, SMS, instant online chat, and e-mail, regarding product information, order details, shipping status, returns, and various other customer queries.

In addition to our in-house services, we have trusted partners who independently manage their customer service requests that are held to our high standards, as outlined in their agreements with us.

Technology

We use our internally developed Website alongside a dynamic blend of proprietary technologies, open source solutions, and commercially licensed technologies to bolster our operational capabilities. We maintain connectivity to the Internet through partnerships with multiple telecommunications companies, in order to promote seamless access.

Our primary computer infrastructure is in a data center in Utah. We leverage additional data centers and tap into the resources of public cloud providers which play a pivotal role in functions such as backups, redundancy measures, development and testing environments, disaster recovery protocols, and the overarching support of our corporate systems infrastructure.

Competition

E-commerce is intensely competitive and has relatively low barriers to entry. We believe that competition in this industry is based predominantly on:

- price;
- product and services quality and assortment;
- shopping convenience and product findability;
- website organization and experience;
- order processing and fulfillment;
- order delivery time and accuracy;
- customer service;
- website functionality on mobile devices;
- brand recognition; and
- brand reputation.

We compete with a diverse range of discount general retailers, off-price and club retailers, private sales platforms, specialty retailers, and liquidators in the online pure-play, brick-and-mortar, and omni-channel retail spheres, where the potential exists for competitors to emulate our strategies and target our customer base.

Our current and potential e-commerce competitors include entities that may have greater brand recognition, longer operating histories, larger customer bases, and significantly greater financial, marketing, and other resources than we do. Further, any of them may enter into strategic or commercial relationships with larger, more established and well-financed companies, including exclusive distribution arrangements with our vendors or service suppliers that could deny us access to key products or needed services at competitive prices or at all, or acquisitions of our suppliers or service providers, which could have the same effect. Many of them do or could devote greater resources to marketing and promotional campaigns and devote substantially more resources to their websites and systems development than we do. Many have supply chain operations that decrease product shipping times to their customers, have options for in-store product pick-up, allow in-store returns, or offer other delivery and returns options that we presently do not have. New technologies, the continued enhancement of existing technologies, developments in related areas such as same-day product deliveries, and the development of proprietary delivery systems increase competitive pressures on us.

Intellectual Property and Trade Secrets

We regard our domain names and other intellectual property as critical to our success. We rely on a combination of laws and regulations, including via contractual restrictions with our employees, customers, suppliers, affiliates, and others to establish and protect our proprietary rights, including the law pertaining to trade secrets.

Government Regulation and Legal Matters

We are subject to a wide variety of laws, rules, mandates, and regulations, some of which apply or may apply to us as a result of our business, and others of which apply to us for other reasons, such as our status as a publicly-held company or the places in which we operate. Our business is subject to general business regulations and laws, and regulations and laws specifically governing the internet, e-commerce, and other financial products and services we offer or may offer. Existing and future laws and regulations, directives (including executive orders) and changing enforcement priorities, may result in increasing expenses and may impede our growth. Applicable and potentially applicable regulations and laws include without limitation regulations and laws regarding taxation, business licensing or certification requirements, advertising practices, online services, the use of cryptocurrency, intellectual property rights, privacy, encryption, restrictions on pricing or discounts, and the U.S. Foreign Corrupt Practices Act and other applicable U.S. and foreign laws prohibiting corrupt payments to government officials and other third parties, privacy, consumer and data protection, pricing, content, copyrights, distribution, mobile communications, electronic device certification, electronic waste, energy consumption, environmental regulation, electronic contracts and other communications, competition, employment, import and export matters including tariffs and the importation of specified or proscribed items and importation quotas, information reporting requirements, access to our services and facilities, the design and operation of websites, health, safety, and sanitation standards, the characteristics and quality of products and services, product labeling and unfair and deceptive trade practices.

From time to time, we receive claims and become subject to regulatory investigations or other governmental actions, including consumer protection, employment, intellectual property, and other commercial litigation related to the conduct of our business. We periodically prosecute lawsuits to enforce our legal rights. These matters and other types of claims could result in legal expenses, fines, adverse judgments or settlements and increase the cost of doing business. They could also require us to change our business practices in expensive and significant ways. In addition, litigation could result in legal outcomes or interpretations of the law that may limit our current or future business, require us to change our business practices, or increase our costs or otherwise adversely impact our business.

For further information, see (Item 1A—"Risk Factors") and the information set forth under Item 8 of Part II, "Financial Statements and Supplementary Data"—Note 14—Commitments and Contingencies, *Legal proceedings and contingencies*, contained in the "Notes to Consolidated Financial Statements" of this Annual Report.

Human Capital Management

On December 31, 2025, we had approximately 389 full-time employees. We have never had a work stoppage and none of our employees are represented by a labor union. We consider our employee relations to be good. Competition for qualified personnel in our industry is high. Bed Bath & Beyond places great value on its human capital management and knows its people are critical to driving the business to success. We focus on our human capital management in many ways, including the following.

Belonging

We embrace belonging and collaboration in our workforce, our ways of thinking, and our decision-making. We know that fostering a belonging culture delivers better business outcomes. We are committed to creating a workplace that values and celebrates the unique backgrounds, perspectives, and experiences of our employees. Our commitments to improving workplace practices include: (1) increasing employee engagement of our team at all levels, (2) valuing the varied and broad voices of our employees, and (3) fostering inclusion and safety within our workforce. Among the many ways we demonstrate these commitments are through our hiring and development practices, flexible and working-parent-friendly programs, anti-discrimination policies, and focus on pay equity.

We view belonging as a competitive advantage that drives innovation, creativity, and success. We are dedicated to creating a workplace where everyone has the opportunity to thrive, and we believe that our commitment to belonging will contribute to our long-term growth and sustainability.

Workforce Compensation & Pay Equity

The total rewards philosophy of Bed Bath & Beyond is to create and maintain competitive programs that attract, motivate, develop, and retain employees based on the prevailing industry and geographic labor markets where the Company does business. Our competitive compensation programs consist of cash and non-cash compensation based on relevant pay factors designed to balance market competitiveness and cost containment to incentivize the achievement of financial performance goals and business objectives and to aid in retaining human capital. We designed our total rewards to link the market competitiveness of an employee's compensation with overall Company performance, aligning employees' financial interests with the interests of the Company and its stockholders.

Elements of our compensation package for all non-executive employees consists of base salary or wages, short-term bonus incentives to reward the achievement of key financial performance goals and business objectives, and for eligible key contributors, long-term equity incentives that align to the interests of the Company and its stockholders.

We monitor changes in the value of each employee's job annually and adjust base pay and short-term incentives based on a combination of factors, including, but not limited to, employee performance to pre-determined goals and the Company's overall performance against broader financial and operational goals and objectives. We determine external market competitiveness by gathering salary information from professionally managed third-party salary surveys and by determining pay for individual employees based on their skill level, experience, education, and any other relevant compensatory factors. We balance internal pay equity with external pay equity to ensure compensation is fairly and equitably dispersed and in compliance with applicable laws, regulations, or other legal requirements.

We offer all employees the ability to save for retirement by matching dollar for dollar up to 6% of their savings into a qualified savings plan up to certain pre-determined limits set by the IRS.

Our intention is to offer every employee fair and equitable cash compensation and competitive non-cash benefits to help employees manage the wealth, health, and wellness of both themselves and their families.

Talent Acquisition & Retention

We work diligently to attract the best talent from a diverse range of sources and locations to support the current and future demands of our business. We recruit talent from twenty-six states across the United States and the Republic of Ireland. We endeavor to establish relationships with universities, professional associations, and industry groups to proactively attract talent. We look for ways to improve our recruiting process regularly and ensure each applicant feels welcome and comfortable through the recruiting process.

We have a strong employee value proposition that leverages our culture, shared alignment to critical business and financial objectives and goals, collaborative and flexible working environment, shared sense of purpose, desire to do the right thing and innovative work to attract talent to our company. We empower employees to find new and better ways of doing things, and the scale of our business means that careers can develop in exciting and unexpected directions. To ensure the long-term continuity of our business, we actively manage the development of existing talent to fill the roles that are most critical to the ongoing success of our Company.

Our employees have an average tenure of eight years overall, with an average tenure of eight and three-quarter years in our customer service department.

Employee Safety & Wellness

Creating a culture where all employees feel supported and valued is a key part of our Company mission. We continue to evolve our programs to meet our employees' wealth, health, and wellness needs, which we believe is essential to attract and retain employees of the highest caliber. We provide comprehensive benefit options for our employees and their families to live healthier and more secure lives. Some of the various insurances we offer include medical, dental, and vision, among others, along with health savings accounts, flexible spending accounts and 401(k) matching and employee stock purchase plan (ESPP) programs. In addition to these more traditional benefits offerings, we also expanded our employee assistance program (EAP) to better align with our national employee base. We offer family planning services, including fertility coverage, to assist potential parents. We offer paid parental leave for all new parents who have been with the Company for at least 90-days to ensure they are able to adjust. We also offer a caregiver benefit to parents who need to travel for work, which allows employees who have a child under the age of two to travel with the employee. In 2024, we expanded our benefits to include a flexible work schedule

by offering flexible time away (unlimited) to all exempt employees, to allow our employees maximum flexibility and trust in our performance-based culture. Additionally, we launched an employee volunteer program, Beyond Cares, pursuant to which each full-time employee spends at least 32 hours a year of work time volunteering for an organization of choice in their community.

Development & Training

We recognize how important it is for our employees to develop and progress in their careers. We provide a variety of resources to help our employees grow in their current roles and build new skills, including online development resources from a competency model development library to hundreds of online courses in our learning management system. We emphasize individual development planning as part of our annual goal setting process and offer mentoring programs, along with change management and project management upskilling opportunities. We have leadership development resources for all leaders across the organization and continue to build tools for leaders to develop their teams on the job and in roles to create new opportunities to learn and grow. We also encourage higher education and continuing professional education by subsidizing these opportunities for our employees.

Company Culture

We attribute the high levels of employee engagement to our corporate culture. We strive for a work environment that is performance-based, results-driven, provides a sense of belonging, agile, and collaborative. Our culture is grounded in our three core values, Accountability, Adaptability, and Authenticity, which guide how we operate and create value. We act with an owner's mindset to deliver results, embrace change and continuous improvement to drive innovation, and foster culture of integrity and belonging where employees are empowered to bring their true selves to work.

Our values reflect our commitment to an accountable, authentic, and adaptable work environment, and embody our evolving culture. These three core values guide how we lead, collaborate, and make decisions, fostering a psychologically safe environment where individuals take ownership, communicate openly, and respond effectively to change in pursuit of better outcomes. We strive to clearly define, model, measure, and develop the behaviors that reinforce accountability, authenticity, and adaptability in our employees, empowering everyone to be effective and impactful contributors to the organization. By embracing these values, we create a culture that attracts, develops, engages, and retains highly qualified individuals for every role. Our goal is for every employee to feel valued, trusted, and empowered as part of a resilient and high-performing team, doing meaningful work in an environment grounded in integrity and growth. The Company is committed to consistently reinforcing these values throughout the entire employee experience.

Oversight & Governance

Our focus on human capital management, understanding that people truly are a Company's most valuable asset, and that culture is an organization's ultimate competitive advantage. Our 401(k) committee meets at least twice per year to review the plan and determine if any changes need to be made to the portfolio, in order to best serve our employees. Our board of directors dedicates time in quarterly meetings with management to discuss trends in hiring, engagement, and attrition. Our Compensation Committee is actively involved in determining competitive compensation strategies to help us continually improve in attracting, developing, and retaining top talent for our Company.

Information About Our Executive Officers

The following persons were executive officers of Bed Bath & Beyond as of February 24, 2026:

Executive Officers	Age	Position
Adrienne Lee	48	President and Chief Financial Officer (Principal Financial Officer)
Marcus Lemonis	52	Executive Chairman and Chief Executive Officer (Principal Executive Officer)
Leah Putnam	36	Chief Accounting Officer (Principal Accounting Officer)

Adrienne Lee was appointed as our President and Chief Financial Officer in March 2025. Prior to that, Ms. Lee served as Chief Financial & Administrative Officer from February 2024 to March 2025, and previously served as Chief Financial Officer from March 2020 to February 2024. Prior to joining Bed Bath & Beyond, Ms. Lee served as Senior Vice President and CFO of North America RAC from December 2018 to March 2020 and as Vice President—Global Financial Planning and Analysis and Corporate Development at The Hertz Corporation from December 2017 to December 2018.

Marcus Lemonis was appointed as the Executive Chairman of the Board of Directors of Bed Bath & Beyond, effective February 20, 2024 and was appointed as our Chief Executive Officer in January 2026. Mr. Lemonis joined the Board on October 2, 2023, and has served as Chairman of the Board since December 10, 2023. Mr. Lemonis previously served as the Chief Executive Officer and Chairman of the Board of Camping World Holdings, Inc. from 2022 to January 2026.

Leah Putnam was appointed as our Chief Accounting Officer in March 2025. Prior to that, Ms. Putnam served as Vice President of Finance and Controller from February 2024 to March 2025, Vice President, Financial Planning and Analysis from March 2023 to February 2024, Senior Director of Financial Planning and Analysis from January 2022 to March 2023, and Director of Financial Planning and Analysis from August 2020 to January 2022. Prior to joining Bed Bath & Beyond, Ms. Putnam held several corporate finance, financial systems, and data governance roles at The Hertz Corporation from 2018 to 2020.

Available Information

We make our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, available free of charge through the Investor Relations section of our main website, www.beyond.com, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission (the "SEC"). The SEC also maintains a website at www.sec.gov that contains reports, proxy and information statements, and other information filed by us. Our Internet Website and the information contained therein or connected thereto are not a part of or incorporated into this Annual Report on Form 10-K.

ITEM 1A. RISK FACTORS

Any investment in our securities involves a high degree of risk. Please consider the following risk factors carefully. If any one or more of the following risks were to occur, it could have a material adverse effect on our business, prospects, financial condition and results of operations, and the market price of our securities could decrease significantly. Statements below to the effect that an event could or would harm our business (or have an adverse effect on our business or similar statements) mean that the event could or would have a material adverse effect on our business, prospects, financial condition and results of operations, which in turn could or would have a material adverse effect on the market price of our securities. Many of the risks we face involve more than one type of risk. Consequently, you should carefully read all of the risk factors below, and in any reports we file with the SEC after we file this Annual Report, before making any decision to acquire or hold our securities.

Risks Relating to Our Company and its Operational, Litigation and Regulatory Environment

We depend on third-party companies to perform functions critical to our business, and any failure or increased cost on their part could have a material adverse effect on our business.

We depend on third-party companies, including third-party carriers, insurers, warranty providers, and a large number of independent fulfillment partners whose products we offer for sale on our Website, to perform functions critical to our business and our ability to deliver products and services to our customers on time and at a reasonable cost. We depend on our carriers, insurers, warranty providers, and fulfillment partners to perform traditional retail operations such as maintaining inventory, preparing merchandise for shipment to our customers, delivering purchased merchandise on a timely and cost-effective basis, insuring the products, and offering warranty services associated with products. We also depend on the delivery and product assembly services that we and they utilize, on the payment processors that facilitate our customers' payments for their purchases, and on other third parties (including SaaS, IaaS, and other cloud-based third-party service providers) over which we have no control, for the operation of our business. Difficulties with any of our significant fulfillment partners or third-party carriers, insurers, warranty providers, delivery or product assembly services, payment processors or any of the third-party service providers involved in our business, regardless of the reason, could have a material adverse effect on our financial results, business and prospects.

We face intense competition and may not be able to compete successfully against existing or future competitors.

The online retail market is evolving rapidly and is intensely competitive. Barriers to entry can be minimal, and current and new competitors can launch new websites at a relatively low cost. We currently compete with numerous competitors, including:

- online retailers with or without discount departments, including Amazon.com, AliExpress (part of the Alibaba Group), eBay, Temu, and Rakuten.com;
- online shopping services, including Google Shopping, Facebook, Instagram, and TikTok;
- online specialty retailers such as Wayfair, Build.com, Houzz, Hayneedle, Rugs.com, Groupon, and World Market;
- furniture specialists including Bob's Discount Furniture, Havertys, Raymour & Flanigan, At Home, Tuesday Morning, Living Spaces, Nebraska Furniture Mart, RC Willey, and Rooms To Go;
- traditional general merchandise and specialty retailers and liquidators including Ashley Furniture, Best Buy, Costco, Crate and Barrel, Ethan Allen, Gilt, Home Depot, HomeGoods, Hudson's Bay Company, IKEA, J.C. Penney Company, Kohl's, Lands' End, Lowe's, Macy's, Nordstrom, Pottery Barn, Arhaus, RH, Ross Stores, Saks Fifth Avenue, Sears, T.J. Maxx, Target, Walmart, West Elm, and Williams-Sonoma, all of which also have an online presence; and
- online liquidators such as SmartBargains.

We expect that existing and future traditional manufacturers and retailers will continue to add or improve their e-commerce offerings, and that our existing and future e-commerce competitors, including Amazon, will continue to increase their offerings, their delivery capabilities, and the ways in which they entice and enable shoppers to purchase goods, including their mobile technology and the voice-activated shopping services offered by Amazon. Further, large marketplace websites and sites which aggregate marketplace sellers with a large product selection are becoming increasingly popular. We may not be able to place our products on these sites to take advantage of their internal search platforms and some shoppers may begin their searches at these websites rather than utilize traditional search engines at all. Many of our competitors specialize in one or more of the areas in which we offer products. For example, our furniture offerings compete with numerous retail furniture websites and traditional furniture retail specialists. We also face competition from shopping services such as Google Shopping, which

offers products from Walmart, Costco, Target and many other retailers. Competition from our competitors, many of whom have longer operating histories, larger customer bases, greater brand recognition, greater access to capital and significantly greater financial, marketing and other resources than we do, affects us and has had and could continue to have a material adverse effect on our financial results, business and prospects.

We may not timely identify or effectively respond to consumer needs, expectations or trends, which could adversely affect our relationship with our customers, the demand for our products and services, and our market share.

The success of our business depends in part on our ability to identify and respond promptly to evolving trends in demographics, shifts in consumer preferences, expectations and needs, changes in the macroeconomic environment, and unexpected weather conditions, natural disasters, or public health issues (including pandemics and related impacts) that impact our customers, while also managing appropriate inventory levels and maintaining an excellent customer experience. It is difficult to successfully predict the products and services our customers will demand. As our customers expect a more personalized experience, our ability to collect, use, retain, and protect relevant customer data is important to our ability to effectively meet their expectations. Our ability to collect and use that data, however, is subject to a number of external factors, including the impact of legislation or regulations governing data privacy, data-driven technologies such as artificial intelligence, and data security, as well as customer expectations around data collection, retention, and use. In addition, each of our primary customer groups has different needs and expectations, many of which evolve as the demographics in a particular customer group change. Customer preferences and expectations related to sustainability of products and operations are also changing. In addition, as the impacts of COVID-19 have subsided, customers have shifted more of their spending back to travel, dining and other experiences, compared to the historic levels of home improvement spending we saw during the heights of the pandemic. If we do not successfully differentiate the shopping experience to attract our customers and meet their individual needs and expectations, it may adversely impact our sales and our market share.

Customer expectations about the methods by which they purchase and receive products or services are also becoming more demanding. Customers routinely and increasingly use technology, including without limitation, artificial intelligence, as well as a variety of electronic devices and digital platforms to rapidly compare products and prices, read product reviews, determine real-time product availability, and purchase products, and new channels and tools to expand the customer experience appear and change rapidly. We must continually anticipate and adapt to these changes in the shopping and purchasing process by continuing to adjust and enhance the customer experience as well as our delivery options. We cannot guarantee that our current or future fulfillment options will be maintained and implemented successfully or that we will be able to meet customer expectations on delivery or pickup times, options and costs.

Failure to provide a relevant and effective customer experience in a timely manner that keeps pace with technological developments and dynamic customer expectations, preferences, and trends or to differentiate the customer experience could adversely affect our relationship with our customers, the demand for our products and services, and our market share.

Our business depends on effective marketing, including marketing via email, search engine marketing, influencer marketing, and social media marketing. Our competitors have and may continue to cause us to increase our marketing costs and decrease certain other types of marketing, and have and may continue to outspend us on marketing or be more efficient in their spend.

We depend on effective marketing and inflow of customer traffic. We depend on search engine marketing, email, and other e-commerce marketing methods to promote our site and offerings and to generate a substantial portion of our revenue. If a significant portion of our target customers no longer utilize email, or if we are unable to effectively and economically deliver email or marketing materials through other channels to our potential customers, whether for legal, regulatory or other reasons, it would have a material adverse effect on our business. For example, some email services have features that organize incoming emails into categories and such categorization or similar inbox organizational features may result in our emails being delivered in a less prominent location in a customer's inbox or viewed as "spam" by our customers and may reduce the likelihood of that customer opening our emails. Actions by third parties to block, impose restrictions on or charge for the delivery of emails or other messages could also adversely impact our business. From time to time, Internet service providers or other third parties may block bulk email transmissions or otherwise experience technical difficulties that result in our inability to successfully deliver emails or other messages to third parties.

We also rely on social media and influencers for marketing purposes, and anything that limits our ability or our customers' ability or desire to utilize social media could have a material adverse effect on our business, including changes to the terms of social networking services to limit promotional communications, any restrictions that would limit our ability or our customers' ability to send communications through their services, disruptions or downtime experienced by these social

networking services, or decline in or cessation of the use of or engagement with social networking services, including due to legislation, regulation, or directives (including executive orders).

In addition to competing with us for customers, suppliers, and employees, our competitors have and may continue to directly increase our operating costs, by driving up the cost of various forms of online advertising. Furthermore, our competitors may outspend us or be more efficient on various forms of advertising or marketing, making our marketing efforts less effective. We may elect to decrease our use of search engine marketing or other forms of marketing from time to time in order to decrease our costs, which may have a material adverse effect on our financial results and business. We may also elect to spend additional amounts on search engine marketing or other forms of marketing from time to time in order to increase traffic to our Website, or to take other strategic actions to increase traffic and/or conversion, and such increased spending may not be effective on a cost-benefit basis, or at all. If we are unable to develop, improve, implement and maintain effective and efficient cost-effective advertising and marketing programs, it would have a material adverse effect on our financial results and business.

Economic factors, including recessions, other economic downturns, inflation, our exposure to the U.S. housing market, and decreases in consumer spending, have affected and could continue to adversely affect us.

Various economic conditions, including recessions, other economic downturns, inflation, weaknesses in the U.S. housing market, and decreased consumer discretionary spending have adversely affected and could further adversely affect our financial performance. We believe that our sales of home-related products are affected by the strength of the U.S. housing market and overall consumer sentiment on discretionary goods. Recessions or other economic downturns, in particular in the U.S. housing market, have negatively impacted our sales in the past, and could have a material adverse effect on our financial results, business, and prospects in the future. Similarly, a substantial portion of the products and services we offer are products or services that consumers may view as discretionary items rather than necessities. As a result, our results of operations are sensitive to changes in macroeconomic conditions that impact consumer spending, including discretionary spending. Difficult macroeconomic conditions also impact our customers' ability to obtain consumer credit and therefore their purchasing power. Other factors, including consumer confidence in the economy, employment levels, interest rates, inflation, fuel and energy costs, tax rates, and consumer debt levels could reduce consumer spending or change consumer purchasing habits. Any of the foregoing could have a material adverse effect on our financial results, business, and prospects.

Tariffs, bans, or other measures or events that increase the effective price of products or limit our ability to access products we or our suppliers, fulfillment partners, or other third parties that import or export could have a material adverse effect on our business.

We and many of our suppliers and fulfillment partners source a large percentage of the products we offer on our Website from China and other countries. Restrictions on international trade, including increased tariffs or other trade barriers are expected to increase the prices of imported products sold on our Website or limit our ability to access products sold on our Website. These factors in turn could reduce consumer demand and impact sales volume. Increased prices and/or supply chain challenges and the unpredictability of applicable trade barriers, including their scope and duration, have had an adverse effect and could in the future have a material adverse effect on our financial results, business and prospects, including due to their impact on general macroeconomic conditions.

Our changing business model and use of the Bed Bath & Beyond brand, Overstock brand, buybuy BABY brand, Kirkland's and Kirkland's Home brand, Beyond brand, and other brands of ours, could negatively impact our business.

Our business has undergone a number of changes in the recent past, including our company name changing from Overstock.com, Inc. to Beyond, Inc. to Bed Bath & Beyond, Inc., our purchase of the Bed Bath & Beyond and Kirkland's and Kirkland's Home brands, changing our company ticker symbol from OSTK to BYON to BBBY, and transferring the listing of our common stock from the Nasdaq Stock Market LLC to the New York Stock Exchange. Additionally, we have from time to time made, and expect in the future to make, changes in the portions of our business that we invest in omnichannel, digital, or physical channels. These changes, along with others, may cause negative impacts to our business, including customer and stockholder confusion about our brands, the need for higher promotional discounting or marketing costs to acquire and maintain customers, diversion of the attention of management or key personnel, employee fatigue resulting from implementation efforts, disruptions to existing business relationships, and other unforeseen costs, expenses, losses, disruptions, delays, or negative impacts that could have a material adverse effect on our financial results, business and prospects.

The changing job market, the changes in our leadership team, the change in our compensation approach, changing job structures, or any inability to attract, retain and engage key personnel could affect our ability to successfully grow our business.

Our performance is substantially dependent on the continued service and performance of our senior management, our board of directors, and other key personnel. In 2024 and 2025, we underwent significant changes to our executive management team and board of directors, structural changes to our organization, and changes to our workforce with reductions in force. Additionally, in 2025, we adjusted our approach to our executives' equity compensation from a fully performance-based approach to a balanced performance and time-based approach.

With many businesses allowing employees to work remotely, we are forced to compete with businesses in other locations and states to attract and retain key employees. We announced that local employees will be asked to increase their onsite work from three days each week to four days each week at a new location. We also announced the elimination of our 9-80 schedule (where employees were permitted to work nine-hour days, rather than standard eight-hour days, and take every other Friday off from work). Changes in leadership, structural changes to our organization, reductions in force, changed approach to performance-based compensation, and changes in job structures could create consequences such as a lack of or decreased productivity, a lack of engagement, employee dissatisfaction, and employee fatigue, any of which could impair our ability to recruit, hire, and retain employees. Our success depends on our ability to identify, attract, recruit, hire, train, engage, retain, and motivate highly-skilled personnel necessary to successfully operate our business. Our failure to do any of the foregoing could have a material adverse effect on our financial results, business and prospects.

We rely upon paid and natural search engines to rank our product offerings, and our financial results may suffer if we are unable to maintain our prior rankings in natural searches.

We rely on paid and natural search engines to attract consumer interest in our product offerings, including Google, Bing, and Yahoo!. Changes to their ranking algorithms and competition from other retailers to attract consumer interest may adversely affect our product offerings in paid and/or natural searches. Search engine companies change their natural search engine algorithms periodically and online retailers compete to rank well with these search engine companies. Our ranking in natural searches may be adversely affected by those changes, as has occurred from time to time, which has led us to pursue revenue growth in other more expensive marketing channels. Google's search engine is dominant in our business and has historically been a significant source of traffic to our websites. Search engine companies may also determine that we are not in compliance with their guidelines from time to time, as has occurred in the past, and they may penalize us in their search algorithms as a result. In recent years, we have experienced declines in our rankings in Google's natural search engine, which has required us to utilize more expensive marketing channels or otherwise compensate for the loss of some of the natural search traffic. Any future declines in our rankings in Google's natural search engine could have a material adverse effect on our business. Additionally, in recent years, a shift in user search behavior has started, with an increasing number of individuals transitioning from traditional search engines like Google to AI platform answer engines such as ChatGPT, Grok, and Copilot for certain types of queries. This transition stems from the way AI tools can effectively address certain questions that users once turned to search engines to answer. This evolution in how people are seeking information, even if often complementing, rather than replacing, the kinds of user intent queries we typically focus on, could have a material adverse effect on our business.

If we are not profitable and/or are unable to generate sufficient positive cash flow from operations, our ability to continue in business will depend on our ability to raise additional capital, obtain financing or monetize significant assets, and we may be unable to do so.

At December 31, 2025, our accumulated deficit was \$842.7 million. We experienced significant losses in years leading up to 2020. Although our financial results were significantly better in 2020 and 2021, we incurred additional losses in 2022 through 2025, which included significant non-cash losses on our equity method investments and a write-down loss on our corporate headquarters. If we are unable to successfully manage our business in the future, our ability to continue in business could depend on our ability to raise sufficient additional capital, obtain sufficient financing, or sell or otherwise monetize significant assets. Additionally, we may not be able to raise capital on acceptable terms or at all. The occurrence of any of the foregoing risks would have a material adverse effect on our financial results, business and prospects.

Our business depends on the Internet, our infrastructure and transaction-processing systems, and catastrophic events could adversely affect our operating results.

We are completely dependent on our infrastructure and on the availability, reliability and security of the Internet and related systems. Although we have migrated and continue to migrate some of our computer systems and operations to the public cloud, a substantial majority of our computer and communications infrastructure is running in our private cloud on hardware that is located at a single facility, which we sold on December 20, 2024. As part of the sale, we entered into a lease agreement that allows us to continue to occupy and use the data center at the facility.

Our systems and operations, and those of the third parties that we rely on, are vulnerable to damage or interruption from natural disasters or extreme weather events (such as earthquakes, floods, fires and droughts), including those related to, or exacerbated by, climate change, other types of fires or floods, power loss, telecommunications failure, software or hardware malfunctions, terrorist attacks, cyberattacks, acts of war, break-ins, and similar events. The adverse effects of any such catastrophic event would be exacerbated if experienced at the same time as another unexpected and adverse event, such as a pandemic. Current events, including political events, social activism, tension and potential for violence, may impact our workforce, customers, properties and the communities where we operate. If our customers and employees do not perceive our response to be appropriate or adequate for a particular region or for our company as a whole, we could suffer damage to our reputation and brand, which could adversely affect our business. As a consequence of these or other catastrophic events, we may experience interruption to our operations or losses of property, equipment and/or inventory, which could adversely affect our revenue and profitability.

Our back-up facility by itself is not adequate to support fulfillment of sales orders. Our servers and applications are vulnerable to malware, physical or electronic break-ins, internal sabotage, and other disruptions, the occurrence of any of which could lead to interruptions, delays, loss of critical data or the inability to accept and fulfill customer orders. Any internal or critical third-party system interruption that results in the unavailability of our websites or our mobile apps or reduced performance of our transaction systems could interrupt or substantially reduce our ability to conduct our business. We have experienced periodic systems interruptions due to server failure, application failure, power failure and intentional cyberattacks in the past, and may experience additional interruptions or failures in the future. Any failure or impairment of our infrastructure or of the availability of the Internet or related systems caused by any source, including the housing or maintenance of our hardware by a third party (including the purchaser of the facility where it is now located), or any inability to access or protect our hardware in a timely manner, could have a material adverse effect on our financial results, business and prospects. In addition, the occurrence of any event that would adversely affect e-commerce or discourage or prevent consumers from shopping online or via mobile apps could significantly decrease the volume of our sales.

Compliance with ever-evolving federal, state, and foreign laws and other requirements relating to the handling of information about individuals necessitates significant expenditure and resources, and any failure by us, our vendors or our business partners to comply may result in significant liability, negative publicity, and/or an erosion of trust, which could materially adversely affect our business, results of operations, and financial condition.

In connection with running our business, we receive, store, use and otherwise process information that relates to individuals and/or constitutes "personal data," "personal information," "personally identifiable information," or similar terms under applicable data privacy laws (collectively, "Personal Information"), including from and about actual, former and prospective customers as well as our employees and business contacts. We also depend on a number of third party vendors in relation to the operation of our business, a number of which process Personal Information on our behalf. In addition, we share Personal Information with, and obtain Personal Information from, certain business partners pursuant to commercial arrangements.

We, our vendors and our business partners are subject to a variety of federal, state and foreign data privacy laws, rules, regulations, industry standards and other requirements. These requirements, and their application, interpretation and amendment are constantly evolving. It is also possible that new laws, regulations and other requirements, or amendments to or changes in interpretations of existing laws, regulations and other requirements, may require us to incur significant costs, implement new processes, or change our handling of information and business operations, which could ultimately hinder our ability to grow our business by extracting value from our data assets. For example, in the United States, the Federal Trade Commission and state regulators enforce a variety of data privacy issues, such as promises made in privacy policies or failures to appropriately protect information about individuals, as unfair or deceptive acts or practices in or affecting commerce in violation of the Federal Trade Commission Act or similar state laws.

In addition, in recent years, certain states have adopted or modified data privacy and security laws and regulations that may apply to our business. For example, the California Consumer Privacy Act ("CCPA") requires businesses that process personal information of California residents to, among other things: provide certain disclosures to California residents regarding the business's collection, use, and disclosure of their personal information; receive and respond to requests from California residents to access, delete, and correct their personal information, or to opt-out of certain disclosures of their personal information; and enter into specific contractual provisions with service providers that process California resident personal information on the business's behalf. The enactment of the CCPA is prompting a wave of similar legislative developments in other states in the United States, which creates a patchwork of overlapping but different state laws. For example, since the CCPA went into effect, numerous state laws that share similarities with the CCPA are now in effect. Similar laws have been proposed in many other states and at the federal level as well.

Additionally, laws, regulations, and standards covering marketing, advertising, and other activities conducted by telephone, email, mobile devices, and the internet may be or become applicable to our business, such as the Telephone Consumer Protection Act (the "TCPA"), the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (the "CAN-SPAM Act"), and similar state consumer protection and communication privacy laws. For example, we send text messages to customers as part of our business operations. The actual or perceived improper sending of text messages may subject us to potential risks, including liabilities or claims relating to consumer protection laws such as the TCPA, which imposes significant restrictions on the ability to make telephone calls or send text messages to mobile telephone numbers without the prior consent of the person being contacted.

We may also be subject to international privacy laws such as the European Union General Data Protection Regulation and the UK General Data Protection Regulation, as well as laws and regulations in other jurisdictions. These laws contain significant privacy requirements that may impose restrictions on our ability to collect, use, and otherwise process Personal Information.

Even though we believe we are generally in compliance with applicable laws, rules and regulations relating to privacy and data security, these laws are in some cases relatively new and the interpretation and application of these laws are uncertain. Any failure or perceived failure by us (or in some cases, our vendors and business partners) to comply with data privacy laws, rules, regulations, industry standards and other requirements could result in proceedings or actions against us by individuals, consumer rights groups, government agencies, or others. We could incur significant costs in investigating and defending such claims and, if found liable, pay significant damages or fines or be required to make changes to our business. Further, these proceedings and any subsequent adverse outcomes may subject us to significant negative publicity and an erosion of trust. If any of these events were to occur, our business, results of operations, and financial condition could be materially adversely affected.

If we or our third-party providers experience cyberattacks or data security incidents, there may be damage to our brand and reputation, material financial penalties, and legal liability, which would materially adversely affect our business, results of operations, and financial condition.

We rely on our computer systems, hardware, software, technology infrastructure, and online sites and networks, as well as those of our third-party providers for both internal and external operations that are critical to our business (collectively, "IT Systems"). We own and manage some of these IT Systems but also rely on third parties for a range of IT Systems and related products and services, including but not limited to our suppliers, banks, credit card processors, delivery services, and public cloud providers. We and certain of our third-party providers collect, maintain and process data about customers, employees, business partners and others, including personal information, confidential and proprietary intellectual property, financial information, trade secrets, and other business information (collectively, "Confidential Information").

Our business involves the storage and transmission of Confidential Information, and we face numerous and evolving cybersecurity risks that could threaten the confidentiality, integrity and availability of our IT Systems and Confidential Information, including from diverse threat actors, such as state-sponsored organizations, opportunistic hackers and hacktivists, as well as through diverse attack vectors, such as social engineering or phishing, malware (e.g., ransomware), malfeasance by insiders, human or technological error, and as a result of malicious code embedded in open-source software, or misconfigurations, bugs or other vulnerabilities in commercial software that is integrated into our or our third parties' IT Systems, products or services. Because we make extensive use of third party suppliers and service providers, such as banks, credit card processors, delivery services and cloud services that support our internal and customer-facing operations, successful cyberattacks that disrupt or result in unauthorized access to third party IT Systems can materially impact our operations and financial results. Moreover, we have acquired and continue to acquire companies with cybersecurity vulnerabilities or unsophisticated security measures, which exposes us to significant cybersecurity, operational, and financial risks. Remote and

hybrid working arrangements at our company (and at many third-party providers) also increase cybersecurity risks due to the challenges associated with managing remote computing assets and security vulnerabilities that are present in many non-corporate and home networks. Additionally, any integration of artificial intelligence in our or any service providers' or business partners' operations, products or services is expected to pose new or unknown cybersecurity risks and challenges.

Cyberattacks are expected to accelerate on a global basis in frequency and magnitude as threat actors are becoming increasingly sophisticated in using techniques and tools—including artificial intelligence—that circumvent security controls, evade detection and remove forensic evidence. As a result, we may be unable to detect, investigate, remediate or recover from future attacks or incidents, or to avoid a material adverse impact to our IT Systems, Confidential Information or business. There can also be no assurance that our cybersecurity risk management program and processes, including our policies, controls or procedures, will be fully implemented, complied with or effective in protecting our IT Systems and Confidential Information. Furthermore, given the nature of complex systems, software and services like ours, and the scanning tools that we deploy across our networks and products, we regularly identify and track security vulnerabilities. We are unable to comprehensively apply patches or confirm that measures are in place to mitigate all such vulnerabilities, or that patches will be applied before vulnerabilities are exploited by a threat actor.

We and certain of our third-party providers and business partners have experienced a variety of cyber-attacks, which have increased in number and variety over time. Any adverse impact to the availability, integrity or confidentiality of our IT Systems or Confidential Information can result in significant legal and financial exposure (such as class actions), regulatory investigations, damage to our reputation that cause us to lose existing or future customers, a loss of confidence in our security measures, and significant incident response, system restoration or remediation and future compliance costs, any of which could have a material adverse effect on our financial results, operations results, and business. Moreover, any insurance coverage we may carry may be inadequate to cover the expenses and other potential financial exposure we could face due to a cyber-attack or data breach and there can be no assurance that applicable insurance will be available to us in the future on economically reasonable terms or at all.

Moreover, as we accept debit and credit cards for payment, we are subject to the Payment Card Industry Data Security Standard ("PCI-DSS"), issued by the Payment Card Industry Security Standards Council. PCI-DSS contains compliance guidelines with regard to our security surrounding the physical and electronic storage, processing and transmission of cardholder data. If we are unable to comply with the security standards established by banks and the payment card industry, we may be subject to fines, restrictions and expulsion from card acceptance programs, which could materially and adversely affect our business.

We are subject to payment-related risks that could increase our operating costs, expose us to fraud or theft, subject us to potential liability, and potentially disrupt our business.

We accept or have accepted payments using a variety of methods, including credit and debit cards, electronic payments, digital wallets, loan programs including installment loans, and gift cards, and we may offer new payment options over time. Acceptance of these payment options subjects us to rules, regulations, contractual obligations and compliance requirements, including payment network rules and operating guidelines, data security standards and certification requirements, and rules governing electronic funds transfers. These requirements may change over time or be reinterpreted, making compliance more difficult, costly, or uncertain. For certain payment methods, including credit and debit cards, we pay interchange fees and other costs to accept these payments, and we may also incur losses, all of which may increase over time and raise our operating costs. We rely on third parties to provide payment processing services, including the processing of credit cards, debit cards, and other forms of electronic payment. If these companies become unable to provide these services to us, or if their systems are compromised, it could potentially disrupt our business. The payment methods that we offer, and the selling channels in which we operate, also subject us to potential fraud and theft by threat actors, who are becoming increasingly more sophisticated, seeking to obtain unauthorized access to or exploit weaknesses that may exist in our sales, payments and payment processing systems. If we fail to comply with applicable rules or requirements for the payment methods we accept, or if payment-related data is compromised due to a breach or misuse of data, we may be liable for costs incurred by payment card issuing banks and other third parties or we may be subject to fines and higher transaction fees, or our ability to accept or facilitate certain types of payments may be impaired. In addition, our customers could lose confidence in certain payment types, or may expect or demand payment methods that we do not currently offer, which could result in competitive disadvantages or require a shift to other payment types or potential changes to our payment systems that may result in higher costs. As a result, our business and operating results could be adversely affected.

We have significant deferred tax assets and may not be able to realize these assets in the future.

We have established a valuation allowance for our net deferred tax assets, primarily due to recent operating losses, forecasted near-term losses, and uncertainty regarding our future taxable income. Determining whether a valuation allowance for deferred tax assets is appropriate requires judgment and an evaluation of all positive and negative evidence. At each reporting period, we assess the need for, or the sufficiency of a valuation allowance against deferred tax assets. We intend to maintain a valuation allowance on our net deferred tax assets until there is sufficient evidence to support the reversal of all or some portion of the allowance.

We may be required to recognize losses relating to our equity method investments.

At December 31, 2025, we held equity method investments totaling approximately \$66.6 million. The underlying equity interests are in entities that are in the startup or development stages. Equity method interests are inherently risky because we do not have the ability to influence the business decisions underlying those investments and because the markets for the technologies or products these companies are developing are typically in the early stages and may never materialize. Since these investments are in companies that are in the early startup or development stages, even if their technology or products are viable, they may not be able to obtain the capital or resources necessary to successfully bring their technology or products to market. We have recognized losses related to these equity method securities in the past and may in the future recognize additional losses. Additionally, due to tax law limitations around deductibility of capital and investment losses, we may not be able to recognize a tax benefit on these losses when they occur. Any such loss could be material and could have a material adverse effect on our financial results.

If governmental entities or providers of consumer devices and internet browsers further restrict or regulate the use of "cookie" tracking technologies, the amount or accuracy of online user information we collect could decrease, which could harm our business and operating results.

Various federal, state and international governmental entities have enacted or are considering enacting legislation or regulations that could significantly restrict the ability of companies to use proprietary or third-party "cookies" and other methods of online tracking for behavioral advertising. For example, some governmental agencies have regulated the level of consumer notice and consent required before a company can employ cookies or other electronic tracking tools or the use of data gathered with such tools. Additionally, some providers of consumer devices and web browsers have implemented or plan to implement methods of making it easier for Internet users to prevent the placement of cookies, to block other tracking technologies or to require new permissions from users for certain activities, which have impacted us in the past and have the potential to significantly reduce the effectiveness of such practices and technologies in the future. Any further restriction on the use of cookies and other online tracking and advertising practices could lower the quality of the data we collect, negatively impact our targeted marketing capabilities, increase costs associated with developing or transitioning to new technologies or methods, and could impact our ability to compete. Increased restrictions on tracking technologies could also lead to increased compliance, legal, and regulatory risks, increased costs associated with the management thereof, and increased costs associated with potential fines, penalties, claims, defense costs, reputational harm, or other associated costs. Such restrictions on tracking could also limit our ability to effectively retain existing customers or acquire new customers and consequently, materially adversely affect our business, financial condition and operating results.

If the legal, regulatory, or tax treatment of our company changes adversely, it could impact our ability to conduct business and, accordingly, our financial results.

New or revised laws, regulations, or court decisions may subject us to additional requirements and new disclosures that could increase the cost of doing business, increase scrutiny for the way decisions are made, decrease our revenues, increase our expenses, or impact our business model. For example, various jurisdictions around the world have enacted or are considering revenue-based taxes such as digital advertising taxes, data collection taxes, and other targeted taxes, which could lead to inconsistent and potentially overlapping tax regimes that could increase our expenses. In addition, significant changes to the federal income tax laws of the United States have been enacted in recent years, including under the Inflation Reduction Act of 2022 and the One Big Beautiful Bill Act of 2025. Other new or revised legal, regulatory, or tax treatment could expose us to additional risk, increase the cost of doing business online, and increase internal costs necessary to capture data, report data, and collect and remit taxes. Any of these items could have a material adverse effect on our business and financial results.

Failure to comply with, or changes in, laws, regulations and enforcement activities may adversely affect the products, services and markets in which we operate.

From time to time, we are subject to claims, individual and class action lawsuits, arbitration proceedings, government and regulatory investigations, inquiries, actions or requests, and other proceedings alleging violations of laws, rules, and regulations with respect to taxation, advertising practices, online services, intellectual property rights, privacy, consumer and data protection, pricing, content, copyrights, distribution, mobile communications, electronic device certification, electronic waste, energy consumption, environmental regulation, electronic contracts and other communications, competition, employment (including inclusion and belonging), labor rights, import and export matters including tariffs and the importation of specified or proscribed items and importation quotas, information reporting requirements (including sustainability reporting), access to our services and facilities, the design and operation of websites, health, safety, and sanitation standards, the characteristics and quality of products and services, product labeling and unfair and deceptive trade practices. There may be changes to the laws, regulation, standards, directives (including executive orders), and enforcement priorities that affect our operations in substantial and unpredictable ways at the federal and state level in the United States and in other countries in which our services are or may be used. Changes to laws, regulations and standards, including interpretation and enforcement of such laws, regulations and standards could increase the cost of doing business or otherwise change how or where we want to do business. In addition, changes to laws, regulations and standards could affect our merchants and software partners and could result in material effects on the way we operate and the cost to operate our business. Failure to comply with such laws, regulations and standards could result in harm to our members, employees and partners in the supply chain, significant costs to satisfy compliance, remediation or compensatory requirements, or the imposition of severe penalties or restrictions on operations by governmental agencies or courts that could adversely affect our reputation, business, financial condition, and results of operations.

From time to time we are subject to various legal proceedings which could adversely affect our business, financial condition or results of operations.

We are involved in various litigation matters from time to time. For more information regarding our material legal proceedings, please see Item 8 of Part II, "Financial Statements and Supplementary Data"—Note 14—Commitments and Contingencies, subheading Legal Proceedings and Contingencies, contained in the "Notes to Consolidated Financial Statements" of this Annual Report. Such matters can be time-consuming, divert management's attention and resources and cause us to incur significant expenses. Our insurance or indemnities may not cover all claims that may be asserted against us, and any claims asserted against us, regardless of merit or eventual outcome, may harm our reputation. If we are unsuccessful in our defense in these litigation matters, or any other legal proceeding, we may be forced to pay damages or fines, enter into consent decrees or change our business practices, any of which could adversely affect our business, financial condition and results of operations.

Damage to our reputation or brand image could adversely affect our sales and results of operations.

Our reputation is largely based on public perceptions. Incidents that erode trust or confidence in us could adversely affect our reputation and thereby impact our business, particularly if the incidents result in rapid or significant adverse publicity, protests, litigation, boycotts, governmental inquiries, or other stakeholder responses. This could include incidents regarding our actions or inactions on issues related to corporate social responsibility or environmental, social, and governance ("ESG") matters, and any perceived lack of transparency about such matters. We have established, and may continue to establish, various goals and initiatives, including with respect to sustainability and inclusion and belonging. We cannot guarantee that we will achieve these goals and initiatives or that our initiatives will achieve their desired results. Any failure, or perceived failure, by us to achieve these goals and initiatives could lead to adverse perceptions of our business, consumer boycotts, litigation, investigations, and regulatory proceedings. Any of these outcomes could negatively impact our reputation, results of operations, and financial condition. Further, stakeholder expectations regarding ESG and other matters continue to evolve and are not uniform. Our pursuit of our goals and initiatives could also lead to adverse perceptions of our business, consumer boycotts, litigation, investigations, and regulatory proceedings due to differing expectations on ESG and other matters. In turn, damage to our reputation or brand image could, among other things, adversely impact our customer loyalties and sales, our supply chain relationships and business opportunities, our ability to attract and retain talent sufficient to meet business needs, and results of operations. Any of the foregoing can be further exacerbated by changes to laws, regulation, standards, directives (including executive orders), and enforcement priorities. See "*Failure to comply with, or changes in, laws, regulations and enforcement activities may adversely affect the products, services and markets in which we operate.*"

Regulatory changes or actions may alter the nature of an investment in us or restrict the use of digital assets, including tokens or blockchain technology, in a manner that adversely affects our business, prospects and operations.

As digital assets, such as tokens and cryptocurrencies, and blockchain technology have grown in both popularity and market size, governments around the world have reacted differently to them, with certain governments deeming them illegal while others have allowed their use and trade. Governments may in the future regulate, curtail or outlaw the ability for acquisition, use or redemption of digital assets and blockchain technology. Governments may take regulatory action that may increase the cost and/or subject companies in the digital asset or blockchain technology space to additional regulation. Similar actions by governments or regulatory bodies could result in restriction of the acquisition, ownership, holding, selling, use or trading of digital assets, including our token offerings.

In the United States and certain other jurisdictions, certain digital assets may be securities and subject to the securities laws of the relevant jurisdictions. If we fail to comply with any relevant laws, regulations or prohibitions that may be applicable to us, we could face regulatory or other enforcement actions and potential fines or other consequences. The rapidly evolving regulatory landscape with respect to digital assets and blockchain technology may subject us to inquiries or investigations from regulators and governmental authorities, require us to make product changes, restrict or discontinue product offerings, and implement additional and potentially costly controls. If we fail to comply with regulations, requirements, prohibitions or other obligations applicable to us, we could face regulatory or other enforcement actions and potential fines and other consequences.

Digital assets, including cryptocurrencies and tokens, have in the past and may in the future experience periods of extreme price volatility. Fluctuations in the value of any digital assets that we might hold or offer could also lead to volatility in our financial results and could have an adverse impact on our business. These uncertainties, including accounting and tax developments, or other requirements relating to digital assets or blockchain technology could expose us to litigation, regulatory action and possible liability, and have an adverse effect on our business.

If we do not successfully optimize and operate our fulfillment center or customer service operations, our business could be harmed.

We have expanded, contracted, and otherwise modified our fulfillment centers, warehouses, and customer service operations from time to time in the past, and expect that we will continue to do so. If we do not successfully optimize and operate our fulfillment center and customer service operations, it could significantly limit our ability to meet customer demand, customer shipping or return time expectations, or result in excessive costs and expenses for the size of our business. We may not be able to staff at optimal levels or manage our operations in an optimal way, which could result in reduced customer satisfaction and excess or insufficient inventory or warehousing capacity. Our failure to manage our fulfillment center or customer service operations optimally could adversely affect our financial results and customer experience and could have a material adverse effect on our financial results, business and prospects.

If we fail to effectively utilize technological advancements, including in artificial intelligence, our business and financial performance could be negatively impacted.

Our industry is highly competitive and is undergoing rapid changes due to technological advancement in areas such as artificial intelligence (AI). Our future success depends in part on our ability to effectively utilize these technological advancements. Our competitors may outpace us in incorporating AI into their product offerings, engagement with customers, and to create efficiencies, any of which could affect our competitiveness and operational outcomes. Our efforts to utilize these technological advancements may not be successful, may result in substantial integration and maintenance costs, and may expose us to additional risks. For example, Personal Information that may be used in relation to AI could subject us to data privacy and cybersecurity risks. For more information, see "*Risks Relating to Our Company and its Operational, Litigation, and Regulatory Environment.*" Additionally, the content, analyses, or recommendations generated by AI programs, if deficient, inaccurate, or biased, could adversely impact our business, financial condition, and operational results, as well as our reputation. Moreover, ethical concerns associated with AI could lead to brand damage, competitive disadvantages, or legal repercussions. Any problems with our implementation or use of AI or other technological advancements could negatively impact our business or results of our operations.

Global conflict could negatively impact our business, results of operations, and financial condition.

Global conflict could increase costs and limit availability of fuel, energy, and other resources we depend upon for our business operations and could also limit product assortment availability. For example, while we do not operate in Russia or Ukraine, the tensions between the United States and Russia and the other effects of the ongoing conflict in Ukraine, have resulted in many broader economic impacts such as the United States imposing sanctions and bans against Russia and Russian products imported into the United States. Such sanctions and bans have impacted and may continue to impact commodity pricing such as fuel and energy costs, making it more expensive for us and our partners to deliver products to our customers. Conflict in the Middle East has resulted in reduced access to shipping ports, which in turn has increased shipping times and costs. Further, we and many of our suppliers and fulfillment partners source a large percentage of the products we offer on our Website from China. Relations between the United States and China have become increasingly strained and if tensions were to escalate, it could limit or delay our ability to provide a full assortment of furniture and home furnishings on our Website. Sanctions, bans, trade restrictions, or other economic actions in response to present or future conflicts could result in an increase in costs, further disruptions to our supply chain, and a lack of consumer confidence resulting in reduced demand. Any of the foregoing could negatively impact our business, results of operations, and financial condition.

We are partially self-insured with respect to our employees' health insurance. If the actual costs of these claims exceed the amounts we have accrued for them, we would incur additional expense.

Since January 1, 2017, we have been partially self-insured with respect to our employees' health insurance, except to the extent of stop-loss coverage that limits our losses both on a per employee basis and an aggregate basis. The actual costs of our employees' health insurance claims could exceed our estimates of those costs for a number of reasons, including more claims or larger claims than we expect, and increases in the costs of healthcare generally. If the actual cost of our employees' health insurance claims and related expenses exceeds the amounts we have accrued, we may be required to record additional charges for these claims and/or to establish additional cash reserves, which could have a material adverse effect on our financial results, business and prospects.

We may be unable to protect our proprietary technology and to obtain trademark protection for our marks.

Our success depends to a significant degree upon the protection of our software and other proprietary intellectual property rights. We rely on a combination of laws, regulations, and contractual restrictions with our employees, customers, suppliers, affiliates, and others to establish and protect our proprietary rights, including the law pertaining to trade secrets. Despite these precautions, it may be possible for a third party to copy or otherwise obtain and use our intellectual property or trade secrets without authorization. In addition, we cannot ensure that others will not independently develop similar intellectual property. Third parties have in the past recruited and may in the future recruit our employees who have had access to our proprietary technologies, processes and operations. These recruiting efforts expose us to the risk that such employees and those hiring them will misappropriate and exploit our intellectual property and trade secrets. We may be unable to protect against such risks, in the United States or elsewhere, which could have a material adverse effect on our business. Although we have registered some of our, and are pursuing the registration of other key trademarks in the United States and some other countries, some of our trademarks and trade names may not be eligible to receive registered trademark protection. In addition, effective trademark protection may not be available or we may not seek protection in every country in which we market or sell our products and services, including in the United States. Our competitors might adopt product or service marks like our marks or might try to prevent us from using our marks. Any claim by another party against us, or customer confusion related to our trademarks, or our failure to obtain trademark registration, could have a material adverse effect on our financial results, business and prospects.

We are currently subject to claims that we have infringed intellectual property rights of third parties and may be subjected to additional infringement claims in the future.

We have been in the past and may in the future be subject to claims that we have infringed the intellectual property rights of others, by offering allegedly infringing products or otherwise. We have contested and expect to continue to contest claims we consider unfounded rather than settling such claims, even when we expect the costs of contesting the claims could potentially exceed the cost of settlement. Any claims may result in significant expenditure of our financial and managerial resources and may result in us needing to make significant damages or settlement payments or changes to our business. We could be prohibited from using software or business processes, or required to obtain licenses from third parties, which could be expensive or unavailable. Any such difficulties could have a material adverse effect on our financial results, business and prospects.

Product safety and quality concerns could have a material adverse impact on our revenue and profitability.

If the products we sell fail to meet, or are alleged to fail to meet, applicable safety standards or our customers' expectations regarding safety and quality, we could be exposed to increased legal risk and damage to our reputation. Failure to take appropriate actions in relation to product-related issues (for example, product recalls), could lead to violations of laws and regulations and leave us susceptible to government enforcement actions or private litigation. Recalls of products, particularly when combined with lack of available alternatives or difficulty in sourcing sufficient volumes of replacement products, could also have a material adverse impact on our revenue and profitability.

We depend on our suppliers' and fulfillment partners' representations regarding product safety, content and quality, product compliance with various laws and regulations, including registration and/or reporting obligations, and for proper labeling of products.

We rely on our suppliers' and fulfillment partners' representations of product safety, content and quality, product compliance with various laws and regulations, including registration and/or reporting obligations, and proper labeling of products. Issues or concerns regarding product safety, compliance, registration and/or reporting, labeling, content or quality could result in consumer or governmental claims and could adversely affect our financial results and business. Any indemnity agreement we may have with a supplier or fulfillment partner of a product may be inadequate or inapplicable, and any insurance coverage we may carry may be inadequate. Even unsuccessful claims could result in the expenditure of funds and management time and could have a negative impact on our business. The occurrence of any of the foregoing could have a material adverse effect on our financial results, business and prospects.

We have an evolving business model, which increases the complexity of our business.

We are modifying and expanding the types of products and services offered for sale on our websites, may further expand offerings in the future, and we do not know whether any of our modifications or expansions will be successful. From time to time, we have also modified aspects of our business model relating to our product mix and the mix of direct versus partner sourcing of the products offered for sale. Products purchased for direct sale come with additional risks and uncertainties, including costs to maintain inventory, risk of loss from theft or otherwise, and risks associated with the marketing and labeling of products. In addition, we continue to experiment with new technologies to enhance the customer experience and iterate on delivery of new features, and with new services to become the "Everything Home Company." Specifically, we plan to pursue strategic investments or acquisitions in non-retail, home-centric technology, data, products, services and select PropTech solutions, as well as changes in our investments in physical assets such as inventory and leases, and are focused on our three Pillars, which includes omnichannel commerce; digital, financial, insurance & blockchain services; and Beyond Home Platforms & Beyond Home OS. The additions and modifications to our business have increased the complexity of our business and have impacted, and may in the future materially impact, our management, personnel, operations, systems, technical performance, financial resources, and internal control and reporting functions. Further, our efforts to right-size our cost structure and create a more flexible technology stack may result in the introduction of technologies that are less mature or stable, which could cause problems in our website or back-end logistics systems or compliance efforts. Further, any new business, products or services, technology, or website we launch that is not favorably received by consumers could damage our reputation and our brand. The occurrence of any of the foregoing could have a material adverse effect on our financial results, business, prospects, and the trading prices of our securities.

Investment in new business strategies, acquisitions, dispositions, partnerships, or other transactions could disrupt our ongoing business, present risks not originally contemplated and materially adversely affect our business, reputation, results of operations and financial condition.

We have invested, and in the future may invest, in new business strategies, acquisitions, dispositions, partnerships, or other transactions. We intend for these initiatives to drive efficiencies and improve margins. Such endeavors may involve significant risks and uncertainties, including distraction of management from current operations, greater-than-expected liabilities and expenses, new claims or litigation, economic, political, legal and regulatory challenges associated with operating in new businesses, regions or countries, inadequate return on capital, unrealized benefits or unanticipated delays in realized benefits, potential impairment of tangible and intangible assets, and significant write-offs. Investment, acquisition, disposition and partnership transactions are exposed to additional risks, including the imposition of onerous conditions that could delay or prevent us from completing a transaction or otherwise limit our ability to fully realize the anticipated benefits of a transaction. Rapid, significant, and disruptive technological changes impact the industries in which we operate or in which we may in the future operate, including in areas such as tokenization, virtual currencies or cryptocurrencies, blockchain technologies, and the success of new business strategies, acquisitions, dispositions, partnerships, or other transactions will depend, in part, on our

ability to adapt and respond effectively to these changes. In addition, any new investments or acquisitions may require us to raise additional capital, including debt or equity securities. These transactions may impose additional restrictions on our ability to operate and/or may be dilutive to you. In the event that additional liquidity is required from outside sources, we may not be able to raise the capital on terms acceptable to us or at all. If we are unable to raise additional capital when desired, our business, financial condition, and results of operations could be adversely affected.

These new ventures are inherently risky and may not be successful. If we do not successfully manage and execute these initiatives, or if they are inadequate or ineffective, we may fail to meet our financial goals and achieve anticipated benefits, improvements may be delayed, not sustained or not realized, and our business, operations and competitive position could be adversely affected.

If Pelion is not successful in managing the Medici Ventures, L.P. fund or has to resign if there is a change in the interpretation or application of the Investment Advisers Act of 1940 (the "Advisers Act"), we would be unable to realize the anticipated benefits of this arrangement.

As the general partner of the Medici Ventures, L.P. fund, Pelion has control over the limited partnership and its activities, including day-to-day operations and investment decisions. Pelion is able to sell investments of the limited partnership at any time, make additional investments, modify, amend or change existing investments, make new investments and otherwise control the activities of the limited partnership.

The success of the Medici Ventures, L.P. fund depends on Pelion's ability to successfully manage the activities of the Medici Ventures, L.P. fund portfolio companies and its existing and future portfolio company investments. Pelion may not be successful in managing these investments and we may not receive the benefits we anticipate of the transaction with Pelion. Moreover, even if successful in managing the Partnership, Pelion has the right to withdraw as general partner under certain circumstances, including certain changes in Pelion's status under the Advisers Act. The occurrence of such an event is beyond our control, and, as a result, there can be no assurance that Pelion will remain as general partner for the term contemplated. If Pelion is no longer serving as the general partner, we will have the right under the partnership agreement to appoint a new general partner; however, it may not be possible to accomplish this in a timely manner, which could result in the termination of the partnership. Even if a new general partner is appointed in a timely manner, it may be unable to manage the activities of the Medici Ventures, L.P. fund and its portfolio company investments, which would prevent us from receiving the anticipated benefits of the partnership.

We have entered into agreements granting certain third parties the right to use certain of our trademarks, which could damage our brand and reputation.

We have entered into agreements with several third parties, pursuant to which we have authorized these third parties to use certain of our trademarks on certain products and certain store locations in certain geographic territories. For example, on June 30, 2025, we entered into a Trademark and Domain Name Agreement with a large, well-established Canadian retailer to sell certain intellectual property related to our Bed Bath & Beyond trademarks in Canada and the United Kingdom. Any failure of these third parties to deliver products at reasonably comparable quality and price to the products we offer in connection with these trademarks, to offer good customer experiences consistent with our brands, or any breach of our agreements by any such third party could negatively impact our objectives, consistency with our brands, and could have a material adverse effect on our financial results, business and prospects.

Risks Relating to Our Common Stock and the Warrants

The trading price of our common stock may be adversely affected by short-selling activities involving our common stock.

The trading price of our common stock has been and may continue to be volatile. Our stock price fluctuations may be due in part to short-selling activity related to our common stock. Short selling is the practice of selling securities that the seller does not own, but rather has borrowed or intends to borrow from a third party with the intention of buying identical securities at a later date to return to the lender. A short seller hopes to profit from a decline in the value of the securities between the sale of the borrowed securities and the purchase of the replacement shares, as the short seller expects to pay less in that purchase than it received in the sale. It is therefore in the short seller's interest for the price of the stock to decline, and some short sellers publish, or arrange for the publication of, opinions or characterizations regarding the relevant issuer, often involving misrepresentations of the issuer's business prospects and similar matters calculated to create negative market momentum, which may permit them to obtain profits for themselves as a result of selling the stock short.

As a public entity, we may be the subject of concerted efforts by short sellers to spread negative information in order to gain a market advantage. The practice of short-selling activity may adversely affect our common stock price, which in turn could adversely affect our ability to raise capital and could have a material adverse effect on our financial results, business and prospects. In addition, the publication of misinformation may also result in further lawsuits, the uncertainty and expense of which could adversely impact our business, financial condition, and reputation. There are no assurances that we will not face short sellers' efforts or similar tactics, and the market price of our common stock may decline as a result of their actions.

Significant fluctuations in our quarterly operating results may adversely affect the market prices of our common stock, and you may lose all or a part of your investment.

Our revenues and operating results have varied in the past and may continue to vary significantly from quarter to quarter due to a number of factors, many of which are outside our control. In addition to the other risk factors described in this report, factors that have caused and/or could cause our quarterly operating results to fluctuate and in turn affect the market prices of our common stock include:

- increases in the cost of advertising and changes in our sales and marketing expenditures;
- our inability to attract new customers and retain existing customers or encourage repeat purchases;
- the extent to which our existing and future marketing campaigns are successful;
- price competition, particularly in the costs of marketing and product pricing;
- the amount and timing of operating costs and capital expenditures;
- the amount and timing of our purchases of inventory;
- our inability to manage distribution operations or provide adequate levels of customer service;
- increases in the cost of fuel, transportation or distribution;
- our inability to implement technology changes or integrate operations and technologies from acquisitions or other business combinations;
- our efforts to offer new lines of products and services;
- our inability to attract users to our website;
- macroeconomic and geopolitical factors; and
- losses associated with our equity method investments.

Any of the foregoing could have a material adverse effect on our financial results and business and our ability to raise capital and could have a material adverse effect on the holders of our common stock.

Future sales or other distributions of our stock may depress our stock price or subject us to limitations on our ability to use our net operating and tax credit carryforwards.

Sales or other distributions of a substantial number of shares of our common stock, in the public market or otherwise, by us or by a significant stockholder, have in the past and could in the future, depress the trading price of our common stock and impair our ability to raise capital through the sale of additional equity securities. The transfer of ownership of a significant portion of our outstanding shares of stock in the public market or otherwise, by us or by a significant stockholder, within a rolling three-year period could adversely affect our ability to use our net operating losses and tax credit carryforwards to offset future taxable net income.

In addition, we may issue additional shares of our common or preferred stock from time to time in the future in amounts that may be significant. We have sold common stock including under our "at the market" sales agreement and in follow-on underwritten offerings in the past and may do so in the future. We also previously issued a class of preferred stock that was publicly traded and may in the future issue preferred stock that is publicly traded. The sale or issuance of substantial amounts of our common or any preferred stock, by us or a significant stockholder, or the perception that these sales or issuances may occur, could adversely affect the trading prices of our securities.

Anti-takeover provisions contained in our amended and restated certificate of incorporation and amended and restated bylaws, and provisions of Delaware law, could impair a takeover attempt.

Our amended and restated certificate of incorporation, amended and restated bylaws and Delaware law contain provisions which could have the effect of rendering more difficult, delaying, or preventing an acquisition deemed undesirable by our Board of Directors. Among other things, our amended and restated certificate of incorporation and amended and restated bylaws include provisions:

- limiting the ability of our stockholders to call and bring business before special meetings;
- only permitting the Board of Directors to fix the number of directors and to fill vacancies;
- prohibiting cumulative voting in the election of directors;
- prohibiting stockholder action by written consent, which requires all stockholder actions to be taken at a meeting of our stockholders;
- requiring advance notice of stockholder proposals for business to be conducted at meetings of our stockholders and for nominations of candidates for election to our Board of Directors; and
- designating a state court located in the State of Delaware as the sole and exclusive forum for specified matters.

These provisions, alone or together, could delay or prevent hostile takeovers and changes in control or changes in our management.

Any provision of our amended and restated certificate of incorporation, amended and restated bylaws or Delaware law that has the effect of delaying, preventing or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our common stock or other securities and could also affect the price that some investors are willing to pay for our common stock or other securities.

We are subject to rules and regulations established from time to time by the SEC and the NYSE regarding our internal control over financial reporting. If we fail to establish and maintain effective internal control over financial reporting and disclosure controls and procedures, we may not be able to accurately report our financial results, or report them in a timely manner.

We are subject to the rules and regulations established from time to time by the SEC and the New York Stock Exchange (the "NYSE"). These rules and regulations require, among other things, that we establish and periodically evaluate procedures with respect to our internal control over financial reporting. For example, we are required to assess the effectiveness of our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"). Such reporting obligations place a considerable strain on our financial and management systems, processes and controls, as well as on our personnel.

If we identify material weaknesses in our internal control over financial reporting or if we are unable to comply with the requirements applicable to us as a public company, in a timely manner, including the requirements of Section 404 of the Sarbanes-Oxley Act, we may be unable to accurately report our financial results, or report them within the timeframes required by the SEC. We could also become subject to sanctions or investigations by the SEC or other regulatory authorities. In addition, if we are unable to assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting, when required, investors may lose confidence in the accuracy and completeness of our financial reports, we may face restricted access to the capital markets, and our stock price may be adversely affected.

We are subject to the risk of possibly becoming an investment company under the Investment Company Act.

The Investment Company Act of 1940 (the "Investment Company Act") regulates certain companies that invest in, hold or trade securities. Primarily as a result of a portion of our assets consisting of indirectly-held minority investment positions through the Medici Ventures, L.P. fund, we are subject to the risk of inadvertently becoming an investment company. Because registration under the Investment Company Act would make it impractical for us to operate our business, we need to avoid becoming subject to the registration requirements of the Investment Company Act. To do so, we may structure transactions in a less advantageous manner than if we did not have Investment Company Act concerns, or we may avoid otherwise economically desirable transactions and/or strategic initiatives due to those concerns. In addition, events beyond our control, including significant appreciation or depreciation in the value of certain of our holdings or adverse developments with respect to our ownership of certain of our subsidiaries, could result in us inadvertently becoming an investment company. If it were established that we were an investment company, there would be a risk, among other material adverse consequences, that

we could become subject to monetary penalties or injunctive relief, or both, in an action brought by the SEC, that we would be unable to enforce contracts with third parties or that third parties could seek to obtain rescission of transactions with us undertaken during the period it was established that we were an unregistered investment company. Registered investment companies are subject to extensive, restrictive and potentially adverse regulation relating to, among other things, capital structure, leverage, management, dividends and transactions with affiliates. Registered investment companies are not permitted to operate their business in the manner in which we operate (and intend to operate) our business. Specifically, if we were required to register under the Investment Company Act, provisions of the Investment Company Act could limit (and in some cases even prohibit) our ability to raise additional debt and equity securities or issue options or warrants (which could impact our ability to compensate key employees), limit our ability to use financial leverage, and limit our ability to incur indebtedness. Provisions of the Investment Company Act would also prohibit (subject to certain exceptions) transactions with affiliates. If it were established that we were an investment company, it would have a material adverse effect on our business and financial operations and our ability to continue our business.

If securities analysts do not continue to publish research or reports about our business or if they downgrade our stock or our sector, our stock price and trading volume could decline.

The trading market for common stock relies in part on the research and reports that industry or financial analysts publish about us or our business. We do not control these analysts. Securities and industry analysts may not publish research about us. If securities or industry analysts do not continue coverage of us, the trading price of our common stock would likely be negatively impacted. Furthermore, if one or more of the analysts who do cover us downgrade our stock or our industry, or the stock of any of our competitors, or publish inaccurate or unfavorable research about our business, the price of our stock could decline. If one or more of these analysts stops covering us or fails to publish reports on us regularly, we could lose visibility in the market, which in turn could cause our stock price or trading volume to decline.

Additionally, from time to time if we receive a credit rating, any fluctuation in the credit rating of us or our subsidiaries may impact our ability to access debt markets in the future or increase our cost of future debt which could have a material adverse effect on our operations and financial condition, which in return may adversely affect the trading price of shares of our common stock.

The price of the Warrants may decline rapidly and significantly following their distribution.

If there is little or no market demand for the Warrants once trading begins, the trading price of the Warrants will likely decline following their distribution. Warrants are being distributed all at once, which could lead to demand and supply imbalances and cause the trading price of the Warrants to decline rapidly and significantly.

An active public market for the Warrants may not be sustained, which would adversely affect the liquidity and market price of the Warrants.

Prior to the Warrant Distribution, there was no existing trading market for the Warrants. The Warrants are subject to trading dynamics over which we have no control. An active and orderly trading market for the Warrants may not be sustained. The trading market for the Warrants may lack adequate size, liquidity or price transparency or may have an unusually high bid-ask spread. You may be unable to sell your Warrants at a price that is favorable to you.

The trading price for the Warrants may bear little or no relationship to traditional valuation methods, or to the market price of our common stock, and therefore the trading price of the Warrants may fluctuate significantly following their issuance.

The trading price of the Warrants may have little or no relationship to, and may be significantly lower, or at times higher, than the price that would otherwise be established using traditional indicators of value, such as our future prospects and those of our industry in general; future potential revenues, earnings, cash flows, and other financial and operating information, or multiples thereof; market prices of securities and other financial and operating information of companies engaged in business activities that are similar to ours; and the views of research analysts. Potential investors should not buy Warrants in the open market unless they are willing to take the risk that the trading price of the Warrants could fluctuate and decline significantly.

Hedging arrangements relating to the Warrants may affect the value and volatility of our common stock.

In order to hedge their financial positions, Warrant holders may choose to enter into hedging transactions with respect to our common stock, may unwind or adjust hedging transactions and may purchase or sell large blocks of our common stock in one or more market transactions. The effect, if any, of these activities on the trading price of our common stock will depend in part on market conditions and cannot be known in advance, but any of these activities could adversely affect the value and price volatility of our common stock.

Exercising the Warrants is a risky investment and those who exercise their Warrants may not be able to recover the value of their investment in the common stock received upon such exercise. Warrant holders could sustain a total loss of the exercise price of any Warrants that they exercise.

In order to recover the value of the investment in the shares of common stock received upon exercise of a Warrant at the exercise price, the value of such shares of common stock must be more than the exercise price of the Warrants. If the value of the shares of common stock a Warrant holder receives upon exercise of a Warrant is lower than the amount paid to the exercise the Warrant, the holder could experience a total loss of investment in exercising the Warrants.

A Warrant holder may lose some or all of their financial investment after exercising a Warrant.

A Warrant holder may incur a financial or other loss upon, or subsequent to, the exercise of a Warrant due to a drop in our stock price, or by a failure to timely deliver Warrant shares as of any particular date after exercise, or for other reasons. If the market value of our common stock price declines, a Warrant holder may be unable to resell shares at or above the price at which they were acquired through the exercise of Warrants. There can be no assurance that the price of our common stock will not fluctuate or decline significantly below the Warrant exercise price in the future, in which case a Warrant holder could incur substantial losses.

The trading price of the shares of our common stock and Warrants could be highly volatile, and purchasers of our common stock or Warrants could incur substantial losses.

During calendar year 2025 to-date, the closing sale price of shares of our common stock on NYSE has been reported as low as \$3.68 per share and as high as \$12.11 per share. This volatility may affect the price at which a Warrant holder could sell the shares of our common stock or Warrants, and the sale of substantial amounts of our common stock or Warrants could adversely affect the price of our common stock or Warrants. The trading prices of our common stock and Warrants are likely to continue to be volatile and subject to significant price and volume fluctuations in response to market and other factors, including those described in the sections captioned “Risk Factors” herein. Additionally, broad market and industry factors may negatively affect the market price of our common stock and Warrants, regardless of our actual operating performance.

As a result, Warrant holders may not be able to sell shares of common stock or Warrants at or above the price at which they purchase them.

Speculation in our publicly-traded common stock or Warrants may result in extreme price volatility.

Our stockholders or Warrant holders or outside investors may speculate on the direction of movements in the price of our common stock or Warrants. Speculation in the price of our common stock or Warrants may involve long and short exposures. Sudden changes in demand or supply for our common stock or Warrants due to speculation or other reasons may create trading anomalies that add volatility to the trading price of these securities. The volatility or direction of our stock price or Warrant price may be unrelated or disproportionate to our operating results, which could cause significant losses to Warrant holders’ investments.

The settlement process for shares of common stock issuable upon exercise of Warrants is outside of our control and may cause Warrant holders to lose the value of their investment.

The settlement process with respect to exercised Warrants refers to the time between exercise of a Warrant and when the issued common stock is delivered to Warrant holders’ account, and Warrant holders become the holder of record of such common stock. The settlement process is conducted by outside parties and broker-dealers and is therefore outside of our control.

Under Rule 15c6-1 of the Securities Exchange Act of 1934, the standard settlement cycle for most broker-dealer transactions is one business day, unless the parties to any such trade expressly agree otherwise. We understand that under existing financial industry practices, delivery of the shares of common stock upon exercise of Warrants will likely not occur within one business day, and delivery may take several business days. Warrant holders could experience a significant loss of investment in exercising Warrants if the settlement process takes longer than anticipated or fails to settle.

The issuance of common stock upon the exercise of the Warrants may depress our stock price.

We could issue a maximum of up to 6,884,341 shares of common stock in connection with the Warrant Distribution, which would be an approximately 10.0% increase from our current number of shares outstanding. The issuance of such additional shares of common stock upon exercise of the Warrants, and the resale of such shares on the open market after their issuance, or the perception that such sales could occur, could result in significant downward pressure on our stock price.

Warrant holders are not entitled to any of the rights of holders of our common stock.

Warrant holders are not entitled to any rights with respect to our common stock, including, without limitation, voting rights and rights to receive any dividends or other distributions on our common stock, but Warrant holders are subject to all changes affecting our common stock.

Warrant holders will have rights with respect to our common stock only if they receive our common stock upon exercising Warrants for cash and only as of the date when they become a record owner of the shares of our common stock upon such exercise. For example, if an amendment is proposed to our charter or bylaws requiring stockholder approval and the record date for determining the stockholders of record entitled to vote on the amendment occurs prior to the date a Warrant holder is deemed to be the owner of the shares of our common stock due upon exercise of their Warrants, the Warrant holder will not be entitled to vote on the amendment, although they will nevertheless be subject to any changes in the powers, preferences or special rights of our common stock.

Because we do not currently intend to pay cash dividends on our common stock, stockholders will benefit from an investment in our common stock primarily if it appreciates in value.

We do not currently anticipate paying any cash dividends on shares of our common stock. Any determination to pay dividends in the future would be made by our Board of Directors and would depend upon results of operations, financial conditions, contractual restrictions, restrictions imposed by applicable law, and other factors our Board of Directors would deem relevant. Accordingly, realization of a gain on stockholders' investments will primarily depend on the appreciation of the price of our common stock.

Our management will have broad discretion in the use of any net proceeds from the exercise of Warrants and may allocate any net proceeds from the exercise of Warrants in ways that Warrant holders and other stockholders may not approve.

Our management will have broad discretion in the application of the net proceeds, if any, from the exercise of Warrants, including for any of the purposes described in the section entitled "Use of Proceeds" in our Registration Statement on Form S-3 (File No. 333-290763) filed with the SEC on October 8, 2025 and declared effective by the SEC on December 3, 2025 (the "Warrant Registration Statement"), and could spend the net proceeds in ways with which you may not agree. Accordingly, stockholders will be relying on the judgment of our management with regard to the use of the net proceeds, and will not have the opportunity to assess whether the net proceeds are being used appropriately. It is possible that the net proceeds will be invested or otherwise used in a way that does not yield a favorable, or any, return for us, or that does not improve our operating results or enhance the value of our common stock or other securities. Because of the number and variability of factors that will determine our use of any net proceeds from the exercise of Warrants, the ultimate use of such net proceeds may vary substantially from their currently intended use. The failure of our management to use these net proceeds, if any, effectively could harm our business.

The Warrants do not automatically exercise, and any Warrants that Warrant holders do not exercise prior to the Expiration Date will lose all financial value.

The Warrants do not automatically exercise, even if our common stock price remains at or above the exercise price of the Warrants. Warrant holders are entitled to exercise the full number of Warrants registered in their name or any portion thereof. Any Warrant that Warrant holders do not exercise for cash prior to the Expiration Date will expire unexercised and

Warrant holders will not receive any shares of our common stock. If the Early Expiration Price Condition occurs, the Expiration Date of the Warrants could be accelerated significantly. The Warrants will have no financial value after the Expiration Date.

Future sales or other dilution of our equity may adversely affect the market price of our common stock.

The Warrant Agreement, dated as of October 7, 2025, between the Company, Computershare, Inc., a Delaware corporation, and its affiliate, Computershare Trust Company, N.A., as Warrant Agent (the "Warrant Agreement") does not restrict us from issuing additional shares of common stock to the public or under our employee and director compensation plans. We regularly evaluate opportunities to access capital markets, taking into account our capital needs, financial condition, strategic plans and other relevant considerations. The issuance of additional shares of common stock or common equivalent securities in future equity offerings will dilute the ownership interest of our existing common stockholders and may depress the trading value of the Warrants or our common stock. There can be no assurances that we will not in the future determine that it is advisable or necessary to issue additional shares of common stock or other securities convertible or exercisable for shares of common stock to fund our business needs. We also expect to continue to use equity and stock options to compensate our employees and directors and others. The market price of our common stock and the Warrants could decline significantly as a result of such offerings or issuances, or the perception that such offerings or issuances could occur.

Our registration statement covering the issuance of common stock issuable upon exercise of the Warrants may not be available at times.

We will use our commercially reasonable efforts to keep a registration statement effective, subject to certain exceptions, covering the issuance of the common stock issuable upon the exercise of the Warrants; however, we are not prohibited from suspending the use of the registration statement and can suspend it at any time at our discretion as described in the Warrant Registration Statement under the heading "Description of the Warrants - Registration and Suspension." If at the time of exercise of Warrants, there is no effective registration statement covering the issuance of the shares of common stock underlying the Warrants, the right to exercise Warrants shall be automatically suspended until such registration statement becomes effective (any such period, an "Exercise Suspension Period"). The Company shall provide notice by press release, with a copy to the Warrant Agent, of any Exercise Suspension Period. If the Expiration Date would otherwise fall in an Exercise Suspension Period, notwithstanding anything to the contrary in the Warrant Agreement, the Expiration Date shall be extended by the number of days included in such Exercise Suspension Period.

We will require additional capital to support business growth, and this capital might not be available on favorable terms, or at all.

Our operations or expansion efforts will require substantial additional financial, operational, and managerial resources and we will need to raise additional funds to expand our operations. We may seek debt financing or additional equity capital. Additional capital may not be available to us, or may only be available on terms that adversely affect our existing stockholders, or that restrict our operations.

For example, if we raise additional funds through issuances of equity or convertible debt securities, our existing stockholders could suffer dilution, and any new equity securities we issue could have rights, preferences, and privileges superior to those of holders of our common stock. Upon liquidation, holders of our debt securities and lenders with respect to other borrowings will receive distributions of our available assets prior to the holders of our common stock. Since our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, our stockholders bear the risk of our future offerings reducing the market price of our common stock.

Risks Related to the Merger

The Merger may not be completed and the Merger Agreement may be terminated in accordance with its terms.

The Merger is subject to a number of conditions that must be satisfied or waived (to the extent permitted) prior to the completion of the Merger, including the approval by TBHC's shareholders of the Merger Proposal. These conditions to the completion of the Merger, some of which are beyond the control of BBBY and TBHC, may not be satisfied or waived in a timely manner or at all, and, accordingly, the Merger may be delayed or not completed.

Additionally, either BBBY or TBHC may terminate the Merger Agreement under certain circumstances, including, among other reasons, if the Merger is not completed by the outside date.

The termination of the Merger Agreement could negatively impact BBBY and the trading prices of our common stock.

If the Merger is not completed for any reason, including because TBHC's shareholders fail to approve the Merger Proposal, the ongoing businesses of BBBY may be adversely affected and, without realizing any of the expected benefits of having completed the Merger, BBBY would be subject to a number of risks, including the following:

- failure to complete the proposed Merger may result in negative publicity and a negative impression of us in the investment community;
- we may experience negative reactions from our customers and employees;
- we will be required to pay our respective costs relating to the Merger (subject to TBHC's obligation to pay an expense reimbursement fee of approximately \$0.3 million to us in certain circumstances), such as financial advisory, legal, financing and accounting costs and associated fees and expenses, whether or not the Merger is completed;
- the Merger Agreement places certain restrictions on the conduct of our business prior to completion of the Merger and such restrictions, the waiver of which is subject to the consent of TBHC, may prevent us from taking actions during the pendency of the Merger that might otherwise be beneficial; and
- matters relating to the Merger (including integration planning) will require substantial commitments of time and resources by us, which could otherwise have been devoted to day-to-day operations or to other opportunities that may have been beneficial to us.

The market price for shares of our common stock following the Merger may be affected by factors different from, or in addition to, those that historically have affected or currently affect the market prices of shares of our common stock.

Upon consummation of the Merger, our stockholders and TBHC shareholders will both hold shares of common stock in the combined company. Our businesses differ from those of TBHC, and TBHC's businesses differ from ours, and, accordingly, the results of operations of the combined company will be affected by some factors that are different from those currently or historically affecting our results of operations. The results of operations of the combined company may also be affected by factors different from those that currently affect or have historically affected either us or TBHC.

Based on the anticipated treatment of equity-based awards and the number of shares of TBHC Common Stock outstanding as of December 9, 2025, it is expected that we may issue approximately 3,046,103 shares of our common stock in the Merger. Former TBHC shareholders may decide not to hold the shares of our common stock that they will receive in the Merger, and our stockholders may decide to reduce their investment in us as a result of the changes to our investment profile as a result of the Merger. Other TBHC shareholders, such as funds with limitations on their permitted holdings of stock in individual issuers, may be required to sell the shares of our common stock that they receive in the Merger. Such sales of our common stock could have the effect of depressing the market price of our common stock.

Obtaining required approvals and satisfying closing conditions may prevent or delay completion of the Merger.

The Merger is subject to a number of conditions to closing as specified in the Merger Agreement. These closing conditions include, among others, the approval by TBHC shareholders of the Merger Proposal, the effectiveness of the registration statement on Form S-4 registering our common stock issuable pursuant to the Merger Agreement and the absence of any stop order or proceedings by the SEC with respect thereto, approval for listing on the NYSE of the shares of our common stock to be issued pursuant to the Merger Agreement, and the absence of governmental restraints or prohibitions preventing the consummation of the Merger. The obligation of each of us and TBHC to consummate the Merger are also conditioned on, among other things, the truth and accuracy of the representations and warranties made by the other party on the date of the Merger Agreement and on the closing date (subject to certain materiality and material adverse effect qualifiers), and the performance by the other party in all material respects of its obligations under the Merger Agreement. No assurance can be given that the other required shareholder, governmental and regulatory consents and approvals will be obtained or that the other required conditions to closing will be satisfied, and, if all required consents and approvals are obtained and the required conditions are satisfied, no assurance can be given as to the terms, conditions and timing of such consents and approvals. Any delay in completing the Merger could cause the combined company not to realize, or to be delayed in realizing, some or all of the benefits that we expect to achieve if the Merger is successfully completed within its expected time frame.

Failure to attract, motivate and retain executives and other key employees could diminish the anticipated benefits of the Merger.

The success of the Merger will depend in part on the combined company's ability to retain the talents and dedication of the professionals currently employed by us and TBHC. It is possible that these employees may decide not to remain with us or TBHC, as applicable, while the Merger is pending, or with the combined company. If key employees terminate their employment, or if an insufficient number of employees are retained to maintain effective operations, the combined company's business activities may be adversely affected and management's attention may be diverted from successfully integrating us and TBHC to hiring suitable replacements, all of which may cause the combined company's business to suffer. In addition, we and TBHC may not be able to locate suitable replacements for any key employees that leave either company or offer employment to potential replacements on reasonable terms. In addition, there could be disruptions to or distractions for the workforce and management, including disruptions associated with integrating employees into the combined company. No assurance can be given that the combined company will be able to attract or retain key employees of ours and TBHC's to the same extent that those companies have been able to attract or retain their own employees in the past.

The Merger, and uncertainty regarding the Merger, may cause customers, strategic partners and others to delay or defer decisions concerning us or TBHC and adversely affect each company's ability to effectively manage its respective business.

The Merger will happen only if the stated conditions are met, including the approval by TBHC's shareholders of the Merger Proposal and the receipt of required approvals, and consents among other conditions. Many of the conditions are beyond our control and TBHC's control, and both parties also have certain rights to terminate the Merger Agreement under certain circumstances.

Accordingly, there may be uncertainty regarding the completion of the Merger. This uncertainty may cause customers, strategic partners or others that deal with us to delay or defer entering into contracts with us or making other decisions concerning us or seek to change or cancel existing business relationships with us, which could negatively affect our business. Any delay or deferral of those decisions or changes in existing agreements could have an adverse impact on our business, regardless of whether the Merger is ultimately completed.

In addition, the Merger Agreement restricts us and our subsidiaries from taking certain actions during the pendency of the Merger without the consent of TBHC. These restrictions may prevent us from pursuing attractive business opportunities or strategic transactions that may arise prior to the completion of the Merger.

Whether or not the Merger is completed, the announcement and pendency of the Merger could cause disruptions in our business, which could have an adverse effect on our business and financial results.

Whether or not the Merger is completed, the announcement and pendency of the Merger could cause disruptions in our business, including by diverting the attention of our management away from day-to-day business operations and toward the completion of the Merger. In addition, we have diverted significant management resources in an effort to complete the Merger and are subject to restrictions contained in the Merger Agreement on the conduct of our business. If the Merger is not completed, we will have incurred significant costs, including the diversion of management resources, for which we will have received little or no benefit.

The consummation of the Merger is conditioned upon the satisfaction of certain financing covenants.

Pursuant to the Merger Agreement, at our election, either (i) we shall repay, on behalf of TBHC and its subsidiaries, on or before the effective time of the Merger (the "Effective Time") all amounts necessary to discharge in full all of the obligations of TBHC and its subsidiaries arising under that certain Third Amended and Restated Credit Agreement, dated as of March 31, 2023, by and among the Kirkland's Stores, Inc., as lead borrower, the other borrowers named therein, the guarantors named therein, and the Agent, or (ii) each of us and TBHC shall use commercially reasonable efforts to, on or prior to the Effective Time, enter into a fully executed and enforceable amendment to TBHC's existing revolving credit facility. There can be no assurance that this covenant will be satisfied on the expected timeline, or at all, and failure to do so could delay the consummation of the Merger, increase costs, or otherwise adversely affect us and/or TBHC.

The Merger will involve substantial costs.

We and TBHC have incurred and expect to incur non-recurring costs associated with combining the operations of the two companies, as well as transaction fees and other costs related to the Merger. These costs and expenses include fees paid to financial, legal and accounting advisors, facilities and systems consolidation costs, severance and other potential employment-related costs, filing fees, printing expenses and other related charges. Some of these costs are payable by us or TBHC regardless of whether the Merger is completed.

The combined company will also incur restructuring and integration costs in connection with the Merger. The costs related to restructuring will be expensed as a cost of the ongoing results of operations of the combined company. There are processes, policies, procedures, operations, technologies and systems that must be integrated in connection with the Merger and the integration of TBHC's business with our business. We expect that the elimination of duplicative costs, strategic benefits, and additional income, as well as the realization of other efficiencies related to the integration of the businesses, may offset incremental transaction, Merger-related and restructuring costs over time. However, any net benefit may not be achieved in the near term or at all. Many of these costs will be borne by us even if the Merger is not completed. While we have assumed that certain expenses would be incurred in connection with the Merger and the other transactions contemplated by the Merger Agreement, there are many factors beyond our control that could affect the total amount or the timing of the integration and implementation expenses.

Lawsuits may in the future be filed against us or TBHC, or against our or TBHC's directors, challenging the Merger, and an adverse ruling in any such lawsuit may prevent the Merger from becoming effective or from becoming effective within the expected time frame.

Transactions like the proposed Merger are frequently subject to litigation or other legal proceedings, including actions alleging that our board of directors or the TBHC Board breached their respective fiduciary duties to their shareholders by entering into the Merger Agreement, by failing to obtain a greater value in the transaction for their shareholders or otherwise. Neither we nor TBHC can provide assurance that such litigation or other legal proceedings will not be brought. If litigation or other legal proceedings are in fact brought against us or TBHC, or against our board of directors or the TBHC Board, they will defend against it, but might not be successful in doing so. An adverse outcome in such matters, as well as the costs and efforts of a defense even if successful, could have a material adverse effect on our business, results of operation or financial position or that of the combined company, including through the possible diversion of either company's resources or distraction of key personnel.

Furthermore, one of the conditions to the completion of the Merger is that no injunction by any court or other governmental entity of competent jurisdiction will be in effect that prevents, enjoins or makes illegal the consummation of the Merger. As such, if any of the plaintiffs are successful in obtaining an injunction preventing the consummation of the Merger, that injunction may prevent the Merger from becoming effective or from becoming effective within the expected time frame.

The consummation of the transactions contemplated under the Merger Agreement are not conditioned upon the receipt of an opinion of counsel to the effect that the Merger qualifies for the Intended Tax Treatment, and neither TBHC nor we intend to request a ruling from the IRS regarding the U.S. federal income tax consequences of the Merger.

The Merger is intended to qualify as a "reorganization" within the meaning of Section 368(a) of the Code for U.S. federal income tax purposes. Assuming the Merger so qualifies, a holder of TBHC Common Stock generally will not recognize any gain or loss for U.S. federal income tax purposes upon the exchange of TBHC Common Stock for our common stock in the Merger, except possibly with respect to cash received by such holder in lieu of a fractional share of our common stock.

However, it is not a condition to TBHC's obligation or our obligation to consummate the transactions contemplated by the Merger Agreement that the Merger qualify for the Intended Tax Treatment or that TBHC or we receive an opinion from counsel to that effect. There are many requirements that must be satisfied for the Merger to qualify as a reorganization, some of which are based upon factual determinations, and the reorganization treatment could be adversely affected by events or actions that occur or are taken after the Merger. Furthermore, neither TBHC nor we intend to request a ruling from the IRS regarding the U.S. federal income tax consequences of the Merger. Accordingly, no assurance can be given that the Merger will qualify for the Intended Tax Treatment or that the IRS will not challenge the conclusion that the Merger will qualify for the Intended Tax Treatment or that a court would not sustain such a challenge. If, contrary to expectations, the Merger does not qualify for the Intended Tax Treatment, holders of TBHC Common Stock could be subject to U.S. federal income tax upon the receipt of our common stock in the Merger.

Risks Related to the Combined Company

We and TBHC have each incurred significant losses in recent years, and we cannot be certain when or if our operations will generate sufficient cash to fully fund our ongoing operations or the growth of the combined company.

We and TBHC have each historically used significant amounts of cash in operating activities, and we expect for the combined company to continue to use significant amounts of cash to fund ongoing operations, capital requirements, and working capital needs for the foreseeable future. If we, TBHC, or the combined company do not achieve profitability as anticipated, we may be required to allocate additional financial resources, which could adversely affect liquidity, results of operations, or the ability to pursue other strategic initiatives. The incurrence of indebtedness for such purposes would result in increased payment obligations and could also result in certain restrictive covenants, such as limitations on our ability to incur additional debt or secure such debt, limitations on our ability to acquire, sell or license intellectual property rights and other operating restrictions that could adversely impact our liquidity, financial condition, or ability to conduct our business. We cannot be certain when or if our, TBHC's, or the combined company's operations will generate sufficient cash to fully fund ongoing operations or the growth of its business.

Combining our business with that of TBHC may be more difficult, costly or time-consuming than expected and the combined company may fail to realize the anticipated benefits of the Merger, which may adversely affect the combined company's business results and negatively affect the value of the combined company's common stock.

The success of the Merger will depend on, among other things, the ability of us and TBHC to combine our businesses in a manner that facilitates growth opportunities. We and TBHC have entered into the Merger Agreement because we believe that the Merger and the other transactions contemplated by the Merger Agreement are fair to and in the best interests of our respective shareholders and that combining our businesses will produce benefits.

However, we and TBHC must successfully combine our businesses in a manner that permits these benefits to be realized. In addition, the combined company must achieve the anticipated growth without adversely affecting current revenues and investments in future growth. If the combined company is not able to successfully achieve these objectives, the anticipated benefits of the Merger may not be realized fully, or at all, or may take longer to realize than expected.

An inability to realize the full extent of the anticipated benefits of the Merger and the other transactions contemplated by the Merger Agreement, as well as any delays encountered in the integration process, could have an adverse effect upon the revenues, level of expenses and operating results of the combined company, which may adversely affect the value of the common stock of the combined company.

In addition, the actual integration may result in additional and unforeseen expenses, and the anticipated benefits of the integration plan may not be realized. Actual growth and any potential cost savings, if achieved, may be lower than what we and TBHC expect and may take longer to achieve than anticipated. If we and TBHC are not able to adequately address integration challenges, they may be unable to successfully integrate their operations or realize the anticipated benefits of the integration of the two companies.

The failure to successfully integrate our businesses and operations with TBHC in the expected time frame may adversely affect the combined company's future results.

We and TBHC have operated and, until the completion of the Merger, will continue to operate independently. There can be no assurances that our businesses can be integrated successfully. It is possible that the integration process could result in the loss of key employees of either company, the loss of customers, the disruption of either company's or both companies' ongoing businesses, inconsistencies in standards, controls, procedures and policies, unexpected integration issues, higher than expected integration costs and an overall post-completion integration process that takes longer than originally anticipated. Specifically, the following issues, among others, must be addressed in integrating our operations in order to realize the anticipated benefits of the Merger so the combined company performs as expected:

- combining the companies' operations and corporate functions;
- combining the businesses and meeting the capital requirements of the combined company, in a manner that permits the combined company to achieve any cost savings or other synergies anticipated to result from the Merger, the failure of which would result in the anticipated benefits of the Merger not being realized in the time frame currently anticipated or at all;
- integrating the companies' technologies and technologies licensed from third parties;
- integrating and unifying the offerings and services available to customers;
- identifying and eliminating redundant and underperforming functions and assets;
- harmonizing the companies' operating practices, employee development and compensation programs, internal controls and other policies, procedures and processes;
- maintaining existing agreements with customers, suppliers, distributors and vendors, avoiding delays in entering into new agreements with prospective customers, suppliers, distributors and vendors, and leveraging relationships with such third parties for the benefit of the combined company;
- addressing possible differences in business backgrounds, corporate cultures and management philosophies;
- consolidating the companies' administrative and information technology infrastructure;
- coordinating distribution and marketing efforts;
- managing the movement of certain positions to different locations;
- coordinating geographically dispersed organizations; and
- effecting actions that may be required in connection with obtaining regulatory or other governmental approvals and consents.

In addition, at times the attention of certain members of our and TBHC's management and each company's respective resources may be focused on completion of the Merger and the integration of the businesses of the two companies and diverted from day-to-day business operations or other opportunities that may have been beneficial to such company, which may disrupt each company's ongoing business and the business of the combined company.

The combined company may not be able to retain customers, which could have an adverse effect on the combined company's business and operations. Third parties may terminate or alter existing contracts or relationships with us or TBHC.

As a result of the Merger, the combined company may experience impacts on relationships with customers that may harm the combined company's business and results of operations. Certain customers may no longer desire to do business with the combined company following the Merger. There can be no guarantee that customers will remain with or continue to have a relationship with the combined company following the Merger. If any customers stop doing business with the combined company, then the combined company's business and results of operations may be harmed.

We and TBHC also have contracts with landlords, licensors and other business partners which may require us or TBHC, as applicable, to obtain consent from these other parties in connection with the Merger, or which may otherwise contain limitations applicable to such contracts following the Merger. If these consents cannot be obtained, the combined company may suffer a loss of potential future revenue, incur costs and lose rights that may be material to the combined company's business. In addition, third parties with whom we or TBHC currently have relationships may terminate or otherwise reduce the scope of their relationship with either party in anticipation of the Merger. Any such disruptions could limit the combined company's ability to achieve the anticipated benefits of the Merger. The adverse effect of any such disruptions could also be exacerbated by a delay in the completion of the Merger or by a termination of the Merger Agreement.

The combined company may be exposed to increased litigation, which could have an adverse effect on the combined company's business and operations.

The combined company may be exposed to increased litigation from shareholders, customers, suppliers, distributors, consumers and other third parties due to the combination of our and TBHC's businesses following the Merger. Such litigation may have an adverse impact on the combined company's business and results of operations or may cause disruptions to the combined company's operations.

Declaration, payment and amounts of dividends, if any, distributed to shareholders of the combined company will be uncertain.

We have not historically paid cash dividends on our common stock. TBHC has not declared or paid cash dividends on the TBHC Common Stock since its 2015 fiscal year. Whether any dividends are declared or paid to shareholders of the combined company, and the amounts of any such dividends that are declared or paid, are uncertain and depend on a number of factors. Our board of directors will have the discretion to determine the dividend policy of the combined company, including the amount and timing of dividends, if any, that the combined company may declare from time to time, which may be impacted by any of the following factors:

- the combined company may not have enough cash to pay such dividends or to repurchase shares due to its cash requirements, capital spending plans, cash flow or financial position;
- decisions on whether, when and in what amounts to make any future distributions will remain at all times entirely at the discretion of our board of directors, which could change its dividend practices at any time and for any reason;
- the amount of dividends that the combined company may distribute to its stockholders is subject to restrictions under Delaware law; and
- certain limitations on the amount of dividends subsidiaries of the combined company can distribute to the combined company, as imposed by state law, regulators or agreements.

Shareholders should be aware that they have no contractual or other legal right to dividends that have not been declared.

Due to the Merger, we may be required to recognize impairment charges for goodwill and other intangible assets.

Upon and subject to closing the Merger, we anticipate that we will have a significant amount of goodwill and other intangible assets on our consolidated balance sheet. Goodwill represents the excess of the purchase price paid over the fair value of the net assets acquired in business combinations, such as the Merger. If the carrying amount exceeds fair value, an impairment loss is recognized. Goodwill is tested for impairment at least annually, or when we deem that a triggering event has occurred. Significant negative industry or economic trends, disruptions to our business, the impact of acquired businesses (including an inability to effectively integrate acquired businesses), unexpected significant changes, planned changes in use of the assets, divestitures and market capitalization declines may impair goodwill and other intangible assets. If the Merger is consummated, we may recognize impairment charges for goodwill and other intangible assets. Any charges relating to such impairments could materially and adversely affect our results of operations in the periods recognized, which could result in an adverse effect on the market price of our common stock.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Cybersecurity Risk Management and Strategy

Our company recognizes the critical importance of cybersecurity in our digital operations and has established a cybersecurity risk management program intended to protect the confidentiality, integrity, and availability of our critical systems and information. This program, guided by industry frameworks like the National Institute of Standards and Technology Cybersecurity Framework ("NIST CSF") and overseen by relevant leadership teams, integrates certain security tools and practices into our broader enterprise risk management system. This does not imply that we meet any particular technical standards, specifications, or requirements, only that we use NIST CSF and similar frameworks as a guide to help us identify, assess, and manage cybersecurity risks relevant to our business. Our cybersecurity risk management program forms an integral part of our organization's risk management structure, sharing the same governance, reporting, and assessment practices as other key risk domains, actively involving our Executive team and Board of Directors (the "Board") in its oversight.

Despite our efforts and resource allocation, we acknowledge the challenges posed by the evolving nature of cyber threats and the limitations in fully mitigating these risks. While we are aware of known cybersecurity threats and regularly assess related risks, we have not experienced any cybersecurity incidents, nor determined that such risks have materially affected our operational results and strategic or financial condition. Nevertheless, given the unpredictable nature of cyber threats, we cannot assure that potential future impacts will not have a material impact. See Part I, Item 1A. "Risk Factors" in this Annual Report on Form 10-K.

Key elements of our cybersecurity risk management program include, but are not limited to, the following:

- risk assessments designed to help identify material risks from cybersecurity threats to our critical systems and information;
- a security team principally responsible for managing (1) our cybersecurity risk assessment processes, (2) our security controls, and (3) our response to cybersecurity incidents;
- the use of external service providers, where appropriate, to assess, test or otherwise assist with aspects of our security processes, including activities such as vulnerability assessments, penetration testing, and incident response exercises;
- cybersecurity awareness training of our employees, including incident response personnel and senior management;
- a cybersecurity incident response plan that includes procedures for responding to cybersecurity incidents; and
- a third-party risk management process for key service providers based on our assessment of their criticality to our operations and respective risk profile.

Cybersecurity Governance

Our Board considers the organization's preparedness for cyber threats as part of its risk oversight function. This involves working to understand our cybersecurity risk profile and reviewing our cybersecurity risk management program. The Board strives to engage in active participation in continuous cybersecurity strategy improvement.

The Audit Committee, designated by the Board as the responsible body for risk management and compliance oversight, endeavors to ensure information flow of risk by regularly reporting its activities to the Board, including those related to cybersecurity. Our cybersecurity program is led by our Chief Information Security Officer (CISO), who has over 20 years of experience in the cybersecurity field, and who is primarily responsible for assessing and managing material risks from cybersecurity threats. Their expertise is supported by industry certifications, regular participation in leading advanced training programs, and advisement roles. The CISO leads a dedicated team of security professionals who provide coverage of critical program capabilities. Our CISO and larger cybersecurity risk management team take steps to stay informed about and monitor efforts to prevent, detect, mitigate, and remediate cybersecurity risks and incidents through various means, which may include briefings from internal security personnel; threat intelligence and other information obtained from governmental, public or private sources, including external consultants engaged by us; and alerts and reports produced by security tools deployed in our IT environment.

Our CISO provides regular reports to the Audit Committee, senior management, and relevant stakeholders, for the purpose of keeping them informed on evolving cyber threats, ongoing assessments, and any significant findings. This collaborative approach is intended to support informed decision-making, and timely response to potential risks, safeguarding our critical assets and valuable information.

ITEM 2. PROPERTIES

We lease various properties in the United States and internationally. We use our properties for corporate office space and a data center. As of December 31, 2025, we operated the following facilities (square feet in thousands):

	United States	International	Total
Leased facilities	42	13	55

ITEM 3. LEGAL PROCEEDINGS

From time to time, we are involved in, or become subject to litigation or other legal proceedings concerning consumer protection, employment, privacy, intellectual property, claims under the securities laws, and other commercial matters related to the conduct and operation of our business and the sale of products on our Website. We also prosecute lawsuits to enforce our legal rights. In connection with such litigation or other legal proceedings, we have been in the past and we may be in the future subject to equitable remedies relating to the operation of our business or judgments requiring us to pay significant damages or associated costs. Such litigation could be costly and time consuming and could divert or distract our management and key personnel from our business operations. Due to the uncertainty of litigation and depending on the amount and the timing, an unfavorable resolution of some or all of such matters could materially affect our business, results of operations, financial position, or cash flows. For additional details, see the information set forth under Item 8 of Part II, "Financial Statements and Supplementary Data"—Note 14—Commitments and Contingencies, subheading Legal Proceedings and Contingencies, contained in the "Notes to Consolidated Financial Statements" of this Annual Report on Form 10-K, which is incorporated by reference in answer to this Item.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market information

The principal U.S. trading market for our common stock is the New York Stock Exchange. Our common stock is traded under the symbol "BBBY." Our common stock previously traded under the symbol "BYON".

Holdings

As of February 20, 2026, there were 376 holders of record of our common stock. Many of our shares of common stock are held by brokers and other institutions on behalf of the beneficial owners.

Dividends

We have never declared or paid any cash dividends on our common stock. We currently intend to retain any earnings for future growth and do not anticipate paying any cash dividends on our common stock in the foreseeable future. Any future determination to pay any dividends on our common stock will be at the discretion of our Board of Directors and will depend on our results of operations, financial conditions, contractual and legal restrictions and other factors the Board of Directors deems relevant.

Recent sales of unregistered securities

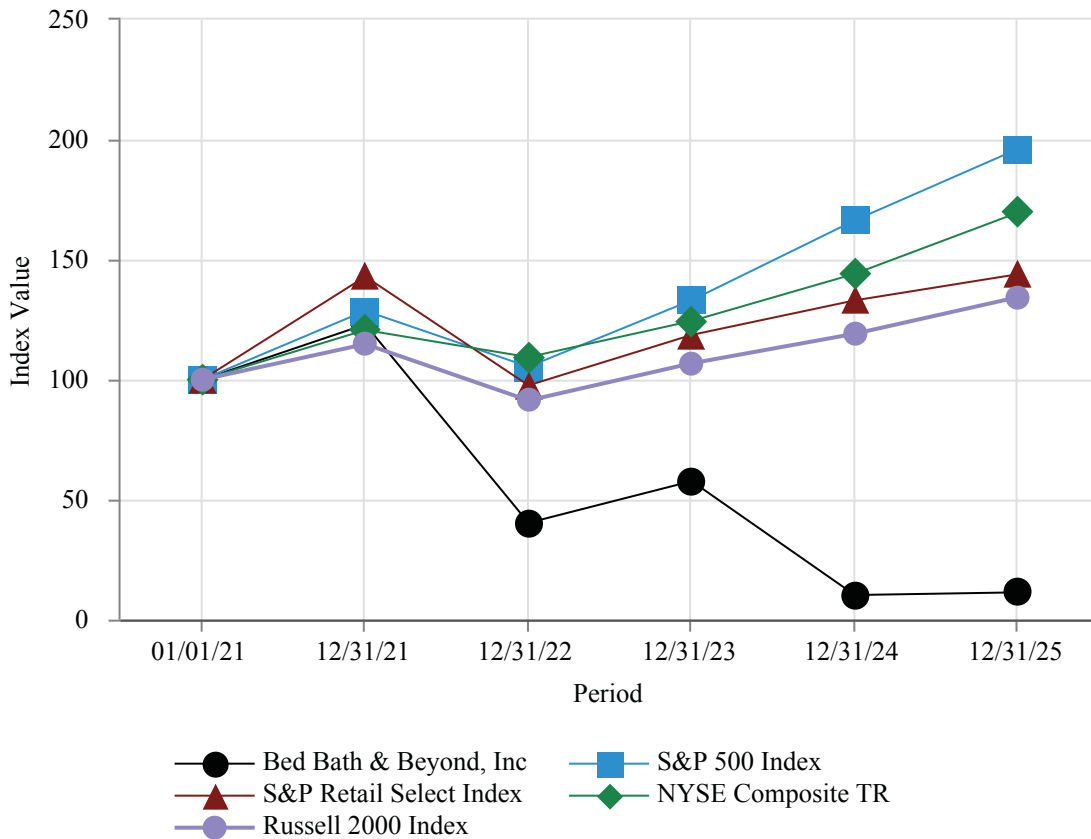
None.

Issuer purchases of equity securities

See Note 16—Stockholders' Equity in the "Notes to Consolidated Financial Statements" included in Item 8 of Part II, "Financial Statements and Supplementary Data" of this Annual Report on Form 10-K for information regarding our authorized share repurchase program. There were no repurchases made during the three months ended December 31, 2025. The Repurchase Program expired in December 2025.

COMPARISON OF 5-YEAR CUMULATIVE TOTAL RETURN

The following graph shows a comparison of the cumulative total stockholder return on our common stock with the cumulative total returns of the NYSE Composite TR, the S&P 500 Index, the Russell 2000 Index, and the S&P Retail Select Index. We have elected to replace the S&P 500 Index with the Russell 2000 Index because we believe the new broad equity market index provides a better comparison of returns with public companies of similar size and market capitalization. For the current year only, comparisons of the Company's returns to both the S&P 500 Index and the Russell 2000 Index are included in the graph. The graph tracks the performance of a \$100 investment in our common stock and in each of the indexes during the last five fiscal years ended December 31, 2025. Data for the NYSE Composite TR, the S&P 500 Index, the Russell 2000 Index and the S&P Retail Select Index assume reinvestment of dividends. Stockholder returns over the indicated period are based on historical data and should not be considered indicative of future stockholder returns. They do not necessarily reflect management's opinion that such indices are an appropriate measure of the relative performance of the stock involved, and they are not intended to forecast or be indicative of possible future performance of the Company's common stock.



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ITEM 6.

[Reserved.]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis contains forward-looking statements relating to future events or our future financial or operating performance that involve risks and uncertainties, as set forth above under "Special Cautionary Note Regarding Forward-Looking Statements" or in Item 1A under the heading "Risk Factors" or included elsewhere in this Annual Report on Form 10-K. In addition, our future results may be significantly different from our historical results.

Overview

We are an e-commerce-focused retailer with an affinity model that owns or has ownership interests in various brands, offering a comprehensive array of products and services that enable its customers to enhance everyday life through quality, style, and value. In addition, we also offer an increasing number of add-on services across our platforms, including warranties, shipping insurance, and installation services. Our customer engagement and retention are bolstered by our welcome rewards+ membership program, enhancing the overall value proposition for our customers. We currently own Bed Bath & Beyond, Overstock, and buybuy BABY, among other brands. As used herein, "Bed Bath & Beyond," "the Company," "we," "our" and similar terms include Bed Bath & Beyond, Inc. and its controlled subsidiaries, unless the context indicates otherwise.

Through our Bed Bath & Beyond brand, we provide an extensive array of home-related products tailored specifically for our target customers - consumers who seek comprehensive support throughout their shopping journey, aspiring to discover quality, stylish products at competitive prices that align with their budget requirements. We regularly refresh our product assortment to reflect the evolving preferences of our customers and aim to stay aligned with current trends. The mission of this brand is to achieve category-leading ownership of four distinct rooms of the home: the bedroom, the bathroom, the kitchen, and the patio, and our goal is for our assortment to include not only core legacy categories like bedding and kitchenware, but also adjacent categories like bedroom and outdoor furniture and rugs. Furniture across all rooms continues to play a critical role in our strategy. Leveraging an asset-light supply chain, direct shipping is offered to customers from both our suppliers and third-party logistics providers.

Bed Bath & Beyond's strategic priorities include curating stylish, high-quality assortments to make product selection intuitive and affordable, in addition to enhancing offerings with trusted aspirational brands. We transform the customer experience by building trust, creating life-stage experiences, and consistently delivering inspiration, quality, and value.

Through our Overstock brand, we aim to provide a wide array of quality goods at discounted prices, and a treasure hunt-like experience for our target customers - consumers who are highly engaged, very accustomed to purchasing online, and actively seeking great deals. The mission of this brand is to delight our customers by offering them deals on products they will love. Our product assortment includes home categories such as indoor and outdoor furniture, rugs, décor, and lighting, as well as lifestyle categories such as jewelry and watches, apparel and accessories, and designer shoes and handbags.

The buybuy BABY brand acquisition allows us to reunite two traditionally related brands, Bed Bath & Beyond and buybuy BABY, and support our customers through key life stage shopping moments.

In August 2025, we changed our corporate name from Beyond, Inc. to Bed Bath & Beyond, Inc. and changed our ticker symbol from "BYON" to "BBBY".

Merger Agreement

On November 24, 2025, we entered in an Agreement and Plan of Merger (the "Merger Agreement"), by and among the Company, Knight Merger Sub II, Inc., a wholly owned subsidiary of the Company, and TBHC, pursuant to which, subject to the terms and conditions set forth therein, Merger Sub will merge with and into TBHC (the "Merger"), with TBHC surviving such Merger as a wholly owned subsidiary of the Company.

Under the Merger Agreement, at the effective time of the Merger (the "Effective Time"), each share of common stock, no par value, of TBHC (the "TBHC Common Stock") issued and outstanding immediately prior to the Effective Time (other than treasury shares and any shares of TBHC Common Stock held directly by the Company or Merger Sub) will be converted

into the right to receive 0.1993 shares (the “Exchange Ratio”) of a fully paid and non-assessable share of common stock, par value \$0.0001 per share, of the Company (the “Company Common Stock”) and, if applicable, cash in lieu of fractional shares, subject to any applicable withholding.

At the Effective Time, (i) each award of TBHC restricted share units (“TBHC RSU”) that is outstanding as of immediately prior to the Effective Time will automatically fully vest and be converted into the right to receive, without interest and subject to applicable withholding taxes, (A) a number of shares of Company Common Stock equal to the number of shares of TBHC subject to the TBHC RSU multiplied by the Exchange Ratio and (B) if applicable, cash in lieu of fractional shares, and (ii) each option to purchase TBHC Common Stock (“TBHC Option”) that is outstanding as of immediately prior to the Effective Time will be automatically converted into the right to receive, without interest and subject to applicable withholding taxes, (A) a number of shares of Company Common Stock equal to the Net Option Share Amount (as defined in the Merger Agreement) applicable to the TBHC Option multiplied by the Exchange Ratio and (B) if applicable, cash in lieu of fractional shares.

For additional information on the proposed merger, see Item 8 of Part II, “Financial Statements and Supplementary Data”—Note 25—Subsequent Events.

Executive Commentary

This executive commentary is intended to provide investors with a view of our business through the eyes of our management. As an executive commentary, it necessarily focuses on selected aspects of our business. This executive commentary is intended as a supplement to, but not a substitute for, the more detailed discussion of our business included elsewhere herein. Investors are cautioned to read our entire "Management's Discussion and Analysis of Financial Condition and Results of Operations," and our interim and audited financial statements, and the discussion of our business and risk factors and other information included elsewhere or incorporated in this report. This executive commentary includes forward-looking statements, and investors are cautioned to read "Special Cautionary Note Regarding Forward-Looking Statements."

Our cash and cash equivalents balance increased from \$159.2 million as of December 31, 2024 to \$175.3 million as of December 31, 2025, an increase of \$16.1 million, primarily as the result of \$137.3 million in net proceeds from the sales of our common stock pursuant to our "at-the-market" public offering, net of offering costs and \$6.3 million in proceeds received from the sale of intangible assets; offset by net cash outflows from operating activities of \$56.7 million, cash outflows from investing activities including the disbursement of notes receivable to TBHC of \$15.2 million, The Container Store of \$6.5 million, and GrainChain of \$3.0 million, purchases of intangible assets of \$15.4 million, purchases of equity securities in TBHC of \$8.0 million, and expenditures for property and equipment of \$7.4 million. The increase was further offset by cash outflows from financing activities including payments on short-term debt of \$9.5 million and repurchases of our common stock under the stock repurchase program of \$6.2 million.

Revenue for the year ended December 31, 2025, was \$1,044.6 million, compared to \$1,395.0 million for the year ended December 31, 2024, representing a decrease of \$350.3 million or 25%. The decrease was primarily due to a 30% decrease in the number of orders delivered, which contributed \$439.6 million of the revenue decline, partially offset by an 8% or \$14.22 increase in average order value, which resulted in a revenue increase of approximately \$89.3 million. The decrease in orders delivered was driven by a decline in website visits influenced in part by a reduction in overall sales and marketing spend as we focus on improving more efficient traffic channels and refine our assortment as well as a shift in consumer spending preferences and macroeconomic factors impacting consumer sentiment and the home furnishings industry. The increase in average order value was largely driven by orders mixing into categories with higher average unit retail price.

Gross profit for the year ended December 31, 2025, was \$257.5 million, or 24.7% of revenue, compared to \$290.2 million, or 20.8%, for the year ended December 31, 2024. This represents a decrease of \$32.6 million or 11%. The decrease was primarily attributable to lower revenue, which reduced gross profit by approximately \$79.6 million, partially offset by an improved gross margin that contributed an increase of approximately \$47.0 million. Gross margin increased by 390 basis points year-over-year, primarily due to approximately 150 basis points of lower carrier costs, 110 basis points of lower loyalty participation prior to new program launch, 100 basis points of lower return costs, and 10 basis points of favorable merchandise actions.

Sales and marketing expenses were \$143.4 million, or 13.7% of revenue for the year ended December 31, 2025, compared to \$238.6 million, or 17.1% of revenue, for the year ended December 31, 2024. This represents a decrease of \$95.2 million, or 40%. The decrease was primarily driven by decreased performance marketing expenses of \$78.4 million and a \$12.7 million reduction in brand advertising.

Technology expenses decreased by \$24.3 million for the year ended December 31, 2025, compared to the prior period. The decrease was primarily due to a reduction in staff-related expenses of \$19.0 million and a \$3.2 million reduction in third-party expenses primarily driven by our technology transformation efforts, including the adoption of evolving technological advancements such as artificial intelligence.

General and administrative expenses decreased by \$20.8 million for the year ended December 31, 2025, compared to the prior period. The decrease was primarily due to a \$15.7 million reduction in staff-related expenses and a \$2.8 million reduction in third-party expenses driven by our organizational restructuring and cost savings initiatives.

Customer service and merchant fees decreased by \$16.3 million for the year ended December 31, 2025, compared to the prior period. The decrease was primarily driven by a \$6.5 million decrease in customer service expenses and a \$9.8 million decrease in credit card costs, primarily due to decreased order volume.

Other operating income, net decreased by \$1.1 million for the year ended December 31, 2025, compared to the prior period. The decrease was primarily attributable to a \$10.3 million gain from the 2024 sale of Wamsutta trademark, a \$3.4

million loss from the 2024 sale of our corporate headquarters, and a \$5.0 million gain from the sales of Canada and the United Kingdom Bed Bath & Beyond trademarks in 2025.

Key Operating Metrics

We review a number of metrics, including the following key operating and financial metrics, to evaluate our business, measure our performance, identify trends in our business, prepare financial forecasts and make strategic decisions. We believe these operational measures are useful in evaluating our performance, in addition to our financial results prepared in accordance with U.S. GAAP. You should read the key operating and financial metrics in conjunction with the following discussion of our results of operations and together with our consolidated financial statements and related notes included elsewhere in this Annual Report on Form 10-K.

	Year ended December 31,	
	2025	2024
Active customers (1)	3,962	5,415
LTM net revenue per active customer (2)	\$ 264	\$ 258
Orders delivered (3)	5,154	7,402
Average order value (4)	\$ 203	\$ 188
Orders per active customer (5)	1.30	1.37

- (1) Active customers represent the total number of unique customers who have made at least one purchase during the prior twelve-month period. This metric captures both the inflow of new customers and the outflow of existing customers who have not made a purchase during the prior twelve-month period. We view active customers as a key indicator of our growth.
- (2) Last twelve months (LTM) net revenue per active customer represents total net revenue in a twelve-month period divided by the total number of active customers for the same twelve-month period. We view LTM net revenue per active customer as a key indicator of our customers' purchasing patterns, including their initial and repeat purchase behavior.
- (3) Orders delivered represents the total number of orders delivered in any given period, including orders that may eventually be returned. As we ship a large volume of packages through multiple carriers, actual delivery dates may not always be available, and in those circumstances, we estimate delivery dates based on historical data. We view orders delivered as a key indicator of our growth.
- (4) Average order value is defined as total net revenue in any given period divided by the total number of orders delivered in that period. We view average order value as a key indicator of the mix of products on our sites, the mix of offers and promotions and the purchasing behavior of our customers.
- (5) Orders per active customer is defined as orders delivered in a twelve-month period divided by active customers for the same twelve-month period. We view orders per active customer as a key indicator of our customers' purchasing patterns, including their initial and repeat purchase behavior.

Additional commentary related to macroeconomic trends

We continue to monitor recent macroeconomic trends and geopolitical events, including, without limitation, ongoing global conflicts, trade barriers including tariffs, financial and stock market volatility, higher interest rates, inflation, and their impacts. These events have and may continue to negatively impact consumer confidence and consumer spending, which have and may continue to adversely affect our business and our results of operations. Many of our suppliers source from other countries and may be negatively affected by increased tariffs or other import/export controls by the United States and foreign governments, as well as uncertainty in the market as it responds to global macroeconomic factors. Due to the uncertain and constantly evolving nature and volatility of these trends and events, we cannot currently predict their long-term impact on our operations and financial results. As of December 31, 2025, the challenges arising from these events have not adversely affected our liquidity or capacity to service our debt, nor have these conditions required us to reduce our capital expenditures.

Liquidity and Capital Resources

Overview

We believe that our cash and cash equivalents currently on hand and expected cash flows from future operations will be sufficient to continue operations for at least the next twelve months. We continue to monitor, evaluate, and manage our operating plans, forecasts, and liquidity considering the most recent developments driven by macroeconomic conditions, such as supply chain challenges, inflation, higher interest rates, tariffs, bans, or other measures or events that increase the effective price of products, and other geopolitical events. We proactively seek opportunities to improve the efficiency of our operations and have in the past and may in the future take steps to realize internal cost savings, including aligning our staffing needs, creating a more variable cost structure to better support our current and expected future levels of operations and process streamlining.

We periodically evaluate opportunities to repurchase our equity securities, obtain credit facilities, or issue additional debt or equity securities, which may impact our future operations and liquidity. In addition, we may, from time to time, consider the investment in, or acquisition of, complementary businesses, products, services, or technologies to expand our business, any of which might affect our liquidity requirements or cause us to issue additional debt or equity securities that would be dilutive to stockholders.

Our future capital requirements will depend on many factors, including, but not limited to, our growth, our ability to execute on our business strategy, our ability to realize the benefits of any investment in new business strategies, acquisitions, or other transactions, and consumer sentiment towards our offerings. In the event that additional liquidity is required from outside sources, we may not be able to raise the capital on terms acceptable to us or at all. If we are unable to raise additional capital when desired, our business, financial condition, and results of operations could be adversely affected.

Current sources of liquidity

Our principal sources of liquidity are existing cash and cash equivalents, and accounts receivable, net. At December 31, 2025, we had cash and cash equivalents of \$175.3 million and accounts receivable, net of allowance for credit losses of \$20.8 million.

Cash flow information is as follows (in thousands):

	Year ended December 31,	
	2025	2024
Cash provided by (used in):		
Operating activities	\$ (56,701)	\$ (174,304)
Investing activities	(49,227)	24,926
Financing activities	122,054	32,722

On June 10, 2024, we entered into a Capital on Demand™ Sales Agreement (the "Sales Agreement") with JonesTrading Institutional Services LLC ("JonesTrading"), under which we from time to time conduct "at the market" public offerings of our common stock. Under the Sales Agreement, JonesTrading, acting as our agent, may offer our common stock in the market on a daily basis or otherwise as we request from time to time. As of December 31, 2025, we had \$16.0 million remaining available under our "at the market" sales program. We have no obligation to sell additional shares under the Sales Agreement, but we may do so from time to time. Under the agreement, we will pay JonesTrading up to a 2% sales commission on all sales. For the year ended December 31, 2025, we sold 16,293,806 shares of our common stock pursuant to the Sales Agreement and have recognized \$137.3 million in proceeds, net of \$2.8 million of offering costs, including commissions paid to JonesTrading. For the year ended December 31, 2024, we sold 7,002,375 shares of our common stock pursuant to the Sales Agreement and recognized \$43.0 million in proceeds, net of \$879,000 of offering costs, including commissions paid to JonesTrading.

On March 17, 2025, we entered into an Intellectual Property Asset Purchase Agreement with Lyons Trading Company, the operator of Proozy.com, to sell its rights in the Zulily brand for a total sales price of \$5.0 million while retaining a 25% ownership stake in the brand in the form of a newly created entity ("Zulily Newco"). In connection with this transaction, we received \$1.25 million upfront and will receive the remaining \$3.75 million in quarterly installments commencing on April 30, 2026, over the course of five years.

On September 22, 2025, we declared a distribution (the “Warrant Distribution”) to the holders of record of our common stock, in the form of warrants to purchase shares of common stock (the “Warrants”). The Warrants were issued on the terms and conditions described in the Warrant Agreement (as defined below) and were distributed on October 7, 2025, to the holders of record of our common stock as of the close of business on October 2, 2025 (the “Record Date”). Pursuant to the terms of the Warrant Agreement, dated as of October 7, 2025, between us, Computershare, Inc., a Delaware corporation, and its affiliate, Computershare Trust Company, N.A., as Warrant Agent (the “Warrant Agreement”), each holder of record of our common stock as of the Record Date will receive one Warrant for every ten shares of our common stock (rounded down to the nearest whole number for any fractional Warrant). Each Warrant will entitle the holder to purchase, at the holder’s sole and exclusive election commencing on the date the registration statement on Form S-3 (File No. 333-290763), filed with the SEC on October 8, 2025, became effective, at a cash exercise price of \$15.50 per Warrant (the “Exercise Price”), one share of our common stock. Payment for shares of our common stock upon exercise of Warrants must be in cash.

On May 7, 2025, we entered into an Amended and Restated Term Loan Credit Agreement (the "Amended and Restated Credit Agreement"), which amended and restated the secured Term Loan Credit Agreement ("Existing Credit Agreement") entered on October 21, 2024 and pursuant to which we provided The Brand House Collective, Inc. (formerly known as Kirkland's Inc.) ("TBHC") with an additional term loan in an approximate aggregate original principal amount of \$5.2 million (the "Additional Term Loan") and obligations arising under the Existing Credit Agreement in the aggregate amount of \$8.5 million were rolled into the Amended and Restated Credit Agreement as obligations thereunder (collectively, the "Notes"). On September 15, 2025, the Company entered into Amendment No. 1 to the Amended and Restated Credit Agreement (such amendment, the "Credit Agreement Amendment" and the Existing Credit Agreement as amended by the Credit Agreement Amendment, the "Amended Credit Agreement"). Pursuant to the terms of the Amended Credit Agreement, new delayed-draw term loan commitments in an aggregate original principal amount of \$20.0 million (the "Delayed Draw Term Loan Commitments") were established. On November 24, 2025, the Company entered into Amendment No. 2 to the Amended and Restated Credit Agreement (the "Second Amendment") pursuant to which the Company agreed to increase the Delayed Draw Term Loan Commitments by \$10.0 million, to an aggregate principal amount of \$30.0 million. Concurrently with the Second Amendment, and as of December 31, 2025, \$10.0 million has been drawn under the Delayed Draw Term Loan Commitments (the "Delayed Draw Note"). The Amended Credit Agreement provides us the right to convert the outstanding loans (including loans extended in satisfaction of the Delayed Draw Term Loan Commitments) owing under the Amended and Restated Credit Agreement into shares of TBHC’s common stock at a price equal to the closing price on the Nasdaq Stock Market LLC ("Nasdaq") on the day prior to the date on which a conversion election is made, up to a number of shares equal to 19.90% of the outstanding shares of TBHC’s common stock on the date the Amended Credit Agreement was entered into, and up to a greater number of shares subject to Nasdaq shareholder approval rules. We are currently restricted from holding greater than 75% of outstanding TBHC’s issued shares for so long as any obligations remain outstanding under TBHC’s credit agreement with its senior lender, Bank of America, N.A. On November 24, 2025, we entered in a Merger Agreement with TBHC pursuant to which, subject to the terms and conditions set forth therein, TBHC will survive the Merger as a wholly owned subsidiary of the Company.

On June 30, 2025, we entered into a Trademark and Domain Name Agreement with a large, well-established Canadian retailer to sell certain intellectual property related to the Bed Bath & Beyond trademarks in Canada and the United Kingdom, which was acquired as part of our purchase of the Bed Bath & Beyond brand in June 2023, for a total sales price of \$5.0 million, and revenue share payments to be paid to us in perpetuity.

On November 25, 2025, we purchased, via a participation agreement for par/near par trades, a portion of the loans issued by The Container Store, Inc. pursuant to the Term Loan Credit Agreement, dated as of January 28, 2025, as amended on September 15, 2025 (as amended, the "TCS Credit Agreement"). The aggregate purchase price for our participation in certain loans issued pursuant to the TCS Credit Agreement was \$6.5 million. As a result of these transactions, we will participate in the rights to the payment of interest and repayment of the loans and any exercise of rights or remedies related thereto.

Future liquidity commitments

On January 9, 2026, we purchased, via an amended participation agreement for par/near par trades, an additional portion of the loans issued by The Container Store, Inc. pursuant to the TCS Credit Agreement. The aggregate purchase price for our additional participation in certain loans issued pursuant to the TCS Credit Agreement was \$2.2 million. As a result of these transactions, we will participate in the rights to the payment of interest and repayment of the loans and any exercise of rights or remedies related thereto.

In the first quarter of 2026, TBHC drew an additional \$15.0 million under the Delayed Draw Term Loan Commitments. There is approximately \$5.0 million remaining under the Delayed Draw Term Loan Commitments.

Following the completion of the merger, we expect to fund the ongoing operations, capital requirements, and working capital needs of TBHC through existing cash balances, cash flows from operations, and available credit facilities.

Operating activities

Cash received from customers generally corresponds to our net revenue as our customers primarily use credit cards to buy from us, causing our receivables from these sales transactions to settle quickly. Our payment terms with our partners generally extend beyond the amount of time necessary to collect proceeds from our customers.

The \$56.7 million of net cash used by operating activities during the year ended December 31, 2025 was primarily due to loss from operating activities of \$84.6 million, net of the impact from non-cash items such as depreciation and amortization, non-cash operating lease costs, stock-based compensation, gain on sale of intangible assets, and loss from equity method securities of \$50.9 million and cash used by changes in operating assets and liabilities of \$23.0 million.

The \$174.3 million of net cash used by operating activities during the year ended December 31, 2024 was primarily due to loss from operating activities of \$258.8 million, net of the impact from non-cash items such as depreciation and amortization, non-cash operating lease costs, stock-based compensation, gain on sale of intangible assets, and loss from equity method securities of \$115.3 million, offset by cash provided by changes in operating assets and liabilities of \$30.8 million.

Investing activities

The \$49.2 million of net cash used by investing activities during the year ended December 31, 2025 was primarily due to disbursement for notes receivable to TBHC of \$15.2 million, The Container Store of \$6.5 million, and GrainChain of \$3.0 million, purchases of intangible assets of \$15.4 million, purchases of equity securities in TBHC of \$8.0 million, and expenditures for property and equipment of \$7.4 million, offset by proceeds received from the sale of intangible assets of \$6.3 million.

The \$24.9 million of net cash provided by investing activities during the year ended December 31, 2024 was primarily due to proceeds from the sale of our corporate headquarters of \$51.4 million and proceeds received from the sale of the Wamsutta trademark of \$10.3 million, offset by disbursement for Kirkland's notes receivable of \$17.0 million, expenditures for property and equipment of \$14.3 million, and purchases of intangible assets of \$6.0 million.

Financing activities

The \$122.1 million of net cash provided by financing activities during the year ended December 31, 2025 was primarily due to net proceeds from the sales of our common stock pursuant to our "at the market" public offering, net of offering costs of \$137.3 million, offset by payments on short-term debt of \$9.5 million and repurchases of our common stock under the stock repurchase program of \$6.2 million.

The \$32.7 million of net cash provided by financing activities during the year ended December 31, 2024 was primarily due to net proceeds from the sales of our common stock pursuant to our "at the market" public offering, net of offering costs of \$43.0 million and proceeds from our revolving line of credit of \$25.0 million, offset by payments on our long-term debt in conjunction with the sale of our corporate headquarters of \$34.8 million and payment of taxes withheld upon vesting of employee stock awards of \$3.3 million.

Contractual Obligations and Commitments

The following table summarizes our contractual obligations as of December 31, 2025 and the effect such obligations and commitments are expected to have on our liquidity and cash flow in future periods (in thousands):

Contractual Obligations	Payments due by period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Operating leases (1)	\$ 8,163	\$ 1,285	\$ 2,249	\$ 2,172	\$ 2,457

- (1) Represents the future minimum lease payments under non-cancellable operating leases. For information regarding our operating lease obligations, see Item 8 of Part II, "Financial Statements and Supplementary Data"—Note 12—Leases contained in the "Notes to Consolidated Financial Statements" of this Annual Report on Form 10-K.

Tax contingencies

We are involved in various tax matters, the outcomes of which are uncertain. As of December 31, 2025, and 2024, tax contingencies were \$3.5 million and \$3.7 million, respectively, which are included in our reconciliation of unrecognized tax benefits (see Item 8 of Part II, "Financial Statements and Supplementary Data"—Note 22—Income Taxes contained in the "Notes to Consolidated Financial Statements" of this Annual Report on Form 10-K). Changes in federal, foreign, state, and local tax laws may increase our tax contingencies. The timing of the resolution of income tax contingencies is highly uncertain, and the amounts ultimately paid, if any, upon resolution of issues raised by the taxing authorities may differ from the amounts accrued. It is reasonably possible that within the next 12 months we will receive additional assessments by various tax authorities. These assessments may or may not result in changes to our contingencies related to positions on prior years' tax filings.

Borrowings

In October 2024, we entered into a Loan and Security Agreement (the "Loan Agreement") with BMO Bank N.A. (in such capacity, "BMO"), pursuant to which BMO agreed to lend us up to \$25.0 million on a one-year revolving line of credit to aid us in securing strategic ventures. In connection with the Loan Agreement, BMO issued a revolving line of credit promissory note (the "Revolving Note") and granted a lien on the cash collateral account specified in the Loan Agreement (the "Cash Collateral Account"). The revolving line of credit bears interest on the unpaid principal balance at an annual rate equal to the Secured Overnight Financing Rate, or SOFR rate, for a one-month interest period plus 1.00%, established by the Federal Reserve Bank of New York. We are obligated to pay certain commitment fees on undrawn amounts under the Loan Agreement in amounts specified in the Loan Agreement. The Loan Agreement and Revolving Note was originally scheduled to terminate on October 18, 2025 and loans thereunder may be borrowed, repaid, and reborrowed up to such date. In September 2025, we and BMO extended the term of the Loan Agreement and Revolving Note for an additional year, and it will now terminate in October 2026.

Results of Operations

Our Annual Report on Form 10-K for the year ended December 31, 2024, filed on February 25, 2025, includes a discussion and analysis of our year-over-year changes, financial condition, and results of operations for the years ended December 31, 2024 and 2023 in Item 7 of Part II, "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Net revenue, costs of goods sold, gross profit and gross margin

The following table summarizes our net revenue, costs of goods sold, gross profit and gross margin for the years ended December 31, 2025 and 2024 (in thousands):

	Year ended December 31,	
	2025	2024
Net revenue	\$ 1,044,616	\$ 1,394,964
Cost of goods sold		
Product costs and other cost of goods sold	787,094	1,104,800
Gross profit	\$ 257,522	\$ 290,164
Year-over-year percentage change		
Net revenue	(25.1)%	
Gross profit	(11.2)%	
Percent of net revenue		
Cost of goods sold		
Product costs and other cost of goods sold	75.3 %	79.2 %
Gross margin	24.7 %	20.8 %

Revenue for the year ended December 31, 2025, was \$1,044.6 million, compared to \$1,395.0 million for the year ended December 31, 2024, representing a decrease of \$350.3 million or 25%. The decrease was primarily due to a 30% decrease in the number of orders delivered, which contributed \$439.6 million of the revenue decline, partially offset by an 8% or \$14.22 increase in average order value, which resulted in a revenue increase of approximately \$89.3 million. The decrease in orders delivered was driven by a decline in website visits influenced in part by a reduction in overall sales and marketing spend as we focus on improving more efficient traffic channels and refine our assortment as well as a shift in consumer spending preferences and macroeconomic factors impacting consumer sentiment and the home furnishings industry. The increase in average order value was largely driven by orders mixing into categories with higher average unit retail price.

Estimate of unearned product revenue on undelivered product

Our revenue related to merchandise sales is recognized upon delivery to our customers. As we ship high volumes of packages through multiple carriers, it is not practical for us to track the actual delivery date of each shipment. Therefore, we use estimates to determine which shipments are delivered and, therefore, recognized as revenue at the end of the period. Our delivery date estimates are based on average shipping transit times. We review and update our estimates on a quarterly basis based on our actual transit time experience. However, actual shipping times may differ from our estimates, which can be further impacted by uncertainty, volatility, and any disruption to our carriers caused by certain macroeconomic conditions, such as supply chain challenges, inflation, rising interest rates, climate and weather events, or geopolitical events.

The following table shows the effect that hypothetical changes in the estimate of average shipping transit times would have had on the reported amount of revenue and income before taxes (in thousands):

Change in the Estimate of Average Transit Times (Days)	Year Ended December 31, 2025	
	Increase (Decrease) Revenue	Increase (Decrease) Income Before Income Taxes
2	\$ (3,629)	\$ (594)
1	\$ (2,354)	\$ (385)
As reported	As reported	As reported
(1)	\$ 5,614	\$ 919
(2)	\$ 8,590	\$ 1,406

Gross profit and gross margin

Our overall gross margins fluctuate based on factors such as competitive pricing; discounting; product mix of sales; advertising revenue and our marketing allowance program; and operational and fulfillment costs which include costs incurred to operate and staff our warehouses, including rent and depreciation expense associated with these facilities, costs to receive, inspect, pick, and prepare customer order for delivery, and direct and indirect labor costs including payroll, payroll-related benefits, and stock-based compensation, all of which we include as costs in calculating gross margin.

Gross margins for the past eight quarterly periods and years ending December 31, 2025 and 2024 were:

	Q1	Q2	Q3	Q4	FY
2025	25.1 %	23.7 %	25.3 %	24.6 %	24.7 %
2024	19.5 %	20.1 %	21.2 %	23.0 %	20.8 %

Gross profit for the year ended December 31, 2025, was \$257.5 million, or 24.7% of revenue, compared to \$290.2 million, or 20.8%, for the year ended December 31, 2024. This represents a decrease of \$32.6 million or 11%. The decrease was primarily attributable to lower revenue, which reduced gross profit by approximately \$79.6 million, partially offset by an improved gross margin that contributed an increase of approximately \$47.0 million. Gross margin increased by 390 basis points year-over-year, primarily due to approximately 150 basis points of lower carrier costs, 110 basis points of lower loyalty participation prior to new program launch, 100 basis points of lower return costs, and 10 basis points of favorable merchandise actions.

Operating expenses

Sales and marketing expenses

We use a variety of online advertising channels to attract new and repeat customers, including search engine marketing, personalized emails, mobile app, loyalty program, affiliate marketing, display banners, and social media. We also build our brand awareness through linear and streaming TV advertising.

Costs associated with our discounted shipping and other promotions, such as coupons, are not included in sales and marketing expense. Rather, they are accounted for as a reduction in revenue as they reduce the amount of consideration we expect to receive in exchange for goods or services and therefore affect net revenues and gross margin. We consider these promotions to be an effective marketing tool.

The following table summarizes our sales and marketing expenses for the years ended December 31, 2025 and 2024 (in thousands):

	Year ended December 31,	
	2025	2024
Sales and marketing expenses	\$ 143,356	\$ 238,564
Advertising expense included in sales and marketing expenses	136,973	228,083
Year-over-year percentage change		
Sales and marketing expenses	(39.9)%	
Advertising expense included in sales and marketing expenses	(39.9)%	
Percentage of net revenue		
Sales and marketing expenses	13.7 %	17.1 %
Advertising expense included in sales and marketing expenses	13.1 %	16.4 %

Sales and marketing expenses were \$143.4 million, or 13.7% of revenue for the year ended December 31, 2025, compared to \$238.6 million, or 17.1% of revenue, for the year ended December 31, 2024. This represents a decrease of \$95.2 million, or 40%. The decrease was primarily driven by decreased performance marketing expenses of \$78.4 million and a \$12.7 million reduction in brand advertising.

Technology expenses

We seek to deploy our capital resources efficiently in technology to support operations including private and public cloud, web services, customer support solutions, and product search, and in technology to enhance the customer experience, including machine learning algorithms, improving our process efficiency, modernizing and expanding our systems, and supporting and expanding our logistics infrastructure, and supporting evolving technological advancements such as artificial intelligence. We expect to continue to incur technology expenses to support these efforts and these expenditures may continue to be material.

The frequency and variety of cyberattacks on our Website, enterprise systems, services, and on third parties we use to support our technology continues to increase. The impact of such attacks, their costs, and the costs we incur to protect ourselves against future attacks, have not been material to date. However, we consider the risk introduced by cyberattacks to be serious and will continue to incur costs related to efforts to protect ourselves against them.

The following table summarizes our technology expenses for the years ended December 31, 2025 and 2024 (in thousands):

	Year ended December 31,	
	2025	2024
Technology expenses	\$ 90,276	\$ 114,584
Year-over-year percentage change		
Technology expenses	(21.2)%	
Technology expenses as a percent of net revenue	8.6 %	8.2 %

Technology expenses decreased by \$24.3 million for the year ended December 31, 2025, compared to the prior period. The decrease was primarily due to a reduction in staff-related expenses of \$19.0 million and a \$3.2 million reduction in third-party expenses primarily driven by our technology transformation efforts, including the adoption of evolving technological advancements such as artificial intelligence.

General and administrative expenses

The following table summarizes our general and administrative expenses for the years ended December 31, 2025 and 2024 (in thousands):

	Year ended December 31,	
	2025	2024
General and administrative expenses	\$ 53,569	\$ 74,399
Year-over-year percentage change		
General and administrative expenses	(28.0)%	
General and administrative expenses as a percent of net revenue	5.1 %	5.3 %

General and administrative expenses decreased by \$20.8 million for the year ended December 31, 2025, compared to the prior period. The decrease was primarily due to a \$15.7 million reduction in staff-related expenses and a \$2.8 million reduction in third-party expenses driven by our organizational restructuring and cost savings initiatives.

Customer service and merchant fees

Customer service and merchant fees include customer service costs and merchant processing fees associated with customer payments made by credit cards and other payment methods and other variable fees. Customer service and merchant fees as a percent of revenue may vary due to several factors, such as our ability to effectively manage customer service and merchant fees.

The following table summarizes our customer service and merchant fees for the years ended December 31, 2025 and 2024 (in thousands):

	Year ended December 31,	
	2025	2024
Customer service and merchant fees	\$ 37,324	\$ 53,586
Year-over-year percentage change		
Customer service and merchant fees	(30.3)%	
Customer service and merchant fees as a percent of net revenue	3.6 %	3.8 %

Customer service and merchant fees decreased by \$16.3 million for the year ended December 31, 2025, compared to the same period in 2024. The decrease was primarily driven by a \$6.5 million decrease in customer service expenses and a \$9.8 million decrease in credit card costs, primarily due to decreased order volume.

Other operating expense (income), net

The following table summarizes our other operating expense (income), net (in thousands):

	Year ended December 31,	
	2025	2024
Other operating expense (income), net	\$ (5,790)	\$ (6,882)
Year-over-year percentage change		
Other operating expense (income), net	(15.9)%	
Other operating expense (income), net as a percent of net revenue	(0.6)%	(0.5)%

Other operating income, net decreased by \$1.1 million for the year ended December 31, 2025, compared to the same period in 2024. The decrease was primarily attributable to a \$10.3 million gain from the 2024 sale of Wamsutta trademark, a \$3.4 million loss from the 2024 sale of our corporate headquarters, and a \$5.0 million gain from the sales of Canada and the United Kingdom Bed Bath & Beyond trademarks in 2025.

Non-operating income (expense)

Other expense, net

The \$53.2 million favorable change in other expense, net for the year ended December 31, 2025, as compared to the same period in 2024, was primarily due to a \$49.1 million decrease in loss recognized from our equity method securities and a \$3.9 million favorable change in fair value on our debt securities carried at fair value.

Income taxes

Our effective tax rate for the years ended December 31, 2025 and 2024 was (0.98)% and (0.27)%, respectively. Our effective tax rate is affected by recurring items such as research tax credits and non-recurring items such as changes in valuation allowances. In addition, relative changes in expenses or losses for which tax benefits are limited or not recognized, fluctuations in our stock price, changes in laws, regulations, and administrative practices can impact our rate. Our effective tax rate is also affected to a lesser extent by tax rates in foreign jurisdictions and the relative amount of income we earn in those jurisdictions, which we expect to be fairly consistent in the near term. Our effective tax rate differs from the statutory federal income tax rate of 21% primarily due to the impacts of the valuation allowance against our deferred tax assets, net of deferred tax liabilities.

As we repatriate foreign earnings for use in the United States, the distributions will generally be exempt from federal and foreign income taxes but may be subject to certain state taxes. As of December 31, 2025, the cumulative amount of foreign earnings considered permanently reinvested upon which taxes have not been provided, and the corresponding unrecognized deferred tax liability, was not material.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles ("GAAP") requires estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities in the consolidated financial statements and accompanying notes. The SEC has defined a company's critical accounting policies as the ones that are most important to the portrayal of the company's financial condition and results of operations, and which require the company to make its most difficult and subjective judgments, often as a result of the need to make estimates of matters that are inherently uncertain. Based on this definition, we have identified the critical accounting policies and judgments addressed below. We also have other key accounting policies, which involve the use of estimates, judgments, and assumptions that are significant to understanding our results. For additional information, see Item 8 of Part II, "Financial Statements and Supplementary Data"—Note 2—Accounting Policies and Supplemental Disclosures. We believe that our estimates, assumptions, and judgments are reasonable. We evaluate our estimates and assumptions on an ongoing basis. Actual results may differ significantly from these estimates. We note that we have not identified any critical accounting estimates in the current year. Our critical accounting policies are as follows:

- primary beneficiary determination in investments in unconsolidated entities

Primary beneficiary determination in investments in unconsolidated entities

The accompanying consolidated financial statements include our accounts and the accounts of our wholly-owned subsidiaries. All intercompany account balances and transactions have been eliminated in consolidation. The Company reports investments in unconsolidated entities who we can exercise significant influence, but not control under the equity method of accounting.

We evaluated our equity method investment in The Brand House Collective and determined it met the definition of a Variable Interest Entity ("VIE"); however, it is not consolidated because we are not the primary beneficiary of the VIE as we lack the power to direct the activities that most significantly impact The Brand House Collective's economic performance. Due to the judgment required for determining whether we are the primary beneficiary of the VIE or not, which includes our assessment of our ability and power to direct the activities that most significantly impact The Brand House Collective's economic performance, any changes to our assessment could materially affect the presentation and accounting for our equity method investment in The Brand House Collective on the Company's consolidated financial statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk for the effect of interest rate changes, foreign currency fluctuations, and changes in the market values of our investments. Information relating to quantitative and qualitative disclosures about these market risks is set forth below.

Interest Rate Sensitivity

The fair value of our cash and cash equivalents (highly-liquid instruments with an original maturity of 90 days or less at the date of purchase) would not be significantly affected by either an increase or decrease in interest rates due mainly to the short-term nature of these instruments.

Interest on the revolving line of credit incurred pursuant to the Loan Agreement described herein would accrue based on market rates plus 1.00%, for a one-month interest period; however, we do not expect that any changes in prevailing interest rates will have a material impact on our results of operations.

The Delayed Draw Term Loan Commitments require the Company to originate a loan at a floating interest rate plus an agreed margin upon request from the borrower, so as long as the conditions specified in the Amended Credit Agreement with respect to the origination of such loan are satisfied. The outstanding Delayed Draw Term Loan Commitments expose the Company to the risk that the price of the loans arising from the exercise of the instrument might change from the inception to funding of the loan due to changes in loan interest rate margins; however, we do expect that any changes in prevailing interest rates will have a material impact on our results of operations.

Foreign Currency Risk

Most of our sales and operating expenses are denominated in U.S. dollars, and therefore, our total revenue and operating expenses are not currently subject to significant foreign currency risk.

Inflation

Increases in commodity and shipping prices and energy and labor costs have resulted in inflationary pressures across various parts of our business and operations, including our partners and supply chain. We continue to monitor the impact of inflation in order to minimize its effects on our customers. We work with our partners to limit the amount of cost increases that are passed on through higher pricing. If costs borne by ourselves or our partners were to be subject to incremental inflationary pressures, we may not be able to fully offset such higher costs through pricing actions or other cost efficiency measures. Our inability or failure to do so could harm our business, financial condition and results of operations.

Investment Risk

The fair values of our equity and debt securities may be subject to fluctuations due to volatility of the stock market in general, investment-specific circumstances, and changes in general economic conditions. At December 31, 2025, our recorded value in equity securities of private and public companies was \$66.6 million, compared to \$78.2 million at December 31, 2024, of which \$9.8 million relates to publicly-traded companies, compared to \$0.0 million at December 31, 2024, recorded at fair value, which are subject to market price volatility. At December 31, 2025, \$24.0 million of our debt securities are recorded at fair value using Level 2 inputs, which are subject to credit risk and \$17.1 million of our equity securities and \$18.4 million of our debt securities are recorded at fair value using Level 3 inputs. Our fair value assessment of private companies includes a review of recent operating results and trends, recent sales/acquisitions of the equity securities, and other publicly available data. Valuations of private companies are inherently more complex due to the lack of readily available market data. As such, we believe that market sensitivities are not practicable. For our equity interest in Medici Ventures, L.P., we record our proportionate share of the entity's reported net income or loss, which reflects the fair value changes of the underlying investments of the entity and any other income or losses of the entity.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Bed Bath & Beyond, Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Bed Bath & Beyond, Inc. and subsidiaries (the Company) as of December 31, 2025 and 2024, the related consolidated statements of operations, comprehensive loss, changes in stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2025, and the related notes and financial statement schedule II (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2025, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 24, 2026 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Primary beneficiary determination for The Brand House Collective investment

As discussed in Notes 2 and 8 to the consolidated financial statements, certain of the Company's equity method investments meet the definition of Variable Interest Entities (VIEs); however, they are not consolidated because the Company lacks the power to direct the activities that most significantly impact their economic performance. During the year ended December 31, 2025, the Company funded an investment and convertible promissory note in The Brand House Collective in exchange for The Brand House Collective's common stock. As of December 31, 2025, the Company held a 40% share of The Brand House Collective. The carrying amount of the Company's equity method securities was \$66.6 million at December 31, 2025, of which the aggregate fair value of the equity securities in The Brand House Collective was \$9.8 million.

We identified the assessment of whether The Brand House Collective should be consolidated into the Company's financial statements as a critical audit matter. Evaluating the Company's determination of the primary beneficiary of the VIE involved challenging auditor judgment and specialized skills and knowledge to assess whether the Company has the power to direct the activities that most significantly impact The Brand House Collective's economic performance.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the Company's consolidation analysis for The Brand House Collective, including controls over the analysis of the Company's consolidation considerations and the conclusion on whether the Company is the primary beneficiary. We assessed whether the Company is the primary beneficiary of The Brand House Collective by inspecting relevant legal documents related to The Brand House Collective to understand and evaluate the decision-making rights of each party involved to assess which party has the power to direct the activities that most significantly impact the economic performance of The Brand House Collective. We involved professionals with specialized skills and knowledge to assist with our assessment of the Company's accounting analysis.

/s/ KPMG LLP

We have served as the Company's auditor since 2009.

Salt Lake City, Utah
February 24, 2026

Bed Bath & Beyond, Inc.
Consolidated Balance Sheets
(in thousands, except per share data)

	December 31, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 175,295	\$ 159,169
Restricted cash	26,924	26,924
Accounts receivable, net of allowance for credit losses of \$3,377 and \$2,236	20,829	15,847
Inventories	5,162	11,546
Prepays and other current assets	11,905	14,021
Total current assets	240,115	227,507
Property and equipment, net	13,712	23,544
Intangible assets, net	45,140	30,246
Goodwill	6,160	6,160
Equity securities, including securities measured at fair value of \$26,903 and \$21,640	66,641	78,186
Operating lease right-of-use assets	5,156	6,858
Other long-term assets, net, including securities measured at fair value of \$42,394 and \$25,799	48,554	29,453
Total assets	<u>\$ 425,478</u>	<u>\$ 401,954</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 89,992	\$ 81,939
Accrued liabilities	51,297	73,614
Unearned revenue	34,429	43,095
Operating lease liabilities, current	928	1,342
Short-term debt, net	15,500	24,871
Total current liabilities	192,146	224,861
Operating lease liabilities, non-current	5,643	6,452
Other long-term liabilities, including commitments measured at fair value of \$2,766 and \$0	9,745	7,909
Total liabilities	207,534	239,222
Commitments and Contingencies (Note 14)		
Stockholders' equity:		
Preferred stock, \$0.0001 par value, authorized shares - 5,000, issued and outstanding - none	—	—
Common stock, \$0.0001 par value, authorized shares - 100,000		
Issued shares - 76,358 and 59,560		
Outstanding shares - 68,863 and 53,069	8	5
Additional paid-in capital	1,239,338	1,072,869
Accumulated deficit	(842,711)	(740,466)
Accumulated other comprehensive loss	(2,574)	—
Treasury stock at cost - 7,495 and 6,491	(176,478)	(169,676)
Equity attributable to stockholders of Bed Bath & Beyond, Inc.	217,583	162,732
Equity attributable to noncontrolling interests	361	—
Total stockholders' equity	217,944	162,732
Total liabilities and stockholders' equity	<u>\$ 425,478</u>	<u>\$ 401,954</u>

See accompanying notes to consolidated financial statements.

Bed Bath & Beyond, Inc.
Consolidated Statements of Operations
(in thousands, except per share data)

	Year Ended December 31,		
	2025	2024	2023
Net revenue	\$ 1,044,616	\$ 1,394,964	\$ 1,561,122
Cost of goods sold	787,094	1,104,800	1,195,093
Gross profit	257,522	290,164	366,029
Operating expenses:			
Sales and marketing	143,356	238,564	224,547
Technology	90,276	114,584	117,154
General and administrative	53,569	74,399	90,410
Customer service and merchant fees	37,324	53,586	52,023
Other operating expense (income), net	(5,790)	(6,882)	25,875
Total operating expenses	318,735	474,251	510,009
Operating loss	(61,213)	(184,087)	(143,980)
Interest income, net	5,052	6,765	12,007
Other expense, net	(27,635)	(80,789)	(134,149)
Loss before income taxes	(83,796)	(258,111)	(266,122)
Provision for income taxes	825	684	41,720
Net loss	\$ (84,621)	\$ (258,795)	\$ (307,842)
Net loss per share of common stock:			
Basic	\$ (1.41)	\$ (5.56)	\$ (6.81)
Diluted	\$ (1.41)	\$ (5.56)	\$ (6.81)
Weighted average shares of common stock outstanding:			
Basic	60,130	46,542	45,214
Diluted	60,130	46,542	45,214

See accompanying notes to consolidated financial statements.

Bed Bath & Beyond, Inc.
Consolidated Statements of Comprehensive Loss
(in thousands)

	Year Ended December 31,		
	2025	2024	2023
Net loss	\$ (84,621)	\$ (258,795)	\$ (307,842)
Other comprehensive income (loss):			
Unrealized loss on available-for-sale debt securities, net of tax of \$0, \$0 and \$0	(2,574)	—	—
Unrealized gain on cash flow hedges, net of tax of \$0, \$0 and \$0	—	506	16
Other comprehensive income (loss):	(2,574)	506	16
Comprehensive loss	\$ (87,195)	\$ (258,289)	\$ (307,826)

See accompanying notes to consolidated financial statements.

Bed Bath & Beyond, Inc.
Consolidated Statements of Changes in Stockholders' Equity
(in thousands)

	Year Ended December 31,		
	2025	2024	2023
Equity attributable to stockholders of Bed Bath & Beyond, Inc.			
Shares of common stock issued			
Balance at beginning of year	59,560	51,770	51,102
Common stock issued upon vesting of restricted stock	366	441	550
Common stock issued for ESPP purchases	138	119	118
Common stock sold through offerings	16,294	7,002	—
Other	—	228	—
Balance at end of year	76,358	59,560	51,770
Shares of treasury stock			
Balance at beginning of year	6,491	6,356	6,151
Repurchases of common stock	903	—	—
Tax withholding upon vesting of employee stock awards	101	135	205
Balance at end of year	7,495	6,491	6,356
Total shares of common stock outstanding	68,863	53,069	45,414
Common stock			
Balance at beginning of year	\$ 5	\$ 5	\$ 5
Common stock sold through offerings	3	—	—
Balance at end of year	\$ 8	\$ 5	\$ 5
Additional paid-in capital			
Balance at beginning of year	\$ 1,072,869	\$ 1,007,649	\$ 982,718
Stock-based compensation to employees and directors	10,853	19,255	23,018
Common stock issued for ESPP purchases	683	1,472	1,913
Common stock sold through offerings, net	137,309	42,993	—
Issuance of warrant dividends	17,624	—	—
Other	—	1,500	—
Balance at end of year	\$ 1,239,338	\$ 1,072,869	\$ 1,007,649
Accumulated deficit			
Balance at beginning of year	\$ (740,466)	\$ (481,671)	\$ (173,829)
Net loss	(84,621)	(258,795)	(307,842)
Issuance of warrant dividends	(17,624)	—	—
Balance at end of year	\$ (842,711)	\$ (740,466)	\$ (481,671)
Accumulated other comprehensive loss			
Balance at beginning of year	\$ —	\$ (506)	\$ (522)
Net other comprehensive income (loss)	(2,574)	506	16
Balance at end of year	\$ (2,574)	\$ —	\$ (506)
Treasury stock			
Balance at beginning of year	\$ (169,676)	\$ (166,345)	\$ (162,546)
Repurchases of common stock	(6,218)	—	—
Tax withholding upon vesting of employee stock awards	(584)	(3,331)	(3,799)
Balance at end of year	\$ (176,478)	\$ (169,676)	\$ (166,345)
Total equity attributable to stockholders of Bed Bath & Beyond, Inc.	\$ 217,583	\$ 162,732	\$ 359,132

Continued on the following page

Bed Bath & Beyond, Inc.
Consolidated Statements of Changes in Stockholders' Equity
(in thousands)

	Year Ended December 31,		
	2025	2024	2023
Equity attributable to noncontrolling interests			
Balance at beginning of year	\$ —	\$ —	\$ —
Proceeds from security token offering, net	361	—	—
Total equity attributable to noncontrolling interests	\$ 361	\$ —	\$ —
Total stockholders' equity	<u>\$ 217,944</u>	<u>\$ 162,732</u>	<u>\$ 359,132</u>

See accompanying notes to consolidated financial statements.

Bed Bath & Beyond, Inc.
Consolidated Statements of Cash Flows
(in thousands)

	Year Ended December 31,		
	2025	2024	2023
Cash flows from operating activities:			
Net loss	\$ (84,621)	\$ (258,795)	\$ (307,842)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	16,278	19,062	19,447
Non-cash operating lease cost	1,702	3,451	4,737
Stock-based compensation to employees and directors	10,853	19,255	23,018
Decrease in deferred income taxes, net	473	283	41,349
Gain on sale of intangible assets	(5,790)	(10,275)	—
Gain on disposal of cryptocurrencies	—	—	(6,361)
Write-down of assets held for sale	—	3,385	25,875
Loss from equity method securities	28,628	77,687	140,404
(Gain) loss on debt securities carried at fair value	(1,439)	2,430	—
Other non-cash adjustments	178	(14)	(693)
Changes in operating assets and liabilities:			
Accounts receivable, net	(4,982)	3,573	(1,727)
Inventories	6,384	1,494	(6,514)
Prepays and other current assets	3,491	1,293	1,889
Other long-term assets, net	(354)	(2,175)	(757)
Accounts payable	8,055	(24,172)	32,555
Accrued liabilities	(24,325)	(31)	10,442
Unearned revenue	(8,666)	(6,502)	5,117
Operating lease liabilities	(1,223)	(2,819)	(5,094)
Other long-term liabilities	(1,343)	(1,434)	5,569
Net cash used in operating activities	(56,701)	(174,304)	(18,586)
Cash flows from investing activities:			
Disbursement for notes receivable	(24,694)	(17,000)	(10,000)
Purchase of intangible assets	(15,405)	(6,044)	(25,816)
Purchase of equity securities	(8,000)	—	—
Expenditures for property and equipment	(7,407)	(14,315)	(19,181)
Proceeds from the sale of intangible assets	6,250	10,275	—
Proceeds from the sale of assets held for sale	—	51,441	—
Proceeds from the disposal of cryptocurrencies	—	—	9,804
Other investing activities, net	29	569	563
Net cash provided by (used in) investing activities	(49,227)	24,926	(44,630)

Continued on the following page

Bed Bath & Beyond, Inc.
Consolidated Statements of Cash Flows
(in thousands)

	Year Ended December 31,		
	2025	2024	2023
Cash flows from financing activities:			
Proceeds from sale of common stock, net of offering costs	137,312	42,993	—
Payments on short-term debt	(9,500)	—	—
Repurchase of shares	(6,218)	—	—
Payments of taxes withheld upon vesting of employee stock awards	(584)	(3,331)	(3,799)
Proceeds from short-term debt	—	25,000	—
Payments on long-term debt	—	(34,782)	(3,606)
Other financing activities, net	1,044	2,842	1,913
Net cash provided by (used in) financing activities	122,054	32,722	(5,492)
Net increase (decrease) in cash, cash equivalents, and restricted cash	16,126	(116,656)	(68,708)
Cash, cash equivalents, and restricted cash, beginning of year	186,093	302,749	371,457
Cash, cash equivalents, and restricted cash, end of year	<u>\$ 202,219</u>	<u>\$ 186,093</u>	<u>\$ 302,749</u>

See accompanying notes to consolidated financial statements.

Bed Bath & Beyond, Inc.
Notes to Consolidated Financial Statements

1. BASIS OF PRESENTATION

Business and organization

As used herein, "Bed Bath & Beyond," "the Company," "we," "our" and similar terms include Bed Bath & Beyond, Inc. and its controlled subsidiaries, unless the context indicates otherwise. The Company was formed on May 5, 1997 as D2-Discounts Direct, a limited liability company ("LLC"). On December 30, 1998, the Company reorganized as a C Corporation in the State of Utah and reincorporated in Delaware in May 2002. On October 25, 1999, the Company changed its name to Overstock.com, Inc. and on November 6, 2023, the Company changed its name to Beyond, Inc. On August 18, 2025, the Company changed its name to Bed Bath & Beyond, Inc.

Bed Bath & Beyond, Inc., is an e-commerce-focused retailer with an affinity model that owns or has ownership interests in various brands, offering a comprehensive array of products and services that enable its customers to enhance everyday life through quality, style, and value. We currently own Bed Bath & Beyond, Overstock, and buybuy BABY, among other brands. We strive to curate an exceptional online shopping experience. Our suite of premier online retail brands allow us to offer a comprehensive array of products and add-on services, catering to customers in the United States. Our e-commerce platform, which is also accessible through our mobile apps, includes www.bedbathandbeyond.com and www.overstock.com, and is collectively referred to as the "Website." The Website is targeted at customers seeking a diverse array of top-tier, on-trend products at competitive prices. From furniture, bedding, and bath essentials to patio and outdoor furniture, area rugs, tabletop and cookware, décor, storage, jewelry, watches, and fashion – we offer an extensive range of products at a smart value. In addition to products, we also offer an increasing number of add-on services across our platforms, including warranties, shipping insurance, and installation services.

Basis of presentation

We have prepared the accompanying consolidated financial statements pursuant to generally accepted accounting principles in the United States ("GAAP"). Preparing financial statements requires us to make estimates and assumptions that affect the amounts that are reported in the consolidated financial statements and accompanying disclosures. Although these estimates are based on our best knowledge of current events and actions that we may undertake in the future, our actual results may be different from our estimates. The results of operations presented herein are not necessarily indicative of our results for any future period.

2. ACCOUNTING POLICIES AND SUPPLEMENTAL DISCLOSURES

Principles of consolidation

The accompanying consolidated financial statements include our accounts and the accounts of our wholly-owned subsidiaries. All intercompany account balances and transactions have been eliminated in consolidation.

Use of estimates

The preparation of financial statements in conformity with GAAP requires estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, and related disclosures of contingent liabilities in our consolidated financial statements and accompanying notes. Estimates are used for, but not limited to, receivables valuation, revenue recognition, loyalty program reward point and gift card breakage, sales returns, inventory valuation, asset useful lives, equity and debt securities valuation, income taxes, stock-based compensation, performance-based compensation, self-funded health insurance liabilities, and contingencies. Although these estimates are based on our best knowledge of current events and actions that we may undertake in the future, our accounting of these estimates may change from period to period. To the extent there are differences between these estimates and actual results, our consolidated financial statements may be materially affected.

Revision of previously issued consolidated financial statements

As previously disclosed, during the quarterly period ended September 30, 2025, the Company identified errors in the consolidated statements of operations related to the classification of gains on the sale of intangible assets and write-downs of assets held for sale erroneously being included in Other expense, net instead of in operating expenses. The Company assessed the materiality of changes to prior period consolidated financial statements to address these errors in accordance with SEC Staff Accounting Bulletin No. 99, "Materiality", (ASC Topic 250, Accounting Changes and Error Corrections). Based on this assessment, the Company concluded that these error corrections in its consolidated statements of operations were not material to any previously presented consolidated financial statements. The corrections had no material impact on the consolidated balance sheets, consolidated statements of comprehensive loss, consolidated statements of changes in stockholders' equity, or consolidated statements of cash flows, for any previously presented interim or annual consolidated financial statements.

The financial reporting periods affected by these errors include the Company's previously reported audited consolidated financial statements for the fiscal years ended December 31, 2024 and 2023.

The following table presents the revisions to the consolidated statements of operations for the years ended December 31, 2024 and 2023 (in thousands):

	Year ended December 31, 2024			Year ended December 31, 2023		
	As previously reported	Adjustment	As revised	As previously reported	Adjustment	As revised
Operating expenses:						
Other operating expense (income), net	\$ —	\$ (6,882)	\$ (6,882)	\$ —	\$ 25,875	\$ 25,875
Total operating expenses	481,133	(6,882)	474,251	484,134	25,875	510,009
Operating loss	(190,969)	6,882	(184,087)	(118,105)	(25,875)	(143,980)
Other expense, net	(73,907)	(6,882)	(80,789)	(160,024)	25,875	(134,149)
Loss before income taxes	(258,111)	—	(258,111)	(266,122)	—	(266,122)
Net loss	(258,795)	—	(258,795)	(307,842)	—	(307,842)

Supplemental cash flow information

The following table shows supplemental cash flow information (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Supplemental disclosures of cash flow information:			
Cash paid during the period:			
Interest paid, net of amounts capitalized	\$ 1,098	\$ 1,489	\$ 1,598
Income taxes (refunded) paid, net	(382)	(132)	556
Non-cash investing and financing activities:			
Proceeds from sale of intangible assets included in other long-term assets, net	3,750	—	—
Notes receivable converted to equity securities	7,510	—	—

See also Note 12—Leases for additional supplemental disclosures of cash flow information related to our leases.

Cash equivalents

We classify all highly liquid instruments, including instruments with an original maturity of three months or less at the time of purchase, as cash equivalents.

Restricted cash

We consider cash that is legally restricted and cash that is held as compensating balances for credit arrangements as restricted cash.

Fair value of financial instruments

We account for our assets and liabilities using a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our market assumptions. These two types of inputs have created the fair-value hierarchy below. This hierarchy requires us to minimize the use of unobservable inputs and to use observable market data, if available, when determining fair value.

- Level 1—Quoted prices for identical instruments in active markets;
- Level 2—Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets; and
- Level 3—Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

Our assets that are adjusted to fair value on a recurring basis are cash equivalents and certain equity securities, which fair values are determined using quoted market prices from daily exchange traded markets on the closing price as of the balance sheet date and are classified as Level 1. Our recurring fair value measurements using observable inputs (Level 2) include our debt securities carried at fair value. Our recurring fair value measurements using unobservable inputs (Level 3) include our equity securities under ASC 323 accounted for under the fair value option, available-for-sale debt securities, and our loan commitments. Our other financial instruments, including cash, restricted cash, accounts receivable, accounts payable, accrued liabilities, and debt are carried at cost, which approximates their fair value. Certain assets, including long-lived assets, certain equity securities under ASC 323, goodwill, and other intangible assets, are measured at fair value on a nonrecurring basis; that is, the assets are not measured at fair value on an ongoing basis, but are subject to fair value adjustments using fair value measurements with unobservable inputs (Level 3).

Accounts receivable, net

Accounts receivable consist primarily of trade amounts due from customers in the United States and uncleared credit card transactions at period end. Accounts receivables are recorded at invoiced amounts and do not bear interest. We maintain an allowance for expected credit losses based upon our business customers' financial condition and payment history, our historical collection experience, and any future expected economic conditions.

Inventories

Inventories include merchandise acquired for resale and processed returns which are accounted for using a standard costing system which approximates the first-in-first-out ("FIFO") method of accounting and are valued at the lower of cost and net realizable value. Inventory valuation requires us to make judgments, based on currently available information, about the likely method of disposition, such as through sales to individual customers, returns to product vendors, liquidations, and expected recoverable values of each disposition category.

Prepays and other current assets

Prepays and other current assets represent expenses paid prior to receipt of the related goods or services, including advertising, license fees, maintenance, packaging, insurance, prepaid inventories, other miscellaneous costs, and cryptocurrencies.

Property and equipment, net

Property and equipment are recorded at cost and stated net of depreciation and amortization. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the related assets as follows:

	Life (years)
Furniture and equipment	5-7
Computer hardware	3-4
Computer software, including internal-use software and website development	2-4

Leasehold improvements are amortized over the shorter of the term of the related leases or estimated useful lives.

Included in property and equipment is the capitalized cost of internal-use software and website development, including software used to upgrade and enhance our Website and processes supporting our business. We capitalize costs incurred during the application development stage of internal-use software and amortize these costs over the estimated useful life. Costs incurred related to design or maintenance of internal-use software are expensed as incurred.

Upon sale or retirement of assets, cost and related accumulated depreciation and amortization are removed from the balance sheet and the resulting gain or loss is reflected in our consolidated statements of operations.

Equity securities accounted for under the equity method under ASC 323

At December 31, 2025, we held minority interests in privately held and public entities, Medici Ventures, L.P., tZERO, The Brand House Collective, Inc. (formerly known as Kirkland's Inc.) ("TBHC"), and a newly created entity ("Zulily Newco") upon the sale of the rights in the Zulily brand, accounted for under the equity method under ASC Topic 323, *Investments—Equity Method and Joint Ventures* ("ASC 323"), which are included in Equity securities in our consolidated balance sheets. We can exercise significant influence, but not control, over these entities through holding more than a 20% voting interest.

We measure our minority interests in TBHC at fair value (based on Level 1 inputs) with changes in fair value recorded in Other expense, net in our consolidated statements of operations. The aggregate fair value of our investment in TBHC was \$9.8 million as of December 31, 2025.

Based on the nature of our ownership interests and the extent of our contributed capital, we held a variable interest in Medici Ventures, L.P. and TBHC, both of which meet the definition of variable interest entities; however, we are not the primary beneficiary of these entities for purposes of consolidation as we do not have the power (either explicit or implicit), through voting rights or otherwise, to direct the activities of Medici Ventures, L.P. or TBHC that most significantly impact their economic performance. Our investments in these variable interest entities totaled \$49.6 million as of December 31, 2025, representing our maximum exposures to loss.

We record our proportionate share of Medici Ventures, L.P.'s net assets assuming the entity (i) liquidated its net assets at their book values and (ii) distributed the proceeds to the investors based on the distribution waterfall in the investment agreement, which reflects the fair value changes of the underlying investments of the entity, any investor-level adjustments, and any other operating income or losses of the entity, in Other expense, net in our consolidated statements of operations with corresponding adjustments to the carrying value of the asset. If such events or circumstances have occurred that may indicate the fair value of our equity interest is less than its carrying value, we estimate the fair value of our equity interest and recognize an impairment loss equal to the difference between the fair value of the security and its carrying value which is recorded in Other expense, net in our consolidated statements of operations. There is no difference between the carrying amount of our investment in the entity and the amount of underlying equity we have in the entity's net assets.

We have elected to apply the fair value option for valuing our direct minority interests in tZERO as we determined that accounting for our direct minority interests in tZERO under the fair value option would approximate the same valuation approach used by Medici Ventures, L.P. for valuing our indirect interest in tZERO and would be the most meaningful and transparent option for evaluating our continued exposure to the economics of tZERO. We have also elected to apply the fair value option for valuing our interest in Zulily NewCo. The fair value was determined in good faith under our valuation policy and process using generally accepted valuation approaches through the use of a third-party valuation firm. Our assessment includes a review of recent operating results and trends, recent sales/acquisitions of the equity securities, and other publicly available data.

The methods and significant assumptions to estimate the fair value of our direct minority interests in tZERO under the fair value option include using a market approach. The market approach relied upon market transaction valuations of the subject company, adjusted for changes in enterprise value for guideline public companies. Due to the length of time between the last Series B financing round led by the Intercontinental Exchange, the valuation technique used to value our direct interest in tZERO changed to a blended market approach using a transaction backsolve adjusted for enterprise value changes in guideline public companies, with an option pricing model and a book value of equity method in the current year, compared to a blended market approach using a transaction backsolve adjusted for enterprise value changes in guideline public companies, with an option pricing model and a guideline public company method valuation technique in the prior year. The methods and significant assumptions to estimate the fair value of our minority interest in Zulily Newco under the fair value option include using a market approach based on latest market transaction valuations.

The following table summarizes the valuation techniques and significant unobservable inputs used in the fair value measurement of our Level 3 equity securities:

Investment	Fair Value	Valuation Technique	Unobservable Inputs	Inputs
tZERO	\$ 15,503	Blended market approach - transaction backsolve adjusted for enterprise value changes in guideline public companies, with an option pricing model method and book value of equity method	Term to liquidity	5.0 years
			Volatility	100%
			Percentage change in enterprise value for guideline public companies	(53.4)%
Zulily Newco	1,572	Market approach - latest transactions	N/A	N/A
Total	\$ 17,075			

A significant change in the term to liquidity, volatility, or percentage change in enterprise value for guideline public companies inputs could result in a significant change in the fair value measurement.

Leases

We determine if an arrangement is a lease at inception. We account for lease agreements as either operating or finance leases depending on certain defined criteria. Operating leases are recognized in Operating lease right-of-use ("ROU") assets, Operating lease liabilities, current, and Operating lease liabilities, non-current on our consolidated balance sheets. Finance leases are included in Other long-term assets, net, Other current liabilities, and Other long-term liabilities on our consolidated balance sheets. Lease assets and liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at the commencement date in determining the present value of future payments. In certain of our lease agreements, we receive rent holidays and other incentives. We recognize lease costs on a straight-line basis over the lease term without regard to deferred payment terms, such as rent holidays, that defer the commencement date of required payments. Our lease terms may include options to extend or terminate the lease, and we adjust our measurement of the lease when it is reasonably certain that we will exercise that option. Lease payments used in measurement of the lease liability typically do not include executory costs, such as taxes, insurance, and maintenance, unless those costs can be reasonably estimated at lease commencement. Leasehold improvements are capitalized at cost and amortized over the lesser of their expected useful life or the life of the lease, without assuming renewal features, if any, are exercised. We do not separate lease and non-lease components for our leases.

Treasury stock

We account for treasury stock of our common shares under the cost method and include treasury stock as a component of stockholders' equity.

Goodwill

Goodwill represents the excess of the purchase price paid over the fair value of the net assets acquired in business combinations. Goodwill is not amortized but is tested for impairment at least annually or when we deem that a triggering event has occurred. When evaluating whether goodwill is impaired, we make a qualitative assessment to determine if it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If the qualitative assessment determines that it is more likely than not that its fair value is less than its carrying amount, we compare the fair value of the reporting unit to which the goodwill is assigned to its carrying amount. If the carrying amount exceeds its fair value, an impairment loss is recognized in an amount equal to the excess of the carrying amount over the fair value of the reporting unit, not to exceed the carrying amount of the goodwill. We completed our annual goodwill impairment test as of December 31, 2025 by performing a quantitative assessment and concluded that the estimated fair value of the reporting units exceeded their carrying amount. There were no impairments to goodwill recorded during the years ended December 31, 2025, 2024 and 2023 and no other changes to the carrying amount of goodwill during the years ended December 31, 2025 and 2024. Our goodwill balance was \$6.2 million as of December 31, 2025 and 2024.

Intangible assets other than goodwill

We capitalize and amortize intangible assets other than goodwill over their estimated useful lives unless such lives are indefinite. Intangible assets other than goodwill acquired separately from third parties are capitalized at cost, including any related direct acquisition costs, while such assets acquired as part of a business combination are capitalized at their acquisition-date fair value. Indefinite-lived intangible assets are tested for impairment annually or more frequently when events or circumstances indicate that the carrying value more likely than not exceeds its fair value. In addition, we routinely evaluate the remaining useful life of intangible assets not being amortized to determine whether events or circumstances continue to support an indefinite useful life, including any legal, regulatory, contractual, competitive, economic, or other factors that may limit their useful lives. Definite-lived intangible assets are amortized using the straight-line method of amortization over their useful lives, with the exception of certain intangibles (such as acquired customer lists) which are amortized using an accelerated method of amortization based on estimated customer attrition rates. These definite-lived intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable as described below under *Impairment of long-lived assets*.

Impairment of long-lived assets

We review property and equipment, right-of-use assets, and other long-lived assets, including intangible assets other than goodwill, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable. Recoverability is measured by a comparison of the assets' carrying amount to future undiscounted net cash flows the asset group is expected to generate. Cash flow forecasts are based on trends of historical performance and management's estimate of future performance, giving consideration to existing and anticipated competitive and economic conditions. If such asset group is considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds their fair values. There were no impairments to long-lived assets recorded during the years ended December 31, 2025, 2024 and 2023.

Available-for-sale debt securities

We record our available-for-sale debt securities at fair value, with unrealized gains and losses recorded to other comprehensive loss in the consolidated statements of comprehensive loss. For available-for-sale debt securities in an unrealized loss position, we determine whether a credit loss exists by considering information about the collectability of the instrument, current market conditions, and economic conditions. Credit losses, if any, are recorded as an allowance through Other expense, net in the consolidated statements of operations.

At December 31, 2025, we have invested \$13.0 million in GrainChain, Inc. in the form of convertible promissory notes (the "Notes"). The Notes bear interest at an annual interest rate of 5% and accrued interest is recorded in Interest income, net in our consolidated statements of operations. The Notes have a maturity date of January 3, 2025 at which time the outstanding principal and any unpaid accrued interest will automatically convert into shares of a newly created series of preferred stock issued by GrainChain, Inc. The Notes have not converted and the Company is negotiating an extension of the Notes. The Notes are in an unrealized loss position as of December 31, 2025. The fair value of the Notes, including accrued interest, was \$12.0 million and \$11.0 million at December 31, 2025 and 2024, respectively, which is included in Other long-term assets, net on our consolidated balance sheets. The aggregate unrealized losses on our Notes was \$2.6 million and were due to a recent decrease in profitability and not credit-related events as we expect we will recover our amortized cost basis upon

conversion of the Notes. Accordingly, no allowance for credit losses was recorded on available-for sale debt securities in an unrealized loss position at December 31, 2025 and 2024.

Based on the nature of our indirect ownership interests in GrainChain, Inc. through Medici Ventures, L.P. and the extent of our contributed capital, we held a variable interest in GrainChain, Inc., which meets the definition of a variable interest entity; however, we are not the primary beneficiary of this entity for purposes of consolidation as we do not have the power (either explicit or implicit), through voting rights or otherwise, to direct the activities of GrainChain, Inc. that most significantly impact its economic performance. Our maximum exposure to loss in this variable interest entity totaled \$24.4 million as of December 31, 2025, representing our direct and indirect interest in GrainChain, Inc.

In November 2025, the Company purchased, via a participation agreement for par/near par trades, a portion of the loans issued by The Container Store, Inc. pursuant to the Term Loan Credit Agreement, dated as of January 28, 2025, as amended on September 15, 2025 (as amended, the "TCS Credit Agreement"). The aggregate purchase price for the Company's participation in certain loans issued pursuant to the TCS Credit Agreement was \$6.5 million. As a result of these transactions, the Company will participate in the rights to the payment of interest and repayment of the loans and any exercise of rights or remedies related thereto. The fair value of the portion of the loans purchased was \$6.5 million at December 31, 2025, which is included in Other long-term assets, net on our consolidated balance sheets.

The following table summarizes the valuation techniques and significant unobservable inputs used in the fair value measurement of our Level 3 available-for-sale securities:

Investment	Fair Value	Valuation Technique	Unobservable Inputs	Inputs
GrainChain, Inc.	\$ 11,955	Market approach - transaction backsolve adjusted for enterprise value changes in guideline public companies with an option pricing model method	Term to liquidity	5.0 years
			Volatility	50%
			Percentage change in enterprise value for guideline public companies	(12.2)%
The Container Store, Inc.	6,462	Market approach - latest transactions	N/A	N/A
Total	\$ 18,417			

A significant change in the term to liquidity, volatility, or percentage change in enterprise value for guideline public companies inputs could result in a significant change in the fair value measurement.

Debt securities carried at fair value

On May 7, 2025, the Company entered into an Amended and Restated Term Loan Credit Agreement (the "Amended and Restated Credit Agreement"), which amended and restated the secured Term Loan Credit Agreement ("Existing Credit Agreement") entered on October 21, 2024 and pursuant to which the Company provided The Brand House Collective, Inc. (formerly known as Kirkland's Inc.) ("The Brand House Collective") with an additional term loan in an approximate aggregate original principal amount of \$5.2 million (the "Additional Term Loan") and obligations arising under the Existing Credit Agreement in the aggregate amount of \$8.5 million were rolled into the Amended and Restated Credit Agreement as obligations thereunder (collectively, the "Notes"). On September 15, 2025, the Company entered into Amendment No. 1 to the Amended and Restated Credit Agreement (such amendment, the "Credit Agreement Amendment" and the Existing Credit Agreement as amended by the Credit Agreement Amendment, the "Amended Credit Agreement"). Pursuant to the terms of the Amended Credit Agreement, new delayed-draw term loan commitments in an aggregate original principal amount of \$20.0 million (the "Delayed Draw Term Loan Commitments") were established. On November 24, 2025, the Company entered into Amendment No. 2 to the Amended and Restated Credit Agreement (the "Second Amendment") pursuant to which the Company agreed to increase the Delayed Draw Term Loan Commitments by \$10.0 million, to an aggregated principal amount of \$30.0 million. Concurrently with the Second Amendment, and as of December 31, 2025, \$10.0 million has been drawn under the Delayed Draw Term Loan Commitments (the "Delayed Draw Note"). The Amended Credit Agreement provides the Company the right to convert the outstanding loans (including loans extended in satisfaction of the Delayed Draw Term Loan Commitments) owing under the Amended and Restated Credit Agreement into shares of The Brand House Collective's common stock at a price equal to the closing price on the Nasdaq Stock Market LLC ("Nasdaq") on the day prior to the date on which a conversion election is made, up to a number of shares equal to 19.90% of the outstanding shares of The Brand House Collective's common stock on the date the Amended Credit Agreement was entered into, and up to a greater number of shares subject to Nasdaq shareholder approval rules. Bed Bath & Beyond is restricted from holding greater than 75% of outstanding The Brand House Collective's issued shares for so long as any obligations remain outstanding under The Brand House Collective's credit agreement with its senior lender, Bank of America, N.A. On November 24, 2025, we entered in a Merger Agreement with TBHC pursuant to which, subject to the terms and conditions set forth therein, TBHC will survive the Merger as a wholly owned subsidiary of the Company.

We have elected to present the Notes and Delayed Draw Note at fair value, which totaled \$24.0 million and \$14.8 million at December 31, 2025 and 2024, respectively. The balance of the Notes is included in Other long-term assets, net on our consolidated balance sheets.

The following table summarizes the valuation techniques and significant inputs used in the fair value measurement of our Level 2 debt securities carried at fair value:

Investment	Fair Value	Valuation Technique	Observable Inputs
The Brand House Collective, Inc.	\$ 23,977	Market approach	Agreed settlement price in the contracts

Other long-term assets, net

Other long-term assets, net consist primarily of long-term prepaid expenses, deposits, long-term receivables, available-for-sale debt securities, and debt securities carried at fair value.

Noncontrolling interests

In April 2025, the Company's controlled subsidiary, Commercial Strategies, Inc. ("Commercial Strategies"), launched a crowdfunding offering (the "token offering") of the right to acquire a tokenized digital security linked to Overstock intellectual property and eligible for future dividends, if any, from the licensing revenue that Commercial Strategies earns from the Overstock intellectual property. The token offering closed on May 16, 2025, and Commercial Strategies issued the tokenized digital security in the form of Series A Preferred Stock. The holders of the preferred shares will be entitled to receive, out of funds and assets legally available for such purpose, an annual dividend that is derived from the royalty fee paid by Bed Bath & Beyond, Inc. to Commercial Strategies for licensing of the Overstock intellectual property. The holders of the preferred stock have no voting rights. At December 31, 2025, cumulative proceeds from the token offering totaled \$467,000, have been classified as a component of noncontrolling interest within the consolidated financial statements. As of December 31, 2025,

Commercial Strategies has incurred \$305,000 of offering costs associated with the token offering that are classified as a reduction in proceeds within noncontrolling interest within the consolidated financial statements.

In May 2025, the Company's controlled subsidiary, Zion Peaks, Inc. ("Zion Peaks"), launched a crowdfunding offering (the "token offering") of the right to acquire a tokenized digital security linked to buybuy BABY intellectual property and eligible for future dividends, if any, from the licensing revenue that Zion Peaks earns from the buybuy BABY intellectual property. The token offering closed on August 11, 2025, and Zion Peaks issued the tokenized digital security in the form of Series A Preferred Stock. The holders of the preferred shares will be entitled to receive, out of funds and assets legally available for such purpose, an annual dividend that is derived from the royalty fee paid by Bed Bath & Beyond, Inc. to Zion Peaks for licensing of the buybuy BABY intellectual property. The holders of the preferred stock have no voting rights. At December 31, 2025, cumulative proceeds from the token offering totaled \$396,000, have been classified as a component of noncontrolling interest within the consolidated financial statements. As of December 31, 2025, Zion Peaks has incurred \$197,000 of offering costs associated with the token offering that are classified as a reduction in proceeds within noncontrolling interest within the consolidated financial statements.

Revenue recognition

Revenue is recognized when, or as, control of a promised product or service transfers to a customer, in an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring those products or services. Revenue excludes taxes that have been assessed by governmental authorities and that are directly imposed on revenue-producing transactions between the Company and its customers, including sales and use taxes. Revenue recognition is evaluated through the following five-step process:

- 1) identification of the contract with a customer;
- 2) identification of the performance obligations in the contract;
- 3) determination of the transaction price;
- 4) allocation of the transaction price to the performance obligations in the contract; and
- 5) recognition of revenue when or as a performance obligation is satisfied.

Product Revenue

We derive our revenue primarily through our Website but may also derive revenue from sales of merchandise through other channels. Our revenue is derived primarily from merchandise sold at a point in time and shipped to customers. Merchandise sales are fulfilled with inventory sourced through our partners or from our owned inventory. The vast majority of our sales, however, are fulfilled from inventory sourced through our partners.

Revenue is recognized when control of the product passes to the customer, typically at the date of delivery of the merchandise to the customer or the date a service is provided and is recognized in an amount that reflects the expected consideration to be received in exchange for such goods or services. As such, customer orders are recorded as unearned revenue prior to delivery of products or services ordered. As we ship high volumes of packages through multiple carriers, we use estimates to determine which shipments are delivered and, therefore, recognized as revenue at the end of the period. Our delivery date estimates are based on average shipping transit times, which are calculated using the following factors: (i) the type of shipping carrier (as carriers have different in-transit times); (ii) the fulfillment source (either our warehouses, those warehouses we control, or those of our partners); (iii) the delivery destination; and (iv) actual transit time experience, which shows that delivery date is typically one to eight business days from the date of shipment. We review and update our estimates on a quarterly basis based on our actual transit time experience. However, actual shipping times may differ from our estimates.

Generally, we require authorization from credit card or other payment vendors whose services we offer to our customers (such as PayPal, Apple Pay, Klarna), or verification of receipt of payment, before we ship products to consumers or business purchasers. We generally receive payments from our customers before our payments to our suppliers are due. We do not recognize assets associated with costs to obtain or fulfill a contract with a customer.

Shipping and handling is considered a fulfillment activity, as it takes place prior to the customer obtaining control of the merchandise, and fees charged to customers are included in net revenue upon completion of our performance obligation. We present revenue net of sales taxes, discounts, and expected refunds.

Our merchandise sales contracts include terms that could cause variability in the transaction price for items such as discounts, credits, or sales returns. Accordingly, the transaction price for product sales includes estimates of variable consideration to the extent it is probable that a significant reversal of revenue recognized will not occur. At the time of sale, we estimate a sales return liability for the variable consideration based on historical experience, which is recorded within Accrued liabilities in the consolidated balance sheet. We record an allowance for returns based on current period revenues and historical returns experience. We analyze actual historical returns, current economic trends and changes in order volume and acceptance of our products when evaluating the adequacy of the sales returns allowance in any accounting period.

We evaluate the criteria outlined in ASC 606-10-55, *Principal versus Agent Considerations*, in determining whether it is appropriate to record the gross amount of merchandise sales and related costs or the net amount earned as commissions. When we are the principal in a transaction and control the specific good or service before it is transferred to the customer, revenue is recorded gross; otherwise, revenue is recorded on a net basis. Through contractual terms with our partners, we have the ability to control the promised goods or services and as a result record the majority of our revenue on a gross basis.

Loyalty program

We have a customer membership program called welcome rewards+ for which we sell annual memberships. For welcome rewards+ memberships, we record membership fees as unearned revenue and we recognize revenue ratably over the membership period.

Members earn points which have a reward dollar equivalent for qualifying purchases made on our Bed Bath & Beyond website. As such, the initial transaction price giving rise to the reward dollar is allocated to each separate performance obligation based upon its relative standalone selling price. In determining the stand-alone selling price, we incorporate assumptions about the redemption rates of loyalty points. We recognize revenue for loyalty program reward dollars when customers redeem such rewards as part of a purchase on our Bed Bath & Beyond website.

We record the standalone value of reward dollars earned in unearned revenue at the time the reward dollars are earned. Loyalty program reward dollars expire 30 days after the customer's membership expires. We recognize estimated reward dollar breakage, to which we expect to be entitled, over the expected redemption period in proportion to actual redemptions by customers.

Advertising Revenue

Advertising revenues are derived primarily from sponsored links and display advertisements that are placed on our Website, distributed via email, or sent out as direct mailers. Advertising revenue is recognized in revenue when the advertising services are rendered. Advertising revenues were less than 3% of total net revenues for all periods presented.

Unearned Revenue

When the timing of our provision of goods or services is different from the timing of the payments made by our customers, we recognize a contract liability (customer payment precedes performance).

Customer orders are recorded as unearned revenue when payment is received prior to delivery of products or services ordered. We record amounts received for welcome rewards+ membership fees as unearned revenue and we recognize it ratably over the membership period. We record loyalty program reward dollars earned from purchases as unearned revenue at the time they are earned based upon the relative standalone selling price of the loyalty program reward dollar and we recognize it as revenue in proportion to the estimated pattern of rights exercised by the customer. If reward dollars are not redeemed, we recognize revenue upon expiration. In addition, we sell gift cards and record related unearned revenue at the time of the sale. We sell gift cards without expiration dates and we recognize revenue from a gift card upon redemption of the gift card. The unredeemed portion of our gift cards are recognized in revenue over the expected redemption period based upon the estimated pattern of rights exercised by the customer, if the gift cards are not subject to escheat laws.

Sales returns allowance

Revenue is recorded net of estimated returns. We record an allowance for returns based on current period revenues and historical returns experience. We analyze actual historical returns, current economic trends and changes in order volume and acceptance of our products when evaluating the adequacy of the sales returns allowance in any accounting period.

Cost of goods sold

Our cost of goods sold includes product costs, warehousing costs, outbound shipping costs, and handling and fulfillment costs, and is recorded in the same period in which related revenues have been recorded.

Advertising expense

We expense the costs of producing advertisements the first time the advertising takes place and expense the cost of communicating advertising in the period during which the advertising space or airtime is used. Internet advertising expenses are recognized as incurred based on the terms of the individual agreements, which are generally: 1) a commission for traffic driven to our Website that generates a sale or 2) a referral fee based on the number of clicks on keywords or links to our Website generated during a given period. Advertising expense is included in Sales and marketing expenses in our consolidated statements of operations. Prepaid advertising is included in Prepaids and other current assets in our consolidated balance sheets.

Stock-based compensation

We measure compensation expense for our outstanding unvested restricted stock awards at fair value on the date of grant and recognize compensation expense over the service period for awards at the greater of a straight-line basis or on an accelerated schedule when vesting of the share-based awards exceeds a straight-line basis. When an award is forfeited prior to the vesting date, we recognize an adjustment for the previously recognized expense in the period of the forfeiture. See Note 17—Stock-Based Awards.

We use the Black-Scholes option pricing model to determine the fair value of our employee stock purchase plan shares. The determination of the fair value of stock-based payment awards on the date of grant using an option pricing model is affected by our stock price and assumptions regarding a number of complex and subjective variables. These variables include our expected stock price volatility over the expected term of the awards, actual and projected employee stock option exercise behaviors, a risk-free interest rate and any expected dividends.

We use the Monte-Carlo valuation model to determine the fair value of the portion of our performance shares and share options with market conditions. The determination of the fair value of stock-based payment awards on the date of grant using the Monte-Carlo valuation model is affected by our stock price and assumptions regarding a number of complex and subjective variables. These variables include our expected stock price volatility, a risk-free interest rate, the probability of reaching the stock price performance targets, and a 20-trading-day average stock price. The portion of our performance shares with performance conditions are measured at fair value on the date of grant and the probability of the awards meeting the performance condition is not included in the grant date fair value, but is assessed quarterly for expense recognition. Compensation expense for these awards are recognized using a graded vesting schedule over the requisite service period. To the extent that a market-based vesting award is forfeited following completion of the requisite service period, compensation expense for accounting purposes is not reversed.

Loss contingencies

In the normal course of business, we are involved in legal proceedings and other potential loss contingencies. We accrue a liability for such matters when it is probable that a loss has been incurred and the amount, or range of amounts, can be reasonably estimated. When only a range of probable loss can be estimated, the most probable amount in the range is accrued. If no amount within this range is a better estimate than any other amount within the range, the minimum amount in the range is accrued. We expense legal fees as incurred (See Note 14—Commitments and Contingencies).

Income taxes

Income taxes are accounted for under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined on the basis of the differences between the financial statements and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

We recognize deferred tax assets to the extent that we believe these assets are more likely than not to be realized. In evaluating our ability to recover our deferred tax assets within the jurisdiction from which they arise, we consider all available

positive and negative evidence, including projected future taxable income, scheduled reversals of our deferred tax liabilities, tax planning strategies, and results of recent operations. Our projections of future taxable income are subject to changes in how we do business, economic outlook, political climate, and other conditions such as supply chain challenges, inflation, rising interest rates, geopolitical events, and other macroeconomic conditions, and judgment is required in determining our ability to use our deferred tax assets.

We record uncertain tax positions in accordance with ASC 740 on the basis of a two-step process whereby (1) we determine whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, we recognize the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority. We recognize interest and penalties related to unrecognized tax benefits within the income tax expense line in the accompanying consolidated income statements. Accrued interest and penalties are included within the related tax liability line in our consolidated balance sheets.

Net loss per share

Basic net loss per common share is computed by dividing net loss attributable to common shares by the weighted average number of common shares outstanding during the period.

Diluted net loss per share is computed by dividing net loss attributable to common shares by the weighted average number of common and potential common shares outstanding during the period. Potential common shares, comprising incremental common shares issuable from the employee stock purchase plan, restricted stock awards, and warrants are included in the calculation of diluted net loss per common share to the extent such shares are dilutive.

Warrants

On September 22, 2025, the Company announced that its Board of Directors had declared a warrant dividend distribution (the "Warrant Distribution") to the record holders of the Company's common stock (the "Common Stock"), in the form of warrants to purchase common stock (the "Warrants"). Holders of Common Stock at the close of business on October 2, 2025 (the "Record Date") received one warrant for each ten shares of Common Stock then owned, rounded down to the nearest whole number. The Warrants were distributed to holders of common stock on the terms and conditions described in the Warrant Agreement, dated as of October 7, 2025, between the Company, Computershare, Inc., a Delaware corporation, and its affiliate, Computershare Trust Company, N.A., as Warrant Agent. The Warrants have a cash exercise price of \$15.50 per Warrant, and will expire on October 7, 2026, unless the Early Expiration Price Condition (as defined in the Warrant Agreement) is met.

The Company accounts for the Warrants in accordance with the guidance in ASC Topic 815, *Derivatives and Hedging* ("ASC 815"). Accordingly, the warrants meet all of the requirements for equity classification under ASC 815 and are required to be recorded as a component of equity at the time of issuance. Warrants classified as equity are initially recognized at fair value and are not subsequently remeasured.

Recently adopted accounting standards

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which requires public entities to disclose disaggregated information about a reporting entity's effective tax rate reconciliation as well as additional information on income taxes paid. For public entities, ASU 2023-09 is required to be adopted for annual periods beginning after December 15, 2024, with early adoption permitted. The Company adopted the provisions of ASU 2023-09 as of January 1, 2025. The adoption of ASU 2023-09 resulted in additional income tax disclosures in the Company's consolidated financial statements.

Recently issued accounting standards

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)*, which requires public entities to disclose disaggregated information about certain income statement line items in the notes to the financial statements. For public entities, ASU 2024-03 is required to be adopted for annual periods beginning after December 15, 2026 and for interim periods beginning after December 15, 2027, with early adoption permitted. This ASU will result in us including the additional required disclosures when adopted and does not otherwise have a material impact on the Company's consolidated financial statements.

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 clarified and modernizes the accounting for costs related to internal-use software. The amendments in ASU 2025-06 remove all references to project stages throughout Subtopic 350-40 and clarify the threshold entities apply to begin capitalizing costs. ASU 2025-06 is effective for all entities for annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods, with early adoption permitted. This ASU will result in the Company adopting the new threshold to apply to begin capitalizing costs and does not otherwise have a material impact on the Company's consolidated financial statements.

3. FAIR VALUE MEASUREMENT

The following tables summarize our assets and liabilities measured at fair value on a recurring basis using the following levels of inputs as of December 31, 2025 and 2024, as indicated (in thousands):

	Fair Value Measurements at December 31, 2025			
	Total	Level 1	Level 2	Level 3
Assets:				
Cash equivalents—Money market funds	\$ 22,717	\$ 22,717	\$ —	\$ —
Equity securities, at fair value	26,903	9,828	—	17,075
Available-for-sale debt securities (1)	18,417	—	—	18,417
Debt securities, at fair value (1)	23,977	—	23,977	—
Total assets	<u>\$ 92,014</u>	<u>\$ 32,545</u>	<u>\$ 23,977</u>	<u>\$ 35,492</u>
Liabilities:				
Loan commitments, at fair value (2)	\$ 2,766	\$ —	\$ —	\$ 2,766
Total liabilities	<u>\$ 2,766</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2,766</u>

	Fair Value Measurements at December 31, 2024			
	Total	Level 1	Level 2	Level 3
Assets:				
Cash equivalents—Money market funds	\$ 21,799	\$ 21,799	\$ —	\$ —
Equity securities, at fair value	21,640	—	—	21,640
Available-for-sale debt securities (1)	10,985	—	—	10,985
Debt securities, at fair value (1)	14,814	—	—	14,814
Total assets	<u>\$ 69,238</u>	<u>\$ 21,799</u>	<u>\$ —</u>	<u>\$ 47,439</u>

- (1) Included in Other long-term assets, net in the consolidated balance sheets.
(2) Included in Other long-term liabilities in the consolidated balance sheets.

The following table provides activity for our Level 3 investments during the periods presented (in thousands):

	Amount
Level 3 investments at December 31, 2023	\$ 51,530
Increase due to purchases of Level 3 investments	17,000
Decrease in fair value of Level 3 investments	(21,836)
Accrued interest on Level 3 investments	745
Level 3 investments at December 31, 2024	<u>47,439</u>
Increase due to purchases of Level 3 investments	16,266
Transfers out of Level 3 investments	(20,046)
Decrease in fair value of Level 3 investments	(8,711)
Accrued interest, net on Level 3 investments	544
Level 3 investments at December 31, 2025	<u>\$ 35,492</u>

During the year ended December 31, 2025, there were \$12.4 million of debt securities carried at fair value transferred from Level 3 to Level 2 due to significant observable inputs used in determining the fair value of these debt securities. Further, during the year ended December 31, 2025, there were \$7.5 million of debt securities carried at fair value transferred from Level 3 to Level 1 due to the conversion of the \$8.5 million convertible promissory note in TBHC into shares of TBHC common stock.

The following table provides activity for the Company's Level 3 liabilities (in thousands):

	Amount
Level 3 liabilities at December 31, 2024	\$ —
Fair value of Level 3 liabilities assumed	2,766
Level 3 liabilities at December 31, 2025	<u>\$ 2,766</u>

4. ACCOUNTS RECEIVABLE, NET

Accounts receivable, net consist of the following (in thousands):

	December 31,	
	2025	2024
Credit card receivables, trade	\$ 12,334	\$ 9,614
Accounts receivable, trade	8,871	5,282
Other receivables	3,001	3,187
	<u>24,206</u>	<u>18,083</u>
Less: allowance for credit losses	(3,377)	(2,236)
Total accounts receivable, net	<u>\$ 20,829</u>	<u>\$ 15,847</u>

5. PREPAIDS AND OTHER CURRENT ASSETS

Prepays and other current assets consist of the following (in thousands):

	December 31,	
	2025	2024
Prepaid maintenance	\$ 7,074	\$ 8,924
Prepaid other	3,343	3,221
Other current assets	1,488	1,876
Total prepaids and other current assets	<u>\$ 11,905</u>	<u>\$ 14,021</u>

6. PROPERTY AND EQUIPMENT, NET

Property and equipment, net consist of the following (in thousands):

	December 31,	
	2025	2024
Computer hardware and software, including internal-use software and website development	\$ 186,022	\$ 202,005
Furniture and equipment	1,630	4,098
Leasehold improvements	1,159	1,466
	<u>188,811</u>	<u>207,569</u>
Less: accumulated depreciation	(175,099)	(184,025)
Total property and equipment, net	<u>\$ 13,712</u>	<u>\$ 23,544</u>

Capitalized costs associated with internal-use software and website development, both developed internally and acquired externally, and depreciation of costs for the same periods associated with internal-use software and website development consist of the following (in thousands):

	Year ended December 31,		
	2025	2024	2023
Capitalized internal-use software and website development	\$ 6,727	\$ 12,517	\$ 11,296
Depreciation of internal-use software and website development	11,389	11,354	7,758

Depreciation expense is classified within the corresponding operating expense categories in the consolidated statements of operations as follows (in thousands):

	Year ended December 31,		
	2025	2024	2023
Cost of goods sold	\$ 90	\$ 396	\$ 711
Technology	15,055	17,150	14,414
General and administrative	319	464	3,751
Total depreciation	<u>\$ 15,464</u>	<u>\$ 18,010</u>	<u>\$ 18,876</u>

During the years ended December 31, 2025 and 2024, we retired \$22.4 million and \$58.6 million, respectively, of fully depreciated property and equipment that were removed from service in 2025 and 2024.

7. INTANGIBLE ASSETS, NET

On January 30, 2025, the Company entered into an Asset Purchase Agreement with BBBY Acquisition Co., LLC ("BBBY") to acquire certain intellectual property related to the buybuy BABY brand and closed the transaction on February 21, 2025. The Company acquired BBBY's rights in the buybuy BABY brand, assets, information and content related to the associated buybuy BABY website, including trademarks, domain names, data, information, content, and select contractual rights, and goodwill associated with the brand for a total purchase price of \$5.0 million which was paid at closing, and the assumption of certain contractual liabilities described therein. The aggregate purchase price, inclusive of contractual liabilities assumed and direct acquisition-related expenses, totaled \$7.1 million which has been allocated to trade names, with an indefinite useful life.

On March 17, 2025, the Company entered into an Intellectual Property Asset Purchase Agreement with Lyons Trading Company, the operator of Proozy.com, to sell its rights in the Zulily brand for a total sales price of \$5.0 million while retaining a 25% ownership stake in the brand in the form of a newly created entity ("Zulily Newco"). In connection with this transaction, the Company received \$1.25 million upfront and will receive the remaining \$3.75 million in quarterly installments commencing on April 30, 2026, over the course of five years, which is recorded as a long-term receivable and included in Other long-term assets, net in the consolidated balance sheets. The Company also recognized \$1.57 million, which represents its 25% ownership stake in Zulily Newco, and is included in Equity securities in the consolidated balance sheets.

On June 30, 2025, the Company entered into a Trademark and Domain Name Agreement with a large, well-established Canadian retailer to sell certain intellectual property related to the Bed Bath & Beyond trademarks in Canada and the United Kingdom, which was acquired as part of its purchase of the Bed Bath & Beyond brand in June 2023, for a total sales price of \$5.0 million, and revenue share payments to be paid to the Company in perpetuity. In July 2025, the Company received the \$5.0 million cash proceeds. For the year ended December 31, 2025, the Company recognized the entire \$5.0 million as a gain on the sale which is included in Other operating expense (income), net in the consolidated statements of operations.

On May 7, 2025, the Company entered into an Asset Purchase Agreement and on September 15, 2025, entered into an Amendment No. 1 to the Asset Purchase Agreement with The Brand House Collective to acquire certain trademarks and domain names comprised of or containing the element KIRKLAND'S (the "Kirkland's Brand") and certain related marks and brand assets for a total purchase price of \$10.0 million. Concurrently, on September 15, 2025, the Company entered into an amendment to the existing trademark license agreement with The Brand House Collective, pursuant to which the Company agreed to license the Kirkland's Brand to The Brand House Collective for use in connection with certain goods and services. The total purchase price was paid at closing on September 15, 2025 concurrently with the assignment of the Kirkland's Brand to the Company. In connection with this transaction, the Company also transferred to The Brand House Collective noncash consideration in the form of Delayed Draw Term Loan Commitments valued at \$2.8 million, which has also been included in the acquisition cost. See Note 14—Commitments and Contingencies, for further discussion of the agreement. The aggregate purchase consideration, inclusive of direct acquisition-related costs, totaled \$12.9 million which has been allocated to trade names, with an indefinite useful life.

Intangible assets, net consist of the following (in thousands):

	December 31,	
	2025	2024
Intangible assets subject to amortization, gross (1)	\$ 5,645	\$ 6,239
Less: accumulated amortization of intangible assets	(3,813)	(3,145)
Intangible assets subject to amortization, net	1,832	3,094
Intangible assets not subject to amortization	43,308	27,152
Total intangible assets, net	<u>\$ 45,140</u>	<u>\$ 30,246</u>

(1) At December 31, 2025, the weighted average remaining useful life for intangible assets subject to amortization, gross was 2.3 years.

8. EQUITY SECURITIES

Equity securities consist of the following (in thousands):

	December 31,	
	2025	2024
Equity securities accounted for under the equity method under ASC 323	\$ 39,738	\$ 56,546
Equity securities accounted for under the equity method under the fair value option	26,903	21,640
Total equity securities	<u>\$ 66,641</u>	<u>\$ 78,186</u>

The Company's equity securities accounted for under the equity method under ASC 323 include equity securities in which the Company can exercise significant influence, but not control, over these entities through holding more than a 20% voting interest in the entity. During the year ended December 31, 2025, after stockholder approval was obtained from The Brand House Collective's stockholders, the Company funded the additional \$8.0 million investment in The Brand House Collective in exchange for The Brand House Collective's common stock and converted the \$8.5 million convertible promissory note (plus accrued interest) into shares of The Brand House Collective's common stock. After all transactions, the Company owns approximately 40% of The Brand House Collective's outstanding shares of common stock. In addition, as part of the sale of the Company's rights in the Zulily brand, the Company retained a 25% ownership stake in the brand in the form of a newly created entity, Zulily Newco. See Note 7—Intangible Assets, Net, for further information.

In August 2025, the members of SpeedRoute, LLC, a privately-held entity in which the Company held a minority interest, filed dissolution documents to wind down and dissolve SpeedRoute, LLC. There was no gain or loss recorded on dissolution.

The following table includes our equity securities accounted for under the equity method (ASC 323) and related ownership interest as of December 31, 2025:

	Ownership interest
Medici Ventures, L.P.	99%
tZERO Group, Inc.	26%
The Brand House Collective, Inc.	40%
Zulily Newco	25%

The carrying amount of our equity method securities was \$66.6 million at December 31, 2025, which is included in Equity securities on our consolidated balance sheets, of which \$26.9 million is valued under the fair value option (tZERO, The Brand House Collective, and Zulily Newco). Equity securities in The Brand House Collective are carried at fair value based on Level 1 inputs. The aggregate fair value of the equity securities in The Brand House Collective at December 31, 2025, was \$9.8 million. Equity securities in tZERO and Zulily Newco are valued using Level 3 inputs, which represents 18.6% of assets measured at fair value. For our equity method investments, there are no differences in the carrying amount of the assets and liabilities and our maximum exposure to loss, and there is no difference between the carrying amount of our investment in Medici Ventures, L.P. and the amount of underlying equity we have in the entity's net assets.

The following table summarizes the net loss recognized on equity method securities recorded in Other expense, net in our consolidated statements of operations (in thousands):

	Year ended December 31,		
	2025	2024	2023
Net loss recognized on our proportionate share of the net assets of our equity method securities	\$ (16,808)	\$ (58,281)	\$ (98,663)
Decrease in fair value of equity method securities held under fair value option	(11,820)	(19,406)	(41,741)

Regulation S-X Rules 4-08(g) and 3-09

In accordance with SEC Rules 4-08(g) and 3-09 of Regulation S-X, we must determine which, if any, of our equity method securities is a "significant subsidiary". Regulation S-X mandates the use of three different tests to determine if any of our equity securities are significant subsidiaries: the investment test, the asset test, and the income test. The table below provides the summarized financial information required by Rule 4-08(g) for those equity method securities in aggregate that have met the significance criteria, using the equity method securities' most recently available year-to-date financial statements (in thousands):

Balance Sheet	December 31,	
	2025	2024
Assets	\$ 326,187	\$ 63,546
Liabilities	(294,398)	(17,985)
Equity	\$ (31,789)	\$ (45,561)

Results of Operations	Year ended December 31,		
	2025	2024	2023
Revenues	\$ 263,572	\$ 12,086	\$ 26,404
Pre-tax loss	(62,771)	(20,778)	(19,895)
Net loss	(62,848)	(20,777)	(20,169)

Medici Ventures, L.P. was deemed not significant for the year ended December 31, 2025 under Rule 3-09 of Regulation S-X, but was significant for the periods ended September 30, 2024 and 2023, their fiscal year-ends, and as such, in accordance with Rule 3-09 of Regulation S-X, separate financial statements for the periods ended September 30, 2024 and 2023 are being included as Exhibit 99.2 and Exhibit 99.1, respectively, and as such are excluded from the table above. In addition, tZERO was deemed not significant for the years ended December 31, 2025 and 2024, but was significant for the year ended December 31, 2023. In accordance with Rule 3-09 of Regulation S-X, separate audited financial statements for tZERO for the year ended December 31, 2023 is being included as Exhibit 99.3.

9. OTHER LONG-TERM ASSETS, NET

Other long-term assets, net consist of the following (in thousands):

	December 31,	
	2025	2024
Debt securities carried at fair value	\$ 23,977	\$ 14,814
Available-for-sale debt securities	18,417	10,985
Prepaid other, long-term portion	2,115	3,242
Other long-term assets	4,045	412
Total other long-term assets, net	\$ 48,554	\$ 29,453

10. ACCRUED LIABILITIES

Accrued liabilities consist of the following (in thousands):

	December 31,	
	2025	2024
Accrued marketing expenses	\$ 12,189	\$ 27,935
Accrued compensation and other related costs	7,827	8,345
Allowance for returns	7,722	9,526
Accrued freight	6,452	4,962
Sales and other taxes payable	6,121	6,205
Accounts payable accruals	3,879	12,743
Other accrued expenses	7,107	3,898
Total accrued liabilities	\$ 51,297	\$ 73,614

11. BORROWINGS

Revolving line of credit

In October 2024, the Company entered into a Loan and Security Agreement (the "Loan Agreement") with BMO Bank N.A. (in such capacity, "BMO"), pursuant to which BMO agrees to lend the Company up to \$25.0 million on a one-year revolving line of credit to aid the Company in securing strategic ventures. In connection with the Loan Agreement, BMO issued a revolving line of credit promissory note (the "Revolving Note") and granted a lien on the cash collateral account specified in the Loan Agreement (the "Cash Collateral Account"). The revolving line of credit bears interest on the unpaid principal balance at an annual rate equal to the Secured Overnight Financing Rate, or SOFR rate, for a one-month interest period plus 1.00%, established by the Federal Reserve Bank of New York. The Company is obligated to pay certain commitment fees on undrawn amounts under the Loan Agreement in amounts specified in the Loan Agreement. The Loan Agreement and Revolving Note was originally scheduled to terminate on October 18, 2025, and loans thereunder may be borrowed, repaid, and reborrowed up to such date. In September 2025, the Company and BMO extended the term of the Loan Agreement and Revolving Note for an additional year, and it will now terminate in October 2026.

As of December 31, 2025, the Company had \$7.0 million of outstanding standby letter of credits under the Revolving Note. As of December 31, 2025, the outstanding balance on the line of credit was \$15.5 million. Our total outstanding debt on the line of credit is included in Short-term debt, net on our consolidated balance sheets.

The Loan Agreement is subject to limited affirmative covenants and negative covenants, including the requirement that the Company maintain cash in the Cash Collateral Account in an amount that is three percent greater than BMO's aggregate commitments under the Loan Agreement. We are in compliance with our debt covenants and continue to monitor our ongoing compliance with our debt covenants.

12. LEASES

We have operating leases for office space and a data center. Our leases have remaining lease terms of two years to seven years, some of which may include options to extend the leases perpetually, and some of which may include options to terminate the leases within one year. Variable lease costs include executory costs, such as taxes, insurance, and maintenance.

The components of lease expense were as follows (in thousands):

	Year ended December 31,		
	2025	2024	2023
Operating lease cost	\$ 2,074	\$ 3,240	\$ 5,257
Variable lease cost	929	906	1,300

The following tables provides a summary of other information related to leases (in thousands):

	Year ended December 31,		
	2025	2024	2023
Cash payments included in operating cash flows from lease arrangements	\$ 1,628	\$ 3,253	\$ 5,500
Right-of-use assets obtained in exchange for new operating lease liabilities	—	7,170	836

The following table provides a summary of balance sheet information related to leases:

	December 31,	
	2025	2024
Weighted-average remaining lease term—operating leases	6.76 years	6.65 years
Weighted-average discount rate—operating leases	7 %	6 %

Maturity of lease liabilities under our non-cancellable operating leases as of December 31, 2025, are as follows (in thousands):

Payments due by period	
2026	\$ 1,285
2027	1,150
2028	1,099
2029	1,132
2030	1,040
Thereafter	2,457
Total lease payments	8,163
Less interest	1,592
Present value of lease liabilities	\$ 6,571

13. OTHER LONG-TERM LIABILITIES

Other long-term liabilities consist of the following (in thousands):

	December 31,	
	2025	2024
Unearned revenue, long-term portion	\$ 2,432	\$ 4,583
Income taxes payable, long-term portion	3,530	3,675
Other long-term liabilities	3,783	(349)
Total other long-term liabilities	<u>\$ 9,745</u>	<u>\$ 7,909</u>

14. COMMITMENTS AND CONTINGENCIES

Legal proceedings and contingencies

From time to time, we are involved in litigation concerning consumer protection, employment, intellectual property, claims under the securities laws, and other commercial matters related to the conduct and operation of our business and the sale of products on our Website. In connection with such litigation, we have been in the past and we may be in the future subject to judgments requiring us to pay significant damages or associated costs. In some instances, other parties may have contractual indemnification obligations to us. However, such contractual obligations may prove unenforceable or non-collectible, and if we cannot enforce or collect on indemnification obligations, we may bear the full responsibility for damages, fees, and costs resulting from such litigation. As a result of such litigation, we may also be subject to penalties and equitable remedies that could force us to alter important business practices. Such litigation could be costly and time consuming and could divert or distract our management and key personnel from our business operations. Due to the uncertainty of litigation and depending on the amount and the timing, an unfavorable resolution of some or all of such matters could materially affect our business, results of operations, financial position, or cash flows.

We establish liabilities when a particular contingency is probable and estimable which are included in Accrued liabilities in our consolidated balance sheets. At December 31, 2025 and 2024, our established liabilities were not material.

Delayed Draw Term Loan Commitments

In September 2025, pursuant to the terms of the Amended Credit Agreement, and subsequently amended in November 2025 pursuant to the Second Amendment, the Company extended delayed-draw term loan commitments (the "Delayed Draw Term Loan Commitments") in the aggregate original principal amount of \$30.0 million to The Brand House Collective, Inc. Any loans extended pursuant to the Delayed Draw Term Loan Commitments are convertible by the Company into equity of The Brand House Collective, on the terms set forth in, and subject to further conditions specified in the Amended Credit Agreement. The Delayed Draw Term Loan Commitments require the Company to originate a loan at a floating interest rate plus an agreed margin upon request from the borrower, so long as the conditions specified in the Amended Credit Agreement with respect to the origination of such loan are satisfied.

The Delayed Draw Term Loan Commitments had a notional amount of \$20.0 million outstanding at December 31, 2025 and zero at December 31, 2024, respectively. We have elected to record the Delayed Draw Term Loan Commitments at fair value. The fair value of the Delayed Draw Term Loan Commitments is a net liability of \$2.8 million at December 31, 2025 and zero at December 31, 2024, respectively, and is included in the Other long-term liabilities line of our consolidated balance sheets.

15. INDEMNIFICATIONS AND GUARANTEES

During our normal course of business, we have made certain indemnities, commitments, and guarantees under which we may be required to make payments in relation to certain transactions. These indemnities include, but are not limited to, indemnities to various lessors in connection with facility leases for certain claims arising from such facility or lease, the environmental indemnity we entered into in favor of the lenders under our prior loan agreements, customary indemnification arrangements in underwriting agreements and similar agreements, and indemnities to our directors and officers to the maximum extent permitted under the laws of the State of Delaware. The duration of these indemnities, commitments, and guarantees varies, and in certain cases, is indefinite. In addition, the majority of these indemnities, commitments, and guarantees do not provide for any limitation of the maximum potential future payments we could be obligated to make. As such, we are unable to estimate with any reasonableness our potential exposure under these items. We have not recorded any liability for these

indemnities, commitments, and guarantees in the accompanying consolidated balance sheets. We do, however, accrue losses for any known contingent liability, including those that may arise from indemnification provisions, when future payment is both probable and reasonably estimable.

16. STOCKHOLDERS' EQUITY

Common Stock

Each share of common stock has the right to one vote. The holders of common stock are also entitled to receive dividends declared by the Board of Directors out of funds legally available, subject to prior rights of holders of all classes of stock outstanding having priority rights as to dividends.

JonesTrading Sales Agreement

We entered into a Capital on Demand™ Sales Agreement (the "Sales Agreement") dated June 10, 2024 with JonesTrading Institutional Services LLC ("JonesTrading"), under which we conducted and may in the future conduct "at the market" public offerings of our common stock. Under the Sales Agreement, JonesTrading, acting as our sales agent or principal, may offer our common stock in the market on a daily basis or otherwise as we request from time to time. We have no obligation to sell additional shares under the Sales Agreement, but we may do so from time to time. For the year ended December 31, 2025, we sold 16,293,806 shares of our common stock pursuant to the Sales Agreement and have recognized \$137.3 million in proceeds, net of \$2.8 million of offering costs, including commissions paid to JonesTrading. For the year ended December 31, 2024, we sold 7,002,375 shares of our common stock pursuant to the Sales Agreement and have recognized \$43.0 million in proceeds, net of \$879,000 of offering costs, including commissions paid to JonesTrading. For the year ended December 31, 2023, we did not sell any shares of our common stock pursuant to the Sales Agreement. As of December 31, 2025, we had \$16.0 million remaining available under our "at the market" sales program.

Stock Repurchase Program

On August 17, 2021, we announced that our Board of Directors had approved a stock repurchase program (the "Repurchase Program"), pursuant to which we may, from time to time, purchase shares of our outstanding common stock for an aggregate repurchase price not to exceed \$100.0 million at any time through December 31, 2023. On December 21, 2023, we announced that our Board of Directors approved an extension and expansion of the Repurchase Program for an additional two years and expanded the repurchase amount by \$50.0 million, for a total repurchase amount of up to \$150.0 million of our common stock. The Repurchase Program expired in December 2025.

Repurchases under the Repurchase Program may be effected through open market purchases. The Repurchase Committee designated by the Board of Directors will determine the actual timing, number, and value of any shares repurchased under the Repurchase Program in its discretion using factors including, but not limited to, our stock price and trading volume, general market conditions, and the ongoing assessment of our capital needs. There is no assurance of the number or aggregate price of any shares that we will ultimately repurchase under the Repurchase Program, which may be extended, suspended, or terminated at any time by the Board of Directors.

For the year ended December 31, 2025, we repurchased \$6.2 million of our common stock under our stock repurchase program at an average price of \$6.87 per share. For the years ended December 31, 2024 and 2023, we did not repurchase any shares of our common stock under the Repurchase Program.

Warrants

On September 22, 2025, the Company announced that its Board of Directors had declared a warrant dividend distribution (the "Warrant Distribution") to the record holders of the Company's common stock (the "Common Stock"), in the form of warrants to purchase common stock (the "Warrants"). Holders of Common Stock at the close of business on October 2, 2025 (the "Record Date") received one warrant for each ten shares of Common Stock then owned, rounded down to the nearest whole number. The Warrants were distributed to holders of common stock on the terms and conditions described in the Warrant Agreement, dated as of October 7, 2025, between the Company, Computershare, Inc., a Delaware corporation, and its affiliate, Computershare Trust Company, N.A., as Warrant Agent. The Warrants have a cash exercise price of \$15.50, and will expire on October 7, 2026, unless the Early Expiration Price Condition (as defined in the Warrant Agreement) is met.

For the year ended December 31, 2025, one warrant was exercised. As of December 31, 2025, 6.9 million Warrants remained outstanding.

17. STOCK-BASED AWARDS

We have equity incentive and compensatory plans that provide for the grant of stock-based awards, including restricted stock and performance shares, to employees and board members. Those plans include the Company's Amended and Restated 2005 Equity Incentive Plan (the "Plan") and the newly adopted Bed Bath & Beyond, Inc. 2025 Employment Inducement Equity Incentive Plan (the "Inducement Plan") (collectively, the "Plans"). Employee accounting applies to equity incentives and compensation granted by the Company to its own employees. When an award is forfeited prior to the vesting date, we recognize an adjustment for the previously recognized expense in the period of the forfeiture.

Stock-based compensation expense is classified within the corresponding operating expense categories on our consolidated statements of operations as follows (in thousands):

	Year ended December 31,		
	2025	2024	2023
Cost of goods sold	\$ 6	\$ 7	\$ 37
Sales and marketing	332	594	796
Technology	1,747	6,263	8,733
General and administrative	8,768	12,391	13,452
Total stock-based compensation expense	<u>\$ 10,853</u>	<u>\$ 19,255</u>	<u>\$ 23,018</u>

For the year ended December 31, 2025, there was a total \$14.8 million of unrecognized compensation cost related to unvested restricted stock units, performance shares, and share options, which is expected to be recognized over a weighted-average period of approximately 2.09 years. At December 31, 2025, 1.1 million shares of stock remained available for future grants under the Plans.

Restricted stock unit awards

The Plans provide for the grant of restricted stock units and other types of equity awards to employees and directors of the Company. The Compensation Committee of the Board of Directors approves grants of restricted stock unit awards to our officers, board members and employees. These restricted stock unit awards generally vest on an annual ratable basis over a period of three to four years. During the year ended December 31, 2025, we granted 1.8 million restricted stock unit awards under the Plan. In addition, during the year ended December 31, 2025, we granted 0.3 million restricted stock unit awards under the Inducement Plan to eligible recipients.

The cost of restricted stock units is determined using the fair value of our common stock on the date of the grant and compensation expense is either recognized on a straight-line basis over the vesting schedule or on an accelerated schedule when vesting of restricted stock awards exceeds a straight-line basis. The cumulative amount of compensation expense recognized at any point in time is at least equal to the portion of the grant date fair value of the award that is vested at that date.

Performance Shares

During the year ended December 31, 2025, we granted 0.8 million performance-based shares ("PSUs") to our executive management team under the Plan. For the 2025 PSUs granted, each grant of PSUs is eligible to vest based on achieving three performance metrics, with 50% of the grant subject to achievement of an Adjusted EBITDA goal, 25% of the grant subject to a Gross Margin goal, and the remaining 25% of the grant subject to a Contribution Margin goal, with a potential maximum payout of 135% of the "Target" number of PSUs. In addition, during the year ended December 31, 2025, we granted 0.2 million PSUs under the Inducement Plan to eligible recipients. To the extent any of the PSUs become earned based on the Company's achievement of the three aforementioned performance metrics, such earned PSUs will vest as to one-third of the earned PSUs on each of the first, second, and third anniversaries of the grant date, subject to the recipient's continued service through the vesting date. To be eligible to vest in any tranche of the PSUs, the Company must meet the threshold performance metrics established for the performance period. Expense is recognized as compensation cost based on the fair value on the date of grant over the performance period, taking into account the probability that the Company will satisfy the performance goals.

Stock-based compensation related to the PSUs is included in the stock-based compensation expense table above combined with the expense associated with our restricted stock units, share options, and ESPP. Stock-based compensation related to the PSUs was a credit of \$17,000 due to staff-related reductions and \$5.9 million for the years ended December 31, 2025 and 2024, respectively.

The following table summarizes restricted stock unit and PSU award activity (in thousands, except fair value data):

	2025		2024		2023	
	Units	Weighted Average Grant Date Fair Value	Units	Weighted Average Grant Date Fair Value	Units	Weighted Average Grant Date Fair Value
Outstanding—beginning of year	1,314	\$ 20.98	984	\$ 29.60	781	\$ 50.17
Granted at fair value	3,035	6.28	1,818	19.73	1,101	20.92
Vested	(366)	23.40	(441)	35.33	(550)	40.27
Forfeited	(946)	13.75	(1,047)	18.89	(348)	31.43
Outstanding—end of year	<u>3,037</u>	<u>\$ 8.21</u>	<u>1,314</u>	<u>\$ 20.98</u>	<u>984</u>	<u>\$ 29.60</u>

Share Options

During the year ended December 31, 2024, we granted a stock option award with market conditions tied to our common stock price, to purchase 2.3 million shares of our common stock to our Executive Chairman and Chief Executive Officer (the "Share Options"). The Share Options will be eligible to vest in three installments upon the achievement of three separate stock price hurdles during the four-year period following the grant date. The weighted-average grant date fair value per share for the Share Options was \$3.37. Stock-based compensation related to the Share Options is included in stock-based compensation expense table above combined with the expense associated with our restricted stock units, PSUs, and ESPP. Stock-based compensation related to the Share Options was \$3.3 million and \$2.4 million for the years ended December 31, 2025 and 2024, respectively.

The following table summarizes Share Options award activity for the year ended December 31, 2025 (in thousands, except fair value data and remaining contractual term):

	Units	Weighted Average Exercise Price Per Share	Weighted Average Contractual Term Remaining (Years)	Aggregate Intrinsic Value
Outstanding—beginning of year	2,250	\$ 53.33		
Granted at fair value	—	—		
Vested	—	—		
Forfeited	—	—		
Outstanding—end of year	<u>2,250</u>	<u>\$ 53.33</u>	<u>1.36</u>	<u>\$ —</u>
Vested and expected to vest as of December 31, 2025	<u>2,250</u>	<u>\$ 53.33</u>	<u>1.36</u>	<u>\$ —</u>
Vested and exercisable as of December 31, 2025	<u>—</u>	<u>\$ —</u>	<u>—</u>	<u>\$ —</u>

Employee Stock Purchase Plan

The 2021 Employee Stock Purchase Plan (the "ESPP") grants our eligible employees a right to purchase shares of our common stock at a discount through payroll deductions of up to 25% of eligible compensation, subject to a cap of \$21,250 in any calendar year. The ESPP provides for consecutive 24-month offering periods beginning March 1 and September 1 of each year. Each offering period shall consist of four consecutive six-month purchase periods. The first offering period under the ESPP commenced on September 1, 2021, with the first purchase date occurring on February 28, 2022.

On each purchase date, participating employees will purchase shares of our common stock at a price per share equal to 85% of the lesser of the fair market value of our common stock on (i) the offering date of the offering period or (ii) the purchase date (the "look-back" period). If the stock price of our common stock on any purchase date in an offering period is lower than the stock price on the offering date of that offering period, every participant in the offering will automatically be withdrawn from the offering after the purchase of shares on such purchase date and automatically enrolled in a new offering period commencing immediately subsequent to such purchase date.

The maximum number of shares of common stock that may be issued under the ESPP in aggregate is 3.0 million shares. For the years ended December 31, 2025, 2024, and 2023, 0.1 million shares, 0.1 million shares, and 0.1 million shares, respectively were purchased at an average price per share of \$5.32, \$12.23, and \$16.25, respectively. At December 31, 2025, approximately 2.5 million shares of common stock remained available under the ESPP.

The ESPP is considered a compensatory plan and the fair value of the discount and the look-back period will be estimated using the Black-Scholes option pricing model and expense will be recognized straight-line over the 24-month offering period. We recognized \$0.7 million, \$1.1 million and \$1.7 million in share-based compensation expense related to the ESPP for the years ended December 31, 2025, 2024 and 2023, respectively, which are included in the stock compensation expense table above combined with the expense associated with our restricted stock units, PSUs, and share options.

18. EMPLOYEE RETIREMENT PLAN

We have a 401(k) defined contribution plan which permits participating employees to defer a portion of their compensation, subject to limitations established by the Internal Revenue Code. During the years ended December 31, 2025, 2024 and 2023, employees who completed 30 days of service and are 18 years of age or older are qualified to participate in the plan on the first of a month following 30 days of service, which matches 100% of the first 6% of each participant's contributions to the plan subject to IRS limits. Matching contributions vest immediately. Participant contributions also vest immediately. Our matching contribution totaled \$2.9 million, \$4.3 million and \$5.0 million for the years ended December 31, 2025, 2024 and 2023, respectively. We made no discretionary contributions to eligible participants for the years ended December 31, 2025, 2024 and 2023, respectively.

19. REVENUE AND CONTRACT LIABILITY

Unearned revenue

Unearned revenue consists of the following (in thousands):

	December 31,	
	2025	2024
Unearned product revenue on undelivered product	\$ 11,170	\$ 11,192
In store credits	10,875	11,462
Loyalty program membership fees and reward points	6,429	13,918
Unearned product revenue on unshipped orders	3,911	3,610
Other	2,044	2,913
Total unearned revenue	<u>\$ 34,429</u>	<u>\$ 43,095</u>

The following table provides information about unearned revenue from contracts with customers, including significant changes in unearned revenue balances during the period (in thousands):

	Amount
Unearned revenue at December 31, 2023	\$ 49,597
Increase due to deferral of revenue at period end, net	32,802
Decrease due to beginning contract liabilities recognized as revenue	(39,304)
Unearned revenue at December 31, 2024	43,095
Increase due to deferral of revenue at period end, net	24,725
Decrease due to beginning contract liabilities recognized as revenue	(33,391)
Unearned revenue at December 31, 2025	<u>\$ 34,429</u>

Our total unearned revenue related to outstanding loyalty program rewards was \$4.1 million and \$11.1 million at December 31, 2025 and 2024, respectively. Breakage income related to loyalty program rewards and gift cards is recognized in Net revenue in our consolidated statements of operations. Breakage included in revenue was \$11.1 million, \$7.2 million, and \$5.1 million for the years ended December 31, 2025, 2024, and 2023, respectively. The timing of revenue recognition of these reward dollars is driven by actual customer activities, such as redemptions and expirations. At December 31, 2025 and 2024, we had an additional \$2.4 million and \$4.6 million, respectively, of unearned contract revenue classified within Other long-term liabilities on our consolidated balance sheets.

Sales returns allowance

The following table provides additions to and deduction from the sales returns allowance, which is included in our Accrued liabilities balance in our consolidated balance sheets (in thousands):

	Amount
Allowance for returns at December 31, 2022	\$ 10,222
Additions to the allowance	121,939
Deductions from the allowance	(123,510)
Allowance for returns at December 31, 2023	8,651
Additions to the allowance	105,353
Deductions from the allowance	(104,478)
Allowance for returns at December 31, 2024	9,526
Additions to the allowance	87,835
Deductions from the allowance	(89,639)
Allowance for returns at December 31, 2025	<u>\$ 7,722</u>

20. INTEREST INCOME, NET

Interest income, net consisted of the following (in thousands):

	Year ended December 31,		
	2025	2024	2023
Interest income	\$ 6,226	\$ 8,968	\$ 13,769
Interest expense	(1,174)	(2,203)	(1,762)
Total interest income, net	<u>\$ 5,052</u>	<u>\$ 6,765</u>	<u>\$ 12,007</u>

21. OTHER EXPENSE, NET

Other expense, net consisted of the following (in thousands):

	Year ended December 31,		
	2025	2024	2023
Loss from equity method securities	\$ (28,628)	\$ (77,687)	\$ (140,404)
Gain (loss) on debt securities carried at fair value	1,439	(2,430)	—
Gain on disposal of cryptocurrencies	—	—	6,361
Other	(446)	(672)	(106)
Total other expense, net	<u>\$ (27,635)</u>	<u>\$ (80,789)</u>	<u>\$ (134,149)</u>

22. INCOME TAXES

For financial reporting purposes, loss before income taxes includes the following components (in thousands):

	Year ended December 31,		
	2025	2024	2023
United States loss	\$ (85,491)	\$ (259,395)	\$ (267,058)
Foreign income	1,695	1,284	936
Total loss before income taxes	<u>\$ (83,796)</u>	<u>\$ (258,111)</u>	<u>\$ (266,122)</u>

The provision for income taxes for 2025, 2024 and 2023 consists of the following (in thousands):

	Year ended December 31,		
	2025	2024	2023
Current:			
Federal	\$ —	\$ —	\$ (55)
State and local	50	167	369
Foreign	302	233	58
Total current	<u>352</u>	<u>400</u>	<u>372</u>
Deferred:			
Federal	197	119	37,160
State and local	216	118	4,201
Foreign	60	47	(13)
Total deferred	<u>473</u>	<u>284</u>	<u>41,348</u>
Total income taxes:			
Federal	197	119	37,105
State and local	266	285	4,570
Foreign	362	280	45
Total provision for income taxes	<u>\$ 825</u>	<u>\$ 684</u>	<u>\$ 41,720</u>

The provision for income taxes for 2025, 2024 and 2023 differ from the amounts computed by applying the U.S. federal income tax rate of 21% to loss before income taxes for the following reasons (in thousands):

	Year ended December 31,					
	2025		2024		2023	
	Amount	Percent	Amount	Percent	Amount	Percent
U.S. federal income tax benefit at statutory rate	\$ (17,597)	21.00 %	\$ (54,203)	21.00 %	\$ (55,886)	21.00 %
State income tax expense, net of federal benefit (1)	411	(0.49)	293	(0.11)	4,419	(1.66)
Foreign tax effects	(31)	0.04	112	(0.04)	(78)	0.03
Effect of cross-border tax laws	316	(0.38)	298	(0.12)	(736)	0.28
Tax credits						
Federal research and development tax credit	(815)	0.97	(2,071)	0.80	(3,245)	1.22
Changes in federal valuation allowance	16,510	(19.70)	53,962	(20.91)	93,855	(35.27)
Nontaxable or nondeductible items						
Stock-based compensation expense	976	(1.16)	684	(0.27)	2,405	(0.90)
Non-deductible executive compensation	1,323	(1.58)	1,286	(0.50)	762	(0.29)
Changes in unrecognized tax benefits	(549)	0.66	54	(0.02)	151	(0.06)
Other	281	(0.34)	269	(0.10)	73	(0.03)
Effective income tax rate	<u>\$ 825</u>	<u>(0.98)%</u>	<u>\$ 684</u>	<u>(0.27)%</u>	<u>\$ 41,720</u>	<u>(15.68)%</u>

- (1) State taxes in California, New York, Oregon, and Texas make up a majority (greater than 50 percent) of the tax effect in this category for the current year.

The amounts of cash income taxes paid, net of refunds for 2025, 2024, and 2023 are as follows (in thousands):

	Year ended December 31,		
	2025	2024	2023
U.S. federal	\$ (300)	*	\$ 300
U.S. state and local			
California	*	*	(383)
Colorado	*	(29)	*
Connecticut	*	(13)	*
Illinois	(26)	*	*
Kansas	(72)	*	*
Kentucky	*	12	*
Maine	*	(10)	*
Massachusetts	(25)	*	*
Michigan	*	(36)	*
Minnesota	*	(58)	57
New Hampshire	*	(15)	*
New Jersey	*	(152)	140
North Carolina	*	*	26
Oregon	66	51	72
Pennsylvania	(93)	*	48
Texas	79	93	139
Wisconsin	*	(9)	(30)
Other	(11)	4	128
Total U.S. state and local	(82)	(162)	197
Foreign	*	*	*
Total income taxes paid, net of (refunds)	\$ (382)	\$ (162)	\$ 497

* The amount of income taxes paid, net of refunds during the year does not meet the five percent disaggregation threshold.

The components of our deferred tax assets and liabilities as of December 31, 2025 and 2024 are as follows (in thousands):

	December 31,	
	2025	2024
Deferred tax assets:		
Net operating loss carryforwards	\$ 110,222	\$ 73,925
Basis difference in equity securities	50,608	53,335
Research and development tax credits	26,837	26,040
Capitalized software development	10,852	33,064
Capital loss carryforward	9,270	—
Unearned revenue	4,766	7,324
Accrued expenses	3,931	3,325
Reserves and other	2,186	2,270
Operating lease liabilities	1,629	1,902
Other tax credits and carryforwards	262	261
Gross deferred tax assets	220,563	201,446
Valuation allowance	(216,444)	(195,742)
Total deferred tax assets	4,119	5,704
Deferred tax liabilities:		
Property and equipment, net	(1,610)	(3,378)
Operating lease right-of-use assets	(1,267)	(1,664)
Intangible assets	(1,598)	(487)
Prepaid expenses	(310)	(368)
Total deferred tax liabilities	(4,785)	(5,897)
Total deferred tax assets (liabilities), net	\$ (666)	\$ (193)

At December 31, 2025, we have federal net operating loss carryforwards with no expiration date of approximately \$438.4 million; the utilization of these net operating loss carryforwards is limited to 80% of taxable income in any given year. We have state net operating loss carryforwards with no expiration date of approximately \$139.3 million; the utilization of these net operating loss carryforwards is limited to 80% of taxable income in the state in any given year. We have state net operating loss carryforwards of approximately \$225.6 million that expire between 2033 and 2045. We have capital loss carryforwards of approximately \$36.5 million that expire between 2027 and 2030.

At December 31, 2025, we have federal research credit carryforwards of approximately \$32.1 million that expire between 2031 and 2045. We also have state research credit carryforwards of approximately \$9.1 million that expire between 2026 and 2038. Ownership changes under Internal Revenue Code Section 382 could limit the amount of net operating losses or credit carryforwards that can be used in the future.

Each quarter we assess on a jurisdictional basis whether it is more likely than not that our deferred tax assets will be realized under ASC Topic 740. We have no carryback ability, and therefore we must rely on future taxable income, including tax planning strategies and future reversals of taxable temporary differences, to recover our deferred tax assets. We assess available positive and negative evidence to estimate whether we will generate sufficient future taxable income to use our existing deferred tax assets. A significant piece of objective negative evidence evaluated as of December 31, 2025, is our cumulative loss position over a three-year period. Such objective negative evidence limits our ability to consider other more subjective evidence such as our projections for future growth. On the basis of this evaluation we intend to maintain a valuation allowance against our deferred tax assets for the U.S. jurisdiction, not supported by reversals of taxable temporary differences. For the year ended December 31, 2025, the total increase in the valuation allowance was \$20.7 million. We intend to continue maintaining a valuation allowance on our net U.S. deferred tax assets until there is sufficient evidence to support the reversal of all or some portion of these allowances. The amount of the deferred tax asset considered realizable could be adjusted if objective negative evidence in the form of cumulative losses is no longer present and additional weight is given to subjective evidence such as our projections for growth. We will continue to monitor the need for a valuation allowance against our deferred tax assets on a quarterly basis.

A reconciliation of the beginning and ending unrecognized tax benefits, excluding interest and penalties, as of December 31, 2025, 2024 and 2023 is as follows (in thousands):

	Year ended December 31,		
	2025	2024	2023
Beginning balance	\$ 15,689	\$ 15,020	\$ 13,488
Additions for tax positions related to the current year	386	1,121	1,258
Additions (reductions) for tax positions taken in prior years	(896)	(452)	274
Ending balance	<u>\$ 15,179</u>	<u>\$ 15,689</u>	<u>\$ 15,020</u>

Included in the balance of unrecognized tax benefits as of December 31, 2025, 2024 and 2023, are approximately \$15.2 million, \$15.7 million, and \$15.0 million, respectively, of tax benefits that, if recognized, and the valuation allowance against our net deferred tax assets were released, would affect the effective tax rate.

Accrued interest and penalties on unrecognized tax benefits as of December 31, 2025 and 2024 were \$1.5 million and \$1.4 million, respectively.

We are subject to taxation in the United States and various state and foreign jurisdictions. Tax years beginning in 2021 are subject to examination by taxing authorities, although net operating loss and credit carryforwards from all years are subject to examinations and adjustments for at least three years following the year in which the attributes are used.

As we repatriate foreign earnings for use in the United States, the distributions will generally be exempt from federal and foreign income taxes but may be subject to certain state taxes. As of December 31, 2025, the cumulative amount of foreign earnings considered permanently reinvested upon which taxes have not been provided, and the corresponding unrecognized deferred tax liability, was not material.

23. NET LOSS PER SHARE

The following table sets forth the computation of basic and diluted net loss per common share for the periods indicated (in thousands, except per share data):

	Year ended December 31,		
	2025	2024	2023
Numerator:			
Net loss attributable to common stockholders	\$ (84,621)	\$ (258,795)	\$ (307,842)
Denominator:			
Weighted average shares of common shares outstanding—basic	60,130	46,542	45,214
Weighted average shares of common shares outstanding—diluted	60,130	46,542	45,214
Net loss per share of common stock:			
Basic	<u>\$ (1.41)</u>	<u>\$ (5.56)</u>	<u>\$ (6.81)</u>
Diluted	<u>\$ (1.41)</u>	<u>\$ (5.56)</u>	<u>\$ (6.81)</u>

The following shares were excluded from the calculation of diluted shares outstanding as their effect would have been anti-dilutive (in thousands):

	Year ended December 31,		
	2025	2024	2023
Restricted stock units, PSUs, and Share Options	2,321	2,647	984
Employee stock purchase plan	222	190	186
Warrants	6,884	—	—

24. BUSINESS SEGMENTS

The Company currently has one reportable segment, which is its Retail business. The reportable segment is comprised of the Company's Bed Bath & Beyond operating segment and Overstock.com operating segment which primarily sells home goods products to customers. Across each operating segment, the Company offers customers similar products, source from overlapping suppliers, the same customer type, have similar distribution methods, and operate under the same regulatory environment. The Company has determined that each of its operating segments share similar economic characteristics and business activities and are aggregated into a single reportable Retail segment. The Bed Bath & Beyond operating segment includes results from its buybuy BABY brand, which are not material to the business and are not separately reviewed by the Chief Operating Decision Maker. The Retail segment primarily derives revenues from e-commerce sales of home furnishing merchandise through its suite of websites and mobile applications.

The accounting policies of the Retail segment are the same as those described in the summary of significant accounting policies. The Chief Operating Decision Maker (CODM), who is the Company's Principal Executive Officer, assesses performance for the Retail segment and decides how to allocate resources based on Operating Income (loss) that also is reported on the Consolidated Statements of Operations. The measure of segment assets is reported on the Consolidated Balance Sheet as Cash and Cash Equivalents.

The CODM uses Operating Income (Loss) to evaluate income generated from segment resources in deciding whether to reinvest profits into the Retail segment or for other uses, such as to make acquisitions or investments. The CODM also uses Operating Income (Loss) to monitor budget versus actual results. The monitoring of budgeted versus actual results is used in assessing performance of the segment and in establishing bonus metrics.

The following table summarizes the Company's segment revenue, significant segment expenses, other segment items, and segment loss (in thousands):

	Year ended December 31,		
	2025	2024	2023
Net revenue	\$ 1,044,616	\$ 1,394,964	\$ 1,561,122
Less:			
Cost of goods sold (as adjusted) (1)	786,884	1,104,341	1,193,877
Sales and marketing expense (as adjusted) (1)	142,803	237,389	223,672
Technology expense (as adjusted) (1)	69,004	88,407	90,498
General and administrative (as adjusted) (1)	39,289	55,225	62,346
Customer service and merchant fees	37,324	53,586	52,023
Other segment items (2)	30,525	40,103	82,686
Operating loss	<u>\$ (61,213)</u>	<u>\$ (184,087)</u>	<u>\$ (143,980)</u>

- (1) Significant segment expense categories are adjusted to exclude costs related to depreciation and amortization, stock-based compensation, and brand integration and restructuring costs which are included in the Other segment items line.
- (2) Other segment items includes other operating expense (income), net, depreciation and amortization, stock-based compensation, and brand integration and restructuring costs.

25. SUBSEQUENT EVENTS

The Container Store, Inc.

In January 2026, we purchased, via an amended participation agreement for par/near par trades, an additional portion of the loans issued by The Container Store, Inc. pursuant to the TCS Credit Agreement. The aggregate purchase price for our additional participation in certain loans issued pursuant to the TCS Credit Agreement was \$2.2 million. As a result of these transactions, we will participate in the rights to the payment of interest and repayment of the loans and any exercise of rights or remedies related thereto.

Delayed Draw Term Loan Commitments

In the first quarter of 2026, TBHC drew an additional \$15.0 million under the Delayed Draw Term Loan Commitments. There is approximately \$5.0 million remaining under the Delayed Draw Term Loan Commitments.

Merger Agreement

On January 8, 2026, the Company filed a registration statement on Form S-4 (the "Registration Statement") with the SEC in connection with the proposed Merger (defined below) with TBHC and was declared effective on January 30, 2026.

On November 24, 2025, the Company by and among the Company, Knight Merger Sub II, Inc., a wholly owned subsidiary of the Company, and TBHC, pursuant to which, subject to the terms and conditions set forth therein, Merger Sub will merge with and into TBHC (the "Merger"), with TBHC surviving such Merger as a wholly owned subsidiary of the Company.

Under the Merger Agreement, at the effective time of the Merger (the "Effective Time"), each share of common stock, no par value, of TBHC (the "TBHC Common Stock") issued and outstanding immediately prior to the Effective Time (other than treasury shares and any shares of TBHC Common Stock held directly by the Company or Merger Sub) will be converted into the right to receive 0.1993 shares (the "Exchange Ratio") of a fully paid and non-assessable share of common stock, par value \$0.0001 per share, of the Company (the "Company Common Stock") and, if applicable, cash in lieu of fractional shares, subject to any applicable withholding.

At the Effective Time, (i) each award of TBHC restricted share units ("TBHC RSU") that is outstanding as of immediately prior to the Effective Time will automatically fully vest and be converted into the right to receive, without interest and subject to applicable withholding taxes, (A) a number of shares of Company Common Stock equal to the number of shares of TBHC subject to the TBHC RSU multiplied by the Exchange Ratio and (B) if applicable, cash in lieu of fractional shares, and (ii) each option to purchase TBHC Common Stock ("TBHC Option") that is outstanding as of immediately prior to the Effective Time will be automatically converted into the right to receive, without interest and subject to applicable withholding taxes, (A) a number of shares of Company Common Stock equal to the Net Option Share Amount (as defined in the Merger Agreement) applicable to the TBHC Option multiplied by the Exchange Ratio and (B) if applicable, cash in lieu of fractional shares.

The obligation of TBHC and the Company to consummate the transactions contemplated by the Merger Agreement is subject to the satisfaction or waiver of a number of customary conditions, including: (i) the adoption of the Merger Agreement by TBHC's shareholders, including the affirmative vote of a majority of the votes cast by Disinterested Shareholders (as defined in the Merger Agreement) at a meeting duly called and held for such purpose; (ii) the Company's registration statement on Form S-4 to be filed in connection with the Merger having become effective, and the shares of Company Common Stock issuable in the Merger having been approved for listing on the New York Stock Exchange; (iii) at the Company's election, either (A) the payoff of TBHC's credit facility with Bank of America, N.A. (the "TBHC ABL") or (B) the use of commercially reasonable efforts by the Company and TBHC to amend the TBHC ABL in form and substance reasonably acceptable to the Company and TBHC; (iv) the absence of laws or orders restraining the consummation of the Merger; (v) the representations and warranties of TBHC and the Company being true and correct, subject to the materiality standards contained in the Merger Agreement, and TBHC and the Company having complied in all material respects with their respective obligations under the Merger Agreement; and (vi) the absence of any effects that have constituted or resulted in, or would reasonably be expected to constitute or result in, a material adverse effect for TBHC or the Company.

The Merger Agreement contains customary mutual termination rights for TBHC and the Company, including if the Merger is not completed by May 24, 2026 (subject to extension under certain circumstances) (the "Outside Date"), and if the required approval of TBHC's shareholders is not obtained. The Merger Agreement also contains customary termination rights for the benefit of each party, including (i) if the board of directors of the other party changes its recommendation, (ii) if the board of directors of such party authorizes entry into a definitive agreement relating to a superior proposal and (iii) if the other party breaches its representations, warranties or covenants under the Merger Agreement in a way that would result in a failure of its condition to closing being satisfied (subject to certain procedures and cure periods).

Under the Merger Agreement, TBHC will be required to pay a termination fee to the Company equal to \$1,025,300 if the Merger Agreement is terminated in certain circumstances, including if the Merger Agreement is terminated because TBHC's board of directors has changed its recommendation or if the required approval of TBHC's shareholders is not obtained.

In the event that the required approval of TBHC's shareholders is not obtained, TBHC will also reimburse the Company's expenses in an amount equal to \$341,800.

The transaction is expected to close in the second quarter of 2026.

Schedule II
Valuation and Qualifying Accounts
(in thousands)

	Balance at Beginning of Year	Charged to Expense	Deductions	Balance at End of Year
Year ended December 31, 2025				
Deferred tax valuation allowance	\$ 195,742	\$ 20,702	\$ —	\$ 216,444
Allowance for doubtful accounts	2,236	1,860	719	3,377
Year ended December 31, 2024				
Deferred tax valuation allowance	\$ 132,105	\$ 63,637	\$ —	\$ 195,742
Allowance for doubtful accounts	1,298	938	—	2,236
Year ended December 31, 2023				
Deferred tax valuation allowance	\$ 21,459	\$ 110,646	\$ —	\$ 132,105
Allowance for doubtful accounts	3,223	(1,925)	—	1,298

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We carried out an evaluation of our disclosure controls and procedures as required by Rule 13a-15(e) and 15d-15(e) of the Exchange Act under the supervision and with the participation of our principal executive officer and principal financial officer, as of the end of the period covered by this report. Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective at the level of reasonable assurance.

Limitations on Disclosure Controls and Procedures

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Management does not expect, however, that our disclosure controls and procedures will prevent or detect all error and fraud. Any control system, no matter how well designed and operated, is based upon certain assumptions and can provide only reasonable, not absolute, assurance that its objectives will be met. Further, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the Company have been detected.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2025, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act.

Management has assessed the effectiveness of our internal control over financial reporting as of December 31, 2025. In making our assessment of the effectiveness of internal control over financial reporting, management used the criteria set forth in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on this assessment, management has concluded that, as of December 31, 2025, our internal control over financial reporting was effective.

The effectiveness of our internal control over financial reporting as of December 31, 2025 has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report which is included below.

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Bed Bath & Beyond, Inc.:

Opinion on Internal Control Over Financial Reporting

We have audited Bed Bath & Beyond, Inc. and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2025 and 2024, the related consolidated statements of operations, comprehensive loss, changes in stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2025, and the related notes and financial statement schedule II (collectively, the consolidated financial statements), and our report dated February 24, 2026 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

Salt Lake City, Utah
February 24, 2026

ITEM 9B. OTHER INFORMATION

(a) Disclosure in lieu of reporting on a Current Report on Form 8-K.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year

On February 18, 2026, the Board adopted the Sixth Amended and Restated Bylaws (the "Amended and Restated Bylaws"), effective immediately. The Amended and Restated Bylaws were updated solely to clarify the pre-existing voting standard to be used with respect to matters other than the election of directors. A copy of the Amended and Restated Bylaws is filed as Exhibit 3.5 to this Annual Report on Form 10-K, and a marked copy of the Amended and Restated Bylaws, showing the clarifying changes, is filed as Exhibit 3.6 to this Annual Report on Form 10-K.

(b) Insider trading arrangements and policies.

In the fourth quarter of 2025, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information regarding our Executive Officers required by Item 10 of Part III is set forth in Part I, Item 1 Business under "Information About Our Executive Officers." We have adopted a Code of Business Conduct and Ethics ("Code"), which applies to all employees of the Company, including our principal executive officer, principal financial officer, and principal accounting officer or controller, or persons performing similar functions. We intend to disclose any amendments to the Code and any waivers granted to our principal executive officer, principal financial officer or principal accounting officer or other persons to the extent required by applicable rules or regulations in the Investor Relations section of our Website, www.beyond.com. We will provide a copy of the Code to any person without any charge upon request in writing addressed to Bed Bath & Beyond, Inc. Attn: Investor Relations, 433 West Ascension Way, 3rd Floor, Murray, UT 84123.

The remaining information required by this Item will be included in our definitive proxy statement for our 2026 annual meeting of stockholders, which proxy statement will be filed with the SEC not later than 120 days after the close of our fiscal year ended December 31, 2025, and is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item will be included in our definitive proxy statement for our 2026 annual meeting of stockholders, which proxy statement will be filed with the SEC not later than 120 days after the close of our fiscal year ended December 31, 2025, and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this Item will be included in our definitive proxy statement for our 2026 annual meeting of stockholders, which proxy statement will be filed with the SEC not later than 120 days after the close of our fiscal year ended December 31, 2025, and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this Item will be included in our definitive proxy statement for our 2026 annual meeting of stockholders, which proxy statement will be filed with the SEC not later than 120 days after the close of our fiscal year ended December 31, 2025, and is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Our independent registered public accounting firm is KPMG LLP, Salt Lake City, Utah, Auditor Firm ID: 185.

The remaining information required by this Item will be included in our definitive proxy statement for our 2026 annual meeting of stockholders, which proxy statement will be filed with the SEC not later than 120 days after the close of our fiscal year ended December 31, 2025, and is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as part of this Annual Report on Form 10-K:

(1) Financial Statements:

The financial statements are filed as part of this Annual Report on Form 10-K under "Item 8. Financial Statements and Supplementary Data."

(2) Financial Statement Schedules:

Schedule II Valuation and Qualifying Accounts is provided in "Item 8. Financial Statements and Supplementary Data." Other schedules have been omitted as they are either not required, not applicable, or the information has otherwise been shown in the consolidated financial statements or notes thereto under "Item 8. Financial Statements and Supplementary Data."

(3) Exhibits:

See exhibits listed under Part (b) below.

(b) Exhibits

Exhibit Number	Exhibit Description	Form	File No.	Exhibit	Filing Date	Filed Herewith
2.1*	Asset Purchase Agreement, dated June 12, 2023, by and among Overstock.com, Inc., Bed Bath & Beyond Inc. and certain subsidiaries of Bed Bath & Beyond Inc.	8-K	000-49799	2.1	June 13, 2023	
2.2*	Agreement and Plan of Merger, dated as of November 24, 2025, by and among Bed Bath & Beyond, Inc., Knight Merger Sub II, Inc., and The Brand House Collective, Inc.	8-K	000-49799	2.1	November 25, 2025	
3.1	Amended and Restated Certificate of Incorporation	10-Q	000-49799	3.1	July 29, 2014	
3.2	Certificate of Amendment to Amended and Restated Certificate of Incorporation	8-K	000-49799	3.2	November 6, 2023	
3.3	Certificate of Amendment to Amended and Restated Certificate of Incorporation of Beyond, Inc.	8-K	001-41850	3.1	May 24, 2024	
3.4	Certificate of Amendment to Amended and Restated Certificate of Incorporation	8-K	001-41850	3.1	August 22, 2025	
3.5	Sixth Amended and Restated Bylaws					X
3.6	Marked Sixth Amended and Restated Bylaws					X
4.1	Form of specimen common stock certificate	S-1/A	333-83728	4.1	May 6, 2002	

Exhibit Number	Exhibit Description	Form	File No.	Exhibit	Filing Date	Filed Herewith
4.2	Description of Securities Registered Under Section 12 of the Securities Exchange Act of 1934					X
4.3	Form of Indenture	S-3ASR	333-280076	4.3	June 10, 2024	
4.4	Warrant Agreement (including Form of Warrant), dated October 7, 2025, between the Company, Computershare Inc., a Delaware corporation, and Computershare Trust Company, N.A., as Warrant Agent	S-3	333-290763	4.2	October 8, 2025	
10.1 ^(a)	Form of Indemnification Agreement between Overstock.com, Inc. and each of its directors and officers	10-K	000-49799	10.1	March 18, 2019	
10.2 ^(a)	Amended and Restated 2005 Equity Incentive Plan	8-K	000-49799	10.1	May 23, 2023	
10.3 ^(a)	Amendment to the Amended and Restated 2005 Equity Incentive Plan	8-K	001-41850	10.1	May 24, 2024	
10.4 ^(a)	Form of Performance Share Award Grant Notice and Performance Share Award Agreement under the Beyond, Inc. Amended and Restated 2005 Equity Incentive Plan *	10-Q	001-41850	10.1	May 8, 2024	
10.5 ^(a)	Form of Restricted Stock Unit Grant Notice and Restricted Stock Unit Agreement under the Beyond, Inc. Amended and Restated 2005 Equity Incentive Plan	10-Q	001-41850	10.4	July 31, 2024	
10.6 ^(a)	Executive Chairman Performance Award Grant Notice and Award Agreement	8-K	001-41850	10.2	May 24, 2024	
10.7 ^(a)	Summary of Unwritten Compensation Arrangements Applicable to Non-Employee Directors of Bed Bath & Beyond, Inc.					X
10.8	Key Employee Severance Plan	8-K	000-49799	10.1	March 24, 2023	
10.9	Transaction Agreement, dated as of January 25, 2021, by and among Overstock.com, Inc., Medici Ventures, Inc., Pelion MV GP, L.L.C. and Pelion, Inc., as guarantor	8-K	000-49799	10.1	January 25, 2021	
10.10	Medici Ventures, L.P. Limited Partnership Agreement, dated as of April 23, 2021, between Overstock.com, Inc., and Pelion MV GP, L.L.C.	8-K	000-49799	10.1	April 26, 2021	

Exhibit Number	Exhibit Description	Form	File No.	Exhibit	Filing Date	Filed Herewith
10.11	First Amendment, dated August 30, 2021, to the Medici Ventures, L.P. Limited Partnership Agreement, dated April 23, 2021, between Overstock.com, Inc., and Pelion MV GP, L.L.C.	10-Q	000-49799	10.1	November 4, 2021	
10.12 ^(a)	2021 Employee Stock Purchase Plan	DEF 14A	000-49799	Annex A	March 25, 2021	
10.13 ^(a)	Corrected Employment Letter Agreement between Beyond, Inc. and Adrienne Lee, dated as of August 19, 2025	10-Q	001-41850	10.5	October 27, 2025	
10.14	Term Loan Credit Agreement by and between Kirkland's Stores, Inc., as Lead Borrower, the Borrowers named therein, the Guarantors named therein, Beyond, Inc., as Administrative Agent and Collateral Agent and the Lenders party thereto, dated as of October 21, 2024	10-K	001-41850	10.18	February 25, 2025	
10.15	Subscription Agreement by and between Kirkland's, Inc. and Beyond, Inc., dated as of October 21, 2024,	10-K	001-41850	10.19	February 25, 2025	
10.16	Investor Rights Agreement by and between Kirkland's, Inc. and Beyond, Inc., dated as of October 21, 2024	10-K	001-41850	10.20	February 25, 2025	
10.17	Collaboration Agreement by and between Kirkland's, Inc. and Beyond, Inc., dated as of October 21, 2024	10-K	001-41850	10.21	February 25, 2025	
10.18	Trademark License Agreement by and between Kirkland's, Inc. and Beyond, Inc., dated as of October 21, 2024	10-K	001-41850	10.22	February 25, 2025	
10.19	Loan and Security Agreement among BMO Bank N.A., as Lender, Beyond, Inc., as Borrower, and the other parties thereto, dated as of October 18, 2024	10-K	001-41850	10.23	February 25, 2025	
10.20	Revolving Note dated October 18, 2024	10-K	001-41850	10.24	February 25, 2025	
10.21 ^(a)	Employment Letter Agreement between Beyond, Inc. and Leah Putnam, dated March 10, 2025	10-Q	001-41850	10.2	April 29, 2025	
10.22 ^(a)	Employment Letter Agreement between Beyond, Inc. and Alexander Thomas, dated March 10, 2025	10-Q	001-41850	10.3	April 29, 2025	

Exhibit Number	Exhibit Description	Form	File No.	Exhibit	Filing Date	Filed Herewith
10.23	Amended and Restated Term Loan Credit Agreement, dated as of May 7, 2025, by and between Kirkland's Stores, Inc., as Lead Borrower, the Borrowers named therein, the Guarantors named therein, Beyond, Inc., as Administrative Agent and Collateral Agent and the Lenders party thereto.	8-K	000-49799	10.1	May 12, 2025	
10.24	Letter Amendment to Subscription Agreement, dated as of May 7, 2025, by and between Kirkland's, Inc. and Beyond, Inc.	8-K	000-49799	10.2	May 12, 2025	
10.25	Amended and Restated Investor Rights Agreement, dated as of May 7, 2025, by and between Kirkland's, Inc. and Beyond, Inc.	8-K	000-49799	10.3	May 12, 2025	
10.26	Asset Purchase Agreement, dated as of May 7, 2025, by and between Kirkland's, Inc. and Beyond, Inc.	8-K	000-49799	10.4	May 12, 2025	
10.27	Amended and Restated Collaboration Agreement, dated as of May 7, 2025 by and between Kirkland's, Inc. and Beyond, Inc.	8-K	000-49799	10.5	May 12, 2025	
10.28	License Agreement Letter Agreement, dated as of May 7, 2025, by and between Kirkland's, Inc. and Beyond, Inc.	8-K	000-49799	10.6	May 12, 2025	
10.29	Amendment to the Amended and Restated Beyond, Inc. 2005 Equity Incentive Plan	8-K	000-49799	10.1	May 21, 2025	
10.30	Amendment No. 1 to the Amended and Restated Term Loan Credit Agreement, dated as of September 15, 2025, by and between Kirkland's Stores, Inc., as Lead Borrower, the Borrowers named therein, the Guarantors named therein, Bed Bath & Beyond, Inc., as Administrative Agent and Collateral Agent and the Lenders party thereto.	10-Q	001-41850	10.1	October 27, 2025	
10.31	Amendment No. 1 to Asset Purchase Agreement, dated as of September 15, 2025, by and between Bed Bath & Beyond, Inc., as Purchaser, and The Brand House Collective, Inc., as Seller	10-Q	001-41850	10.2	October 27, 2025	
10.32	Second Amended and Restated Trademark License Agreement, dated as of September 15, 2025, by and between Bed Bath & Beyond, Inc., as Licensor, and The Brand House Collective, Inc., as Licensee	10-Q	001-41850	10.3	October 27, 2025	

Exhibit Number	Exhibit Description	Form	File No.	Exhibit	Filing Date	Filed Herewith
10.33	Amendment to Loan and Security Agreement, dated as of September 30, 2025, among BMO Bank N.A., as Lender, and Bed Bath & Beyond, Inc., as Borrower	10-Q	001-41850	10.4	October 27, 2025	
10.34 ^(a)	Bed Bath & Beyond, Inc. 2025 Employment Inducement Equity Incentive Plan.	8-K	000-49799	10.1	November 14, 2025	
10.35 ^{*(a)}	Form of Performance Share Award Grant Notice and Performance Share Award Agreement under the Bed Bath & Beyond, Inc. 2025 Employment Inducement Equity Incentive Plan					X
10.36 ^(a)	Form of Restricted Stock Unit Grant Notice and Restricted Stock Unit Agreement under the Bath & Beyond, Inc. 2025 Employment Inducement Equity Incentive Plan					X
10.37 ^(a)	Employment Agreement, dated as of January 19, 2026, between Bed Bath & Beyond, Inc. and Marcus Lemonis					X
10.38 ^(a)	Employment Letter Agreement between Bed Bath & Beyond, Inc. and Rick Lockton, dated as of October 23, 2025					X
10.39	Amendment No. 2 to Amended and Restated Term Loan Credit Agreement, dated as of November 24, 2025, entered into by and among Kirkland's Stores, Inc., a Tennessee corporation, as Lead Borrower, the other Loan Parties party thereto, the lenders party thereto and Bed Bath & Beyond, Inc., as Administrative Agent and Collateral Agent.	8-K	000-49799	10.1	November 25, 2025	
19	Insider Trading Policy	10-K	001-41850	19	February 25, 2025	
21	Subsidiaries of the Registrant					X
23.1	Consent of Independent Registered Public Accounting Firm					X
23.2	Consent of Ernst & Young related to Exhibit 99.1					X
23.3	Consent of Ernst & Young related to Exhibit 99.2					X
23.4	Consent of Baker Tilly related to Exhibit 99.3					X
24	Powers of Attorney (see signature page)					X
31.1	Certification of Principal Executive Officer					X

Exhibit Number	Exhibit Description	Form	File No.	Exhibit	Filing Date	Filed Herewith
31.2	Certification of Principal Financial Officer					X
32.1	Section 1350 Certification of Principal Executive Officer					X
32.2	Section 1350 Certification of Principal Financial Officer					X
97	Incentive Compensation Recovery Policy	10-K	001-41850	97	February 23, 2024	
99.1	Audited financial statements of Medici Ventures, L.P. as of and for the period ended September 30, 2023	10-K	001-41850	99.3	February 23, 2024	
99.2	Audited financial statements of Medici Ventures, L.P. as of and for the period ended September 30, 2024	10-K	001-41850	99.3	February 25, 2025	
99.3	Audited financial statements of tZERO Group, Inc. as of and for the periods ended December 31, 2023 and 2022	10-K/A	001-41850	99.5	October 31, 2024	
101	The following financial statements from the Company's Annual Report on Form 10-K for the year ended December 31, 2025 formatted in Inline XBRL: (i) Consolidated Balance Sheets at December 31, 2025 and 2024; (ii) Consolidated Statements of Operations for the years ended December 31, 2025, 2024, and 2023; (iii) Consolidated Statements of Comprehensive Loss for the years ended December 31, 2025, 2024, and 2023; (iv) Consolidated Statements of Changes in Stockholders' Equity for the years ended December 31, 2025, 2024, and 2023; (v) Consolidated Statements of Cash Flows for the years ended December 31, 2025, 2024, and 2023; and (vi) Notes to Consolidated Financial Statements					X
104	The cover page from the Company's Annual Report on Form 10-K for the year ended December 31, 2025, formatted in Inline XBRL (included as Exhibit 101)					X

* Certain schedules and exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Reporting Company agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.
(a) Management contract or compensatory plan or arrangement.

ITEM 16. FORM 10-K SUMMARY

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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, on February 24, 2026.

BED BATH & BEYOND, INC.

By: /s/ MARCUS A. LEMONIS

Marcus A. Lemonis

*Executive Chairman and Chief Executive Officer
(Principal Executive Officer)*

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints each of Marcus A. Lemonis and Adrienne B. Lee, his or her attorneys-in-fact, each with the power of substitution, for him or her in any and all capacities, to sign any amendments to this Annual Report on Form 10-K and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and conforming all that said attorney-in-fact, or his or their substitute or substitutes, may do or cause to be done by virtue hereof.

Signature	Title	Date
<u>/s/ MARCUS A. LEMONIS</u> Marcus A. Lemonis	Executive Chairman and Chief Executive Officer (Principal Executive Officer)	February 24, 2026
<u>/s/ ADRIANNE B. LEE</u> Adrienne B. Lee	President and Chief Financial Officer (Principal Financial Officer)	February 24, 2026
<u>/s/ LEAH PUTNAM</u> Leah Putnam	Chief Accounting Officer (Principal Accounting Officer)	February 24, 2026
<u>/s/ JOANNA C. BURKEY</u> Joanna C. Burkey	Director	February 24, 2026
<u>/s/ BARCLAY F. CORBUS</u> Barclay F. Corbus	Director	February 24, 2026
<u>/s/ JOSEPH J. TABACCO, JR.</u> Joseph J. Tabacco, Jr.	Director	February 24, 2026
<u>/s/ ROBERT J. SHAPIRO</u> Robert J. Shapiro	Director	February 24, 2026
<u>/s/ WILLIAM B. NETTLES, JR.</u> William B. Nettles, Jr.	Director	February 24, 2026
<u>/s/ DEBRA G. PERELMAN</u> Debra G. Perelman	Director	February 24, 2026