Tile Shop Holdings, Inc. and Subsidiaries
Consolidated Financial Statements

June 30, 2026

Tile Shop Holdings, Inc. and Subsidiaries
Consolidated Balance Sheets
(dollars in thousands, except share and per share data)

	June 30, 2026 (unaudited)	December 31, 2025 (audited)
Assets		
Current assets:		
Cash and cash equivalents	$ 11,171	$ 10,120
Receivables, net	3,665	3,461
Inventories	86,281	89,399
Income tax receivable	1,351	1,161
Other current assets, net	7,240	8,861
Total Current Assets	109,708	113,002
Property, plant and equipment, net	49,810	54,316
Right of use asset	127,494	126,261
Deferred tax assets	6,850	6,554
Other assets	1,173	1,592
Total Assets	$ 295,035	$ 301,725
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 24,488	$ 25,326
Income tax payable	-	79
Current portion of lease liability	29,001	29,882
Other accrued liabilities	28,804	23,920
Total Current Liabilities	82,293	79,207
Long-term debt	15,000	25,000
Long-term lease liability, net	106,169	104,963
Other long-term liabilities	4,720	5,316
Total Liabilities	208,182	214,486
Stockholders' Equity:		
Common stock, par value $0.0001; authorized: 100,000,000 shares; issued and outstanding: 39,568,914 and 39,821,741 shares, respectively	4	4
Preferred stock, par value $0.0001; authorized: 10,000,000 shares; issued and outstanding: 0 shares	-	-
Additional paid-in capital	99,139	98,517
Accumulated deficit	(12,290)	(11,282)
Total Stockholders' Equity	86,853	87,239
Total Liabilities and Stockholders' Equity	$ 295,035	$ 301,725

Tile Shop Holdings, Inc. and Subsidiaries
Consolidated Statements of Income (Unaudited)
(dollars in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net sales	$ 83,197	$ 88,260	$ 169,762	$ 176,269
Cost of sales	29,945	31,419	61,777	61,358
Gross profit	53,252	56,841	107,985	114,911
Selling, general and administrative expenses	54,330	56,401	108,575	114,288
(Loss) Income from operations	(1,078)	440	(590)	623
Interest (expense)/income, net	(348)	29	(786)	47
(Loss) Income before income taxes	(1,426)	469	(1,376)	670
Benefit (Provision) for income taxes	384	(77)	370	(106)
Net (loss) income	$ (1,042)	$ 392	$ (1,006)	$ 564
(Loss) Income per common share:				
Basic	$ (0.03)	$ 0.01	$ (0.03)	$ 0.01
Diluted	$ (0.03)	$ 0.01	$ (0.03)	$ 0.01
Weighted average shares outstanding:				
Basic	39,184,801	43,875,559	39,147,793	43,855,079
Diluted	39,184,801	43,894,182	39,147,793	43,881,278

Tile Shop Holdings, Inc. and Subsidiaries
Consolidated Statements of Cash Flows (Unaudited)
(dollars in thousands)

	Six Months Ended June 30,	
	2026	2025
Cash Flows From Operating Activities		
Net (loss) income	$ (1,006)	$ 564
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization	7,546	8,195
Amortization of debt issuance costs	36	36
Gain on disposals of property, plant and equipment	(788)	(60)
Non-cash lease expense	14,257	13,862
Stock based compensation	748	685
Deferred income taxes	(296)	337
Changes in operating assets and liabilities:		
Receivables, net	(203)	(1,251)
Inventories	3,117	302
Other current assets, net	2,006	2,385
Accounts payable	(727)	1,341
Income tax receivable / payable	(268)	(755)
Accrued expenses and other liabilities	(10,880)	(12,344)
Net cash provided by operating activities	13,542	13,487
Cash Flows From Investing Activities		
Purchases of property, plant and equipment	(3,556)	(6,473)
Proceeds from the sale of property, plant and equipment	1,192	71
Net cash used in investing activities	(2,364)	(6,402)
Cash Flows From Financing Activities		
Payments of long-term debt	(25,000)	-
Advances on line of credit	15,000	-
Employee taxes paid for shares withheld	(127)	(284)
Net cash used in financing activities	(10,127)	(284)
Net change in cash and cash equivalents	1,051	6,801
Cash and cash equivalents beginning of period	10,120	20,957
Cash and cash equivalents end of period	$ 11,171	$ 27,758
Supplemental disclosure of cash flow information		
Purchases of property, plant and equipment included in accounts payable and accrued expenses	$ 206	$ 520
Cash paid for interest	838	104
Cash paid for income taxes, net	194	524