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Letter to Shareholders from Dusty Wunderlich, Chairman & CEO of PSQ Holdings, Inc.

2026-07-29

BOZEMAN, Mont.--(BUSINESS WIRE)-- PSQ Holdings, Inc. (NYSE: PSQH) today issued the following letter to shareholders:

July 29, 2026

To Our Shareholders,

Six months ago, I wrote to you for the first time as Chairman and Chief Executive. I said you should expect fewer promises and more measurable progress, and that we would rebuild trust through performance rather than commentary. This letter is the first real accounting against that standard, and I am releasing it today alongside our second-quarter results because the results are the argument.

Start with what you can see plainly. Our share price has continued to decline over the past six months, and we completed a reverse stock split during that period. A reverse split changes the arithmetic of the stock. It does not create or destroy a dollar of value in the business, and it does not change your proportional ownership of it. But I won't hide behind the mechanics. This company's equity value declined due to poor decisions and overcommitment by its prior leadership, and shareholders paid the price. The only thing that reverses that is operating performance. Here is ours.

Second quarter results. Revenue from continuing operations was approximately $7.1 million, up from $3.4 million a year ago, more than double. Year-to-date revenue was approximately $15.3 million, up 136% from $6.5 million. Gross profit (calculated as net revenue less cost of revenue) was approximately $4.1 million, up 73%, at a gross margin (calculated as gross profit divided by revenue) of roughly 58%.

Operating expenses are another objective measure of our success, though they require a word of explanation for proper context. As reported, second quarter operating expenses (defined as general and administrative, sales and marketing, and research and development expenses) were approximately $7.2 million for this period, compared to $6.2 million a year ago. The increase was primarily due to a one-time $2.0 million decrease in share-based compensation in June 2025, driven by a non-cash reversal of share-based compensation following the Chief Financial Officer transition. Adjusting for this one-time modification, operating expenses declined approximately 12% year over year, and roughly 16% year to date. That is the true operating trend, and it is the one we manage to.

	Three Months Ended 6/30/26	Three Months Ended 6/30/25	Six Months Ended 6/30/26	Six Months Ended 6/30/25
Operating expenses, as reported (GAAP)	$ 7,207,464	$ 6,219,612	$ 16,051,530	$ 17,049,038
Add: one-time SBC modification adjustment	$ -	$ 1,996,006	$ -	$ 1,996,006
Operating expenses, as adjusted (non-GAAP)	$ 7,207,464	$ 8,215,618	$ 16,051,530	$ 19,045,044
% change, as adjusted		-12%		-16%

The result of doubling revenue while taking real cost out is reflected in our second-quarter non-GAAP operating income of $0.4 million, compared to a non-GAAP operating loss of $2.7 million last year, an improvement of $3.1 million, or 114%. Revenue per headcount, calculated as revenue from continuing operations divided by the number of full-time equivalent employees as of the last day of the period, went from $47,665 in the quarter to $198,126. We are doing four times as much revenue per employee as in the prior year quarter. Even more notable is that net cash used in operating activities for the second quarter of 2026 was $2.3 million, an improvement of $2.5 million, or 52%, from $4.9 million for the second quarter of 2025.

Our trajectory this year is the opposite of how the prior chapter was built. That chapter was built by addition — more brands, more scope, more headcount, more story — faster than its operating model could support. That was not a failure of effort. It was a failure of structure. A company that needs every condition to stay perfect is fragile, and we suffered for it.

When hoped-for conditions don't materialize, a company does not save itself by adding. Rather it must subtract with discipline. There is a principle for this — via negativa — that you more reliably strengthen a system by removing what harms it rather than by adding what might help. Under pressure, the logic holds. We know far more about what drains this company than about what might rescue it. Removing a cost is certain. A new bet is not.

So, we subtracted. We have focused on what has proven it lasts — the core that moves money and the margins in our Credit business — and turned away from what was more recently bolted on and never earned its place. Some of that meant parting with capable, committed people, and we made those hard decisions with directness and dignity. What remains is smaller, more focused, and funded by performance rather than promises.

Consistent with that, we have signed a definitive agreement to divest EveryLife, subject to customary closing conditions. It is a good business with a real mission and people who care about it, and it belongs with an owner whose company is built around it. We are a payments and financial infrastructure company. Proceeds from the proposed divestiture would strengthen our balance sheet, and the proposed transaction removes cost and management attention from a business outside our core focus.

On liquidity and what comes next. We ended the quarter with approximately $8.3 million in cash and restricted cash, against $16.1 million at year-end. Proceeds from the EveryLife transaction, our new cost structure, and our positive revenue trajectory are key components of how we fund ourselves going forward.

Guidance. We are affirming full-year 2026 revenue of approximately $32 million from continuing operations. We expect to reach positive non-GAAP operating income for the year. And we are working toward positive operating cash flow during 2027.

I am aware of what it means to put those numbers in writing from a company in our position, and I am doing it deliberately. You should hold us to them.

One more thing, on how I communicate. I said in February that I speak less by design. I've heard from some of you that you'd prefer to hear from me more often. I understand this feedback and take it seriously. At the same time, trust gets rebuilt through results, not theatre. I would rather come to you with a positive quarter like this one than manufacture visibility when it isn't especially warranted. I'll own that choice and I'm confident it's the right one for the business during this season of rebuilding.

We add nothing back until it earns its way in. We protect what is real. We fund growth with performance. We move money, and we seek to compound.

Thank you for your ownership and for your patience.

Respectfully,

Dusty

About PSQ Holdings, Inc.

PSQ Holdings (NYSE: PSQH) is a payments and financial infrastructure company. We build and operate financial infrastructure in highly regulated environments for industries underserved by traditional financial institutions, including businesses, campaigns, and nonprofits that depend on reliable, compliant payment solutions.

Cautionary Statement Regarding Forward-Looking Statements

Statements contained in this letter regarding matters that are not historical or current facts, such as statements relating to the Company's future business strategy, are "forward-looking statements" within the meaning of The Private Securities Litigation Reform Act of 1995. These statements involve known and unknown risks, uncertainties, and other factors which may cause the results of the Company to be materially different than those expressed or implied in such statements. Certain of these risk factors and others are described in the "Risk Factors" section within reports filed by the Company with the Securities and Exchange Commission. Other unknown or unpredictable factors could also have material adverse effects on the Company's future results. The forward-looking statements included in this letter are made only as of the date hereof. The Company cannot guarantee future results, levels of activity, performance, or achievements. Accordingly, you should not place undue reliance on these forward-looking statements. Finally, the Company expressly disclaims any intent or obligation to update any forward-looking statements to reflect subsequent events or circumstances.

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