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

FORM 10-Q

(Mark One)

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

For the quarterly period ended July 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 001-40958

RENT THE RUNWAY, INC.

(Exact name of registrant as specified in its charter)

Delaware	**80-0376379**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
10 Jay Street Brooklyn, New York	**11201**
(Address of Principal Executive Offices)	(Zip Code)

(212) 524-6860
(Registrant's telephone number, including area code)
N/A
(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, par value $0.001 per share	RENT	The Nasdaq Global Market

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☒

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

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

The registrant had outstanding 3,941,332 shares of Class A common stock and 155,699 shares of Class B common stock as of August 29, 2025.

Table of Contents

Unless the context otherwise requires, we use the terms the “Company,” “RTR,” “Rent the Runway,” “we,” “us” and “our” in this Quarterly Report on Form 10-Q, or Quarterly Report, to refer to Rent the Runway, Inc. and, where appropriate, our consolidated subsidiaries.

Risk Factor Summary

Investing in our Class A common stock involves numerous risks, including the risks described in Part II, Item 1A. “Risk Factors” in this Quarterly Report on Form 10-Q. You should carefully consider these risks before making an investment. Below are some of these risks, any one of which could materially adversely affect our business, financial condition, results of operations, and prospects.

- If our stockholders fail to approve the required proposals to consummate the Recapitalization Transactions, the Exchange Agreement will be terminated in accordance with its terms, we will not be able to enter into the New Credit Agreement, and we may default on our 2025 Amended Facility, which would have a material adverse effect on our business, financial condition and results of operations.
- If the Required Proposals are approved, we will issue a significant number of Exchange Stock pursuant to the Exchange Transactions and the Rights Offering Backstop Agreement, which will result in immediate and substantial dilution to our stockholders.
- We will enter into the New Credit Agreement if the Required Proposals are approved, which includes covenants that could restrict our operations or our ability to pursue growth strategies and initiatives, and failure to comply with these covenants could have a material adverse effect on our business, financial condition and results of operations.
- If we are unable to drive future growth or manage our growth effectively, our brand, Company culture, and financial performance may suffer.
- The global fashion industry is highly competitive and rapidly changing, and we may not be able to compete effectively.
- We rely on consumer discretionary spending and have been, and may in the future be, adversely affected by economic downturns and other macroeconomic conditions or trends and developments, including global trade policies and tariffs.
- Our continued growth depends on our ability to attract new, and retain existing, customers, which may fluctuate based on our level of investment and success in paid marketing initiatives. If we are unable to cost-effectively grow our customer base, our business, financial condition and results of operations would be harmed.
- If we fail to retain customers, our business, financial condition, and results of operations would be harmed.
- If we are unable to acquire and manage our products effectively and plan for future expenses, our operating results could be adversely affected.
- We face risks arising from the restructuring of our operations, which could adversely affect our financial condition, results of operations, cash flows, or business reputation.
- We rely heavily on the effective operation of our proprietary technology systems and software, as well as those of our third-party vendors and service providers, for our business to effectively operate and to safeguard confidential information.
- Shipping and logistics are a critical part of our business and our supply chain and any changes or interruptions in shipping or logistics operations could adversely affect our operating results.
- We have identified material weaknesses in our internal control over financial reporting. If we are unable to remediate the material weaknesses in a timely manner, identify additional material weaknesses in the future or otherwise fail to maintain effective internal control over financial reporting, which may result in material misstatements of our consolidated financial statements or cause us to fail to meet our periodic reporting obligations, our ability to comply with applicable laws and regulations and our access to the capital markets could be impaired.
- Our business is subject to a large number of U.S. and non-U.S. laws and regulations, many of which are evolving.
- We are subject to U.S. and certain foreign export and import controls, sanctions, embargoes, anti-corruption laws, and anti-money laundering laws and regulations. Compliance with these legal standards could impair our ability to compete in domestic and international markets, and we could face criminal liability and other serious consequences for violations, which could harm our business.

- We rely on the experience and expertise of our Co-Founder and Chief Executive Officer, senior management team, key technical and strategic employees and hourly personnel.
- Failure to adequately obtain, maintain, protect and enforce our intellectual property and proprietary rights could harm our brand, devalue our proprietary content, and adversely affect our ability to compete effectively.
- We are subject to rapidly changing and increasingly stringent laws and industry standards relating to data privacy, data security, data protection, and consumer protection. The restrictions, obligations, and costs imposed by these laws, or our actual or perceived failure to comply with them, could materially impair our ability to grow our business, negatively impact the results of our operations and subject us to liabilities that adversely affect our business, operations, and financial performance.
- We face risks associated with brand and manufacturing partners from whom our products are sourced or co-manufactured.
- We rely on third parties to provide payment processing infrastructure underlying our business. If these third-party providers become unavailable or unavailable on favorable terms, our business could be adversely affected.
- We depend on search engines, social media platforms, mobile application stores, content-based online advertising and other online sources to attract consumers to and promote our website and our mobile application, which may be affected by third-party interference beyond our control and, as we grow, our marketing and/or customer acquisition costs may rise.
- Any failure by us, our brand partners, or our third-party manufacturers to comply with our vendor code of conduct, product safety, labor, or other laws, or to provide safe factory conditions for their workers, may damage our reputation and brand, and harm our business.
- We face risks associated with our indebtedness and potential need for additional capital, including that new financing or restructuring or refinancing may not be available on acceptable terms or at all and that our operations may be adversely impacted by the covenants in our current debt agreement or future financing agreements.
- The dual class structure of our common stock has the effect of concentrating voting control with those stockholders who held our capital stock prior to the listing of our Class A common stock on Nasdaq, including our Co-Founders, and their affiliates, which will limit the ability to influence the outcome of important transactions, including a change of control.
- Our share price may be volatile, and investors may be unable to sell their shares at or above the price they purchased them.
- The COVID-19 pandemic had a material adverse impact on our business. Other future pandemics or public health crises may have a similar adverse impact on our business.

If we are unable to adequately address these and other risks we face, our business may be harmed.

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical fact contained in this Quarterly Report may be forward-looking statements. In some cases, you can identify forward-looking statements by terms such as "aims," "may," "will," "should," "expects," "plans," "anticipates," "could," "intends," "targets," "projects," "contemplates," "believes," "estimates," "forecasts," "predicts," "potential" or "continue" or the negative of these terms or other similar expressions. Forward-looking statements contained in this Quarterly Report include, but are not limited to, statements regarding the timing, completion and anticipated benefits of the Recapitalization Transactions and the Rights Offering, the ability to obtain stockholder approval, the impact of the Recapitalization Transactions and future investments on our business, our future results of operations and financial position, industry and business trends, share-based compensation, business strategy and initiatives, including rental product depth and availability initiatives, sustainability initiatives, business plans, promotional and marketing strategy, impacts from our cost-savings initiatives, anticipated future expenditures, product acquisition expectations, compliance with our debt covenants, market growth and our objectives for future operations.

The forward-looking statements in this Quarterly Report on Form 10-Q are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. Forward-looking statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including, but not limited to, the important factors discussed in Part II, Item 1A, "Risk Factors" in this Quarterly Report for the quarter ended July 31, 2025. The forward-looking statements in this Quarterly Report are based upon information available to us as of the date of this Quarterly Report, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

You should read this Quarterly Report on Form 10-Q and the documents that we reference in this Quarterly Report and have filed as exhibits to this Quarterly Report with the understanding that our actual future results, levels of activity, performance and achievements may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements. These forward-looking statements speak only as of the date of this Quarterly Report. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained in this Quarterly Report, whether as a result of any new information, future events or otherwise.

Part I - Financial Information

Item 1. Financial Statements

RENT THE RUNWAY, INC.
Condensed Consolidated Balance Sheets

(In millions, except share and per share amounts, unaudited)

	July 31, 2025	January 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 43.6	$ 77.4
Restricted cash, current	4.7	4.7
Prepaid expenses and other current assets	15.0	11.8
Total current assets	63.3	93.9
Restricted cash	3.9	4.4
Rental product, net	86.7	73.3
Fixed assets, net	25.2	28.3
Intangible assets, net	2.4	2.4
Operating lease right-of-use assets	30.7	32.1
Other assets	6.8	5.6
Total assets	$ 219.0	$ 240.0
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities:		
Accounts payable	$ 9.2	$ 6.2
Accrued expenses and other current liabilities	36.4	20.3
Deferred revenue	11.5	10.2
Customer credit liabilities	6.0	6.0
Operating lease liabilities	5.2	4.7
Total current liabilities	68.3	47.4
Long-term debt, net	343.9	333.7
Operating lease liabilities	38.3	41.0
Other liabilities	0.6	0.4
Total liabilities	451.1	422.5
Commitments and Contingencies (Note 14)		
Stockholders' equity (deficit)		
Class A common stock, $0.001 par value; 300,000,000 shares authorized as of July 31, 2025 and January 31, 2025; 3,899,124 and 3,761,469 shares issued and outstanding as of July 31, 2025 and January 31, 2025, respectively	—	—
Class B common stock, $0.001 par value; 50,000,000 shares authorized as of July 31, 2025 and January 31, 2025; 155,634 and 155,463 shares issued and outstanding as of July 31, 2025 and January 31, 2025, respectively	—	—
Preferred stock, $0.001 par value; 10,000,000 shares authorized as of July 31, 2025 and January 31, 2025; 0 shares issued and outstanding as of July 31, 2025 and January 31, 2025	—	—
Additional paid-in capital	943.4	940.5
Accumulated deficit	(1,175.5)	(1,123.0)
Total stockholders' equity (deficit)	(232.1)	(182.5)
Total liabilities and stockholders' equity (deficit)	$ 219.0	$ 240.0

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

RENT THE RUNWAY, INC.
Condensed Consolidated Statements of Operations

(In millions, except share and per share amounts, unaudited)

	Three Months Ended July 31,		Six Months Ended July 31,	
	2025	2024	2025	2024
Revenue:				
Subscription and Reserve rental revenue	$ 69.2	$ 68.5	$ 131.2	$ 134.6
Other revenue	11.7	10.4	19.3	19.3
Total revenue, net	80.9	78.9	150.5	153.9
Costs and expenses:				
Fulfillment	22.5	20.6	42.9	41.2
Technology	9.8	8.7	19.4	18.3
Marketing	7.4	7.8	16.0	16.8
General and administrative	24.6	22.2	45.3	45.0
Rental product depreciation and revenue share	34.1	25.9	61.4	51.9
Other depreciation and amortization	2.6	3.3	5.3	6.6
Restructuring charges	—	—	—	0.2
Total costs and expenses	101.0	88.5	190.3	180.0
Operating loss	(20.1)	(9.6)	(39.8)	(26.1)
Interest income / (expense), net	(6.9)	(6.0)	(13.2)	(11.6)
Other income / (expense), net	0.6	0.1	0.7	0.2
Net loss before income tax benefit / (expense)	(26.4)	(15.5)	(52.3)	(37.5)
Income tax benefit / (expense)	—	(0.1)	(0.2)	(0.1)
Net loss	$ (26.4)	$ (15.6)	$ (52.5)	$ (37.6)
Net loss per share attributable to common stockholders, basic and diluted	$ (6.55)	$ (4.17)	$ (13.12)	$ (10.18)
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	4,033,571	3,736,953	4,000,887	3,692,025

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

RENT THE RUNWAY, INC.

Condensed Consolidated Statements of Changes in Stockholders' Equity (Deficit)

(In millions, except share amounts, unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount			
Balances as of April 30, 2025	3,981,495	$ —	$ 942.0	$ (1,149.1)	$ (207.1)
Stock issued under stock incentive plan	73,263	—	—	—	—
Share-based compensation expense	—	—	1.4	—	1.4
Net loss	—	—	—	(26.4)	(26.4)
Balances as of July 31, 2025	4,054,758	$ —	$ 943.4	$ (1,175.5)	$ (232.1)
Balances as of April 30, 2024	3,675,322	$ —	$ 933.8	$ (1,075.1)	$ (141.3)
Stock issued under stock incentive plan	85,538	—	—	—	—
Share-based compensation expense	—	—	2.4	—	2.4
Net loss	—	—	—	(15.6)	(15.6)
Balances as of July 31, 2024	3,760,860	$ —	$ 936.2	$ (1,090.7)	$ (154.5)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

RENT THE RUNWAY, INC.

Condensed Consolidated Statements of Changes in Stockholders' Equity (Deficit)

(In millions, except share amounts, unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount			
Balances as of January 31, 2025	3,916,932	$ —	$ 940.5	$ (1,123.0)	$ (182.5)
Stock issued under stock incentive plan	137,826	—	—	—	—
Share-based compensation expense	—	—	2.9	—	2.9
Net loss	—	—	—	(52.5)	(52.5)
Balances as of July 31, 2025	4,054,758	$ —	$ 943.4	$ (1,175.5)	$ (232.1)
Balances as of January 31, 2024	3,545,515	$ —	$ 930.8	$ (1,053.1)	$ (122.3)
Stock issued under stock incentive plan	215,345	—	—	—	—
Share-based compensation expense	—	—	5.4	—	5.4
Net loss	—	—	—	(37.6)	(37.6)
Balances as of July 31, 2024	3,760,860	$ —	$ 936.2	$ (1,090.7)	$ (154.5)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

RENT THE RUNWAY, INC.
Condensed Consolidated Statements of Cash Flows

(In millions, unaudited)

	Six Months Ended July 31,	
	2025	**2024**
OPERATING ACTIVITIES		
Net loss	$ (52.5)	$ (37.6)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Rental product depreciation and write-offs	21.6	23.3
Write-off of rental product sold	7.5	7.8
Other depreciation and amortization	5.3	6.6
Loss from write-off of fixed and intangible assets and lease termination	—	0.2
Proceeds from rental product sold	(11.8)	(13.6)
(Gain) / loss from liquidation of rental product	(0.4)	0.6
Accrual of paid-in-kind interest	7.2	—
Amortization of debt discount	3.0	13.1
Share-based compensation expense	2.9	5.4
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	(3.2)	2.1
Operating lease right-of-use assets	1.4	1.3
Other assets	(1.2)	(2.3)
Accounts payable, accrued expenses and other current liabilities	18.7	1.9
Deferred revenue and customer credit liabilities	1.3	(0.3)
Operating lease liabilities	(2.2)	(1.6)
Other liabilities	0.2	(0.1)
Net cash (used in) provided by operating activities	(2.2)	6.8
INVESTING ACTIVITIES		
Purchases of rental product	(42.0)	(26.3)
Proceeds from liquidation of rental product	1.6	2.2
Proceeds from sale of rental product	11.8	13.6
Purchases of fixed and intangible assets	(2.1)	(2.2)
Net cash (used in) provided by investing activities	(30.7)	(12.7)
FINANCING ACTIVITIES		
Other financing payments	(1.4)	(1.5)
Net cash (used in) provided by financing activities	(1.4)	(1.5)
Net (decrease) increase in cash and cash equivalents and restricted cash	(34.3)	(7.4)
Cash and cash equivalents and restricted cash at beginning of period	86.5	94.0
Cash and cash equivalents and restricted cash at end of period	$ 52.2	$ 86.6

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

RENT THE RUNWAY, INC.
Condensed Consolidated Statements of Cash Flows

(In millions, unaudited)

	Six Months Ended July 31,	
	2025	**2024**
Reconciliation of Cash and Cash Equivalents and Restricted Cash to the Condensed Consolidated Balance Sheets:		
Cash and cash equivalents	$ 43.6	$ 76.6
Restricted cash, current	4.7	5.2
Restricted cash, noncurrent	3.9	4.8
Total cash and cash equivalents and restricted cash	$ 52.2	$ 86.6
Supplemental Cash Flow Information:		
Cash payments (receipts) for:		
Fixed operating lease payments, net	$ 5.7	$ 5.4
Fixed assets and intangibles received in the prior period	—	0.3
Rental product received in the prior period	2.7	1.4
Non-cash financing and investing activities:		
Financing lease right-of-use asset amortization	$ 0.2	$ 0.3
Purchases of fixed assets and intangibles not yet settled	0.1	0.2
Purchases of rental product not yet settled	4.4	0.9

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

(Dollars in millions, except share and per share amounts)

1. Business

Description of Business

Rent the Runway, Inc.'s (the "Company") mission is to power women to feel their best every day. Launched in November 2009, the Company has built the world's first shared designer closet with thousands of styles by hundreds of brand partners. The Company gives customers access to its "unlimited closet" through its subscription offering ("Subscription") or the ability to rent a-la-carte through its reserve offering ("Reserve"). The Company's corporate headquarters is located in Brooklyn, New York and its operational facilities are located in Secaucus, New Jersey, and Arlington, Texas. Its wholly-owned subsidiary, Rent the Runway Limited, is located in Galway, Ireland, and is focused on software development and support activities.

All revenue is currently generated in the United States. Substantially all revenue is derived from rental subscription fees and a-la-carte rental fees, with a portion derived from the sale of apparel and accessories and other fees.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements include the accounts of the Company and its subsidiary. All intercompany accounts and transactions have been eliminated in consolidation. The Company's condensed consolidated financial statements were prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP").

The unaudited interim condensed consolidated financial statements and related disclosures have been prepared by management on a basis consistent with the annual consolidated financial statements and, in the opinion of management, include all adjustments necessary for a fair statement of the results for the interim periods presented. For the three and six months ended July 31, 2025 and 2024, comprehensive loss is equal to net loss as the Company had no items of other comprehensive loss in these periods.

The results for the three and six months ended July 31, 2025 are not necessarily indicative of the operating results expected for the year ending January 31, 2026 or any future period. The condensed consolidated balance sheet as of January 31, 2025 is derived from the audited consolidated financial statements. Accordingly, the unaudited condensed consolidated financial statements and notes included herein should be read in conjunction with the Company's audited consolidated financial statements and notes for the year ended January 31, 2025, which can be found in the Company's Annual Report on Form 10-K filed with the SEC on April 15, 2025.

(Dollars in millions, except share and per share amounts)

Reverse Stock Split

The Company's Amended and Restated Certificate of Incorporation as of October 29, 2021 authorizes the Company to issue 300,000,000 shares of Class A common stock, par value $0.001 per share, 50,000,000 shares of Class B common stock, par value $0.001 per share and 10,000,000 shares of preferred stock, par value $0.001 per share.

In March 2024, the Company's stockholders approved, and the Company's Board of Directors selected, a 1-for-20 reverse stock split of outstanding shares of Class A common stock and Class B common stock (the "Reverse Stock Split"). The 1-for-20 Reverse Stock Split became effective on April 2, 2024 and began trading on the Nasdaq Capital Market on a post-split basis on April 3, 2024. See Note 11—Stockholders' Equity for additional information.

Fiscal Year

The Company's fiscal year ends on January 31 of the next calendar year. For example, references to "fiscal year 2025" refer to the fiscal year ending January 31, 2026, references to "fiscal year 2024" refer to the fiscal year ended January 31, 2025, and references to "fiscal year 2023" refer to the fiscal year ended January 31, 2024.

Segment Information

Operating segments are defined as components of an entity for which discrete financial information is available that is regularly reviewed by the chief operating decision maker ("CODM") in deciding how to allocate resources and in assessing performance. The Company's Chief Executive Officer is the Company's CODM. The Company has one operating and reportable segment as the CODM reviews financial information on a consolidated basis for purposes of making operating decisions, allocating resources, and evaluating financial performance.

The key measure of segment profit or loss that the CODM uses to make operating decisions, allocate resources, and evaluate financial performance is the Company's net loss as reported in the Company's condensed consolidated statements of operations.

Significant expenses within net loss include fulfillment, technology, marketing, and general and administrative expenses, rental product depreciation and revenue share, and other depreciation and amortization. These operating expenses are each separately presented in the condensed consolidated statements of operations. Other segment items within net loss include interest income (expense), net, other income (expense), net and income tax benefit (expense). The CODM evaluates financial performance by comparing consolidated expenses against the budget and forecasted expenses to inform decision-making.

All revenue is attributed to customers based in the United States and substantially all the Company's long-lived assets are located in the United States.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The Company bases its estimates on historical experience, market conditions, and on various other assumptions that are believed to be reasonable. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the useful life and salvage value of rental product, incremental borrowing rate to determine lease liabilities, valuation of share-based compensation and warrants, and recoverability of long-lived assets.

(Dollars in millions, except share and per share amounts)

As of July 31, 2025, the effects of the macroeconomic environment on the Company's business, results of operations, and financial condition continue to evolve. As a result, many of the Company's estimates and assumptions required increased judgment and carry a higher degree of variability and volatility. As additional information becomes available, the Company's estimates may change materially in future periods.

Concentrations of Credit Risks

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents. The Company places its cash investments with high credit quality financial institutions. The Company believes no significant credit risk exists with respect to these financial instruments.

No single customer accounted for more than 5% of the Company's revenue during the three or six months ended July 31, 2025 and 2024.

Fair Value Measurements and Financial Instruments

Fair value accounting is applied for all financial assets and liabilities and non-financial assets and liabilities that are recognized or disclosed at fair value in the condensed consolidated financial statements on a recurring basis, at least annually. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Assets and liabilities recorded at fair value in the condensed consolidated financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels, which are directly related to the amount of subjectivity, associated with the inputs to the valuation of these assets or liabilities, are as follows:

Level 1: Observable inputs, such as quoted prices in active markets for identical assets and liabilities.

Level 2: Inputs other than the quoted prices in active markets that are observable either directly or indirectly.

Level 3: Unobservable inputs, in which there is little or no market data which require the Company to develop its own assumptions.

Observable inputs are based on market data obtained from independent sources. Unobservable inputs reflect the Company's assessment of the assumptions market participants would use to value certain financial instruments. This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value. The categorization of financial instruments within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist primarily of accounts receivable, net, interest receivable, prepaid insurance, prepaid technology expenses and prepaid taxes.

Rental Product, Net

The Company considers rental product to be a long-term productive asset and, as such, classifies it as a noncurrent asset on the Condensed Consolidated Balance Sheets.

(Dollars in millions, except share and per share amounts)

Rental product is stated at cost, less accumulated depreciation. The Company depreciates rental product, less an estimated salvage value, over the estimated useful lives of the assets using the straight-line method. The useful life is determined based on historical trends and an assessment of any future changes. The salvage value considers the historical trends and projected liquidation proceeds for the assets. The estimated useful lives and salvage values are described below:

	Useful Life	Salvage Value
Apparel	3 years	20%
Accessories	2 years	30%

In accordance with its policy, the Company reviews the estimated useful lives and salvage values of rental product on an ongoing basis.

The Company offers its customers an opportunity to purchase items in rentable condition prior to the end of their useful life. In such instances, the Company considers the disposal of rental product to be a sale and, as such, records the proceeds as other revenue and the net book value of the items at the time of sale as rental product depreciation in the condensed consolidated statements of operations within Rental product depreciation and revenue share. Write-offs for losses on lost, damaged, and unreturned apparel and accessories are also recorded within Rental product depreciation and revenue share.

Once it is no longer considered rentable, rental product in a sellable condition is classified as held for sale and written down to salvage value. The value of rental product held for sale as of July 31, 2025 and January 31, 2025 was $2.2 million and $2.0 million, respectively. The accelerated depreciation related to rental product held for sale was $1.5 million and $1.3 million for the three months ended July 31, 2025 and 2024, respectively, and $3.0 million and $2.4 million for the six months ended July 31, 2025 and 2024, respectively. The accelerated depreciation is presented on the condensed consolidated statements of operations within Rental product depreciation and revenue share.

When rental product is liquidated, the Company records the gain or loss calculated as proceeds, net of the remaining salvage value and costs to sell, within general and administrative expenses on the condensed consolidated statement of operations. The gain or loss from the liquidation of rental product is included as an adjustment to reconcile net loss to net cash used by operating activities in the condensed consolidated statements of cash flows.

The purchases of rental product as well as the proceeds from the sale and liquidation of rental product are classified as cash flows from investing activities on the condensed consolidated statements of cash flows because the predominant activity of the rental product purchased is to generate rental revenue and such classification is consistent with the classification of long-term asset activity. Proceeds from the sale of rental product were $11.8 million and $13.6 million for the six months ended July 31, 2025 and 2024, respectively. Proceeds from the liquidation of rental product were $1.6 million and $2.2 million for the six months ended July 31, 2025 and 2024, respectively.

Revenue Recognition

Subscription and a-la-carte rental fees (“Subscription and Reserve rental revenue”) are recognized in accordance with *Leases, Topic 842* (“ASC 842”). Other revenue, primarily related to the sale of rental product, is recognized under *Revenue from Contracts with Customers, Topic 606* (“ASC 606”) at the date of delivery of the product to the customer. Other revenue represented 14% and 13% of total revenue for the three months ended July 31, 2025 and 2024, respectively, and 13% and 13% of total revenue for the six months ended July 31, 2025 and 2024, respectively. Sales of rental product to customers within Other revenue represented 13% and 11% of total revenue for the three and six months ended July 31, 2025, respectively.

Revenue is presented net of promotional discounts, customer credits and refunds. Promotional discounts are recognized in accordance with either ASC 842 or ASC 606, based on the guidance applied to the rental fees or product sales to which the promotional discounts are related. Revenue is presented net of taxes that are collected from customers and remitted to governmental authorities.

The Company issued gift cards during the six months ended July 31, 2025 and the year ended January 31, 2025. The new gift cards issued were immaterial to the Company's condensed consolidated financial statements. During the year ended January 31, 2024, the Company did not issue any new gift cards but customers were able to redeem gift cards sold in previous years. The Company recognizes a liability at the time a gift card or customer credit is issued. Upon redemption of the gift card or credit, revenue is recognized in line with the customer's rental or item purchase. The Company's gift card liability is presented within Accrued expenses and other current liabilities on the Condensed Consolidated Balance Sheets and the Company's customer credit liability is presented on the Condensed Consolidated Balance Sheets. During the three months ended July 31, 2025 and 2024, $0.3 million and $0.3 million of credits included in the customer credit liability as of April 30, 2025 and 2024, respectively, were redeemed. During the six months ended July 31, 2025 and 2024, $0.6 million and $0.7 million of credits included in the customer credit liability as of January 31, 2025 and 2024, respectively, were redeemed. Gift cards and customer credits do not have expiration dates. Over time, a portion of these instruments is not redeemed. The Company recognizes breakage income related to these instruments based on the redemption pattern method. The Company continues to maintain the full liability for the unredeemed portion of the gift cards and credits when the Company has any legal obligation to remit such credits to government authorities in relevant jurisdictions.

Subscription and Reserve Rental Revenue

Subscription fees are recognized ratably over the subscription period, commencing on the date the subscriber enrolls in the rental program. The fees are collected upon enrollment. The subscription automatically renews on a monthly basis until cancelled or paused by the customer. Subscribers can pause or cancel their subscriptions at any time.

The Company recognizes fees for a-la-carte rentals ratably over the rental period, which starts with the date of delivery of rental product to the customer. A-la-carte rental orders can be placed up to four months prior to the rental start date (increased from two months prior to the rental start date beginning in June 2024) and the customer's payment form is charged upon order confirmation. The Company defers recognizing the fees and any related promotions for a-la-carte rentals until the date of delivery, and then recognizes those fees ratably over the four- or eight-day rental period. Additionally, the Company receives consideration from late fees associated with its Subscription and Reserve rental programs, which are considered variable lease payments.

The Company accrues for credits and refunds issued subsequent to the balance sheet date that relate to rentals prior to the balance sheet date. These amounts were not material as of July 31, 2025 and January 31, 2025.

Other Revenue

Other revenue consists primarily of revenue from the sale of rental product. The Company recognizes revenue from the sale of rental product in accordance with ASC 606. Sale of rental product occurs when a customer purchases rental product at a discounted price, calculated as a percentage of retail value. Payment is due upon order confirmation and there is no financing component. The single performance obligation associated with rental product sales is generally satisfied upon delivery of the rental product to the customer. The Company does not have any material contractual receivables, assets or liabilities with respect to other revenue as of July 31, 2025 and January 31, 2025.

From time to time, other revenue may include revenue generated from pilots and other growth initiatives which may cause quarterly fluctuations in the Other revenue line.

(Dollars in millions, except share and per share amounts)

Share-Based Compensation

The Company recognizes all employee share-based compensation as an expense in the condensed consolidated financial statements. Equity classified awards are measured at the grant date fair value of the award. The Company estimates grant date fair value of stock options using the Black-Scholes option pricing model. The fair value of stock options is recognized as compensation expense on a straight-line basis over the requisite service period of the award. Determining the fair value of options at the grant date requires judgment, including the expected term that stock options will be outstanding prior to exercise, the associated volatility, and the expected dividend yield. The fair value of common stock is based on the closing price of the common stock on the date of grant as reported on Nasdaq. Upon grant of awards, the Company also estimates an amount of forfeitures that will occur prior to vesting. There were no stock options granted during the three and six months ended July 31, 2025 and 2024.

The Company has granted two types of restricted stock units ("RSUs"). Prior to the Company's IPO, the Company granted RSUs which vest only upon satisfaction of both time-based service and liquidity-based conditions. The Company records share-based compensation expense for such RSUs on an accelerated attribution method over the requisite service period and only once the liquidity-based condition is satisfied. The liquidity-based vesting condition was satisfied upon the effectiveness of the Company's initial public offering ("IPO"). Share-based compensation related to any remaining time-based service for these RSUs after the liquidity-based event is recorded over the remaining requisite service period. Post IPO, the Company has granted RSUs which vest upon satisfaction of time-based service conditions. The Company records share-based compensation expense for these RSUs on a straight-line basis over the requisite service period. See Note 12—Share-based Compensation Plans for a description of the accounting for share-based awards.

Interest Income and Expense

Interest income and expense consist primarily of interest on the Company's debt facility, debt discount amortization, and financing lease interest expense offset by interest income earned. The Company recognized interest and debt discount amortization expense of $7.2 million and $6.7 million during the three months ended July 31, 2025 and 2024, respectively, and $14.2 million and $13.2 million during the six months ended July 31, 2025 and 2024, respectively.

Interim Impairment Evaluation

During the six months ended July 31, 2025 and year ended January 31, 2025, the Company concluded a triggering event had occurred during the first and second quarters of fiscal year 2025 and the fourth quarter of fiscal year 2024 due to a decline in the Company's stock price. For the six months ended July 31, 2025 and year ended January 31, 2025, the Company performed a quantitative assessment and concluded the undiscounted cash flows expected to be generated by the use and/or eventual disposition of the Company's long-lived assets exceeded their carrying values. Therefore, no impairment was recognized for the six months ended July 31, 2025 and year ended January 31, 2025.

(Dollars in millions, except share and per share amounts)

Recently Issued and Adopted Accounting Pronouncements

Recently Issued Accounting Pronouncements

Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures

In November 2024, the FASB issued ASU 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40)*. In January 2025, the FASB issued ASU 2025-01, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date* to clarify the effective date of ASU 2024-03. The amendments require disclosure of additional information about specific expense categories in the notes to the financial statements. This standard is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted. The amendments are to be applied either prospectively to financial statements issued for reporting periods after the effective date of this Update or retrospectively to any or all prior periods presented in the financial statements. The Company is currently evaluating the impact that the adoption of this standard will have on the consolidated financial statements.

Income Taxes (Topic 740): Improvements to Income Tax Disclosures

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The amendments primarily require enhanced disclosures and disaggregation of income tax information by jurisdiction in the annual income tax rate reconciliation and quantitative and qualitative disclosures regarding income taxes paid. These amendments are to be applied prospectively, with the option to apply the standard retrospectively, for annual periods beginning after December 15, 2025. Early adoption is permitted. The Company is currently evaluating the impact that the adoption of this standard will have on the consolidated financial statements.

3. Liquidity

The Company has incurred net losses from operations of $(26.4) million and $(52.5) million for the three and six months ended July 31, 2025, respectively, has incurred significant recurring net losses since inception, has an accumulated deficit of $(1,175.5) million as of July 31, 2025, and has historically relied on debt and equity financing to fund its operations. The Company's cash flows from operations for the six months ended July 31, 2025 were $(2.2) million compared to $6.8 million for the six months ended July 31, 2024. Cash out flows from investing activities for the six months ended July 31, 2025 were $(30.7) million compared to $(12.7) million for the six months ended July 31, 2024. As of July 31, 2025, the Company held cash and cash equivalents of $43.6 million and long-term debt of $343.9 million with a maturity date in October 2026, which will be classified as a current liability as of October 29, 2025.

The Company experienced year-over-year revenue growth and a reduction in net losses in fiscal years 2024 and 2023 and significantly reduced its cash outflows from operations plus cash outflows generated (used) in investing during the year ended January 31, 2025. The Company experienced an increase in net loss during the three and six months ended July 31, 2025 as compared to the three and six months ended July 31, 2024. The Company also experienced an increase in cash outflows as measured by cash flows from operations plus cash flows generated (used) in investing during the six months ended July 31, 2025 as compared to the six months ended July 31, 2024 due to a decrease in revenue and the Company intentionally increasing its investment in rental product and purchasing more units in fiscal year 2025. To the extent the Company is impacted by macroeconomic trends, or other factors, including, but not limited to, lower demand for our business, increased rental product spend, or tariffs, the Company plans to reduce fixed and variable costs accordingly and has established plans to preserve existing cash liquidity, which includes additional reductions to labor, operating expenses, and/or capital expenditures. However, these actions will not provide sufficient incremental liquidity to fund the Company's long-term obligations when they become current.

(Dollars in millions, except share and per share amounts)

The 2023 Amended Temasek Facility modified the Company's obligations under the 2022 Amended Temasek Facility (as defined herein) to (i) eliminate all interest (both payment-in-kind and cash interest) for a period of six full fiscal quarters beginning with the fourth quarter of fiscal year 2023; (ii) reduce the minimum liquidity maintenance covenant from $50 million to $30 million; and (iii) provide that the Company may not exceed mutually agreed upon quarterly and annual spend levels for rental product capital expenditures, fixed operating expenditures and marketing expenditures during fiscal year 2024 of $51 million, $100 million (excluding $10 million of specified permitted expenditures), and $30 million, respectively, on an annual basis and to-be-agreed levels for fiscal years 2025 and 2026, subject to the debt holder's consent and certain exceptions as defined in the agreement. In the event that the Company fails to comply with the covenants specified in the 2023 Amended Temasek Facility, the lender has the right to declare all borrowings outstanding, together with accrued and unpaid interest and fees, to be immediately due and payable.

On March 31, 2025, the Company entered into an Eleventh Amendment to the 2023 Amended Temasek Facility with CHS (US) Management LLC (formerly Double Helix Pte Ltd. prior to January 2025) as administrative agent, and CHS US Investments LLC, as lender (the "Eleventh Amendment"). The Eleventh Amendment amended the 2023 Amended Temasek Facility (as defined herein) to extend the deadline to mutually agree upon the Company's fiscal year 2025 spend levels – covering rental product capital expenditures, fixed operating expenditures and marketing expenditures – from March 31, 2025 to May 30, 2025 (the "Covenant Deadline"). On May 29, 2025, the Company entered into a Twelfth Amendment to the Credit Agreement with CHS (US) Management LLC (formerly Double Helix Pte Ltd. prior to January 2025) as administrative agent, and CHS US Investments LLC, as lender (the "Twelfth Amendment"). On July 31, 2025, the Company entered into a Thirteenth Amendment to the Credit Agreement with CHS (US) Management LLC, as administrative agent, and CHS US Investments LLC, as lender (the "Thirteenth Amendment"). The Twelfth and Thirteenth Amendments further extended the Covenant Deadline from May 30, 2025 to July 31, 2025 and from July 31, 2025 to August 29, 2025, respectively. The Thirteenth Amendment also extended the due date of the cash interest payment due on August 1, 2025 to August 29, 2025. On August 20, 2025, concurrently with the Company's entry into the Exchange Agreement (as defined below), the Company entered into a Fourteenth Amendment to the Credit Agreement with CHS (US) Management LLC, as administrative agent, and CHS US Investments LLC, as lender (the "Fourteenth Amendment") (the 2023 Amended Temasek Facility, as amended by the Eleventh Amendment, Twelfth Amendment, Thirteenth Amendment and Fourteenth Amendment, the "2025 Amended Facility"). The Fourteenth Amendment provided that, among other things, (i) interest that would otherwise be payable in cash will be capitalized; and (ii) the liquidity financial covenant level will temporarily be reduced from $30 million to $15 million until the earliest of February 20, 2026 (which may be extended if agreed to by the parties), termination of the Exchange Agreement (with an additional 30-day relief period in certain circumstances), and the closing of the transactions contemplated by the Exchange Agreement (the "Recapitalization Transactions"). The Fourteenth Amendment also eliminated the spend levels for fiscal year 2025.

On August 20, 2025, the Company entered into an exchange agreement (the "Exchange Agreement") with its existing lender, CHS US Investments LLC, as part of a broader recapitalization intended to improve the Company's capital structure, enhance financial flexibility, and extend debt maturities. Upon the closing of the Recapitalization Transactions, the Company shall enter into an amended and restated credit agreement (the "New Credit Agreement"), by and among the Company, as borrower, CHS (US) Management LLC, as administrative agent, and CHS US Investments LLC, Gateway Runway, LLC ("Nexus") and S3 RR Aggregator, LLC ("Story3") (collectively, the "Investor Group"). The New Credit Agreement, when entered into in accordance with the terms of the Exchange Agreement, will amend and restate the 2025 Amended Facility and provide for $120 million in aggregate principal amount of term loans comprised of (x) $100 million of the Company's existing outstanding indebtedness owing to CHS US Investments LLC under the 2025 Amended Facility to be exchanged on a dollar-for-dollar cashless basis for new term loans under the New Credit Agreement and (y) $20 million of new money term loans to be provided by the Investor Group upon the closing of the Recapitalization Transactions. All such term loans would mature on the fourth anniversary of the closing of the Recapitalization Transactions and bear interest, at the Company's option, at either (i) a bank reference rate plus 4.00% or (ii) term SOFR plus 5.00%, in each case per annum. The New Credit Agreement would modify the 2025 Amended Facility in certain other respects, including extending the reduced minimum liquidity maintenance covenant of $15 million through February 20, 2027, after which the original covenant level resumes. Pursuant to the Exchange Agreement, upon the closing of the Recapitalization Transactions, the remaining outstanding indebtedness owing to CHS US Investments LLC under the 2025 Amended Facility will be exchanged for newly issued shares of the Company's Class A common stock, equal to 86% of the Company's outstanding shares (after giving effect to the conversion of all shares of Class B common stock into shares of Class A common stock pursuant to the Company's certificate of incorporation, effectively immediately prior to (A) the effectiveness of the Thirteenth Amended and Restated Certificate of Incorporation (the "Amended and Restated Charter"), or (B) if stockholder approval of the Amended and Restated Charter is not obtained, the closing (the "Conversions"), but before giving effect to the $12,500,000 rights offering (the "Rights Offering") and the number of shares of Class A common stock equal to approximately 18.3% of the shares of Class A common stock outstanding immediately prior to the closing (the "MIP Pool").

The Recapitalization Transactions are expected to close by December 31, 2025, subject to stockholder approval among other conditions as further described in Note 15 - Subsequent Events, and is expected to significantly reduce the Company's total indebtedness, lower interest costs, and provide financial flexibility. However, while the Company believes the Recapitalization Transactions will enhance its ability to fund operations over the next twelve months, there can be no assurance that future capital needs will not require additional sources of liquidity or covenant modifications. If the Company is unable to achieve its operating and strategic objectives, or to secure further financing if needed, its results of operations and financial condition could be materially adversely affected. As of the issuance of these financial statements, the debt will mature on October 29, 2026 and would be classified as a current liability as of October 29, 2025, unless the Recapitalization Transactions close on or before that date, or the 2025 Amended Facility is amended to extend its maturity. However, the Company believes that it will have sufficient liquidity from cash on-hand and future operations to sustain its business operations, to satisfy its debt service obligations, and to comply with its debt covenants for at least the next twelve months from the date these financial statements are issued.

4. Restructuring and Related Charges

January 2024 Restructuring Plan

On January 9, 2024, the Company announced a restructuring plan to focus its workforce and cost structure on key growth opportunities and support its profitability goals. The plan included a reduction in workforce of approximately 10% of its corporate employees (primarily a reduction in force, with some open role closures/reduced backfills, and excludes potential hiring of new employees or other additions to the Company's costs and expenses).

(Dollars in millions, except share and per share amounts)

Restructuring charges of $0.2 million for severance and related costs were recognized during the six months ended July 31, 2024 and are reflected in Restructuring charges on the Company's Condensed Consolidated Statements of Operations. No restructuring charges were recognized during the three and six months ended July 31, 2025. Restructuring charges of $0.2 million for severance and related costs were recognized during the year ended January 31, 2025 and were reflected in Restructuring charges on the Company's Condensed Consolidated Statements of Operations. Cumulative charges related to severance and related costs incurred to date in connection with the January 2024 restructuring plan were $2.2 million. Accrued restructuring charges were none and $0.2 million as of July 31, 2025 and January 31, 2025, respectively. The restructuring plan was completed during the first quarter of fiscal year 2025.

5. Leases - Lessee Accounting

During the year ended January 31, 2025, the Company entered into a sublease agreement for the ninth floor of its corporate headquarters in Brooklyn, NY for the remainder of the lease term through November 2032. The sublease commenced in December 2024 and does not relieve the Company of its primary lease obligations. The Company recorded immaterial additional assets for the sublease and the net amount received from the sublease is recorded in general and administrative expenses on the Condensed Consolidated Statements of Operations.

The following table summarizes the Company's minimum fixed lease obligations under existing agreements as a lessee, excluding variable payments and short-term lease payments, as of July 31, 2025:

	Operating	Financing
Fiscal year:		
2025	$ 5.8	$ 0.1
2026	11.5	0.1
2027	11.2	0.1
2028	11.3	0.1
2029	10.0	0.1
Thereafter	18.8	0.2
Total minimum lease payments	68.6	0.7
Imputed interest	(25.1)	(0.3)
Lease liabilities as of July 31, 2025	$ 43.5	$ 0.4

6. Rental Product, Net

Rental product, net consisted of the following:

	July 31, 2025	January 31, 2025
Apparel	$ 154.5	$ 138.2
Accessories	4.9	4.2
	159.4	142.4
Less: accumulated depreciation	(72.7)	(69.1)
Rental product, net	$ 86.7	$ 73.3

(Dollars in millions, except share and per share amounts)

Depreciation and write-offs related to rental product, including write-offs of rental products sold, was $15.9 million and $16.2 million for the three months ended July 31, 2025 and 2024, respectively, and $29.1 million and $31.1 million for the six months ended July 31, 2025 and 2024, respectively.

7. Long-Term Debt

Summary

The following table summarizes the Company's long-term debt outstanding as of July 31, 2025 and January 31, 2025:

	July 31, 2025	January 31, 2025
Debt Facility principal outstanding	$ 271.6	$ 271.6
Add: payment-in-kind interest	47.6	40.3
Add: unamortized debt premium	24.7	21.8
Debt Facility, net	343.9	333.7
Less: current portion of long-term debt	—	—
Total noncurrent long-term debt	$ 343.9	$ 333.7

Debt Facility

In January 2023, the Company entered into an amendment to the 2021 Amended Temasek Facility (the "2022 Temasek Facility Amendment"). The 2021 Amended Temasek Facility as further amended by the 2022 Temasek Facility Amendment is referred to as the "2022 Amended Temasek Facility". This transaction was accounted for as a debt modification. The terms of the amendment provided for (i) an extension of the maturity to October 2026, (ii) a reduction of the cash portion of the interest rate to 2% per year through July 2024, increasing to 5% thereafter for the duration of the 2022 Amended Temasek Facility, and (iii) a 1% increase in the total interest rate in February 2024 from 12% to 13% and annual rate increases of 1% thereafter for the duration of the 2022 Amended Temasek Facility. In connection with the 2022 Temasek Facility Amendment, the Company granted a warrant to purchase up to 100,000 shares of the Company's Class A common stock at an exercise price of $100.00 per share. The warrant will expire on January 31, 2030. The effective interest rate for the 2021 Amended Temasek Facility for the period from the date of issuance through the date of the 2022 Amended Temasek Facility was 14.29%. The effective interest rate for the 2022 Amended Temasek Facility as of January 31, 2023 was 15.15%.

In January 2023, in connection with the 2022 Amended Temasek Facility, the Company recorded a debt discount of $6.9 million related to the allocation of proceeds to warrants issued. These amounts are being accreted to the principal amount of the 2022 Amended Temasek Facility through the recognition of noncash interest expense.

(Dollars in millions, except share and per share amounts)

In December 2023, the Company entered into an amendment to the 2022 Amended Temasek Facility (the "2023 Amended Temasek Facility"). This transaction was accounted for as a troubled debt restructuring. The terms of the amendment provide for (i) elimination of all interest (both payment-in-kind and cash interest) for a period of six full fiscal quarters beginning with the fourth quarter of fiscal year 2023; (ii) reduction of the minimum liquidity maintenance covenant from $50 million to $30 million; and (iii) additional covenants requiring the Company to comply with mutually agreed upon quarterly and annual spend levels for rental product capital expenditures, fixed operating expenditures and marketing expenditures during fiscal year 2024 of $51 million, $100 million (excluding $10 million of specified permitted expenditures), and $30 million, respectively, on an annual basis and to-be-agreed levels for fiscal years 2025 and 2026, subject to the debt holders' consent and certain exceptions. The Company amortizes the debt discount or premium using the effective interest method over the remaining term of the facility including the six full fiscal quarters during which payment-in-kind and cash interest were eliminated.

Other than described above, the 2023 Amended Temasek Facility did not change the covenants under the 2022 Amended Temasek Facility, which require the Company to comply with specified nonfinancial covenants including, but not limited to, restrictions on the incurrence of debt, payment of dividends, investments, sale of assets, mergers and acquisitions, modifications of certain agreements and its fiscal year, and granting of liens. The 2023 Amended Temasek Facility also contains various events of default, including failure to comply with the minimum liquidity maintenance covenant and maximum expenditure thresholds, the occurrence of which could result in the acceleration of outstanding borrowings under the 2023 Amended Temasek Facility for the Company.

In March 2025, May 2025, and July 2025, the Company entered into an Eleventh Amendment, Twelfth Amendment, and Thirteenth Amendment to the 2023 Amended Temasek Facility to extend the deadline to mutually agree upon the Company's fiscal year 2025 spend levels - covering rental product capital expenditures, fixed operating expenditures and marketing expenditures - from March 31, 2025 to May 30, 2025, from May 30, 2025 to July 31, 2025, and then from July 31, 2025 to August 29, 2025, respectively. The Thirteenth Amendment also extended the due date of the cash interest payment due on August 1, 2025 to August 29, 2025. In August 2025, concurrently with the Exchange Agreement described below in Note 15—Subsequent Events, the Company entered into a Fourteenth Amendment to the Credit Agreement. The Fourteenth Amendment provided that, among other things, (i) interest that would otherwise be payable in cash will be capitalized; and (ii) the liquidity financial covenant level will be reduced from $30 million to $15 million until the earliest of February 20, 2026 (which may be extended if agreed to by the parties), termination of the Exchange Agreement (with an additional 30-day relief period in certain circumstances), and the closing of the Recapitalization Transactions.

The Company determined that all of the embedded features of the 2025 Amended Facility were clearly and closely related to the debt host and did not require bifurcation as a derivative liability, or the fair value of the feature was immaterial to the Company's condensed consolidated financial statements.

In January 2025, CHS (US) Management LLC replaced Double Helix Pte Ltd. as administrative agent for Temasek Holdings. In March 2025, all of the rights and obligations under the 2025 Amended Facility previously held by Double Helix Pte Ltd were assigned to CHS US Investments LLC, an entity under common Control (as defined in the 2025 Amended Facility) with Temasek Holdings (Private) Limited, pursuant to an assignment agreement executed in accordance with the credit facility.

Covenants

The Company was in compliance with all applicable financial covenants as of July 31, 2025 and through the date of this filing.

(Dollars in millions, except share and per share amounts)

8. Income Taxes

The Company's provision or benefit from income taxes in interim periods is determined using an estimate of the annual effective tax rate, adjusted for discrete items, if any, that are taken into account in the relevant period. Each quarter the Company updates its estimate of the annual effective tax rate, and if its estimated tax rate changes, the Company makes a cumulative adjustment. The estimate of the annual effective income tax rate for the full year is applied to the respective interim period, taking into account year-to-date amounts and projected results for the full year.

The Company continues to maintain a full valuation allowance on all United States net deferred tax assets for all periods presented.

The amount of unrecognized tax benefits as of July 31, 2025 and January 31, 2025 was $1.3 million and $1.2 million, respectively. The Company recognizes interest and penalties related to unrecognized tax benefits in income tax expense. The total amount of unrecognized benefits relating to the Company's tax position is subject to change based on future events including, but not limited to, the settlements of ongoing audits and/or the expiration of applicable statutes of limitations. The outcomes and timing of such events are highly uncertain and a reasonable estimate of the range of gross unrecognized tax benefits, excluding interest and penalties, that could potentially be reduced during the next 12 months cannot be made at this time.

On July 4, 2025, the U.S. government enacted the One Big Beautiful Bill Act of 2025 ("the Act") which includes, among other provisions, changes to the federal corporate income tax system, such as the immediate expensing of qualifying domestic research and development expenses and extensions of certain provisions within the Tax Cuts and Jobs Act. ASC 740, *Income Taxes*, requires the effects of changes in tax laws on deferred tax balances to be recognized in the period in which legislation is enacted, which occurred during the Company's second fiscal quarter ended July 31, 2025. The Company has evaluated the provisions of the Act and reflected the impact during the three months ended July 31, 2025, which the impact was not material. Based on the Company's current financial position and results of operations, along with available information, the Company does not expect the Act to have a material impact on future periods. However, if our business operations or financial results change, or as additional regulations and administrative guidance are issued, we will evaluate any further impacts to our consolidated financial statements.

9. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following:

	July 31, 2025	January 31, 2025
Accrued operating and general expenses	$ 15.6	$ 6.6
Revenue share payable	9.6	6.9
Accrued payroll related expenses	4.3	3.0
Accrued interest	4.0	—
Sales and other taxes	2.1	1.7
Short-term financing	0.2	1.4
Gift card liability	0.6	0.7
Accrued expenses and other current liabilities	$ 36.4	$ 20.3

The borrowing rate for the short-term financing obligation was 5.50% as of July 31, 2025 and January 31, 2025.

(Dollars in millions, except share and per share amounts)

10. Fair Value Measurements

As of July 31, 2025 and January 31, 2025, the carrying amounts of the Company's cash and cash equivalents, current and noncurrent restricted cash, prepaid expenses and other current assets, accounts payable and accrued expenses and other current liabilities approximated their estimated fair value due to their relatively short maturities.

The Company's long-term debt is reported at carrying value on the Company's Condensed Consolidated Balance Sheets. Refer to Note 7 — Long-Term Debt. The Company estimates the fair value of its long-term debt using a discounted cash flow approach based on the Company's implied credit spread using the higher end of the distribution for option adjusted spreads for similar financial instruments with similar credit ratings, and, as such, long-term debt is classified as Level 3 within the fair value hierarchy. As of July 31, 2025, the estimated fair value of the Company's long-term debt was $236.0 million. Subsequent to July 31, 2025, the Company entered into the Exchange Agreement which is expected to affect the terms and amount of its outstanding debt. Refer to Note 15 - Subsequent Events for additional information.

11. Stockholders' Equity

Reverse Stock Split

In March 2024, the Company's stockholders approved, and the Board selected, a 1-for-20 reverse stock split (the "Reverse Stock Split") of outstanding shares of Class A common stock and Class B common stock. The Reverse Stock Split became effective on April 2, 2024 and began trading on the Nasdaq Capital Market on a post-split basis on April 3, 2024. Following the Reverse Stock Split, the number of authorized shares of Class A common stock remained at 300,000,000, the number of authorized shares of Class B common stock remained at 50,000,000, and the number of authorized shares of preferred stock remained at 10,000,000. The par value per share of Class A common stock and Class B common stock remained at $0.001. The Company filed an Amendment to the Twelfth Amended and Restated Certificate of Incorporation with the Secretary of State of the State of Delaware on April 2, 2024 to implement the 1-for-20 Reverse Stock Split.

Common Stock

Holders of Class A common stock are entitled to one vote per share and holders of Class B common stock are entitled to twenty votes per share, as well as dividends if and when declared by the Board and, upon liquidation, dissolution, winding up or other liquidation event of the Company, all assets available for distribution to common stockholders. There are no redemption provisions with respect to common stock.

Preferred Stock

Upon the IPO, the Company authorized 10,000,000 shares of preferred stock, with a par value of $0.001 per share. No shares were issued or outstanding as of July 31, 2025.

(Dollars in millions, except share and per share amounts)

Warrants

As of July 31, 2025 and January 31, 2025, the Company had the following outstanding warrants:

Outstanding Warrants	Date Issued	Number of Shares	Class of Shares	Exercise Price (Per Warrant)	Fair Value at Issuance
Equity classified:					
TriplePoint	Nov-16	4,144	Common	$ 150.80	$ 0.3
TriplePoint	Jun-17	911	Common	150.80	0.1
TriplePoint	Sep-17	746	Common	150.80	0.1
TriplePoint	Jan-18	828	Common	150.80	0.1
TriplePoint	Apr-18	828	Common	150.80	0.1
TriplePoint	Nov-15	1,760	Common	340.77	0.2
TriplePoint	Jun-16	1,408	Common	340.77	0.2
TriplePoint	Sep-16	1,232	Common	340.77	0.1
CHS (US) Management LLC	Oct-21	19,717	Common	420.00	5.3
CHS (US) Management LLC	Jan-23	100,000	Common	100.00	6.9
		131,574			$ 13.4

As of July 31, 2025 and January 31, 2025, all outstanding warrants were equity-classified and recorded as additional paid-in capital. Equity-classified contracts are not subsequently remeasured unless reclassification is required from equity to liability classification.

The fair value was estimated using the Black-Scholes option pricing model. The fair value is subjective and is affected by changes in inputs to the valuation model including the fair value per share of the underlying stock, the expected term of each warrant, volatility of the Company's stock and peer company stock, and risk-free rates based on the U.S. Treasury yield curves.

12. Share-based Compensation Plans

2009 Stock Incentive Plan and 2019 Stock Incentive Plan

In 2009, the Company adopted its stock incentive plan (the "2009 Plan") to grant equity to employees and service providers. In 2019, the Company adopted a new stock incentive plan (the "2019 Plan") which replaced the 2009 Plan. The Company has granted RSUs and stock options, each of which is settleable in shares. Options are generally granted for a 10-year term, and generally vest and become fully exercisable over four years of service. While no shares are available for future issuance under the 2009 Plan or the 2019 Plan, they continue to govern outstanding equity awards granted thereunder. Outstanding awards granted under the 2009 Plan and 2019 Plan are exercisable for or settled in shares of Class A common stock, or, if approved by the board of directors, shares of Class B common stock. There are no outstanding RSUs under the 2009 Plan and 2019 Plan.

(Dollars in millions, except share and per share amounts)

Amended and Restated 2021 Incentive Award Plan

The Company's Amended and Restated 2021 Incentive Award Plan (the "2021 Plan") was adopted by its Board and approved by stockholders in October 2021 and became effective upon the effective date of the IPO. The 2021 Plan replaced the 2019 Plan and no further grants will be made under the 2019 Plan. The terms of equity awards granted under the 2021 Plan in the year ended January 31, 2022 were generally consistent with those granted under the 2019 Plan, as described above. RSUs granted under the 2021 Plan in the year ended January 31, 2022 generally vest over four years and do not have liquidity-based vesting conditions. RSUs granted under the 2021 Plan during the six months ended July 31, 2025 and 2024 have a shorter vesting period of one to two years. As of July 31, 2025, there were 300,504 shares of Class A common stock available for issuance under the 2021 Plan. There will not be any further equity grants of Class B common stock.

The grant date fair value of each option award is estimated on the date of grant using the Black-Scholes option pricing model. The option pricing model considers several variables and assumptions in estimating the fair value of share-based awards. The risk-free rate for the expected term of the option is based on the U.S. Treasury yield curve at the date of grant. There were no stock options granted during the six months ended July 31, 2025 or year ended January 31, 2025.

Stock Options

Stock option activity during the period indicated is as follows:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contract Term (in years)	Aggregate Intrinsic Value
Balances as of January 31, 2025	33,538	$ 160.84	3.88	$ —
Granted	—	—		
Exercised	—	—		
Forfeited	(3,254)	120.13		
Balances as of July 31, 2025	30,284	$ 165.21	3.66	$ —
Exercisable as of July 31, 2025	30,124	$ 164.87	3.65	$ —

As of July 31, 2025, unrecognized compensation cost related to stock options granted was immaterial and is expected to be recognized over a weighted average period of 0.33 years.

During the year ended January 31, 2024, the Company completed an option exchange designed to incentivize and retain employees, directors and other service providers by providing the ability to exchange outstanding stock options for RSUs representing the right to receive Class A common stock.

(Dollars in millions, except share and per share amounts)

Stock options relating to 331,370 shares of Class A and Class B common stock were forfeited in exchange for 132,546 RSUs which generally vest over two years.

The Company currently uses authorized and unissued shares to satisfy the exercise of stock option awards.

RSUs

RSUs activity during the period indicated is as follows:

	Number of Shares	Weighted Average Grant-Date Fair Value per Share
Unvested and outstanding as of January 31, 2025	333,899	$ 22.20
Granted	106,793	5.67
Vested/Released	(137,826)	26.16
Forfeited	(16,260)	10.78
Unvested and outstanding as of July 31, 2025	286,606	$ 15.00

As of July 31, 2025, there was $2.5 million of unrecognized compensation cost related to RSUs granted that is expected to be recognized over a weighted average period of 0.85 years. Of the total unrecognized compensation cost, an immaterial amount related to RSUs granted as a result of the option exchange.

Share-Based Compensation Summary

The classification of share-based compensation for the three and six months ended July 31, 2025 and 2024, respectively, presented within each line item of the Condensed Consolidated Statements of Operations is as follows:

	Three Months Ended July 31,		Six Months Ended July 31,	
	2025	2024	2025	2024
Technology	$ 0.2	$ 0.5	$ 0.5	$ 1.1
Marketing	—	—	—	—
General and administrative	1.2	1.9	2.4	4.3
Total share-based compensation	$ 1.4	$ 2.4	$ 2.9	$ 5.4

The Company recognized $0.3 million and $0.7 million of share-based compensation expense during the three and six months ended July 31, 2025, respectively, including incremental share-based compensation expense as a result of the option exchange discussed above. The Company recognized $0.4 million and $0.8 million of share-based compensation expense during the three and six months ended July 31, 2024, respectively, including incremental share-based compensation expense as a result of the option exchange discussed above.

13. Net Loss per Share Attributable to Common Stockholders

The Company computes net loss per share attributable to common stockholders under the two-class method required for multiple classes of common stock and participating securities. The rights of the Class A common stock and Class B common stock are substantially identical, other than voting rights. Accordingly, the net loss per share attributable to common stockholders will be the same for Class A and Class B common stock on an individual or combined basis.

(Dollars in millions, except share and per share amounts)

The following table sets forth the computation of basic and diluted net loss per share attributable to common stockholders:

	Three Months Ended July 31,		Six Months Ended July 31,	
	2025	2024	2025	2024
Numerator:				
Net loss attributable to common stockholders	$ (26.4)	$ (15.6)	$ (52.5)	$ (37.6)
Denominator:				
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	4,033,571	3,736,953	4,000,887	3,692,025
Net loss per share attributable to common stockholders, basic and diluted	$ (6.55)	$ (4.17)	$ (13.12)	$ (10.18)

The following potentially dilutive outstanding securities based on amounts outstanding at each period end were excluded from the computation of diluted loss per share attributable to common stockholders because including them would have been anti-dilutive:

	Six Months Ended July 31,	
	2025	2024
Stock options	30,284	35,325
Common stock warrants	131,574	131,574
RSUs	286,606	461,484
Total	448,464	628,383

14. Commitments and Contingencies

The Company had restricted cash balances for cash collateralized standby letters of credit as of July 31, 2025 and January 31, 2025 of $8.6 million and $9.1 million, respectively, primarily to satisfy security deposit requirements on its leases. The restricted cash balances also consisted of letters of credit for rental product purchases and credit card transactions.

The Company had the following non-cancelable minimum purchase commitments related to technology services as of July 31, 2025:

	Commitment
Fiscal year:	
2025	$ 3.1
2026	4.8
2027	4.3
Commitments as of July 31, 2025	$ 12.2

(Dollars in millions, except share and per share amounts)

Legal Proceedings

From time to time in the normal course of business, various claims and litigation have been asserted or commenced against the Company. Due to uncertainties inherent in litigation and other claims, the Company can give no assurance that it will prevail in any such matters, which could subject the Company to significant liability for damages. Any claims or litigation could have an adverse effect on the Company's results of operations, cash flows, or business and financial condition in the period the claims or litigation are resolved. Accruals for loss contingencies are recorded when a loss is probable, and the amount of such loss can be reasonably estimated.

On November 14, 2022, a purported stockholder of the Company filed a putative class action lawsuit in the Eastern District of New York against the Company, certain of its officers and directors, and the underwriters of its IPO, entitled Rajat Sharma v. Rent the Runway, Inc., et al. 22-cv-6935 (the "Securities Action"). The complaint alleges that the defendants violated Sections 11 and 15 of the Securities Act of 1933, as amended (the "Securities Act"), by making allegedly materially misleading statements, and by omitting material facts necessary to make the statements made therein not misleading concerning, *inter alia*, the Company's growth at the time of the IPO. The lawsuit seeks, among other things, compensatory damages, an award of attorneys' fees and costs and such other relief as deemed just and proper by the court. On June 8, 2023, the court appointed Delaware Public Employees' Retirement System and Denver Employees Retirement Plan as lead plaintiffs. On August 21, 2023, lead plaintiffs filed an amended complaint against the Company, certain of its officers and directors, and the underwriters of its IPO. The amended complaint alleges that defendants violated Sections 11, 12(a)(2) and 15 of the Securities Act by allegedly making certain false and misleading statements, and by omitting material facts necessary to make the statements made therein not misleading, concerning, among other things, the Company's growth prospects and fulfillment costs at the time of the IPO. The lawsuit seeks an award of damages, attorney's fees and costs, and such other relief as the court deems just and proper. All defendants moved to dismiss the amended complaint, with the motion fully briefed as of February 23, 2024. On September 25, 2024, the court issued an order granting in part and denying in part defendants' motion to dismiss, dismissing the claims based on the Company's growth prospects statements but allowing certain other claims to proceed. On October 9, 2024, defendants moved for reconsideration of the September 25, 2024 order and/or for certification under 28 U.S.C. § 1292(b), which motion was fully submitted as of October 30, 2024. In response to an application filed by defendants on November 19, 2024, on November 20, 2024, the Court issued an order adjourning defendants' deadline to file an answer to the amended complaint sine die. On May 16, 2025, the Court issued an order granting Defendants' motion to extend the time to answer the amended complaint until after the motion for reconsideration is resolved. The Court also determined that a phased approach to discovery was appropriate so as to permit the exchange of "key documents" and to promote the preservation of documents and evidence and directed the parties to submit a proposed initial discovery plan, which they did. The Court approved the initial discovery plan on June 3, 2025. The Company intends to vigorously defend itself against these claims. The Company believes it has meritorious defenses to the claims asserted in the amended complaint and any liability for such claims is not currently probable and the potential loss or range of loss is not reasonably estimable.

On October 18, 2024, a purported stockholder of the Company filed a putative stockholder derivative lawsuit on behalf of the Company in the Eastern District of New York against certain of the Company's officers and directors ("Defendants"), and nominally against the Company, entitled Bandyopadhyay v. Hyman, et al., 24-cv-7321. The complaint, which is largely predicated on the same alleged facts and violations alleged in the Securities Action, asserts claims for breach of fiduciary duty, aiding and abetting breach of fiduciary duty, unjust enrichment, waste, and contribution and indemnification and seeks an award of damages, certain equitable relief, and attorneys' fees and costs. The lawsuit is in its preliminary stages. On December 31, 2024, the Court issued an order staying the derivative action until the resolution of any motions for summary judgment in the Securities Action or notification of a settlement in-principle in the Securities Action, whichever occurs earlier. Defendants intend to vigorously defend themselves against these claims and believe that they have meritorious defenses to the claims asserted in the complaint.

(Dollars in millions, except share and per share amounts)

15. Subsequent Events

Recapitalization Transactions

On August 20, 2025, the Company entered into an exchange agreement (the "Exchange Agreement") with CHS US Investments LLC ("Lender") in connection with the Recapitalization Transactions.

Concurrently with the entry into the Exchange Agreement, on August 20, 2025, the Company also entered into (i) an investor rights agreement (the "Investor Rights Agreement"), by and among the Company, the Investor Group and certain entities affiliated with Jennifer Hyman, (ii) an amendment to the employment agreement with Ms. Hyman, Chief Executive Officer (the "Amended Employment Agreement"), (iii) an amendment to the Rent the Runway, Inc. Transaction Bonus Plan (the "Amended Transaction Bonus Plan"), (iv) a rights offering backstop agreement (the "Rights Offering Backstop Agreement"), by and among the Company and the Investor Group, (v) a debt and equity purchase agreement (the "Debt and Equity Purchase Agreement"), by and among the Company, CHS (US) Management LLC ("Agent") and the Investor Group, and (vi) a conversion notice and proxy (the "Conversion Notice and Proxy") with each of the holders of the Company's Class B common stock, each as further described below. In addition, upon the closing of the Exchange Transactions (as defined below) (the "Closing"), the Company shall enter into an amended and restated credit agreement (the "New Credit Agreement"), by and among the Company, as borrower, Agent, as the administrative agent, and the Investor Group to evidence the new term loans that will result, upon the Closing, from the transactions described below.

The Company's Board of Directors (the "Board"), acting on the unanimous recommendation of the finance committee of the Board (the "Finance Committee"), with the Finance Committee being comprised of independent and disinterested directors formed for the purpose of considering potential financing and strategic transactions, such as the Recapitalization Transactions, unanimously (with Ms. Hyman abstaining) (i) determined that the terms of the Exchange Agreement, the other principal transaction documents and the Recapitalization Transactions, including the Exchange Transactions (as defined below), are fair to, and in the best interests of, the Company and its stockholders, (ii) determined that it is in the best interests of the Company and its stockholders and declared it advisable that the Company enter into the Exchange Agreement and the other principal transaction documents, (iii) approved the execution and delivery of the Exchange Agreement and the other principal transaction documents by the Company, the Company's performance of the covenants and agreements contained therein and the consummation of the Recapitalization Transactions upon the terms and subject to the conditions contained therein, (iv) resolved to recommend that the Company's stockholders vote to approve the issuance of the Exchange Stock (as defined below) and the issuance of shares of the Company's Class A common stock pursuant to the Rights Offering Backstop Agreement, the MIP (as defined below) and the Thirteenth Amended and Restated Certificate of Incorporation (the "Amended and Restated Charter"), to be effective immediately prior to the Closing, in each case, pursuant to the terms of the Exchange Agreement, and (v) directed that the matters in clause (iv) be submitted for approval by the Company's stockholders.

(Dollars in millions, except share and per share amounts)

Exchange Agreement

Pursuant to the Exchange Agreement, at the Closing, Lender would (i) exchange $100 million of existing outstanding indebtedness owing to Lender under the 2025 Amended Facility on a dollar-for-dollar cashless basis for new term loans under the New Credit Agreement ("Exchange Consideration Term Loans") and (ii) contribute all outstanding indebtedness owing to Lender under the 2025 Amended Facility in excess thereof to the Company in exchange for newly issued shares of the Class A common stock, equal to 86% of the number of shares of the Company's total common stock outstanding as of the Closing (after giving effect to the Conversions (as defined below), but before giving effect to the Rights Offering (as defined below) and the MIP Pool (as defined below) (the "Exchange Stock") (collectively, the "Exchange Transactions"). The converted debt will be exchanged at an effective conversion price of $9.23 per share assuming the Closing occurs on December 31, 2025, or an 80.9% premium to the 30-day volume weighted average price as of August 20, 2025 of $5.10 per share.

In connection with the Exchange Agreement, all of the holders of the Class B common stock (the "Proxy Stockholders") executed and delivered a Conversion Notice and Proxy (collectively, the "Conversion Notices"), pursuant to which each such Proxy Stockholder (i) opted to convert his, her or its respective shares of Class B common stock into shares of Class A common stock pursuant to the Company's certificate of incorporation, effective immediately prior to (A) the effectiveness of the Thirteenth Amended and Restated Certificate of Incorporation (the "Amended and Restated Charter"), or (B) if stockholder approval of the Amended and Restated Charter is not obtained, the Closing (the "Conversions"), and (ii) granted to certain officers of the Company, at the request of the Board, a proxy to vote (or cause to be voted) all shares of common stock held by such Proxy Stockholders at the meeting of stockholders to be held to obtain the approval of all actions presented to the Company's stockholders by the Board that are necessary and desirable in connection with the Recapitalization Transactions, including the issuance of the Exchange Stock, to the extent required by Nasdaq rules, the issuance of shares pursuant to the Rights Offering Backstop Agreement, and the Amended and Restated Charter (the proxy described in this clause (ii), the "Proxy").

The Closing is not subject to a financing condition, but is subject to certain conditions, including (i) approval of the Company's stockholders (the "Company Stockholder Approval") of the issuance of the Exchange Stock pursuant to the Exchange Agreement and the amendment and restatement of the Company's Amended and Restated 2021 Incentive Award Plan (as further described below), (ii) absence of any order or injunction prohibiting the consummation of the Recapitalization Transactions, (iii) consummation of the Rights Offering, (iv) substantially simultaneous consummation of the sale transactions contemplated by the Debt and Equity Purchase Agreement, (v) entry by the Company and the Investor Group into the New Credit Agreement and effectiveness thereof, (vi) adoption of amended and restated bylaws, (vii) subject in certain cases to customary materiality qualifiers, the accuracy of the representations and warranties contained in the Exchange Agreement and compliance with the covenants contained in the Exchange Agreement and (viii) no Company Material Adverse Effect having occurred since the date of the Exchange Agreement that is continuing.

The Exchange Agreement contains customary representations, warranties and covenants, including, among others, covenants by the Company to conduct the Company's businesses in the ordinary course between the execution of the Exchange Agreement and the Closing, not to engage in certain kinds of transactions during such period (including payment of dividends outside of the ordinary course or as otherwise permitted under the Exchange Agreement), to convene and hold a meeting of the Company's stockholders to consider and vote upon the Company Stockholder Approval, to seek approval from the Company's stockholders of the Amended and Restated Charter, to conduct the Rights Offering, and, subject to certain customary exceptions, for the Board to recommend that the Company's stockholders approve the issuance of the Exchange Stock pursuant to the Exchange Agreement, to the extent required by Nasdaq rules, the issuance of shares pursuant to the Rights Offering Backstop Agreement, and the Amended and Restated Charter. The Exchange Agreement also contains customary representations, warranties and covenants of Lender.

The Exchange Agreement contains a customary “no-shop” provision that restricts the Company’s ability to, among other things, solicit Takeover Proposals (as defined in the Exchange Agreement) from third parties and to provide non-public information to, and engage in discussions or negotiations with, third parties regarding Takeover Proposals. The “no-shop” provision allows the Company, under certain circumstances and in compliance with certain obligations set forth in the Exchange Agreement, to provide non-public information to any person and its representatives that has made a bona fide Takeover Proposal that either constitutes, or would reasonably be expected to lead to, a Takeover Proposal.

The Exchange Agreement contains certain termination rights for both the Company and Lender. The Company shall pay to Lender a fee of $6,000,000 if: (i) Lender terminates the Exchange Agreement as a result of an Adverse Recommendation Change (as defined in the Exchange Agreement) by the Board; (ii) the Company terminates the Exchange Agreement to enter into a definitive agreement for a Superior Proposal (as defined in the Exchange Agreement); or (iii) a Takeover Proposal has been made and thereafter the Exchange Agreement is terminated as a result of the Exchange Transactions not having been consummated on or before 11:59 p.m., Eastern time, on February 20, 2026 (as such date may be extended pursuant to any written agreement to so extend that is executed by the Company and Lender), the Company Stockholder Approval not having been obtained, the Company’s breach of the Company’s representations, warranties or covenants in a manner that would cause the related conditions to Closing to not be met or a Proxy Stockholder having rescinded, revoked, withdrawn, repudiated or challenged the validity or effectiveness of their respective Conversion Notices or Proxy (a “Proxy Revocation”), and within 12 months of such termination the Company or any of the Company’s subsidiaries consummate a specified Takeover Proposal or enter into a definitive agreement providing for a specified Takeover Proposal. The Company shall pay to Lender a fee of $2,000,000 if Lender terminates the Exchange Agreement as a result of a Proxy Revocation (which shall be creditable against the $6,000,000 termination fee). The Exchange Agreement also provides that either party may specifically enforce the other party’s obligations under the Exchange Agreement.

Pursuant to the Exchange Agreement, the Company and Lender shall take all actions as may be necessary to cause, upon the Closing, the Board to consist of seven members, including Ms. Hyman, a director selected by Ms. Hyman and approved by the Investor Group, a director designated by Nexus, a director designated by Story3 and three directors designated by the Board and subject to the approval of the Investor Majority (as defined in the Investor Rights Agreement).

New Credit Agreement Terms

The New Credit Agreement, when entered into in accordance with the terms of the Exchange Agreement, will amend and restate the 2025 Amended Facility and provide for $120 million in aggregate principal amount of term loans comprised of (x) $100 million of Exchange Consideration Term Loans and (y) $20 million of new money term loans to be provided by the Investor Group at the Closing (the “New Money Term Loans”). All such term loans would mature on the fourth anniversary of the Closing and bear interest, at the Company’s option, at either (i) a bank reference rate, plus 4.00% or (ii) term SOFR plus 5.00%, in each case per annum. The New Credit Agreement would also modify the 2025 Amended Facility in certain other respects, including by temporarily reducing the minimum liquidity maintenance covenant from $30 million to $15 million, which reduced minimum liquidity maintenance covenant applies during the period from the Closing until February 20, 2027 and thereafter reverts to $30 million.

Debt and Equity Purchase Agreement

Pursuant to the Debt and Equity Purchase Agreement, subject to the terms and conditions thereof, each of Nexus and Story3 has agreed to enter into the New Credit Agreement, to provide its share of the New Money Term Loans, and to purchase (i) $15 million of the Exchange Consideration Term Loans and (ii) 15% of the Exchange Stock from Lender for an aggregate purchase price of $15 million immediately following the Closing. Consummation of the sale transactions under the Debt and Equity Purchase Agreement is conditioned only on the substantially simultaneous closing of the Exchange Transactions.

(Dollars in millions, except share and per share amounts)

The Debt and Equity Purchase Agreement is not expected to have an impact on the Company's consolidated financial statements.

Investor Rights Agreement

Pursuant to the Investor Rights Agreement, which takes effect upon the closing of the Exchange Transactions, the Company will be required to prepare and file with the SEC, within 20 days following the Closing, a shelf registration statement registering the resale of Class A common stock held by Ms. Hyman and the Investor Group, and will grant certain demand, piggyback and shelf registration rights to Ms. Hyman and the Investor Group. The Investor Rights Agreement also provides for certain Board designation rights of the Investor Group and Ms. Hyman following the Closing. Pursuant to the Investor Rights Agreement, for so long as they meet certain minimum ownership thresholds, each of Nexus and Story3 will be entitled to designate one director to the Board, and the Board will designate three directors to the Board, subject to the approval of the Investor Majority and after considering in good faith Ms. Hyman's views in connection therewith. In addition, the Investor Rights Agreement provides that, so long as Ms. Hyman serves as Chief Executive Officer, she will be designated as a member of the Board, and, for so long as she continues to own a specified minimum number of Class A common stock, Ms. Hyman will be entitled to appoint one additional director to the Board, subject to the reasonable approval of the Investor Majority. Subject to certain minimum ownership thresholds, each of Ms. Hyman, Nexus and Story3 would also be entitled to appoint a non-voting Board observer, and the Lender would be entitled to appoint two non-voting Board observers; provided, that (i) each of Story3 and Nexus shall have the right to designate one Board observer in total pursuant to the Investor Rights Agreement and the New Credit Agreement and (ii) the Lender shall have the right to designate two Board observers in total pursuant to the Investor Rights Agreement and the New Credit Agreement.

Rights Offering Backstop Agreement

Pursuant to the Exchange Agreement, the Company has agreed to prepare and file with the SEC a registration statement on Form S-1 in connection with a $12,500,000 rights offering by the Company (the "Rights Offering"). Under the Rights Offering Backstop Agreement, the Investor Group agreed to purchase from the Company, at a price of $4.08 per share, all unsubscribed shares of the Class A common stock to be issued in connection with the Rights Offering, on the terms and subject to the conditions set forth in the Rights Offering Backstop Agreement. The completion of the Rights Offering, as well as the Investor Group's obligations to complete the purchase of shares pursuant to the Rights Offering Backstop Agreement, are subject to certain customary conditions, including among others, that a registration statement with respect to the Rights Offering has been declared and remains effective and, to the extent required by Nasdaq rules, stockholder approval of the purchase of shares pursuant to the Rights Offering Backstop Agreement.

Fourteenth Amendment

Concurrently with entry into the Exchange Agreement, the Company entered into a Fourteenth Amendment to the 2025 Amended Facility. The Fourteenth Amendment provides that, until the earliest of (a) February 20, 2026 (which may be extended if agreed to by the parties), (b) termination of the Exchange Agreement (or 30 days after the termination of the Exchange Agreement under certain conditions), and (c) the Closing ("Relief Termination Date"), (i) interest that would otherwise be payable in cash will be capitalized and (ii) the liquidity financial covenant level will be reduced to $15 million. In addition, the Fourteenth Amendment increases the number of Board observers permitted to be designated by the Agent from one to two and defers the operation of certain other financial covenants until the end of the fiscal year ending January 31, 2026. Relief under the Fourteenth Amendment generally continues until the earliest of the Outside Date (as defined in the Exchange Agreement), termination of the Exchange Agreement (with an additional 30-day relief period in certain circumstances) and the occurrence of the Closing.

(Dollars in millions, except share and per share amounts)

Management Incentive Plan

The Exchange Agreement requires that the Company take all actions necessary to increase the maximum number of shares of Class A common stock authorized for issuance under the Amended and Restated 2021 Incentive Award Plan, subject to stockholder and Board approval, by a number of shares of Class A common stock (such shares, the "MIP Pool"), equal to approximately 18.3% of the shares of Class A common stock outstanding immediately prior to the Closing, determined on a fully diluted basis.

Amendment to Ms. Hyman's Employment Agreement

In connection with the entry into the Exchange Agreement and with effectiveness contingent on the Closing, on August 20, 2025, the Company and Ms. Hyman entered into the Amended Employment Agreement. The Amended Employment Agreement provides, among other things, for an initial term that expires on January 31, 2030, subject to automatic one-year extensions unless one party provides the other with notice not more than 90 days prior to the expiration of the term.

The Amended Employment Agreement further provides that, within 30 days following the Closing, the Company will grant Ms. Hyman an award from the MIP Pool in respect of 5% of the shares of Class A common stock outstanding immediately following the Closing in accordance with the Exchange Agreement, assuming target-level performance, or 7.5% assuming maximum performance.

In addition, the Amended Employment Agreement reduces the cash severance that Ms. Hyman is eligible to receive. Under the terms of the Amended Employment Agreement, Ms. Hyman will be eligible for a cash severance payment in an amount equal to (i) her applicable "severance multiplier," multiplied by (ii) her then-current annual base salary and annual target bonus. Her "severance multiplier" will be equal to 1.5 in the event that during either the 12-month period following the Closing or the 24-month period following a "change in control," her employment is terminated by the Company without "cause" or, in certain specified circumstances, she resigns for "good reason" (each, as defined in the Amended Employment Agreement). Her severance multiplier will be 1.0 in the event that her employment is terminated by the Company without cause or she resigns for good reason other than under the circumstances described in the immediately preceding sentence.

Transaction Bonus Plan Amendment

In connection with the entry into the Exchange Agreement, on August 20, 2025, the Compensation Committee of the Board approved the Amended Transaction Bonus Plan. The Amended Transaction Bonus Plan provides that each participant will no longer be eligible for the participant's free cash flow bonus and the participant's base transaction bonus (the "Base Transaction Bonus") will not be paid in full upon the Closing. Instead, the Base Transaction Bonus will be paid 25% at Closing (the "Closing Installment"), 6.25% on the 18-month, 24-month, 30-month and 36-month anniversaries of the Closing (each, a "Semi-Annual Installment"), with the final 50% becoming payable on the earlier of January 31, 2030, and the date of a change in control (which does not include the Recapitalization Transactions), in the case of the final 50%, based on the satisfaction of financial or stock price-based performance measures (as applicable), provided that the participant remains employed through the date each Base Transaction Bonus installment is paid. The Closing Installment and each Semi-Annual Installment are subject to repayment to the Company, net of taxes paid with respect thereto, if the participant terminates their employment prior to the applicable vesting date other than due to a "good leaver termination" (as defined in the Amended Transaction Bonus Plan). The Closing Installment will vest 25% on each of the first four anniversaries of the Closing, the first Semi-Annual Installment will vest 33% on each of the second, third and fourth anniversary of the Closing, the second and third Semi-Annual Installments will each vest 50% on each of the third and fourth anniversary of the Closing, and the fourth Semi-Annual Installment will fully vest on the fourth anniversary of the Closing.

(Dollars in millions, except share and per share amounts)

The Company is currently evaluating the impact of the Recapitalization Transactions on the Company's prospective consolidated financial statements.

Pre-litigation Dispute Settlement

In September 2025, the Company agreed to settle a pre-litigation dispute that existed as of July 31, 2025. The settlement agreement is in the process of being finalized. The full amount of the settlement is expected to be paid directly by the Company's insurance carriers, subject to an immaterial standard deductible. In accordance with ASC 855, *Subsequent Events*, the anticipated settlement amount and related insurance proceeds have been recognized in the Company's financial statements for the quarter ended July 31, 2025. The overall impact of the settlement is not material to the Company's financial statements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion of our financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements and the related notes included elsewhere in this Quarterly Report on Form 10-Q and the audited financial statements and notes thereto as of and for the year ended January 31, 2025 and the related Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the fiscal year ended January 31, 2025 (the "2024 Annual Report on Form 10-K").

In addition to historical financial information, the following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results may differ materially from those described in or implied by any forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this Quarterly Report on Form 10-Q, particularly in Part II, Item 1A, "Risk Factors".

Overview

We give customers ongoing access to our "unlimited closet" — with thousands of styles by hundreds of designer brands — through our Subscription offering or the ability to rent a-la-carte through our Reserve offering. We also give our subscribers and customers the ability to buy our products through our Resale offering, which offers customers pre-loved styles from our closet at a discount to retail price, up to 90% off of designer retail value. These offerings allow us to engage and serve our subscribers and customers across diverse use cases from everyday life to special occasions. We have served approximately 3 million lifetime customers across all of our offerings and we had 185,102 ending Total Subscribers[1] (active and paused) as of July 31, 2025. We had 146,373 Active Subscribers as of July 31, 2025. The majority of our revenue is highly recurring and is generated by our subscribers. For the six months ended July 31, 2025 and 2024, respectively, 89% and 89% of our total revenue (including Reserve and Resale revenue) was generated by subscribers while they were active or paused.

The variety, breadth and quantity of products we carry is important to our business, and we strategically manage the capital efficient acquisition of a high volume of items every year. We have successfully disproved the myth that fashion apparel items and accessories only last one season as we are able to rent or "turn" our products multiple times over many years. We price our rental items at a fraction of their retail or comparable value, creating an attractive price and value proposition for our subscribers and customers.

We source virtually all of our products, which includes apparel and accessories, directly from, or in partnership with, designer brands. Prior to 2018, we purchased nearly all of our products from our brand partners typically at a discount to wholesale cost, which we refer to as "Wholesale" items. In late 2018, we began to procure products through Share by RTR and Exclusive Designs. See "—Our Product Acquisition Strategy" below for a description of the three ways in which we procure products.

Key Fiscal Second Quarter and Recent Business Highlights:

- **Announced the Recapitalization Transactions**. See Note 15 — "Subsequent Events" in the Notes to the Condensed Consolidated Financial Statements for more information.
- **Continued deployment of our bold inventory strategy**: As of August 2025, we have posted almost twice the inventory units compared to the prior year, with 323% more styles in May, 235% more in June, and 253% more in July. Year to date, we have added thousands of new styles and dozens of new brands to the platform.
- **Increased customer engagement**: Engagement with new inventory in the second quarter of fiscal year 2025 overperformed last year across every key metric, including share of views (up 84% year-over-year), hearts per style (up 15% year-over-year), and new units at home (up 57% year-over-year). Second quarter of fiscal year 2025 average subscription net promoter score was up 77% versus the prior year.

[1] Ending Total Subscribers represents the number of subscribers with an active or paused membership as of the last day of the period and excludes subscribers who had an active or paused subscription during the period, but ended their subscription prior to the last day of the fiscal period.

- **Increased revenue share units and launched new exclusive brand collaborations**: Revenue share units from existing revenue share partners are up 40% year-over-year, and total revenue share units are up 119% year-over-year. We plan to add 80+ new brands in fiscal year 2025, with 56 already launched in the first half of fiscal year 2025, and have launched seven new exclusive brand collaborations year to date.
- **Organic social delivered its strongest quarter in years**: Through 11 new social series, a new ‘face of RTR,’ and a fresh approach to our influencer strategy, second quarter of fiscal year 2025 overall engagement with our social media channels is up ~800% year-over-year and views are up 175% year-over-year.
- **Enhanced the subscription experience to be more personalized, rewarding, and engaging**: Introduced a new personalized home screen that we estimate will drive a significant increase in engagement, a rewards program with tiered membership perks, and the ability to preview "coming soon" styles.
- **Increased prices of our subscription plans to respond to inflationary and tariff pressures**: Implemented first pricing adjustment in three years on August 1, 2025, with an average increase of $2 per item.

Key Operating and Financial Results. We have achieved the following operating and financial results for the three months ended July 31, 2025 and 2024, respectively:

- Revenue was $80.9 million and $78.9 million, respectively, representing 2.5% growth year-over-year;
- 146,373 and 129,073 ending Active Subscribers[2], respectively, representing an increase of 13.4% year-over-year;
- 146,765 and 137,455 Average Active Subscribers[3], respectively, representing an increase of 6.8% year-over-year;
- 185,102 and 175,087 ending Total Subscribers (including paused subscribers), respectively, representing an increase of 5.7% year-over-year;
- Gross Profit was $24.3 million and $32.4 million, respectively, representing a gross margin of 30.0% and 41.1%, respectively;
- Net Loss was $(26.4) million and $(15.6) million, respectively. Net Loss as a percentage of revenue was (32.6)% and (19.8)%, respectively; and
- Adjusted EBITDA was $3.6 million and $13.7 million, respectively, representing an Adjusted EBITDA Margin of 4.4% and 17.4%, respectively.

We have achieved the following operating and financial results for the six months ended July 31, 2025 and 2024, respectively:

- Revenue was $150.5 million and $153.9 million, respectively, representing a change of (2.2)% year-over-year;
- Gross Profit was $46.2 million and $60.8 million, respectively, representing a gross margin of 30.7% and 39.5%, respectively;
- Net Loss was $(52.5) million and $(37.6) million, respectively. Net Loss as a percentage of revenue was (34.9)% and (24.4)%, respectively, and included $0.2 million of restructuring and related charges for the six months ended July 31, 2024;
- Adjusted EBITDA was $2.3 million and $20.2 million, respectively, representing an Adjusted EBITDA margin of 1.5% and 13.1%, respectively;
- Net cash (used in) provided by operating activities was $(2.2) million and $6.8 million, and net cash used in investing activities was $(30.7) million and $(12.7) million, respectively;
- Net cash (used in) provided by operating activities as a percentage of revenue was (1.5)% and 4.4% and net cash used in investing activities as a percentage of revenue was (20.4)% and (8.3)%, respectively; and
- Cash and Cash Equivalents was $43.6 million and $76.6 million, respectively.

[2] Active Subscribers is defined as ending Total Subscribers as of period end, excluding paused subscribers.

[3] Average Active Subscribers represents the mean of the beginning of quarter and end of quarter Active Subscribers for a quarterly period; and for other periods, represents the mean of the Average Active Subscribers of every quarter within that period.

Recapitalization Transactions

See Note 15 — “Subsequent Events” in the Notes to the Condensed Consolidated Financial Statements for more information.

Our Product Acquisition Strategy

We acquire and monetize products in three ways: Wholesale, Share by RTR and Exclusive Designs. Wholesale items are acquired directly from brand partners, typically at a discount to Wholesale price. Share by RTR items are acquired directly from brand partners on consignment, at zero to low upfront cost with performance-based revenue share payments to our brand partners over time. Exclusive Designs items are designed using our data in collaboration with our brand partners. These units are manufactured through third-party partners with an upfront fee and, in most cases, minimal revenue share payments to our brand partners over time.

Our three product acquisition methods are strategic levers to manage our capital efficiency, profitability and product risk. Our Exclusive Designs channel partners with brands to acquire RTR-exclusive items at a lower cost, which are designed to generate higher profitability over time. Share by RTR meaningfully reduces our upfront purchases of rental product and de-risks our investment since we pay brands primarily based on item performance. Our Share by RTR arrangements with brands target delivering 75% to 100% of comparable Wholesale cost to the brand in the first year; however there is no minimum commitment other than the upfront payment, if applicable. Nearly all Share by RTR deals consummated after September 2020 include a cap on total potential payments to the brand partner.

In fiscal year 2024, 30% of new items were acquired through Wholesale, 48% through Share by RTR and 22% through Exclusive Designs, compared to 39% Wholesale, 33% Share by RTR and 28% Exclusive Designs in fiscal year 2023. In total, approximately 70% of new items were acquired through Share by RTR and Exclusive Designs, our more capital-efficient channels in fiscal year 2024 and approximately 61% in fiscal year 2023. Both our purchasing power and the diversification into Share by RTR and Exclusive Designs have led to a decrease in rental product capital expenditures (or Purchases of Rental Product as presented in the Condensed Consolidated Statement of Cash Flows) as a percentage of revenue over time. We expect the total percentage of units acquired through our more capital-efficient channels to be largely unchanged in fiscal year 2025 versus fiscal year 2024, with an increase in the percentage of units acquired through our Share by RTR program versus fiscal year 2024. We plan to further decrease the percentage of units acquired through Wholesale and increase the percentage of units acquired through our more capital-efficient channels over the longer term. We expect to incur higher purchases of rental product in fiscal year 2025 relative to fiscal year 2024 in connection with our strategy to approximately double the new rental product added to our site and made available to our customers in fiscal year 2025.

For additional details about our business model and our product acquisition strategy, see our 2024 Annual Report on Form 10-K.

Key Factors Affecting Our Performance

We believe that our performance and future success depend on a variety of factors that present significant opportunities for our business, but also present risks and challenges that could adversely impact our growth and profitability.

Subscribers and Customers

Ability to Attract and Retain Subscribers and Customers. We believe that we have a significant market opportunity to increase our base of subscribers and customers, and that our long-term growth depends in large part on our continued ability to acquire and retain subscribers and customers.

We provide a flexible offering that allows our subscribers to customize their subscription as their everyday life changes, choosing to pause and reactivate their membership as needed. We have also historically seen that many subscribers who cancel their subscription will return and resubscribe when membership again makes sense for their everyday life. Customer acquisition is dependent on organic growth, the effectiveness of our paid marketing strategy and the availability of and satisfaction with our rental product. Our acquisitions are also reliant on new customer promotions. Our promotional strategy is subject to change depending on business and market conditions. In fiscal year 2024, we focused, and plan to continue to focus in fiscal year 2025, on improving both the availability of and satisfaction with our rental product for our Reserve and Subscription customers.

We believe customer retention plays an important role in driving business growth. Customer retention is influenced by a number of factors, including rental product in-stock levels and satisfaction, product experience, and customer service levels. Starting in fiscal year 2023, we increased the depth of our rental product purchases to improve rental product in-stock levels. We increased the depth of our rental product further in fiscal year 2024 and experienced better customer retention for fiscal year 2024 versus fiscal year 2023. In fiscal year 2025, we plan to focus on significantly increasing the quantity and desirability of rental product purchases, which we believe will increase customer satisfaction and improve retention further. We are also focused on new product features as well as more personal customer service and styling.

Brands and Products

Ability to Acquire, Manage and Monetize Products Efficiently. Our ability to deliver an elevated experience for our subscribers and customers that keeps them loyal to RTR depends on us having the right assortment. Due to our deep partnerships with brands, flexibility in our buying timelines and ability to react to advantageous retail purchasing environments, we can acquire products directly from brands in multiple cost effective ways. Our expertise in reverse logistics and garment restoration also provides us with the ability to monetize our products effectively over their useful life. Diversifying our product acquisition away from 100% Wholesale has driven higher overall product return on investment and reduced the capital needs of the business. See “—Our Product Acquisition Strategy” above for a description of the three ways in which we procure products. We continuously evaluate our product acquisition mix to maximize our strategic priorities.

Purchases of rental product includes the cost of Wholesale products acquired in the period and other ancillary costs such as freight, where applicable. Many factors impact the purchases of rental product including our depth and acquisition mix strategy, the proportion of subscribers to total customers, timing of when those subscribers are acquired, the formality of styles, brand assortment, opportunities in the market and timing of when the rental product is received and paid for. Purchases of rental product as a percentage of revenue in fiscal year 2024 was 16% as a result of a greater proportion of rental product acquired through our Share by RTR channel combined with fewer units of rental product purchased compared to fiscal year 2023. Purchases of rental product as a percentage of revenue was 26% and 21% in fiscal year 2023 and 2022, respectively. We anticipate this percentage to increase in fiscal year 2025 compared with fiscal year 2024, despite a greater proportion of Share by RTR units, due to a significant increase in units of rental product purchased. Due to seasonality factors, we track our progress on purchases of rental product as a percentage of revenue on a full year basis, as quarterly expenditures are not necessarily reflective of full year trends. As of July 31, 2025, the quarterly and annual spend levels for rental product capital expenditures for fiscal year 2025 under our 2025 Amended Facility were eliminated under the Fourteenth Amendment to the debt facility. See “Note 15 - Subsequent Events” in the Notes to the Condensed Consolidated Financial Statements for more details.

Ability to Achieve Leverage in our Cost Structure. Improving operational efficiency of our platform is imperative to increasing profitability. We expect certain of our operating costs to increase as order volume increases and as we make investments to grow subscribers and revenue and to enhance the customer experience. In September 2022, we announced a restructuring plan that reduced operating expenses by approximately $27 million in the four quarters following the restructuring compared to the annualized run rate for the second quarter of fiscal year 2022. In January 2024, we announced a restructuring plan that generated total annual operating expense savings of approximately $12 million, which primarily included the reduction in force, with some open role closures/reduced backfills, and excludes potential hiring of new employees or other additions to the Company's costs and expenses. Though we anticipate quarterly fluctuations in operating leverage over time we anticipate that our operating costs will grow more slowly than our total revenue on an annual basis. As of July 31, 2025, the quarterly and annual spend levels for rental product capital expenditures for fiscal year 2025 under our 2025 Amended Facility were eliminated under the Fourteenth Amendment to the debt facility. See "Note 15 - Subsequent Events" in the Notes to the Condensed Consolidated Financial Statements for more details.

We use technology and customer data to drive efficiency across products, fulfillment expenses and operating costs. Our data has allowed us to build a differentiated and proprietary rental reverse logistics platform with a vertically integrated cleaning and restoration process. We have invested in technology and automation in order to drive operating leverage and higher margins as we focus on growing and scaling our business.

Over time, we have improved our margins, profitability and cash flow, and we believe we will continue to benefit from economies of scale. We are focused on driving additional efficiencies in our operating expenses and growing profitability to also cover rental product depreciation, in addition to fulfillment, revenue share and operating expenses.

We use Adjusted EBITDA to assess our operating performance and the operating leverage of our business prior to capital expenditures. We also measure the cash consumption of the business including capital expenditures by assessing net cash used in operating activities and net cash used in investing activities on a combined basis. See also "Note 3 - Liquidity" and "Note 15 - Subsequent Events" in the Notes to the Condensed Consolidated Financial Statements for more details regarding our 2025 Amended Facility and Recapitalization Transactions, which we expect to improve our overall liquidity.

Seasonality

We experience seasonality in our business, which has been impacted due to the effects of COVID-19, the macro environment, and business decisions and may in the future continue to evolve. For our Subscription rentals, we typically acquire the highest number of subscribers in March through May and September through November, as these are the times customers naturally think about changing over their wardrobes. We generally see a higher rate of subscribers pause in the summer, and in mid-December through the end of January. In the third and fourth fiscal quarters, our Reserve offering historically (prior to COVID-19) benefited from increased wedding and holiday events but this seasonality has varied since the onset of COVID-19. For example, in fiscal year 2022, we believe that a price increase of our Subscription programs in April 2022 affected traditional seasonal patterns. In fiscal year 2023, changes in rental product in-stock levels and changes to promotional prices also disrupted typical seasonality. However, in fiscal year 2024, we observed more typical seasonal patterns. Given continued business changes, our future seasonality may not resemble historical trends.

We also experience seasonality in the timing of expenses and capital outlays. Transportation expense, and therefore fulfillment cost, is typically highest in the fourth fiscal quarter, given typical timing of carrier rate increases, higher service levels, such as more costly and expedited shipping, and competition during holidays. Our most significant receipt of rental product typically occurs in the first fiscal quarter and the third fiscal quarter, when we acquire product for the upcoming fall and spring seasons.

Impact of Macro and Consumer Environment on Our Business

There remains significant uncertainty in the current macroeconomic and consumer environment, driven by several factors, including inflationary pressures, global trade policies and tariffs, higher interest rates, potential risk of recession, ongoing industry-wide supply chain issues, instability in the financial system, and the wars in Ukraine and the Middle East. These factors have impacted, and are expected to continue to impact, consumer discretionary spending and purchasing behavior, price sensitivity, wage rates, transportation costs, rental product costs, and other costs associated with our business.

We continue to review and learn how changes in customer behavior post the COVID-19 pandemic may impact our business and demand, particularly in a challenging macro environment. We believe that Active Subscriber levels have been impacted by seasonal changes in consumer behavior and macro factors, such as higher levels of remote work and evolving demand for work wear, inflationary pressures and sensitivity to increased pricing, or other factors, and may continue to be impacted by these factors in the future.

We continue to take actions to adjust to the changing business environment and related inflationary pressure. For example, we implemented a price increase for our subscription plans in August 2025 and we remain focused on investing in our customer and delivering even more value to her, and emphasizing the value proposition of our offering in our marketing materials. In addition, we increased wage rates during the first quarter of fiscal year 2025 to attract and retain talent at our fulfillment centers. We expect to continue to be impacted by rising labor costs in the future. Transportation costs decreased as a percentage of revenue in fiscal year 2024 due to higher revenue per order and the benefits of our September 2023 transportation contract with a major national carrier. While we expect to be able to reduce transportation costs as a percentage of revenue for fiscal year 2025, we plan to continue to mitigate longer-term rising costs by seeking to optimize shipping methods and improve contractual and pricing terms; however, unpredictable changes in global trade policies and tariffs or other significant macroeconomic or geopolitical developments may negatively impact our ability to meet our current expectations and objectives. Although we continue to face a challenging and unpredictable environment, we plan to invest in our customers, manage our staffing and further leverage our transportation partners to help to drive growth and efficiencies in our business.

The full extent to which the macro environment will directly or indirectly impact our business, results of operations, growth rates, and financial condition will depend on future developments that are highly uncertain and cannot be accurately predicted. Given this uncertainty, we cannot estimate the financial impact of the macro environment on our future results of operations, cash flows, or financial condition.

For additional details about key factors affecting our performance, see our 2024 Annual Report on Form 10-K and Part II, Item 1A, “Risk Factors” of this Quarterly Report on Form 10-Q.

Key Business and Financial Metrics

In addition to the measures presented in our condensed consolidated financial statements, we use the following key business and financial metrics to help us evaluate our business, identify trends affecting our business, formulate business plans, and make strategic decisions. The calculation of the key business and financial metrics discussed below may differ from similarly titled metrics used by other companies, securities analysts or investors, limiting the usefulness of those measures for comparative purposes. These key business and financial metrics are not meant to be considered as indicators of our financial performance in isolation from or as a substitute for our financial information prepared in accordance with generally accepted accounting principles in the United States (“U.S. GAAP”) and should be considered in conjunction with other metrics and components of our results of operations, such as each of the other key business and financial metrics, and our revenue and net loss.

	Three Months Ended July 31,		Six Months Ended July 31,	
	2025	2024	2025	2024
	($ in millions)		($ in millions)	
Active Subscribers	146,373	129,073	146,373	129,073
Average Active Subscribers	146,765	137,455	140,116	137,455
Gross Profit	$ 24.3	$ 32.4	$ 46.2	$ 60.8
Net Loss	$ (26.4)	$ (15.6)	$ (52.5)	$ (37.6)
Adjusted EBITDA (1)	$ 3.6	$ 13.7	$ 2.3	$ 20.2

(1) Adjusted EBITDA is a non-GAAP financial measure; for a reconciliation to the most directly comparable U.S. GAAP financial measure, net loss, and why we consider Adjusted EBITDA to be a useful metric, see “—Non-GAAP Financial Metrics” below.

Active Subscribers: Active Subscribers represents the number of subscribers with an active membership as of the last day of any given period and excludes paused subscribers. As of July 31, 2025, we had 146,373 Active Subscribers, an increase from 129,073 as of July 31, 2024. The increase in Active Subscribers was driven primarily by higher subscriber acquisitions, increased promotional activity and an improvement in retention during the second quarter of fiscal year 2025 as compared to the prior year as we focused on improving our customer experience through increased rental product and the rollout of multiple product improvements.

Average Active Subscribers: Average Active Subscribers represents the mean of the beginning of quarter and end of quarter Active Subscribers for a quarterly period; and for other periods, represents the mean of the Average Active Subscribers of every quarter within that period. As of July 31, 2025, we had 146,765 Average Active Subscribers, an increase from 137,455 as of July 31, 2024. The year over year increase in Average Active Subscribers was primarily due to the higher base of Ending Active Subscribers at the end of the first quarter of fiscal year 2025 compared to the first quarter of fiscal year 2024, and a higher level of acquisitions, increased promotional activity, and stronger retention in the second quarter of fiscal year 2025 as compared to the prior year.

Gross Profit and Gross Margin: We define Gross Profit as total revenue less costs related to activities to fulfill customer orders and rental product acquisition costs, presented as fulfillment and rental product depreciation and revenue share, respectively, on the condensed consolidated statement of operations. We depreciate owned apparel assets over three years and owned accessory assets over two years net of 20% and 30% salvage values, respectively, and recognize the depreciation on a straight-line basis and remaining cost of items when sold or retired on our condensed consolidated statement of operations. Rental product depreciation expense is time-based and reflects all rental product items we own. We use Gross Profit and Gross Profit as a percentage of revenue, or Gross Margin, to measure the continued efficiency of our business after the cost of our products and fulfillment costs are included.

Gross Profit was $24.3 million for the three months ended July 31, 2025 compared to $32.4 million for the three months ended July 31, 2024, representing Gross Margins of 30.0% and 41.1%, respectively. Gross Profit was $46.2 million for the six months ended July 31, 2025 compared to $60.8 million for the six months ended July 31, 2024, representing Gross Margins of 30.7% and 39.5%, respectively. Gross Profit and Gross Margin for the three and six months ended July 31, 2025 decreased primarily due to the impact of higher revenue share costs and fulfillment costs as a percentage of sales.

Adjusted EBITDA and Adjusted EBITDA Margin: We define Adjusted EBITDA as net loss, adjusted to exclude interest expense, rental product depreciation, other depreciation and amortization, share-based compensation expense, write-off of liquidated assets, non-recurring adjustments, non-ordinary course legal expenses, restructuring charges, income tax (benefit) expense, other income and expense, and other gains / losses. Adjusted EBITDA margin is defined as Adjusted EBITDA calculated as a percentage of total revenue, net for a period.

Net Loss was $(26.4) million for the three months ended July 31, 2025 compared to $(15.6) million for the three months ended July 31, 2024, representing margins of (32.6)% and (19.8)%, respectively. Net Loss increased year over year primarily due to the impact of higher revenue share costs, G&A expenses, fulfillment costs, technology costs, and a reduction in Other Income, partially offset by an increase in Revenue. Net Loss was $(52.5) million for the six months ended July 31, 2025 compared to $(37.6) million for the six months ended July 31, 2024, representing margins of (34.9)% and (24.4)%, respectively. Net Loss increased year over year primarily due to the impact of higher revenue share costs, lower revenue, higher fulfillment costs, higher interest expense and higher technology costs versus the prior year, partially offset by lower rental product depreciation and write-offs, other depreciation and amortization and marketing expense.

Adjusted EBITDA was $3.6 million for the three months ended July 31, 2025 compared to $13.7 million for the three months ended July 31, 2024, representing margins of 4.4% and 17.4%, respectively. Adjusted EBITDA margin decreased year over year primarily due to higher revenue share and fulfillment costs as a percentage of revenue. Adjusted EBITDA was $2.3 million for the six months ended July 31, 2025 compared to $20.2 million for the six months ended July 31, 2024, representing margins of 1.5% and 13.1%, respectively. Adjusted EBITDA margin decreased year over year primarily due to higher revenue share and fulfillment costs as a percentage of revenue in addition to lower revenue.

We believe we have the opportunity to improve Adjusted EBITDA and offset cost increases as we increase revenue and drive operating expense leverage.

Components of Results of Operations

Total Revenue, Net. Our total revenue, net consists of Subscription and Reserve rental revenue and Other revenue. Total revenue is presented net of promotional discounts, credits and refunds and taxes.

Subscription and Reserve Rental Revenue. We generate Subscription and Reserve rental revenue from subscription and Reserve rental fees. We recognize subscription fees ratably over the subscription period, commencing on the date the subscriber enrolls in a subscription program. These fees are collected upon enrollment and any revenue from an unrecognized portion of the subscription period is deferred to the following fiscal period. We implemented a price increase for our subscription plans in August 2025, which we expect will generally increase revenue per subscriber over time. We recognize Reserve fees over the rental period, which starts on the date of delivery of the product to the customer. Reserve orders can be placed up to four months prior to the rental start date (increased from two months prior to the rental start date beginning in June 2024) and the customer's payment form is charged upon order confirmation. We defer recognizing the rental fees and any related promotions for Reserve rentals until the date of delivery, and then recognize those fees evenly over the four- or eight-day rental period.

Other Revenue. We generate Other revenue primarily from the sale of products while they are in rental condition. We offer the ability for subscribers and customers to purchase products at a discount to retail price. Payment for the sale of products occurs upon order confirmation while the associated revenue is recognized either at the time the sold product is delivered or when purchased, if the item is already at home with the customer. From time to time, Other revenue may include revenue generated from pilots and other growth initiatives which may cause quarterly fluctuations in the Other revenue line.

Costs and Expenses

Fulfillment. Fulfillment expenses consist of all costs to receive, process and fulfill customer orders. This primarily includes shipping costs to/from customers and personnel and related costs, which include salaries and bonuses, and employee benefit costs. Personnel and related costs are related to processing inbound and outbound customer orders, cleaning, restoring and repairing items received from customers, tracking and managing items within our fulfillment center network and ingesting new items received from brands. Fulfillment expenses also include costs of packing materials, cleaning supplies, and other fulfillment-related expenses. Fulfillment expense may fluctuate due to various factors including commercial terms and market trends. Fulfillment expense may also increase due to competitive pressures in the labor market which could lead to continued higher wage rates. We expect to continue to invest in automation and other process improvements to support and drive efficiencies in our operations. To the extent we are successful in becoming more efficient in fulfilling orders, and at a magnitude that is able to offset long-term increases in shipping costs, wage rates and cleaning/packing supply price increases, we would expect these expenses to decrease as a percentage of total revenue over the longer term.

Technology. Technology expenses consist of personnel and related costs for employees engaged in software development and engineering, quality assurance, product, customer experience, data science, analytics and information technology-related efforts, net of personnel costs associated with capitalized software. Technology expenses also include professional services, third-party hosting expenses, website monitoring costs, and software and license fees. Over the long term, these expenses may increase (in total dollars) as we continue to improve the customer and subscriber experience and invest in our technology stack and infrastructure to support overall growth in our business. While these expenses may vary from period to period as a percentage of total revenue, we expect them to decrease as a percentage of total revenue over the longer term.

Marketing. Marketing expenses include online and mobile marketing, search engine optimization and email costs, marketing personnel and related costs, agency fees, brand marketing, printed collateral, consumer research, and other related costs. Marketing expenses unrelated to personnel costs may increase if we increase marketing spend to drive the growth of our business and increase our brand awareness.

General and Administrative. General and administrative ("G&A") expenses consist of all other personnel and related costs for customer service, finance, tax, legal, human resources, fashion and photography and fixed operations costs. General and administrative expenses also includes occupancy costs (including warehouse-related), professional services, credit card fees, general corporate and warehouse expenses, other administrative costs, and gains and losses associated with asset disposals and operating lease terminations. In fiscal year 2025, we expect G&A expenses to increase in the next several fiscal quarters due to costs relating to the Recapitalization Transactions. We are currently evaluating the impact of the Recapitalization Transactions on our consolidated financial statements. Over the longer term, these expenses may increase as we grow our infrastructure to support the overall growth of the business. Rent expense and other facilities-related costs may increase in the future due to inflation or to support overall business growth and fulfillment efficiencies. While these expenses may vary from period to period as a percentage of total revenue, we expect them to decrease as a percentage of total revenue over the longer term.

Rental Product Depreciation and Revenue Share. Rental product depreciation and revenue share expenses consist of depreciation and write-offs of rental products, and payments under revenue share arrangements with brand partners. We depreciate the cost, less an estimated salvage value, of our owned products (Wholesale and Exclusive Designs items), over the estimated useful lives of these items and, if applicable, accelerate depreciation of the items when they are no longer in rental condition. We recognize the cost of items acquired under Share by RTR, as incurred, through upfront payments and performance-based revenue share payments. We expect rental product depreciation and revenue share expenses to increase in absolute dollars as we continue to support subscriber and customer growth. The amount and proportion of rental product depreciation and revenue share will vary from period to period based on how and when we acquire items as well as the mix of our rental product base.

Other Depreciation and Amortization. Other depreciation and amortization expenses consist of depreciation and amortization amounts for fixed assets, intangible assets including capitalized software, and financing right-of-use assets.

Restructuring Charges. Restructuring charges consist of severance and related costs associated with the January 2024 restructuring plan.

Interest Income / (Expense). Interest income / (expense) consists primarily of accrued paid-in-kind interest, cash interest and debt issuance cost amortization associated with our 2025 Amended Facility going forward. The 2023 Amended Temasek Facility eliminated all interest (both payment-in-kind and cash interest) for a period of six full fiscal quarters beginning with the fourth quarter of fiscal year 2023.

Other Income / (Expense). Other income / (expense) consists primarily of proceeds from monetizing tax credits associated with growth and Irish refundable tax credits.

Income Tax Benefit / (Expense). Income taxes consist primarily of state minimum and foreign taxes. We have established a valuation allowance for our U.S. federal and state deferred tax assets, including net operating losses. We expect to maintain this valuation allowance until it becomes more likely than not that the benefit of our federal and state deferred tax assets will be realized by way of expected future taxable income in the United States.

Results of Operations

The results of operations presented below should be reviewed in conjunction with the condensed consolidated financial statements and notes included elsewhere in this Quarterly Report on Form 10-Q. The following tables set forth our results of operations for the periods presented:

	Three Months Ended July 31,		Six Months Ended July 31,	
	2025	2024	2025	2024
	(in millions)		(in millions)	
Revenue:				
Subscription and Reserve rental revenue	$ 69.2	$ 68.5	$ 131.2	$ 134.6
Other revenue	11.7	10.4	19.3	19.3
Total revenue, net	80.9	78.9	150.5	153.9
Costs and expenses:				
Fulfillment	22.5	20.6	42.9	41.2
Technology	9.8	8.7	19.4	18.3
Marketing	7.4	7.8	16.0	16.8
General and administrative	24.6	22.2	45.3	45.0
Rental product depreciation and revenue share	34.1	25.9	61.4	51.9
Other depreciation and amortization	2.6	3.3	5.3	6.6
Restructuring charges	—	—	—	0.2
Total costs and expenses	101.0	88.5	190.3	180.0
Operating loss	(20.1)	(9.6)	(39.8)	(26.1)
Interest income / (expense), net	(6.9)	(6.0)	(13.2)	(11.6)
Other income / (expense), net	0.6	0.1	0.7	0.2
Net loss before income tax benefit / (expense)	(26.4)	(15.5)	(52.3)	(37.5)
Income tax benefit / (expense)	—	(0.1)	(0.2)	(0.1)
Net loss	$ (26.4)	$ (15.6)	$ (52.5)	$ (37.6)

Comparison of the three months ended July 31, 2025 and 2024

Total Revenue, Net. Total revenue, net was $80.9 million for the three months ended July 31, 2025, an increase of $2.0 million, or 2.5%, compared to $78.9 million for the three months ended July 31, 2024. This increase was primarily driven by higher Other revenue and higher Subscription and Reserve rental revenue. In fiscal year 2025, we expect revenue to increase due to higher expected subscription prices and as we work towards growing our customer base, improving the customer experience and continuing to focus on our resale revenue.

Subscription and Reserve Rental Revenue. Subscription and Reserve rental revenue was $69.2 million for the three months ended July 31, 2025, an increase of $0.7 million, or 1.0%, compared to $68.5 million for the three months ended July 31, 2024. This increase was primarily driven by higher Average Active Subscribers, partially offset by a decrease in average revenue per subscriber. The decrease in revenue per subscriber was driven primarily by higher promotional spending and impact of changes in program mix of active subscribers. Reserve rental revenue was largely unchanged year-over-year.

Other Revenue. Other revenue was $11.7 million for the three months ended July 31, 2025, an increase of $1.3 million, or 12.5%, compared to $10.4 million for the three months ended July 31, 2024. This increase was primarily driven by an increase in the items purchased per subscriber. Other revenue represented 14.5% of total revenue, up from 13.2% in the same period last year.

Costs and Expenses. Total costs and expenses were $101.0 million for the three months ended July 31, 2025, an increase of $12.5 million, or 14.1%, compared to $88.5 million for the three months ended July 31, 2024. This increase was primarily driven by higher Rental Product Depreciation and Revenue Share costs, higher Fulfillment costs, and higher Technology costs.

Fulfillment. Fulfillment expenses were $22.5 million for the three months ended July 31, 2025, an increase of $1.9 million, or 9.2%, representing 27.8% of revenue, compared to $20.6 million for the three months ended July 31, 2024, representing 26.1% of revenue. The increase in fulfillment expenses as a percentage of revenue was primarily driven by higher transportation costs due to carrier rate increases and higher warehouse processing costs.

In fiscal year 2025, we expect fulfillment expenses as a percentage of total revenue to decrease compared to fiscal year 2024 as a result of anticipated higher revenue per order.

Technology. Technology expenses were $9.8 million for the three months ended July 31, 2025, an increase of $1.1 million, or 12.6%, compared to $8.7 million for the three months ended July 31, 2024. Technology expenses were 12.1% of revenue for the three months ended July 31, 2025 compared to 11.0% for the same period last year due to higher technology related employee costs. Technology related share-based compensation expense was $0.2 million for the three months ended July 31, 2025 and was $0.5 million for the same period last year.

In fiscal year 2025, we expect technology expenses to decrease as a percentage of total revenue compared to fiscal year 2024 as a result of improved operating leverage due to higher expected revenue.

Marketing. Marketing expenses were $7.4 million for the three months ended July 31, 2025, a decrease of $(0.4) million, or (5.1)%, compared to $7.8 million for the three months ended July 31, 2024. This decrease was driven primarily by lower consulting costs and lower brand marketing expenses. Marketing expenses unrelated to personnel costs were $6.5 million in the three months ended July 31, 2025 and 8.0% of revenue, compared to $7.1 million and 9.0% of total revenue for the same period last year.

In fiscal year 2025, we expect marketing expenses to decrease in dollars and as a percentage of total revenue compared to fiscal year 2024. The timing of our marketing expenses during the year will depend in part on the timing of marketing campaigns.

General and Administrative. General and administrative (“G&A”) expenses were $24.6 million for the three months ended July 31, 2025, an increase of $2.4 million, or 10.8%, compared to $22.2 million for the three months ended July 31, 2024. This increase was driven primarily by expenses relating to the Recapitalization Transactions, partially offset by lower share-based compensation expense, gain on the liquidation of rental product and gain on asset disposal and lease termination. G&A expenses as a percentage of revenue were 30.4%, compared to 28.1% last year. G&A related share-based compensation expense was $1.2 million for the three months ended July 31, 2025 and was $1.9 million for the three months ended July 31, 2024.

In fiscal year 2025, we expect G&A expenses to increase in the next several fiscal quarters due to costs relating to the Recapitalization Transactions. The Company is currently evaluating the impact of the Recapitalization Transactions on the Company’s consolidated financial statements.

Rental Product Depreciation and Revenue Share. Rental product depreciation and revenue share was $34.1 million for the three months ended July 31, 2025, an increase of $8.2 million, or 31.7%, compared to $25.9 million for the three months ended July 31, 2024. The increase was primarily driven by higher Share by RTR units acquired. Rental product depreciation and revenue share was 42.2% of revenue in the three months ended July 31, 2025, up from 32.8% in the same period last year primarily due to the factors discussed above.

Other Depreciation and Amortization. Other depreciation and amortization was $2.6 million for the three months ended July 31, 2025, a decrease of $(0.7) million, or (21.2)%, compared to $3.3 million for the three months ended July 31, 2024. This decrease was primarily driven by lower depreciation and amortization associated with machinery and equipment.

Restructuring Charges. There were no restructuring charges for the three months ended July 31, 2025 and July 31, 2024 for severance and related costs in connection with the January 2024 restructuring plan.

Corporate Restructuring Plan

On January 9, 2024, we announced a restructuring plan to focus our workforce and cost structure on key growth opportunities and support our profitability goals. The plan primarily included total workforce reductions of approximately 10% of corporate employees (primarily a reduction in force, with some open role closures/reduced backfills).

The January 2024 restructuring plan generated total annual operating expense savings of approximately $12 million, which primarily included the reduction in force, with some open role closures/reduced backfills, and excludes potential hiring of new employees or other additions to the Company's costs and expenses. The restructuring plan was completed during the first quarter of fiscal year 2025.

See Note 4, "Restructuring and Related Charges" in the Notes to the Condensed Consolidated Financial Statements for more details on these charges.

Interest Income / (Expense), Net. Interest expense, net was $(6.9) million for the three months ended July 31, 2025, an increase in expense of $0.9 million, or 15.0%, compared to $(6.0) million for the three months ended July 31, 2024. This increase was driven by higher interest from the 2025 Amended Facility, and lower interest earned partially offset by lower debt discount amortization. Of the $(6.9) million total interest expense in the three months ended July 31, 2025, $(7.2) million of PIK interest, $(3.6) million was the net of cash interest earned, financing lease and other interest and $3.9 million was debt discount amortization, compared to $0.7 million net of cash interest earned, financing lease and other interest and $(6.7) million of debt discount amortization in the three months ended July 31, 2024.

Other Income / (Expense), Net. Other income / (expense), net was $0.6 million for the three months ended July 31, 2025 compared to $0.1 million for the three months ended July 31, 2024.

Comparison of the six months ended July 31, 2025 and 2024

Total Revenue, Net. Total revenue, net was $150.5 million for the six months ended July 31, 2025, a decrease of $(3.4) million, or (2.2)%, compared to $153.9 million for the six months ended July 31, 2024. This decrease was primarily driven by lower Subscription and Reserve rental revenue. In fiscal year 2025, we expect revenue to increase due to higher expected subscription prices and as we work towards growing our customer base, improving the customer experience and continuing to focus on our resale revenue.

Subscription and Reserve Rental Revenue. Subscription and Reserve rental revenue was $131.2 million for the six months ended July 31, 2025, a decrease of $(3.4) million, or (2.5)%, compared to $134.6 million for the six months ended July 31, 2024. This decrease was primarily driven by lower average revenue per subscriber partially offset by higher average subscribers and lower Reserve rental revenue.The decrease in revenue per subscriber was driven primarily by higher promotional spending and the impact of changes in program mix of active subscribers.

Other Revenue. Other revenue was $19.3 million for the six months ended July 31, 2025, flat compared to the six months ended July 31, 2024. Other revenue represented 12.8% of total revenue, up from 12.5% in the same period last year.

Costs and Expenses. Total costs and expenses were $190.3 million for the six months ended July 31, 2025, an increase of $10.3 million, or 5.7%, compared to $180.0 million for the six months ended July 31, 2024. This increase was primarily driven by higher Rental Product Depreciation and Revenue Share costs partially offset by lower General & Administrative costs.

Fulfillment. Fulfillment expenses were $42.9 million for the six months ended July 31, 2025, an increase of $1.7 million, or 4.1%, representing 28.5% of revenue, compared to $41.2 million for the six months ended July 31, 2024, representing 26.8% of revenue. The increase in fulfillment expenses as a percentage of revenue was primarily driven by higher transportation costs due to carrier rate increases and increases in warehouse processing costs.

In fiscal year 2025, we expect fulfillment expenses as a percentage of total revenue to decrease compared to fiscal year 2024 as a result of anticipated higher revenue per order.

Technology. Technology expenses were $19.4 million for the six months ended July 31, 2025, an increase of $1.1 million, or 6.0%, compared to $18.3 million for the six months ended July 31, 2024. Technology expenses were 12.9% of revenue for the six months ended July 31, 2025 compared to 11.9% for the same period last year due to higher technology related employee costs. Technology related share-based compensation expense was $0.5 million for the six months ended July 31, 2025 and was $1.1 million for the same period last year.

In fiscal year 2025, we expect technology expenses to decrease as a percentage of total revenue compared to fiscal year 2024 as a result of improved operating leverage due to higher expected revenue.

Marketing. Marketing expenses were $16.0 million for the six months ended July 31, 2025, a decrease of $(0.8) million, or (4.8)%, compared to $16.8 million for the six months ended July 31, 2024. This decrease was driven primarily by lower consulting costs and brand marketing expenses. Marketing expenses unrelated to personnel costs were $14.4 million in the six months ended July 31, 2025 and 9.6% of revenue, compared to $15.3 million and 9.9% of total revenue for the same period last year.

In fiscal year 2025, we expect marketing expenses to decrease as a percentage of total revenue compared to fiscal year 2024. The timing of our marketing expenses during the year will depend in part on the timing of marketing campaigns.

General and Administrative. General and administrative ("G&A") expenses were $45.3 million for the six months ended July 31, 2025, an increase of $0.3 million, or 0.7%, compared to $45.0 million for the six months ended July 31, 2024. This increase was driven primarily by transaction related expenses partially offset by lower share-based compensation expense, gain on the liquidation of rental product and exchange rate and cost savings from the January 2024 restructuring plan. G&A expenses as a percentage of revenue were 30.1%, compared to 29.2% last year, as we saw increased operating leverage with a lower cost base post-restructuring. G&A related share-based compensation expense was $2.4 million for the six months ended July 31, 2025 and was $4.3 million for the six months ended July 31, 2024.

In fiscal year 2025, we expect G&A expenses to increase in the next several fiscal quarters due to costs relating to the Recapitalization Transactions. We are currently evaluating the impact of the Recapitalization Transactions on our consolidated financial statements..

Rental Product Depreciation and Revenue Share. Rental product depreciation and revenue share was $61.4 million for the six months ended July 31, 2025, an increase of $9.5 million, or 18.3%, compared to $51.9 million for the six months ended July 31, 2024. The increase was primarily driven by higher Share by RTR units acquired. Rental product depreciation and revenue share was 40.8% of revenue in the six months ended July 31, 2025, up from 33.7% in the same period last year primarily due to the factors discussed above.

Other Depreciation and Amortization. Other depreciation and amortization was $5.3 million for the six months ended July 31, 2025, a decrease of $(1.3) million, or (19.7)%, compared to $6.6 million for the six months ended July 31, 2024. This decrease was primarily driven by lower depreciation and amortization associated with machinery and equipment.

Restructuring Charges. Restructuring charges were $0.2 million for the six months ended July 31, 2024 for severance and related costs in connection with the January 2024 restructuring plan. These charges are reflected in Restructuring charges on our Consolidated Statement of Operations.

Interest Income / (Expense), Net. Interest expense, net was $(13.2) million for the six months ended July 31, 2025, an increase in expense of $1.6 million, or 13.8%, compared to $(11.6) million for the six months ended July 31, 2024. This increase was driven by higher interest from the 2025 Amended Facility and lower interest earned partially offset by lower debt discount amortization. Of the $(13.2) million total interest expense in the six months ended July 31, 2025, $(7.2) million of PIK interest, $(3.0) million was the net of interest earned, financing lease and other interest and $(3.0) million was debt discount amortization, compared to $1.5 million net of interest earned, financing lease and other interest and ($13.1) million of debt discount amortization in the six months ended July 31, 2024.

Other Income / (Expense), Net. Other income / (expense), net was $0.7 million for the six months ended July 31, 2025, an increase of $0.5 million, compared to $0.2 million for the six months ended July 31, 2024.

Non-GAAP Financial Metrics

In addition to our results determined in accordance with GAAP, we believe the following non-GAAP financial metrics are useful in evaluating our performance. These non-GAAP financial metrics are not meant to be considered as indicators of our financial performance in isolation from, or as a substitute, for our financial information prepared in accordance with GAAP and should be read only in conjunction with financial information presented on a GAAP basis. There are limitations to the use of the non-GAAP financial metrics presented in this Quarterly Report. For example, our non-GAAP financial metrics may not be comparable to similarly titled measures of other companies. Other companies, including companies in our industry, may calculate non-GAAP financial metrics differently than we do, limiting the usefulness of those measures for comparative purposes.

The reconciliation of the below non-GAAP financial metrics to the most directly comparable GAAP financial measure is presented below. We encourage reviewing the reconciliation in conjunction with the presentation of the non-GAAP financial metrics for each of the periods presented. In future periods, we may exclude similar items, may incur income and expenses similar to these excluded items, and may include other expenses, costs and non-recurring items.

Adjusted EBITDA and Adjusted EBITDA Margin. Adjusted EBITDA and Adjusted EBITDA Margin are key performance measures used by management to assess our operating performance and the operating leverage of our business prior to capital expenditures. Net Loss was $(26.4) million for the three months ended July 31, 2025 compared to $(15.6) million for the three months ended July 31, 2024. Net Loss as a percentage of revenue was (32.6)%, and (19.8)% for the three months ended July 31, 2025 and 2024, respectively. Net Loss was $(52.5) million for the six months ended July 31, 2025 compared to $(37.6) million for the six months ended July 31, 2024. Net Loss as a percentage of revenue was (34.9)%, and (24.4)% for the six months ended July 31, 2025 and 2024, respectively, and included $0.2 million of restructuring and related charges during the six months ended July 31, 2024. Net Loss for the three months ended July 31, 2025 increased year over year primarily due to the impact of higher revenue share costs, G&A expenses, fulfillment costs, technology costs, and a reduction in Other Income, partially offset by an increase in Revenue. Net Loss for the six months ended July 31, 2025 increased year over year primarily due to the impact of higher revenue share costs, lower revenue, higher fulfillment costs, higher interest expense and higher technology costs versus the prior year, partially offset by lower rental product depreciation and write-offs, other depreciation and amortization and marketing expense.

Our Adjusted EBITDA was $3.6 million for the three months ended July 31, 2025 compared to $13.7 million for the three months ended July 31, 2024, representing margins of 4.4% and 17.4%, respectively. Our Adjusted EBITDA was $2.3 million for the six months ended July 31, 2025 compared to $20.2 million for the six months ended July 31, 2024, representing margins of 1.5% and 13.1%, respectively. Adjusted EBITDA Margin decreased for the three and six months ended July 31, 2025 primarily due to higher revenue share and fulfillment costs as a percentage of revenue.

The following table presents a reconciliation of net loss, the most comparable GAAP financial measure, to Adjusted EBITDA for the periods presented:

	Three Months Ended July 31,		Six Months Ended July 31,	
	2025	2024	2025	2024
	(in millions)		(in millions)	
Net loss	$ (26.4)	$ (15.6)	$ (52.5)	$ (37.6)
Interest (income) / expense, net (1)	6.9	6.0	13.2	11.6
Rental product depreciation	15.9	16.2	29.1	31.1
Other depreciation and amortization (2)	2.6	3.3	5.3	6.6
Share-based compensation (3)	1.4	2.4	2.9	5.4
Write-off of liquidated assets (4)	0.5	1.2	1.2	2.8
Non-recurring adjustments (5)	2.0	—	2.0	—
Non-ordinary course legal fees (6)	1.4	—	2.0	—
Restructuring charges (7)	—	—	—	0.2
Income tax (benefit) / expense	—	0.1	0.2	0.1
Other (income) / expense, net (8)	(0.6)	(0.1)	(0.7)	(0.2)
Other (gains) / losses (9)	(0.1)	0.2	(0.4)	0.2
Adjusted EBITDA	$ 3.6	$ 13.7	$ 2.3	$ 20.2
Net Loss as a percentage of revenue	(32.6)%	(19.8)%	(34.9)%	(24.4)%
Adjusted EBITDA Margin (10)	4.4 %	17.4 %	1.5 %	13.1 %

(1) Includes debt discount amortization of $(3.9) million in the three months ended July 31, 2025, $6.7 million in the three months ended July 31, 2024, $3.0 million in the six months ended July 31, 2025 and $13.1 million in the six months ended July 31, 2024.

(2) Reflects non-rental product depreciation and capitalized software amortization.

(3) Reflects the non-cash expense for share-based compensation.

(4) Reflects the write-off of the remaining book value of liquidated rental product that had previously been held for sale.

(5) Non-recurring adjustments for the three and six months ended July 31, 2025 includes $2.0 million of transaction related costs.

(6) Non-ordinary course legal fees for the three and six months ended July 31, 2025 includes $1.4 million and $2.0 million of costs related to securities lawsuits and non-recurring legal fees including transaction related costs.

(7) Reflects restructuring charges primarily related to severance and related costs in connection with the January 2024 restructuring plan.

(8) Includes other (income) / expense recognized in the period.

(9) Includes gains / losses recognized in relation to foreign exchange, operating lease terminations and the related surrender of fixed assets (see “Note 5 - Leases – Lessee Accounting” in the Notes to the Condensed Consolidated Financial Statements).

(10) Adjusted EBITDA Margin calculated as Adjusted EBITDA as a percentage of revenue.

Liquidity and Capital Resources

We have incurred net losses from operations of $(26.4) million and $(52.5) million for the three and six months ended July 31, 2025, respectively, have incurred significant recurring net losses since inception, have an accumulated deficit of $(1,175.5) million as of July 31, 2025, and have historically relied upon debt and equity financing to fund our operations. Our cash flows from operations for the six months ended July 31, 2025 were $(2.2) million. Cash outflows from investing activities were $(30.7) million for the six months ended July 31, 2025. As of July 31, 2025, we had cash and cash equivalents of $43.6 million, restricted cash of $8.6 million, current liabilities of $68.3 million as of July 31, 2025 and long-term debt of $343.9 million with a maturity date in October 2026. We currently expect that our cash and cash equivalents balance will decline in fiscal year 2025 as a result of our business plans and strategy to significantly increase the quantity and desirability of rental product available to our customers.

We are a borrower under a loan agreement with CHS (US) Management LLC (as successor in interest to Double Helix Pte Ltd.) as administrative agent for Temasek Holdings, and CHS US Investments LLC, as lender (following a debt assignment from Double Helix Pte Ltd. in March 2025). In January 2023, we entered into an amendment and restatement of such facility (the "2022 Amended Temasek Facility"). The 2022 Amended Temasek Facility extended the maturity date from October 2024 to October 2026, reduced cash interest payments by over $20 million for the two succeeding fiscal years while the total interest rate remains unchanged during this period, with subsequent increases thereafter. In connection with the 2022 Amended Temasek Facility, we also granted warrants to purchase 100,000 shares of Class A Common Stock at an exercise price of $100.00 per share, along with other clarifications and updates. In December 2023, we entered into the 2023 Amended Temasek Facility. The 2023 Amended Temasek Facility eliminated all interest (payment-in-kind and cash interest) for six full fiscal quarters beginning with the fourth quarter of fiscal year 2023, reduced the minimum liquidity maintenance covenant from $50 million to $30 million, and provided that the Company may not exceed mutually agreed upon quarterly and annual spend levels for rental product capital, fixed operating, and marketing expenditures during fiscal year 2024 of $51 million, $100 million (excluding $10 million of specified permitted expenditures), and $30 million, respectively, on an annual basis, and to-be-agreed levels for fiscal years 2025 and 2026, subject to the debt holders' consent and certain exceptions. The quarterly and annual spend levels for rental product capital, fixed operating, and marketing expenditures for fiscal year 2025 were eliminated under the Fourteenth Amendment to the debt facility. In fiscal year 2025, we have incurred cash and paid-in-kind interest beginning May 1, 2025. For a description of the terms of our current and prior credit agreements, see "Note 7 – Long-Term Debt" in the Notes to the Condensed Consolidated Financial Statements.

On August 20, 2025, the Company entered into an exchange agreement (the "Exchange Agreement") with its existing lender, CHS US Investments LLC, as part of a broader recapitalization intended to improve the Company's capital structure, enhance financial flexibility, and extend debt maturities. Upon the closing of the Recapitalization Transactions, the Company shall enter into an amended and restated credit agreement (the "New Credit Agreement"), by and among the Company, as borrower, CHS (US) Management LLC, as administrative agent, and CHS US Investments LLC, Gateway Runway, LLC ("Nexus") and S3 RR Aggregator, LLC ("Story3") (collectively, the "Investor Group"). The New Credit Agreement, when entered into in accordance with the terms of the Exchange Agreement, will amend and restate the 2025 Amended Facility and provide for $120 million in aggregate principal amount of term loans comprised of (x) $100 million of the Company's existing outstanding indebtedness owing to CHS US Investments LLC under the 2025 Amended Facility to be exchanged on a dollar-for-dollar cashless basis for new term loans under the New Credit Agreement and (y) $20 million of new money term loans to be provided by the Investor Group upon the closing of the Recapitalization Transactions. All such term loans would mature on the fourth anniversary of the closing of the Recapitalization Transactions and bear interest, at the Company's option, at either (i) a bank reference rate plus 4.00% or (ii) term SOFR plus 5.00%, in each case per annum. The New Credit Agreement would modify the 2025 Amended Facility in certain other respects, including by temporarily reducing the minimum liquidity maintenance covenant from $30 million to $15 million through February 20, 2027, after which the original covenant level resumes. Pursuant to the Exchange Agreement, the remaining outstanding indebtedness owing to CHS US Investments LLC under the 2025 Amended Facility would be contributed by CHS US Investments LLC to the Company upon the closing of the Recapitalization Transactions in exchange for newly issued shares of the Company's Class A common stock, equal to 86% of the Company's outstanding shares (after giving effect to the Conversions, but before giving effect to the Rights Offering and the MIP Pool). Our total indebtedness as of July 31, 2025 was $343.9 million. See "Note 15 - Subsequent Events" in the Notes to the Condensed Consolidated Financial Statements for more information.

On May 28, 2024, we filed a "shelf" registration statement on Form S-3 (Reg. No. 333-279757) with the SEC, which was declared effective on June 6, 2024. This shelf registration statement, which includes a base prospectus, allows us at any time to offer any combination of securities described in the prospectus in one or more offerings for our own account in an aggregate amount up to $40 million. The Form S-3 is intended to provide us flexibility to conduct registered sales of our securities, subject to market conditions and our future capital needs. The terms of any future offering under the shelf registration statement will be established at the time of such offering and will be described in a prospectus supplement filed with the SEC prior to the completion of any such offering.

The issuance of additional equity, including securities convertible into equity, would result in additional dilution to our stockholders and could reduce the market price of our stock. Preferred stock, if issued, could have a preference with respect to liquidating distributions or a preference with respect to dividend payments that could limit our ability to pay dividends to the holders of our common stock. The incurrence of debt financing would result in debt service obligations and the instruments governing such debt could provide for operating and financing covenants that would restrict our operations. Our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, which may adversely affect the amount, timing, or nature of our future offerings. There can be no assurances that we will be able to raise additional capital which could negatively affect our liquidity in the future. In the event that additional financing is required from outside sources, we may not be able to negotiate terms acceptable to us or at all. If this occurs, our repayment obligations under the 2025 Amended Facility may be accelerated and we may be unable to meet such obligations. If we are unable to raise additional capital when required, or if we cannot expand our operations or otherwise capitalize on our business opportunities because we lack sufficient capital, our business, results of operations, financial condition, and cash flows would be adversely affected.

Our future capital requirements will depend on many factors, including, but not limited to, demand for our business, rental product spend (including expected increases in rental product spend due to our planned increase in rental product unit purchases in fiscal year 2025) and the timing of investments in technology and personnel to support the overall growth of our business. We believe our existing cash and cash equivalents, and cash generated from our operations, will be sufficient to sustain our business operations, to satisfy our debt service obligations, and to comply with our debt covenants for at least the next twelve months from the date of this Form 10-Q, assuming the Recapitalization Transactions close.

Cash Flows

The following table summarizes our cash flows for the periods presented:

	Six Months Ended July 31,	
	2025	2024
	(in millions)	
Net cash (used in) provided by operating activities	$ (2.2)	$ 6.8
Net cash (used in) provided by investing activities	(30.7)	(12.7)
Net cash (used in) provided by financing activities	(1.4)	(1.5)
Net (decrease) increase in cash and cash equivalents and restricted cash	(34.3)	(7.4)
Cash and cash equivalents and restricted cash at beginning of period	86.5	94.0
Cash and cash equivalents and restricted cash at end of period	$ 52.2	$ 86.6

We also measure the cash consumption of the business including capital expenditures, by assessing net cash used in operating activities and net cash used in investing activities on a combined basis, which was $(32.9) million for the six months ended July 31, 2025 and $(5.9) million for the six months ended July 31, 2024. The cash consumption of the business was higher in the first and second quarters of fiscal year 2025 compared with the same period of fiscal year 2024 primarily due to higher purchases of rental product and higher net loss compared to the prior period. The sum of net cash used in operating activities and net cash used in investing activities, as a percentage of revenue, was (21.9)% for the six months ended July 31, 2025 and (3.8)% for the six months ended July 31, 2024.

Net cash (used in) provided by operating activities. For the six months ended July 31, 2025, net cash provided by operating activities was $(2.2) million, which consisted of a net loss of $(52.5) million, partially offset by non-cash charges of $47.1 million, reclassification of the proceeds from the sale of rental product of $11.8 million and a net change of $15.0 million in our operating assets and liabilities. The non-cash charges were primarily comprised of $28.7 million of rental product depreciation and write-off expenses, $7.2 million of payment-in-kind interest, $2.9 million of share-based compensation, $3.0 million of debt discount amortization, and $5.3 million of other fixed and intangible asset depreciation.

For the six months ended July 31, 2024, net cash used in operating activities was $6.8 million, which consisted of a net loss of $(37.6) million, offset by non-cash charges of $57.0 million, reclassification of the proceeds from the sale of rental product of $13.6 million and a net change of $1.0 million in our operating assets and liabilities. The non-cash charges were primarily comprised of $31.7 million of rental product depreciation and write-off expenses, $5.4 million of share-based compensation, $13.1 million of debt discount amortization, and $6.8 million of other fixed and intangible asset depreciation.

Net cash (used in) provided by investing activities. For the six months ended July 31, 2025, net cash used in investing activities was $(30.7) million, primarily consisting of $(42.0) million of purchases of rental product incurred in the period and $(2.1) million of purchases of fixed and intangible assets. The investment in rental product does not include an additional $(4.4) million of cost for units received in the current period but not yet paid for, but does include $2.7 million of cost for units paid for in the current period but received in the prior period (see the Supplemental Cash Flow Information in Part I, Item 1. “Financial Statements (Unaudited)”). The investment in rental product was to support our rental product strategy. The majority of the investment in fixed and intangible assets was primarily related to machinery and equipment. The cash used in investing activities was partially offset by $11.8 million of proceeds from the sale of owned rental product and $1.6 million of proceeds from the liquidation of rental product.

For the six months ended July 31, 2024, net cash used in investing activities was $(12.7) million, primarily consisting of $(26.3) million of purchases of rental product incurred in the period and $(2.2) million of purchases of fixed and intangible assets. The investment in rental product did not include an additional $(0.9) million of cost for units received in the current period but not yet paid for, but did include $1.4 million of cost for units paid for in the current period but received in the prior period (see Supplemental Cash Flow Information in Part I, Item 1. “Financial Statements (Unaudited)”). The investment in rental product was to support our rental product strategy. The majority of the investment in fixed and intangible assets was primarily related to leasehold improvements. The cash used in investing activities was partially offset by $13.6 million of proceeds from the sale of owned rental products and $2.2 million of proceeds from the liquidation of rental product.

Net cash provided by (used in) financing activities. During the six months ended July 31, 2025, net cash used in financing activities was $(1.4) million, consisting of other financing payments.

During the six months ended July 31, 2024, net cash used in financing activities was $(1.5) million, consisting of other financing payments.

Contractual Obligations and Commitments

In December 2023, we entered into the 2023 Amended Temasek Facility, which eliminated all interest (both payment-in-kind and cash interest) for a period of six full fiscal quarters beginning with the fourth quarter of fiscal year 2023, reduced the minimum liquidity maintenance covenant from $50 million to $30 million, and provided that we may not exceed mutually agreed upon quarterly and annual spend levels for rental product capital expenditures, fixed operating expenses and marketing expenditures during fiscal year 2024 and to-be-agreed levels for fiscal years 2025 and 2026. The quarterly and annual spend levels for rental product capital, fixed operating, and marketing expenditures for fiscal year 2025 were eliminated under the Fourteenth Amendment to the debt facility. As of July 31, 2025, we had approximately $343.9 million of total debt outstanding, none of which matures within the next 12 months. See “Note 7 — Long-Term Debt” in the Notes to the Condensed Consolidated Financial Statements for more information. On August 20, 2025, the Company entered into an exchange agreement (the “Exchange Agreement”) with its existing lender, CHS US Investments LLC, as part of a broader recapitalization intended to improve the Company’s capital structure, enhance financial flexibility, and extend debt maturities. See “Note 15 — Subsequent Events” in the Notes to the Condensed Consolidated Financial Statements for more information. See “Note 5 – Leases – Lessee Accounting” in the Notes to the Condensed Consolidated Financial Statements for our minimum fixed lease obligations under existing lease agreements as of July 31, 2025. See “Note 14 - Commitments and Contingencies” in the Notes to the Condensed Consolidated Financial Statements for our minimum purchase commitments for technology services as of July 31, 2025.

Critical Accounting Estimates

Our critical accounting estimates are described under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations-Critical Accounting Estimates” in our 2024 Annual Report on Form 10-K. In the six months ended July 31, 2025, there were no material changes to our critical accounting estimates from those discussed in our 2024 Annual Report on Form 10-K except as discussed below.

Interim Impairment Evaluation

Long-lived assets, such as rental product, fixed assets, intangible assets, and right-of-use lease assets, are reviewed for impairment triggers when events or changes in circumstances indicate the carrying value of such assets may not be recoverable. If circumstances require a long-lived asset or asset group be tested for possible impairment, the Company first compares the undiscounted cash flows expected to be generated by that asset or asset group to its carrying amount. If the carrying amount of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying amount exceeds its fair value. Fair value is determined using various valuation techniques including discounted cash flow models, quoted market values, and third-party independent appraisals, as necessary.

Given the Company’s stock price decline during the first and second quarters of fiscal year 2025 and fourth quarter of fiscal year 2024, the Company concluded a triggering event had occurred and performed an impairment analysis of its long-lived assets as of July 31, 2025 and January 31, 2025. Based on the quantitative assessments performed, undiscounted cash flows expected to be generated by the use and eventual disposition of the Company’s long-lived assets exceeded their carrying values and therefore no impairment was recognized for the six months ended July 31, 2025 and year ended January 31, 2025.

Recent Accounting Pronouncements

See “Note 2 — Summary of Significant Accounting Policies” in the Notes to Condensed Consolidated Financial Statements for a description of recently adopted accounting pronouncements and recently issued accounting pronouncements not yet adopted.

JOBS Act

We currently qualify as an “emerging growth company” under the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. Accordingly, we are provided the option to adopt new or revised accounting guidance either (i) within the same periods as those otherwise applicable to non-emerging growth companies or (ii) within the same time periods as private companies. We have elected to adopt new or revised accounting guidance within the same time period as private companies until the earlier of the date we (i) are no longer an emerging growth company or (ii) affirmatively and irrevocably opt out of the extended transition period. Accordingly, our utilization of these transition periods may make it difficult to compare our financial statements to those of non-emerging growth companies and other emerging growth companies that have opted out of the transition periods afforded under the JOBS Act.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our quantitative and qualitative disclosures about market risk are described under the heading “Quantitative and Qualitative Disclosures About Market Risk” in our 2024 Annual Report on Form 10-K. In the three months ended July 31, 2025, there were no material changes to our quantitative and qualitative disclosures about market risk from those discussed in our 2024 Annual Report on Form 10-K.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial officer, evaluated, as of the end of the period covered by this Quarterly Report on Form 10-Q, the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")). Based on our evaluation, our principal executive officer and principal financial officer have concluded that the Company's disclosure controls and procedures (as such term is defined in Rule(s) 13a-15(e) and 15d-15(e) under the Exchange Act) were not effective as of July 31, 2025 because of the material weaknesses in our internal control over financial reporting described below.

Notwithstanding the below identified material weaknesses, management believes the condensed consolidated financial statements as included in Part I, Item 1 of this Quarterly Report on Form 10-Q present fairly, in all material respects, the Company's financial condition, results of operations and cash flows as of and for the periods presented in accordance with generally accepted accounting principles in the United States.

Material Weaknesses in Internal Control Over Financial Reporting

We identified material weaknesses in our internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. As of July 31, 2025, these material weaknesses remain unremediated.

We did not maintain sufficient evidence of the operation of controls to achieve complete, accurate and timely financial accounting, reporting and disclosures nor were monitoring controls evidenced at a sufficient level to provide the appropriate level of oversight of activities related to our internal control over financial reporting. This material weakness contributed to the following additional material weaknesses:

We did not design and maintain effective controls to ensure (i) the appropriate segregation of duties in the operation of manual controls and (ii) journal entries were reviewed at the appropriate level of precision.

We did not design and maintain effective controls over information technology ("IT") general controls for information systems and applications that are relevant to the preparation of our financial statements. Specifically, we did not design and maintain (i) program change management controls to ensure that information technology program and data changes affecting financial IT applications and underlying accounting records are identified, tested, authorized and implemented appropriately, (ii) user access controls to ensure appropriate segregation of duties and that adequately restrict user and privileged access to our financial applications, programs and data to appropriate personnel, (iii) computer operations controls to ensure that critical batch jobs are monitored and data backups are authorized and monitored and (iv) testing and approval controls for program development to ensure that new software development is aligned with business and IT requirements.

These IT control deficiencies, when aggregated, could impact maintaining effective segregation of duties, as well as the effectiveness of IT-dependent controls (such as automated controls that address the risk of material misstatement to one or more assertions, along with the IT controls and underlying data that support the effectiveness of system-generated data and reports) that could result in misstatements potentially impacting all financial statement accounts and disclosures that would not be prevented or detected.

These material weaknesses did not result in a misstatement to our annual or interim condensed consolidated financial statements. However, each of these material weaknesses could result in a misstatement of substantially all account balances or disclosures that would result in a material misstatement to our annual or interim condensed consolidated financial statements that would not be prevented or detected.

Remediation Efforts to Address Material Weaknesses

We continue to implement measures designed to remediate the identified material weaknesses. The measures include (i) formalizing the Company's framework and policies with respect to maintaining evidence in the operation of control procedures, (ii) improving our control framework to include the appropriate segregation of duties and controls over the preparation and review of journal entries, and (iii) designing and implementing IT general controls for systems and applications impacting internal control over financial reporting.

We have performed extensive work with personnel responsible for the design and operating effectiveness of internal control over financial reporting in our efforts to ensure that appropriate controls are in place and appropriate evidence is maintained. We are continuing to implement comprehensive access control protocols for our enterprise resource planning environment in order to implement restrictions on user and privileged access to certain applications, establishing additional controls over segregation of duties and the preparation and review of journal entries, implementing controls to review the activities for those users who have privileged access and program change management controls to ensure that IT program and data changes affecting financial IT applications and underlying accounting records are identified, tested, authorized and implemented appropriately.

The implementation of these remediation efforts is in progress, may require additional expenditures to implement, and will require validation and testing of the design and operating effectiveness of internal controls over a sustained period of financial reporting cycles, and as a result, the timing of when we will be able to fully remediate the material weaknesses is uncertain. We may also conclude that additional measures may be required to remediate the material weaknesses in our internal control over financial reporting, which may necessitate additional implementation and evaluation time. We will continue to assess the effectiveness of our internal control over financial reporting and take steps to remediate the known material weaknesses expeditiously.

Changes in Internal Control Over Financial Reporting

There have been no changes in the Company's internal control over financial reporting that occurred during the quarter ended July 31, 2025, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Part II - Other Information

Item 1. LEGAL PROCEEDINGS

The information contained in “Note 14 — Commitments and Contingencies” in the Notes to the Condensed Consolidated Financial Statements is incorporated by reference into this Item.

Item 1A. RISK FACTORS

Investing in our Class A common stock involves a high degree of risk. You should consider and read carefully all of the risks and uncertainties described below, as well as other information included in this Quarterly Report on Form 10-Q, including our condensed consolidated financial statements and related notes appearing elsewhere in this filing, before making an investment decision. The risks described below are not the only ones we face. The occurrence of any of the following risks or additional risks and uncertainties not presently known to us or that we currently believe to be immaterial could materially and adversely affect our business, financial condition, or results of operations.

Risks Related to the Recapitalization Transactions

If our stockholders fail to approve the required proposals to consummate the Recapitalization Transactions, the Exchange Agreement will be terminated in accordance with its terms, we will not be able to enter into the New Credit Agreement, and we may default on our 2025 Amended Facility, which would have a material adverse effect on our business, financial condition and results of operations and our ability to continue to operate as a going concern.

We have incurred a substantial amount of indebtedness to fund our operations, which requires significant interest payments. As of July 31, 2025, we had $343.9 million in outstanding indebtedness under our 2025 Amended Facility that will mature in October 2026. We do not expect that our business will generate sufficient cash flow from operations to repay our indebtedness upon maturity or make other scheduled payments. Further, we are required to comply with various covenants under our 2025 Amended Facility, which we have amended from time to time with the cooperation of our Lender to ensure our continued compliance with such covenants. Any failure to repay our indebtedness, make scheduled payments or comply with the covenants under our 2025 Amended Facility would constitute an event of default.

We entered into the Exchange Agreement to enhance our financial position and financial flexibility by significantly reducing our existing indebtedness, improving our borrowing rate and extending the maturity of our remaining indebtedness. If our stockholders fail to approve the required proposals to consummate the Recapitalization Transactions (the “Required Proposals”) at a special meeting of stockholders, we will not be able to enter into the New Credit Agreement, impair our ability to continue as a going concern, and we may default under our 2025 Amended Facility. A default would allow our Lender to terminate its loan commitments, accelerate repayment of all obligations under the 2025 Amended Facility and foreclose its liens against substantially all of our assets and take possession and sell such assets to reduce any such obligations. As a result, a default would have a material adverse effect on our business, financial condition and results of operations and our ability to operate as a going concern, and we would likely be unable to avoid filing for bankruptcy protection or have an involuntary bankruptcy case filed against us. Further, if the Recapitalization Transactions are not completed, our currently outstanding debt obligations will mature on October 29, 2026, and as of October 29, 2025, these outstanding debt obligations would be classified as a current liability and we may be unable to continue as a going concern, which could have a material adverse effect on our business, financial condition and results of operations.

If the Required Proposals are approved, we will issue a significant number of Exchange Stock pursuant to the Exchange Transactions and the Rights Offering Backstop Agreement, which will result in immediate and substantial dilution to our stockholders.

Pursuant to the Exchange Agreement, our Lender would exchange $100 million of existing outstanding indebtedness owing to us under the 2025 Amended Facility on a dollar-for-dollar cashless basis for new term loans under the New Credit Agreement and contribute all outstanding indebtedness owed by us to Lender under the 2025 Amended Facility in excess thereof to us in exchange for newly issued shares of Class A common stock, equal to 86% of the number of shares of our total outstanding common stock as of the Closing (after giving effect to the Conversions, but before giving effect to the Rights Offering and the share reserve under the Amended Plan). Therefore, if our stockholders vote to approve the Required Proposals, they will experience immediate and substantial dilution upon the consummation of the Recapitalization Transactions.
Additionally, under the Exchange Agreement, we agreed to prepare and file with the SEC a registration statement on Form S-1 in connection with a $12,500,000 rights offering and entered into the Rights Offering Backstop Agreement, which permits the Investor Group to purchase all unsubscribed shares of the Class A common stock to be issued in connection with the Rights Offering at a price of $4.08 per share. If the Required Proposals are approved, we will issue all of the unsubscribed shares of Class A common stock offered in the Rights Offering to the Investor Group, and our stockholders could experience further significant and immediate dilution. In the event the Recapitalization Transactions close, as a result of our Lender's substantial ownership of our capital stock, the Lender may be able to control matters requiring stockholder approval, including the election of directors and approval of significant corporate transactions, such as a merger or other sale of our Company or our assets. This concentration of ownership may limit the ability of other stockholders to influence corporate matters and may cause us to make strategic decisions that could involve risks to you or that may not be aligned with your interests. This control may adversely affect the market price of our common stock.

We will enter into the New Credit Agreement if the Required Proposals are approved, which includes covenants that could restrict our operations or our ability to pursue growth strategies and initiatives, and failure to comply with these covenants could have a material adverse effect on our business, financial condition and results of operations.

If the Required Proposals are approved, we will enter into the New Credit Agreement upon the consummation of the Recapitalization Transactions. The New Credit Agreement will amend and restate the 2025 Amended Facility and contain negative covenants that limit our ability to, among other things, incur additional indebtedness, pay dividends, redeem stock or make other distributions, amend our material agreements, make investments, create liens, make negative pledges, consolidate, merge, sell or other dispose of all or substantially all of our assets, and enter into certain transactions with affiliates. Our obligation to comply with such covenants could decrease our operating flexibility and our ability to achieve our operating objectives, which could have an adverse affect on our business, financial condition and results of operations.

Further, in the past we have sought waivers and/or concessions from our Lender to ensure our continued compliance with certain covenants under our 2025 Amended Facility, and we may in the future be unable to comply with the covenants under the New Credit Agreement. If we were unable to comply with our covenants and successfully negotiate with our Lender for a waiver or dispensation of such covenants under the New Credit Agreement, we would not be able to borrow under the New Credit Agreement and our Lender would have the right to terminate the loan commitments under the New Credit Agreement and accelerate repayment of all outstanding obligations, which would immediately due and payable. While our Lender has previously granted waivers or entered into amendments to the 2025 Amended Facility to avoid certain events of default, there can be no assurance that our Lender will be willing to do so in the future. In addition, the rights of the Investor Group under the New Credit Agreement are transferable and assignable, and any transferee may not be willing to grant such waivers or enter into such amendments, or have interests that align with us and our stockholders. Therefore, any failure to comply with our covenants and negotiate with our Lender could have a material adverse effect on our business, financial condition and results of operations.

Risks Related to Our Business and Industry

If we are unable to drive future growth or manage our growth effectively, our brand, Company culture, and financial performance may suffer.

We must continue to drive revenue growth to be successful. To effectively drive growth, we must continue to enhance customer experience and attract and retain customers (particularly subscribers), iterate our subscription products, manage the interplay between our various offerings, invest in digital consumer innovation, expand our brand awareness and marketing, and upgrade our management information and reverse logistics systems and other processes. Our growth and growth strategies have in the past strained, and could in the future strain, our existing resources, and we could experience ongoing operating difficulties in managing our business across numerous jurisdictions, including difficulties in hiring, training, and managing our broad employee base. Failure to scale and preserve our Company culture as we grow could also harm our future success, including our ability to retain and recruit personnel and to effectively focus on and pursue our corporate objectives.

Our growth strategy is focused on continuing to grow, engage, and retain our subscriber and customer base, expanding our brand partner relationships and product assortment, increasing our advertising and other marketing spending, and continuing to invest in our offerings and technology. The majority of our revenue is generated by our subscribers. Our base subscription plans range in price and customers can customize their subscription monthly by purchasing additional slots and shipments. Our subscriptions renew automatically on a monthly basis and subscribers may disable automatic renewal by canceling or pausing their subscription prior to the next month's bill date. As a result, even though a significant number of subscribers have historically renewed their monthly subscription, there can be no assurance that we will be able to retain a significant portion of subscribers beyond the existing monthly subscription periods. In addition, any limitation or restriction imposed on our ability to bill our subscribers on a recurring basis, enforce our terms of service or collect data or deliver relevant promotions or media, whether due to new regulations or otherwise, may significantly lower our subscription retention rate. We also offer our customers the option to rent or buy items via our Reserve offering and Resale offering, respectively, which we believe is a strong competitive advantage but adds complexity to our business that we must effectively manage to drive growth. Our Subscription plans and offerings do not have demonstrably long track records of success and may not grow as much or as fast as we expect. For example, our active subscriber count decreased year over year in fiscal year 2024 and, although we are focused on growth initiatives, may continue to decline in the future. In addition, our number of active subscribers may be higher or lower than the number of our actual individual subscribers, because some active subscribers may have multiple accounts (such as for professional and personal purposes), or some may share their plans with other individuals. Although we anticipate an increase in our year-over-year revenue growth rate in fiscal year 2025, if our growth and/or growth rates do not meet expectations, the perception of our business, financial condition and results of operations by investors and our third-party service providers and brand partners may be adversely affected.

The fashion industry is rapidly evolving and our business may not develop as we expect. Overall growth of our revenue will depend on a number of factors, including our ability to:

- change traditional consumer buying habits and normalize clothing subscription, rental and resale;
- price our Subscription, Reserve and Resale offerings so that we are able to attract new customers, and retain and expand our relationships with existing customers;
- ensure that we maintain an adequate depth and breadth of available products to meet customer demand and respond swiftly and appropriately to new and changing styles, trends or desired consumer preferences;
- accurately forecast our revenue and plan our fulfillment, operating expenses and capital expenditures;
- provide customers with a high-quality, seamless user experience and order fulfillment, as well as customer service and support that meets their needs;
- acquire customers into varying levels of subscription programs at different price points;
- improve our website and app performance and successfully identify and acquire, partner or invest in products, technologies, or businesses that we believe could complement or expand our business;
- successfully maintain and grow our relationships with existing and new brand partners, including continuing to maintain and grow our Share by RTR and Exclusive Design offerings;

- avoid disruptions in acquiring and distributing our products and offerings;
- effectively manage our customer acquisition funnel to avoid disruption to our Subscription, Reserve, and Resale offerings;
- be effective and efficient in our paid marketing;
- maintain and enhance our reputation and the value of our brand;
- hire, integrate and retain talented personnel across all levels of our organization;
- successfully compete with other companies that are currently in, or may in the future enter, the industry or the markets in which we operate, and respond to developments from these competitors such as pricing changes and the introduction of new offerings;
- comply with existing and new laws and regulations applicable to our business;
- successfully expand into new and penetrate existing geographic markets in the United States;
- successfully develop new offerings and innovate and enhance our existing offerings and their features, including in response to new trends, competitive dynamics or the needs of customers and subscribers;
- effectively manage growth of our business, personnel, and operations, including expanding our shipping and distribution capabilities and fulfillment center operations, as well as our logistics footprint and the number of facilities we operate in the future;
- effectively manage our costs related to our business and operations; and
- avoid or manage interruptions in our business from information technology downtime, cybersecurity incidents and other factors that could affect our physical and digital infrastructure.

Because we have a limited history operating our business at its current scale, it is difficult to evaluate our current business and future prospects, including our ability to plan for and model future growth. Our limited operating experience at this scale, combined with the rapidly evolving nature of the market in which we sell our offerings, substantial uncertainty concerning how these markets may develop, and other economic factors beyond our control, reduces our ability to accurately forecast quarterly or annual revenue.

Our growth and growth strategies have in the past strained, and could in the future strain, our existing resources, and we could experience ongoing operating difficulties in managing our business across numerous jurisdictions, including difficulties in hiring, training, and managing our broad employee base. Failure to scale and preserve our Company culture as we grow could also harm our future success, including our ability to retain and recruit personnel and to effectively focus on and pursue our corporate objectives. Failure to manage our future growth effectively could have an adverse effect on our business, financial condition, and results of operations.

We also expect to continue to expend substantial financial and other resources to grow our business, and we may fail to allocate our resources in a manner that results in increased revenue growth in our business. Additionally, we may encounter unforeseen capital or operating expenses, difficulties, complications, delays, and other unknown factors that may result in losses in future periods and undermine our profitability goals. If our revenue growth does not meet our expectations in future periods, our business, financial condition, and results of operations may be harmed, and we may not achieve or sustain profitability in the future.

The global fashion industry is highly competitive and rapidly changing, and we may not be able to compete effectively.

We compete with other fashion rental companies and also with a range of traditional and online retail and resale fashion companies and we expect competition to continue to increase in the future. To be successful, we need to continue to attract and retain customers and brand partners.

We believe our ability to compete effectively depends on many factors within and beyond our control, including:

- our ability to normalize fashion rental and change traditional retail shopping habits and norms;
- how effectively differentiated our offerings, customer experience and value proposition are from those of our competitors;

- how effectively we market and communicate how to use our Subscription, Reserve and Resale offerings, manage the interplay between our offerings, and attract and retain customers;
- our ability to expand and maintain an appealing depth and breadth of our products to meet customer demand and to merchandise it effectively;
- the price at which we offer our Subscription, Reserve and Resale offerings and our ability to optimize pricing;
- the amount, diversity, and quality of brands that we or our competitors offer;
- our ability to acquire products on favorable and efficient terms, including our ability to attract new brand partners and retain existing brand partners in our Share by RTR and Exclusive Design programs;
- the speed and cost at which we can deliver products to our customers and the ease with which they can return our products;
- the effectiveness of our customer service;
- further developing our data science capabilities for brand partners;
- the strength of our brand, including maintaining favorable brand recognition and effectively marketing our services and value proposition to customers;
- the success of our reverse-logistics processes in delivering products in good condition to customers; and
- anticipating and successfully responding to changing apparel trends and consumer shopping preferences.

Many competitors or potential competitors have or may have longer operating histories, greater brand recognition, better user experiences, stronger consumer and supplier relationships, less complicated business models, and significantly greater financial, marketing and other resources. In addition, they may be able to innovate and provide products and services faster and with more selection than we can, including as a result of their vertical integrations that better enables them to acquire market share. Certain fashion rental competitors have lower priced subscription offerings than we do and/or offer more items per shipment. In addition, competitors and potential competitors may be willing to price their products and services more aggressively in order to gain market share and be able to manufacture goods on a more cost-effective basis because they are vertically integrated, producing higher volumes, and/or have stronger relationships with manufacturing partners. In addition, brands set pricing for their own new retail items, which can include promotional discounts that may adversely affect the relative value of rental and/or resale items offered by us, and, in turn, our revenue, results of operations and financial condition. Additional competitors are expanding and may continue to expand into the rental and resale space in which we operate and we remain vulnerable to the marketing power and high level of customer recognition of these larger competitors and to the risk that these competitors or other smaller entrants could attract our customer base.

Furthermore, although we believe that there are numerous trends in our favor that support the continued growth and success of online fashion rental, changing traditional retail and e-commerce shopping habits is difficult, particularly the shift from an ownership to an access model. Our business model may not achieve acceptance as broadly and within the time frame that we expect by customers and brand partners. In addition, the trends in our favor may evolve and no longer provide compelling support for our business model. If online fashion rental does not achieve broad acceptance by consumers and our brand partners, our growth could be limited and our competitiveness hampered.

Our inability to respond effectively to competitive pressures, improved performance by our competitors, our failure to achieve broad acceptance and changes in the fashion retail markets could result in lost market share and have a material adverse effect on our business, financial condition, and results of operations.

We rely on consumer discretionary spending and have been, and may in the future be, adversely affected by economic downturns and other macroeconomic conditions or trends.

We are subject to variable industry and global economic conditions and their impact on consumer discretionary spending. Some of the factors that may negatively influence consumer spending include high levels of unemployment; recession; higher consumer debt levels; inflation; reductions in net worth, declines in asset values, and related market uncertainty; volatility in the financial markets; home foreclosures and reductions in home values; fluctuating interest rates and credit availability; fluctuating fuel and other energy costs; fluctuating commodity prices; and general uncertainty regarding the overall future political and economic environment. We have experienced many of these factors in the past and have seen negative impacts on customer demand as a result.

Furthermore, increases in consumer discretionary spending tend to fluctuate and may decrease, particularly if there is a recession and/or higher inflation leading to increased price sensitivity. Economic conditions in certain regions may also be affected by natural disasters, such as hurricanes, tropical storms, earthquakes, and wildfires; other public health crises; geopolitical conditions, including wars, terrorism and political tensions; and other major unforeseen events. Although we believe the value proposition of our offering and business model may be strengthened in an inflationary environment where the cost of purchasing clothing and accessories increases, consumer purchases or rental of discretionary items, including the products that we offer, frequently decline during recessionary periods or periods of economic uncertainty, when disposable income is reduced or when there is a reduction in consumer confidence.

Additionally, adverse economic changes could reduce consumer confidence, and could thereby negatively affect our operating results. In the event of a prolonged economic downturn, uncertainty, or acute recession, significant inflation, or increased supply chain shortages, consumer spending habits could be adversely affected, and we could experience lower than expected revenue, net income, cash flows and Adjusted EBITDA. In challenging and uncertain economic environments, we cannot predict the degree of uncertainty, whether or when such circumstances may improve or worsen or what impact such circumstances could have on our business. Any of these developments could harm our business, financial condition and results of operations.

Our continued growth depends on our ability to attract new, and retain existing, customers, which may fluctuate based on our level of investment and success in our organic and paid marketing initiatives. ***If we are unable to cost-effectively grow our customer base, our business, financial condition and results of operations would be harmed.***

The growth of our business is dependent upon our ability to continue to grow by cost-effectively adding new customers and retaining existing customers. Historically, a substantial portion of new customer acquisition has originated from organic word-of-mouth and other non-paid referrals. Our marketing initiatives are generally focused on re-engaging lapsed and paused customers, retaining existing customers and growing our base of new customers. In addition, we continue to focus on growing traffic and conversion rates by optimizing our organic social media channels, by improving our email marketing performance, by refreshing our lifecycle marketing engine, by increasing paid marketing efficiency, and by focusing on our search engine ranking for relevant keywords. These efforts are ongoing and, although we have seen some positive results, they are subject to change and may not result in a sustained increase in customer loyalty or higher customer engagement. As a result, our levels of paid and organic growth may continue to fluctuate and/or overall growth may decline.

Paid marketing is a part of our growth strategy and we may determine that significant investment in marketing will be required in the future. However, we reduced our marketing spend, particularly in paid marketing, in fiscal year 2024, which resulted in lower customer acquisitions and revenue. We may incur marketing expenses significantly in advance of the time we anticipate recognized revenue associated with such expenses. In addition, our paid marketing may be unsuccessful for various reasons, including not effectively reaching potential customers or being cost-effective (particularly as costs increase for performance marketing), changes in regulations (e.g., privacy) or third-party interference could limit the effectiveness of search engines, social media platforms, and other tools for marketing, potential customers may decide not to rent through our platform or the spend of new customers may not yield the intended return on investment, any of which could negatively affect our results of operations. In addition, the success of our marketing initiatives overall depends upon our marketing team and leadership, which has continued to experience transition as we focus on building creative and strategic talent on the team. If our team building efforts or marketing strategies are not successful or are not executed successfully, our growth may decline and we may not achieve our growth and/or profitability goals.

We utilize promotional pricing to attract customers and subscribers who may have heightened price sensitivity and who may not be willing to pay full price for our offering when the promotion period expires. Our promotional strategy changes regularly and is subject to experimentation. For example, in the first half of 2025, we have provided a free membership month to certain new and lapsed customers, who may or may not continue their subscription when their free month expires. We expect that we will continue to adjust our promotional policies in response to our business objectives and market conditions. Our business performance may be adversely impacted if our promotional strategy is not effective at attracting and retaining customers.

Further, customer preferences may change and customers may not rent through our platform as frequently or spend as much with us. We strive to drive conversion of new subscribers from current and former customers; however, if their behavior changes or they are not satisfied with our offering for any reason, our ability to grow subscribers may be impacted. If we are not able to continue to expand our customer base through cost-effective methods, we may not meet our revenue and profitability goals, our revenue may grow slower than expected or decline, and investors may lose confidence in our business. Relatedly, an inability to attract and retain customers could harm our ability to attract and retain brand partners, who may decide to partner with alternative platforms.

If we fail to retain customers, our business, financial condition, and results of operations would be harmed.

A high proportion of our revenue comes from longer-tenured subscribers. A decrease in the number of customers, their tenures with us, and/or a reduction in the amount customers spend on our offerings could negatively affect our operating results.

Our number of customers and the amounts they spend on our offerings may decline materially or fluctuate as a result of many factors, including, among other things:

- the quality, consumer appeal, price, and reliability of our offerings;
- dissatisfaction with changes we make to our offerings and products;
- the perceived value of our offerings, especially in response to price increases and changes in the macroeconomic environment;
- our ability to quality control the products delivered to our customers and their fit;
- ensuring on-time delivery of orders;
- the ease with which customers can find items they are looking for, including the effectiveness of our search and discovery tools, merchandising, and rental product availability;
- the performance of our website and mobile app, including reliability;
- the level of our investment in marketing and the success of our marketing strategies and tactics, including changes in efficiency of our historic or current customer acquisition methods;
- a negative customer service experience;
- intense competition in the fashion industry;
- negative publicity that impacts our brand and reputation;

- changes in consumer preferences regarding the use of pre-loved apparel;
- lack of market acceptance of our business model;
- a future outbreak of disease or public health concern, such as COVID-19; and
- the failure (or perceived failure) to meet different and sometimes conflicting stakeholder expectations regarding our environmental, social and governance ("ESG"), initiatives.

If existing customers no longer find our offerings and products appealing, appropriately priced or easy to use, or if we are unable to provide high-quality support to customers to help them resolve issues in a timely and acceptable manner, they may stop using our offerings, we may experience negative publicity and word-of-mouth and other referrals may be hampered. For example, in August 2025 we implemented a price increase for our subscription plans. If our customers no longer perceive our subscription plans as appropriately priced and cancel or pause their subscriptions, our business and financial results could be harmed. We are focused on investing in our customer's experience and delivering even more value to her, including by focusing on approximately doubling our rental product selection in fiscal year 2025 and emphasizing the value proposition of our offering in our marketing materials, among other initiatives; however these or other initiatives to retain customers may not be successful at improving customer satisfaction, subscriber retention and/or revenues and may require additional costs or lead to unanticipated consequences. Even if our existing customers continue to find our offerings and products appealing and our customer service satisfactory, they may decide to downgrade to a less frequent, lower cost subscription and/or rent fewer items due to price sensitivity and/or changing demand or other reasons. If customers downgrade their subscriptions or make fewer or lower priced rentals, our financial results could be negatively affected.

We have a history of losses, and we may be unable to achieve or sustain profitability.

We had a net loss of $(52.5) million and $(69.9) million for the six months ended July 31, 2025 and year ended January 31, 2025, respectively, and have in the past had net losses. As of July 31, 2025, we had an accumulated deficit of $(1,175.5) million. Further, for a variety of reasons, it is difficult for us to predict our future operating results. We will need to generate and sustain increased revenue and manage our costs to achieve profitability. Even if we do, we may not be able to sustain or increase our profitability.

Our ability to generate profit depends on our ability to grow customers and revenue and drive operational efficiencies in our business to generate better margins. In recent years, we have taken significant steps to reduce our operating costs, improve our margins, and make progress towards profitability. We expect fiscal year 2025 to be a year of investment as we plan to significantly increase the amount of new rental product we acquire and, therefore, expect to increase our net losses year-over-year. We may also continue to generate net losses in order to:

- fulfill customer orders and provide customer service;
- increase the engagement, enhance retention and improve the experience, of customers;
- drive customer acquisition and brand awareness through marketing and promotional initiatives;
- invest in technology, including to enhance our website and mobile offerings and functionality;
- attract, motivate and retain our employees;
- enhance our current offerings and develop new offerings;
- generally support a larger customer base; and
- invest in our operations, including our logistics fulfillment, capacity and footprint, and other capital expenditures to support the growth in our business.

We may discover unanticipated costs or that these initiatives are more expensive than we currently anticipate, and we may not succeed in increasing our revenue sufficiently to offset these expenses or realize the operating efficiencies and profitability we anticipate. We also expect to face greater compliance costs over time associated with the increased scope of our business and being a public company. If we are not able to adequately increase revenue or manage operating costs or due to other factors outside of our control, we may continue to incur net losses and not be able to achieve or sustain profitability in the near term or at all. If we are unable to achieve or sustain profitability, the value of our business and the trading price of our Class A common stock may be negatively impacted.

If we fail to anticipate and respond successfully to new and changing fashion trends and consumer preferences and accurately forecast consumer demand, our business could be harmed.

Our success is, in large part, dependent upon our ability to identify fashion trends, predict and gauge the tastes of our customers, and provide availability of items and a service that satisfies customer demand in a timely manner. However, lead times for many of our purchasing and design decisions may make it difficult for us to respond rapidly to new or changing apparel trends or customer acceptance of products chosen by us. We generally enter into contracts with our designer brand partners in advance of anticipated rentals and typically before apparel trends are confirmed by customer rentals.

We have not always predicted our customers' preferences and acceptance levels of our products with accuracy. We may misjudge demand and over or under purchase rental product. In addition, external events may disrupt or change customer preferences and behaviors in ways we are not able to anticipate. Lower rental product availability, including depth and breadth levels, has negatively impacted active subscriber retention in the past. Although we expect to approximately double the new rental product added to our site year-over-year in fiscal year 2025, we anticipate quarterly fluctuations to occur due to the timing of our purchases, seasonality and other factors within or outside of our control, which may negatively impact customer retention and, therefore, revenue. Any future decreases in our rental product availability levels, including in connection with other business objectives, may negatively impact active subscribers.

Additionally, our success is dependent on the ability of our brand partners to anticipate, identify and respond to the latest fashion trends and consumer demands and to translate such trends and demands into product options in a timely manner. The failure of our brand partners to anticipate, identify or respond swiftly and appropriately to new and changing styles, trends or desired consumer preferences, to accurately anticipate and forecast demand for certain product offerings or to provide relevant and timely product offerings to rent on our platform may lead to lower demand for our offerings, which could have a material adverse effect on our business and financial condition.

Further, although we use our data and business insights to predict our customers' preferences and gauge demand for our products, there is no guarantee that our data and business insights will accurately anticipate demand. As has occurred in the past, if our teams do not predict customer demand and tastes well or if our algorithms do not help us reorder the right products or write off the right products in a timely manner, we may not effectively attract and retain customers or manage our products and our operating results will be adversely affected.

Shipping and logistics are a critical part of our business and our supply chain and any changes or interruptions in shipping or logistics operations could adversely affect our operating results.

We currently primarily rely on a national carrier for our outbound and inbound logistics. However, we continue to maintain relationships with tier two and tier three carriers in order to provide redundancies and manage potential shipping disruptions from time to time. While we have confidence in our current strategy, we cannot predict changes in market conditions or how primarily relying on a single national carrier may impact customer sentiment and satisfaction, which could lead to unanticipated costs and/or have a material adverse effect on our business and financial condition.

Additionally, our business relies on the successful management of reverse logistics needed to ingest, clean, and restock returned items quickly and efficiently in order to offer them for rental or resale to other customers. If we are not able to maintain appropriate staffing levels or negotiate acceptable pricing and other terms with third-party vendors or they experience performance problems or other difficulties, our operating results and customers' experience could be negatively impacted.

Our ability to receive inbound products efficiently and ship products to and from customers may be negatively affected by many events outside of our control, including inclement weather, public health crises such as the COVID-19 pandemic, governmental regulations, labor disputes and other factors. We are also subject to risks of damage or loss during delivery by our shipping vendors. Customers who do not receive their orders in good condition or on time, or perceive our 3-day shipping promise as too slow, often become dissatisfied and even cease using our services, which may adversely affect our business and operating results if the issues become persistent or impact a significant amount of customers. Our shipping vendors have faced and may continue to face increased volumes which, in turn, has caused and could in the future cause a decrease in their service levels, including shipping delays, or result in an increase in their prices. We have experienced increased shipping costs in recent years, and these costs may increase in the future. In addition, although we have achieved efficiencies in our supply chain operations in recent years, these efficiencies may not be sustainable or meet our broader business objectives. Increases in shipping costs, in particular for our primary shipping vendor, could result in increased costs to us and adversely impact our business. In addition, significant shipping difficulties or disruptions or any failure by our brand partners or third-party carriers to deliver high-quality products to us or to our customers, as applicable, in a timely manner or to otherwise adequately serve our customers could damage our reputation and brand and may substantially harm our business.

In addition to offering the ability to return products by dropping off items with our primary third-party shipping vendor, we offer at-home pickup for customers located in multiple markets. Although we have had positive customer feedback and adoption to date, at-home pickup is a newer offering and may not be successful over the long-term. In the event that we do not successfully and cost-effectively manage at-home pickup logistics, it may make it more difficult for us to satisfy our customers and efficiently manage shipping costs, which could negatively affect our brand, financial condition and results of operations.

If we are unable to acquire and manage our products effectively and plan for future expenses, our operating results could be adversely affected.

We are vulnerable to demand and pricing shifts and to suboptimal selection and timing of rental product purchases. We obtain substantially all of our products directly from hundreds of brand partners through three key ways: 1) Wholesale, 2) Share by RTR, and 3) Exclusive Designs. For our business to be successful and have sufficient product to meet consumer demand, our brand and manufacturing partners must be willing and able to provide us with products in specific quantities and styles of sufficient quality, in compliance with regulatory requirements, at acceptable costs and payment schedules and on a timely basis. We typically do not enter into long-term contracts with our brand and manufacturing partners and, as such, we operate without significant contractual assurances of continued supply, pricing or access to products. Brand partners have discontinued working with us in the past and a brand partner could choose to no longer work with us or provide less favorable terms for a variety of reasons in the future, including operating, financial, market and supply chain conditions or other factors within and outside of our control. In addition, some of our brand partners may not have the capacity to supply us with sufficient products to keep pace with our growth plans, especially if we plan to demand significantly greater amounts of products. In such cases, our ability to pursue our growth strategy will depend in part upon our ability to expand capacity with existing brand partners or develop new brand partner relationships.

We have been focused on expanding our relationships with brand partners and continuing to develop our Exclusive Designs and Share by RTR arrangements, which are our more capital-efficient ways of acquiring rental product, particularly, in light of our 2025 inventory expansion strategy. For our Exclusive Designs, RTR traditionally has sourced the materials and relied upon third-party manufacturing partners to produce products; however, we have updated our Exclusive Designs model and, for fiscal year 2025, certain brands now source and manufacture the products themselves, which are exclusively available on our site for a period of time. This new Exclusive Designs approach is similar to the approach for Wholesale and Share by RTR items, for which we enter into contracts in advance of a particular season and brand partners frequently agree to incur costs related to sourcing and manufacturing products before we have paid for them, which requires the brand partners to continue to trust us. If we were viewed as less financially viable by our brand partners and/or their financing partners or factoring companies, we may receive less favorable terms and conditions from our brand partners, including requiring more upfront payments or other demonstrations of credit. The cash flow benefits we currently experience from our brand partners' willingness to revenue share could be adversely affected if revenue share terms change or if brand partners no longer wish to revenue share due to lack of trust in us, lack of revenue earned in comparison to the projections we provided, or their inability to continue to spread their earnings out over the time period that the products are earning revenue on our website, among other reasons. For our Exclusive Design arrangements, we must continue to increase the number of brand partners with whom we work, design an assortment of styles that meet customer demand, maintain and enhance our third-party manufacturing capabilities and partner relationships and ensure the products manufactured meets brand partners', customers' and our quality standards. Our ability to obtain a sufficient selection or volume of products on a timely basis at competitive prices could suffer as a result of any deterioration or change in our partner relationships or events that adversely affect them and, in turn, could have a material adverse effect on our business.

We also procure and manufacture products outside of the United States. Global sourcing and foreign trade involve numerous factors and uncertainties beyond our control including increased shipping costs, limitations in factory capacity, the imposition of additional import or trade restrictions, including legal or economic restrictions on overseas brand partners' or manufacturers' ability to produce and deliver products, increased custom duties and tariffs, unforeseen delays in customs, more restrictive quotas, loss of a most favored nation trading status, currency exchange rates, transportation delays, foreign government regulations, political instability and conflict, such as the war between Russia and Ukraine and conflict in the Middle East, and economic uncertainties in the countries from which we or our brand partners source our products. Future extended disruptions in travel may limit our ability to source products in-person, which may lead to suboptimal products and harm our business. For the next several quarters, we anticipate facing, and having to address challenges relating to, economic uncertainty and trends that may also impact our business operations, including transportation efficiencies. Additionally, oil supply disruptions related to the war between Russia and Ukraine have in the past led to, and could continue to lead to, increased fuel and shipping prices. Further, certain trade restrictions related to the Xinjiang region of China that impose a ban on virtually all imports from that region could affect the sourcing and availability of raw materials, such as cotton, used in the manufacturing of certain products and lead to our products and materials and those of our brand and/or manufacturing partners being held for inspection by the United States Customs & Border Patrol and delayed or rejected for entry, which could adversely impact the customer experience and our business. In addition, negative press or consumer sentiment about internationally sourced products may lead to reduced demand for our products. These and other issues affecting our international brand partners, manufacturers or internationally sourced products could have a material adverse effect on our business, financial condition, and results of operations.

Furthermore, we must execute our cleaning and repair protocols and reverse logistics operations efficiently and at a significant scale to maximize the utilization of units and reduce the number of units purchased, the failure of which may adversely affect our operating results. We cannot control products while they are out of our possession or prevent all damage while in our fulfillment centers, during shipping, or while with customers, third-party suppliers or partners. We may incur additional expenses and our reputation could be harmed if customers and potential customers believe that our products are not of high quality or may be damaged.

If we fail to maintain and enhance our brand, our ability to attract and retain customers will be impaired and our business, financial condition, and results of operations may suffer.

Maintaining and enhancing our appeal and reputation as a stylish, revolutionary and trusted brand is critical to attracting and retaining customers and brand partners. The successful promotion of our brand and awareness of our offerings and products depends on a number of factors, including our marketing efforts, ability to continue to develop our offerings and products, the quality and appeal of our products, and ability to successfully differentiate our offerings from competitive offerings. We expect to invest substantial resources to promote and maintain our brand, but there is no guarantee that our brand development strategies will enhance the recognition of our brand or lead to increased customer acquisition and sales. The strength of our brand depends largely on our ability to provide a compelling customer value proposition for our rental and resale offerings and continued customer engagement and word of mouth organic marketing. Our efforts to improve our customer experience may not be successful. In addition, brand promotion activities may not yield increased revenue, and even if they do, the increased revenue may not offset the expenses we incur in promoting and maintaining our brand and reputation.

Furthermore, whether accurate or not, negative publicity about our business, operations, or employees, and customer complaints has in the past, and could in the future, harm our reputation, customer trust and referrals of our services, brand partner confidence, vendor confidence, employee morale and culture, and our ability to recruit new employees effectively. In addition, negative publicity related to our brand partners, influencers and other vendors that we have partnered with may damage our reputation, even if the publicity is not directly related to us. Negative commentary concerning us or our brand partners may also be posted on social media platforms at any time and may have an adverse impact on our brand, reputation and business. The harm of negative publicity, particularly on social media platforms, may be immediate, without affording us an opportunity for redress or correction.

If we fail to maintain, protect, and enhance our brand successfully or to maintain and grow loyalty among customers, or if we incur substantial expenses in unsuccessful attempts to maintain, protect, and enhance our brand, we may fail to attract or increase the engagement of customers, and our business, financial condition, and operating results may suffer.

If we are not able to continue to improve our website and mobile app performance, keep pace with technological changes, enhance our current offerings, and develop new offerings in a timely way to respond to the changing needs of partners and customers, our business, financial performance, and growth may be harmed.

Our industry is characterized by rapidly changing technology, new service and product introductions, and changing customer demands and preferences, and we are not able to predict the effect of these changes on our business. In addition, we believe that our future success depends, in part, on our ability to anticipate and respond effectively to new technology disruption and developments and keep pace more generally with technological changes and trends. These may include new software applications or related services based on artificial intelligence,, augmented reality, machine learning, or robotics or more generally evolving trends in e-commerce. For example, we continue to focus on improving the performance of our website and mobile application for our customers, including increasing reliability; however, our efforts may be unsuccessful. The technologies that we currently use to support our business platform are highly interconnected and complex (as discussed elsewhere in these risk factors) and may become inadequate or obsolete, and the cost of incorporating new technologies into our offerings and services may be substantial. In addition, any failure by us to adequately integrate technological developments in our approach to data management could harm our ability to leverage data, including customer data, collected through our technology and our systems, which could have a negative effect on our business. If we are unable to adequately utilize our data in support of our operations due technical or other limitations, our ability to drive leverage in operational efficiencies and to attract new customers and retain existing customers could be impaired. In addition, if we are unable to successfully leverage new technology to automate and otherwise enhance and drive efficiencies in our operations, our business, results of operations and financial condition could be harmed.

Our partners and customers may not be satisfied with our technological or other platform enhancements or new offerings or may perceive that these offerings do not respond to their needs or create value for them. Our customers may also be dissatisfied with the product mix we currently offer or will offer in the future.

Additionally, as we invest in and experiment with new offerings or changes to our platform, our partners and customers may find these changes to be disruptive and may perceive them negatively. For example, in fiscal year 2025, we plan to approximately double our rental product added on our site. We have also recently introduced enhanced features such as a new rewards program and personalized home page. These new offerings and updates do not have demonstrably long track records of success for us and could result in higher costs, not meet our expectations and goals, and/or have other unforeseen impacts on the business. In addition, developing new offerings and services is complex, and the timetable for their public launch is difficult to predict and may vary from our expectations. As a result, the introduction of new offerings may occur after anticipated release dates, or they may be introduced as pilot programs, which may not be continued for various reasons. In addition, new offerings may not be successful due to defects or errors, negative publicity, or our failure to market them effectively. New offerings may not drive revenue growth, customer acquisition or retention, may require substantial investment and planning, and may bring us more directly into competition with companies that are better established or have greater resources than we do. If we do not continue to cost-effectively develop new offerings that satisfy our brand partners and customers, then our competitive position and growth prospects may be harmed. In addition, changes to subscription plans or new offerings may have lower margins than we anticipate or than existing offerings, and our revenue from new offerings may not be enough to offset the cost of developing and maintaining them, which could adversely affect our business, financial performance, and growth. Finally, the success of our technology and product initiatives overall depends upon our engineering and product teams and leadership, which have experienced recent transition and may continue to experience transition in the future. If our team building efforts or engineering and product strategies and plans are not successful or are not executed successfully, our growth may decline and we may not achieve our profitability goals.

We rely heavily on the effective operation of our proprietary technology systems and software, as well as those of our third-party vendors and service providers, for our business to effectively operate and to safeguard confidential information.

We rely heavily on the Internet, computer systems, hardware, in-house proprietary technology, third-party software and infrastructure, and customized off-the-shelf technology solutions across our business (collectively, our “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. Our ability to effectively manage all areas of our business, particularly our product management, fulfillment operations, and financial systems, depends significantly on the reliability and capacity of these IT Systems. We are critically dependent on the integrity, connectivity, security and consistent operations of our IT Systems, which are highly dependent on coordination of our internal business, operations, product and engineering teams. For example, in September 2019, we experienced a software outage at our Secaucus, New Jersey facility, during which we were unable to fulfill thousands of Reserve and Subscription orders on a timely basis and made the decision to stop taking new orders until the issue was adequately resolved. We also experienced significant negative customer reviews and negative press as a result of the outage, which we believe damaged our customer relationships, reputation and brand. The outage also resulted in substantial financial losses and increased costs largely due to: lost revenues, customer refunds, credits, promotions and/or related payments, and incremental labor and shipping costs. Our insurance policy covered a substantial portion of these losses but not all of them. While we have taken remediation measures in response to the outage, additional outages or other disruptions have occurred and may occur in the future, which could harm our ability to meet customer expectations, fulfill orders, manage our products, and achieve our objectives for operating efficiencies and profitability.

The technology underlying our platform is highly interconnected and complex, and we detect bugs, errors, and vulnerabilities from time to time in the ordinary course of business. Because of the complexity of our technology, it is likely to contain additional undetected bugs, errors or vulnerabilities, some of which may have a material adverse effect on our business or operations. 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. Moreover, due to the interconnected nature of our IT Systems, updates to parts of our code (including for product launches), third-party code, and application programming interfaces, on which we rely and that maintain the functionality of our IT Systems, are often very complex and could have an unintended impact on other sections of our code, which may result in errors or vulnerabilities to our platform and/or launch delays that negatively impact the customer experience and functionality of our offerings. In some cases, such as our mobile application, certain errors are only able to be correctable through updates distributed through slower, third-party mechanisms, such as app stores, and may need to comply with third-party policies and procedures to be made available, which may add additional delays due to app review and customer delay in updating their mobile apps. In addition, our IT Systems and business operations are increasingly reliant on machine learning systems and artificial intelligence technologies, which are complex, expected to pose new or unknown cybersecurity risks and challenges, and may have errors or inadequacies that are not easily detectable. These systems may inadvertently reduce the efficiency of our IT Systems or may cause unintentional or unexpected outputs that are incorrect, do not match our business goals, do not comply with our policies, or otherwise are inconsistent with our brand, guiding principles and mission. Any errors or vulnerabilities discovered in our code or IT Systems generally could also result in damage to our reputation, loss of our customers, unauthorized disclosure of personal and confidential information, loss of revenue or liability for damages, any of which could adversely affect our growth prospects and our business.

Any significant technology disruption or failure, cyberattack or data security incident could adversely affect our business, financial condition and operations.

Our ability to effectively manage our business, particularly our product management, order and fulfillment operations, and financial systems, depends significantly on the reliability and capacity of the Internet and our IT Systems. We also collect, process and store sensitive and confidential information, including our proprietary business information and information regarding our customers, employees, suppliers and business partners, including personally identifiable information (collectively, “Confidential Information”). The secure processing, maintenance and transmission of Confidential Information is critical to our operations. Our IT Systems and those of our service providers and business partners may be subject to damage or interruption from power outages or damages, telecommunications problems, data corruption, software errors, network failures, acts of war or terrorist attacks, fire, flood and natural disasters. Our existing safety systems, data backup, access protection, user management and information technology emergency planning may not be sufficient to identify, detect, prevent, or recover from data corruption or loss or long-term network or operational outages. In addition, we upgrade our existing IT Systems and incorporate new technology systems from time to time in order for such systems to support the needs of our business. Costs and potential problems and interruptions associated with the implementation of new or upgraded systems and technology or with maintenance or adequate support of existing systems could disrupt or reduce the efficiency of our operations. In addition, our failure to implement upgrades to our IT Systems, whether due to cost savings or resource constraints, failure to identify the need or other reasons, could negatively impact our business.

Additionally, despite various security measures that have been implemented, our IT Systems and those of our third-party service providers and business partners as well as the Confidential Information stored thereon are vulnerable to numerous and evolving cybersecurity risks that threaten their confidentiality, integrity and availability, including security incidents, attacks by a variety of threat actors (including hackers, hacktivists, and state-sponsored organizations) acts of vandalism, malware, social engineering, denial or degradation of service attacks, computer viruses, software bugs or vulnerabilities, supply chain attacks, phishing attacks, ransomware attacks, credential stuffing attacks, misplaced or lost data, human errors, malicious insiders or other similar events. If unauthorized parties gain access to our Confidential Information, IT Systems or other information, or those of our third-party service providers or business partners, they may be able to steal, publish, sell, delete, use inappropriately or modify private and sensitive information, including credit card information and personally identifiable information or proprietary business information, any or all of which could harm our business, financial condition and results of operations.

In particular, ransomware attacks, including those from organized criminal threat actors, nation-states and nation-state supported actors, are becoming increasingly prevalent and can lead to significant interruptions, delays, or outages in our operations, loss of data, loss of income, significant extra expenses to restore data or systems, reputational loss and the diversion of funds. To alleviate the financial, operational and reputational impact of a ransomware attack, it may be necessary to make extortion payments, but we may be unable to do so if applicable laws or governmental pressure prohibit or prevent such payments. We are also a frequent target of credential stuffing and account takeover attacks: for example, where email addresses and passwords involved in security incidents reported by other companies are used to attempt to gain unauthorized access to our platform or IT Systems. In addition, employees may intentionally or inadvertently cause data or security incidents that result in unauthorized release of Personal Information or other Confidential Information. Further, Company-issued laptops or other devices have been, and may in the future be, lost, stolen, or infected with malware. Because the techniques and tools (including artificial intelligence) used to circumvent security systems change frequently, are becoming increasingly sophisticated, are designed to evade detection and remove forensic evidence, are often not recognized until launched against a target and may originate from less regulated and remote areas around the world, we may be unable to timely or effectively anticipate, detect or recover from cyberattacks or security incidents in the future. 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 Confidential Information and IT Systems. For example, as further described later in these risk factors, we have identified material weaknesses in certain controls related to our IT Systems.

Certain of the aforementioned types of cyberattacks and security incidents have occurred in the past to us and our third-party providers, and may occur in the future, resulting in unauthorized, unlawful, or inappropriate access to, inability to access, disclosure of, or loss of Confidential Information. For example, although no sensitive information was affected, our platform has been the subject of phishing attempts, credential stuffing attacks and brute force attacks (i.e., attempts to try different username and password credentials to gain access to our platform), and other account takeover tactics. The security measures we employ to prevent, detect, and mitigate unauthorized use of user credentials and potential harm to our users from the theft of or misuse of user credentials on our network may not be, and have not always been, effective in every instance.

We also rely on a number of third-party providers of products and services to operate our critical internal and external operations, such as the processing of Personal Information and other Confidential Information. Examples of third parties include, but are not limited to, our shipping partners, human resources information system, payment processor, and various IT Systems providers. These service providers may not have adequate security measures and could experience a security incident that compromises the confidentiality, integrity, or availability of the IT Systems they operate for us or the Confidential Information they process on our behalf and may not be able to contain or recover from such incidents or to notify us in a timely manner. Moreover, we or our third-party service providers may be more vulnerable to such attacks in remote or hybrid work environments. Any cyberattack, security incident, or material disruption or slowdown affecting our Confidential Information or IT Systems or those of our third-party service providers or business partners, could result in costly investigations and litigation (including class action lawsuits), civil or criminal penalties, operational changes or other response measures, restoration and remediation costs, loss of consumer confidence in our security measures, negative publicity, and/or reputational harm, any of which could have a material adverse effect on our business, financial condition, and results of operations.

While we maintain cyber insurance that may help provide coverage for these types of events, we cannot provide assurances that our insurance will be adequate to cover costs and liabilities related to these incidents or that applicable insurance will be available to us in the future on economically reasonable terms or at all.

Our e-commerce business faces distinct risks, such as fulfillment of orders, and our failure to successfully manage these risks could have a negative impact on our profitability.

As an e-commerce business, we encounter risks and difficulties frequently experienced by businesses with significant internet operations. The successful operation of our business as well as our ability to provide a positive customer experience that will generate Subscription, Reserve and Resale orders depend on efficient and uninterrupted e-commerce order-taking and fulfillment operations. If we are unable to allow real-time and accurate visibility to product availability when customers are ready to order, quickly and efficiently fulfill our customers' orders using the fulfillment and payment methods they demand, provide a convenient and consistent experience for our customers regardless of the ultimate channel or effectively manage our online sales, our ability to compete and our results of operations could be adversely affected. We have two fulfillment centers in Arlington, Texas and Secaucus, New Jersey that we depend on for our fulfillment operations. We currently lease these facilities. Although we renewed our lease in Secaucus, NJ in 2023, we cannot guarantee that we will be able to renew or negotiate new or renewed leases in the future at this location or in Texas on terms acceptable to us or at all. If we are unable to secure such leases, or if we can only secure such leases on economic terms that are less than optimal for us, it may materially adversely impact our results of operations.

Risks associated with our e-commerce business include:

- our ability to provide a delightful and effective search and discovery experience for our customers;
- our failure to successfully execute planned enhancements to our website and mobile application performance to improve site speed and reliability in order to keep pace with industry standards and meet customer expectations;
- uncertainties associated with our website and mobile application, including changes in required technology interfaces, website downtime and other technical failures, anticipated or unanticipated costs and technical issues, our ability to upgrade systems software successfully, inadequate system capacity, computer viruses, human error, and/or security incidents;
- disruptions in internet service or power outages;
- reliance on third parties for computer hardware and software, as well as delivery of products to our customers;
- rapid technology changes;
- credit or debit card fraud and other payment processing related issues;
- changes in applicable federal, state and international regulations;
- legal claims related to our e-commerce operations and fulfillment, including liability for online content;
- cybersecurity, consumer privacy and consumer protection concerns and regulation; and
- natural disasters or adverse weather conditions.

Our online offerings also expose us to broader applicability of regulations, as well as additional regulations, such as the rules relating to registration of internet sellers, certain anti-money laundering, trade sanction, anti-corruption, anti-bribery and international trade laws. Problems in any of these areas could result in a reduction in sales, increased costs, sanctions or penalties and damage to our reputation and brands.

We rely on third parties to support our business, including, among other things, portions of our technology development and support and certain payment processing services. We have experienced, and may in the future experience, adverse changes to the terms of our agreements with vendors and other commercial partners based on perception of our creditworthiness. If we are viewed as less financially viable by third-party providers, including as a result of our Nasdaq listing compliance and status, we may receive less favorable terms and conditions, including requiring upfront payments or other demonstrations of credit.

In addition, we must keep up to date with competitive technology trends, including the use of new or improved technology, checkout and payment options, creative user interfaces, virtual and augmented reality and other e-commerce marketing tools such as paid search and mobile applications, among others, which may increase our costs and which may not increase sales or attract customers. Our competitors, some of whom have greater resources than we do, may also be able to benefit from changes in e-commerce technologies or adapt better than us, which could harm our competitive position.

Our quarterly and annual results of operations may fluctuate, which may make it difficult to predict our future performance.

Our results of operations could vary significantly from quarter to quarter and year to year because of a variety of factors, many of which are outside of our control. Even if our revenue increases, our revenue growth rates may decline in the future as a result of a variety of factors, including macroeconomic factors, increased competition, and the maturation of our business. As a result, comparing our results of operations on a period-to-period basis or our revenue growth rate for any prior period may not be meaningful. In addition to other risk factors discussed in this Quarterly Report, factors that may contribute to the variability of our quarterly and annual results include:

- our success in attracting and retaining customers and subscribers;
- maintaining successful relationships with brand partners and our ability to acquire products at acceptable prices and offer a compelling mix of products that are available for Subscription, Reserve or Resale at any given time;
- the amount and timing of our fulfillment costs, operating expenses and capital expenditures;
- the timing and success of product launches, including pricing changes, new services and features we may introduce;
- the success of our marketing and promotional efforts;
- adverse economic and market conditions and other adverse global events that negatively impact commerce and consumer behavior and that could lead to inflationary pressures and supply chain disruptions;
- disruptions or defects in our software or operations, such as privacy or data security incidents, outages, or other incidents that impact the availability, reliability, or performance of our business;
- the impact of competitive developments and our response to those developments;
- our ability to manage our business and future growth;
- our ability to recruit and retain employees including fulfillment center labor to process, itemize, list, pack and ship our products;
- the seasonality of our business; and
- changes to financial accounting standards and the interpretation of those standards, which may affect the way we recognize and report our financial results.

The impact of one or more of the foregoing and other factors may cause our results of operations to vary significantly. As such, period-over-period comparisons of our results of operations may not be meaningful and should not be relied upon as an indication of future performance. Fluctuations in our operating results and key metrics may cause our results to fall below our financial guidance or other projections, or the expectations of analysts or investors, which could cause the price of our Class A common stock to decline.

Fluctuations in our results could also cause a number of other problems. For example, analysts or investors might change their models for valuing our Class A common stock, we could experience liquidity issues, our ability to retain or attract key personnel may diminish, and other unanticipated issues may arise. We believe that our operating results and key metrics may vary in the future and that period-to-period comparisons of our operating results may not be meaningful. For example, our overall historical growth rate and the impacts of the COVID-19 pandemic may have overshadowed the effect of seasonal variations on our historical operating results. These seasonal effects may become more pronounced over time, which could also cause our operating results and key metrics to fluctuate.

We face risks arising from the restructuring of our operations, which could adversely affect our financial condition, results of operations, cash flows, or business reputation.

We have taken and plan to continue to take actions intended to drive efficiencies and maintain a cost structure that aligns with our business and financial objectives. For example, in September 2022 and January 2024, we announced restructuring plans intended to reduce costs, streamline our organizational structure and drive operational efficiencies and growth. These plans or other future restructuring plans present significant risks that could have a material adverse effect on our operations, financial condition, results of operations, cash flow, or business reputation. Such risks include:

- the failure to achieve targeted cost savings and efficiency, and growth, cash flow and profitability goals;
- a decrease in employee morale, a negative impact to our corporate culture, and heightened regrettable attrition, including by critical employees, each of which we've observed to some extent and are focused on addressing;
- an increase in employment claims;
- actual or perceived disruption of service or reduction in service standards to customers;
- the loss of institutional knowledge and/or employee expertise, which could lead to inefficiencies or business disruptions, some of which may be significant and our efforts to address may not be successful; and
- the delay or failure to meet our operational standards, needs, or goals due to fewer employees, including potential single points of failure, or due to reduced or reallocated resources generally.

Scrutiny and evolving expectations from consumers, investors, regulators, policymakers, employees and other stakeholders regarding environmental, social and governance matters may adversely impact our business and reputation.

There has been heightened and sometimes conflicting stakeholder focus, including by consumers, investors, regulators, policymakers, employees and other stakeholders, on ESG matters generally and with regard to the fashion industry specifically. We expect that this increased focus on ESG considerations will affect some aspects of our operations. This requires continuous monitoring of various and evolving laws, regulations, standards and expectations and any associated reporting requirements. Such laws, regulations, standards and expectations may result in additional costs to us or we may become subject to additional requirements in order to comply with them. These laws, regulations, standards and expectations may conflict with one another or may not always be uniform across jurisdictions, which may result in increased complexity, and cost, for compliance. Separately, various regulators have adopted, or are considering adopting, regulations on environmental marketing claims, including but not limited to the use of "sustainable", "eco-friendly", "recyclable" or similar language in product marketing. Any of the foregoing may require us to make additional investments or incur additional costs for the collection of data and/or preparation of disclosures and associated internal controls, and in turn, may adversely impact our business, operating results and financial condition.

Further, any failure or perceived failure to meet our Impact Strategy goals for any reason, including due to changes to the prioritization or scope of these goals, or a loss of confidence on the part of customers, investors, employees, brand partners and other stakeholders as it relates to our ESG initiatives could negatively impact our brand or the demand for our offerings, or lead to enforcement actions or litigation, adversely affecting our financial condition, results of operations and prospects. These impacts could be difficult and costly to overcome, even if such concerns were based on inaccurate or misleading information. In addition, achieving our Impact Strategy goals may result in increased costs in our supply chain, fulfillment and/or corporate business operations, and could deviate from our initial estimates and have a material adverse effect on our business and financial condition. Furthermore, if our competitors' corporate responsibility performance is perceived to be greater than ours, we may lose potential or current customers, we may be unable to recruit and retain employees effectively, and potential or current investors may elect to invest with our competitors instead.

Voluntary or required standards and research regarding ESG initiatives could change and become more onerous for both us and our third-party suppliers and vendors to meet successfully. Evolving data and research could undermine or refute ESG-related claims that we have made, which could also result in costs, a decrease in revenue and/or negative market perception that could have a material adverse effect on our business and financial condition.

A variety of organizations measure the performance of companies on such ESG topics, and the results of these assessments are widely publicized. In addition, investment in funds that specialize in companies that perform well in such assessments are increasingly popular, and major institutional investors have publicly emphasized the importance of such ESG measures to their investment decisions. Topics taken into account in such assessments include, among others, the Company's efforts and impacts on climate change and the environment and human and labor rights, ethics and compliance with law, human capital and diversity, equity and inclusion matters, and the role of the Company's board of directors in supervising ESG issues. Unfavorable ESG ratings could lead to negative investor sentiment toward us and/or our industry, which could have a negative impact on our access to and costs of capital. In light of investors' and other stakeholders' increased focus on ESG matters, there can be no certainty that we will manage such issues successfully, or that we will successfully meet our stakeholders' or society's ESG expectations or achieve our ESG goals and financial goals. Additionally, many of our third-party suppliers and vendors may be subject to similar expectations, which may augment or create additional risks, including risks that may not be known to us.

We rely on the experience and expertise of our Co-Founder and Chief Executive Officer, senior management team, key technical and strategic employees and hourly personnel.

We believe that our success and future growth depend largely upon the continued services of our senior management team, including our Co-Founder, Chair, Chief Executive Officer and President Jennifer Y. Hyman. From time to time, there have been and may be future changes in our executive management team resulting from the hiring or departure of these executives. Our executive officers are employed on an at-will basis, which means they may terminate their employment with us at any time. The loss of one or more of our executive officers, the failure to appropriately manage executive transitions, or the failure by our executive team to effectively work with our employees and lead our Company, could harm our business. We do not maintain key man life insurance with respect to any member of management or other employee.

In addition, our future success will depend upon our ability to attract and retain employees, particularly for key roles, such as engineering and technology (including product and data science), brand, marketing, buying and planning, and logistics, as well as hourly fulfillment workers and customer service agents. Such efforts have required, and are expected to continue to require significant time, expense, and attention as there is intense competition for such individuals, particularly in New York City, Galway, New Jersey and Texas, and new hires require significant training and time before they achieve full productivity. We may be unable to maintain competitive wage and salary levels, which may increase further due to inflation and potential laws increasing minimum wages. Our inability to maintain competitive wage and salary levels could increase attrition and make recruiting more difficult. Alternatively, we may be required to increase current compensation levels to attract and retain employees, which could negatively impact our profitability goals. In addition, prospective and existing employees often consider the value of the equity awards they may receive in connection with their employment and our stock price has declined significantly since our 2021 IPO. If the perceived value of our equity awards is inadequate or experiences significant volatility, it may adversely affect our ability to recruit and retain key employees. Although we have implemented different types of programs with a goal of incentivizing our employees, such as a stock option exchange in 2023 and a Transaction Bonus Plan in 2024 that is intended to incentivize performance of key executives and encourage the realization of a qualifying transaction (as defined in the plan), these programs and plans may not have the intended incentivization and retention benefits, particularly in light of our current stock price volatility. Further our continued efforts to optimize our cost structure and organization design has made, and in the future may, make it more difficult to attract and retain employees for key roles.

We have continued to shift to a more office-centric model in our New York City headquarters for our corporate employees. If our current model is not aligned with our employees' preferences, it may adversely affect our ability to recruit and retain employees and may negatively impact our Company culture, collaboration and productivity, and may be something that we need to revisit in the future.

We have experienced in the past, and may in the future experience, voluntary attrition at significant rates for various reasons, including challenges with employee morale, perception of our business and financial condition, challenging labor market conditions such as rising wages, and a decreased level of workforce participation. Our teams are generally leanly staffed, which means that the impact of lower levels of attrition can be felt more acutely than in larger organizations. If we are unable to attract and retain qualified employees in a timely fashion, particularly for the key roles described above, our ability to achieve our strategic objectives will be adversely impacted, and our business and future growth prospects will be harmed.

We believe that our Company culture has contributed to our success and if we cannot maintain this culture as we grow, our business could be harmed.

We believe that our Company culture has been critical to our success. We aim to cultivate and maintain a workplace that is entrepreneurial, passionate, kind and positive, which we believe is essential to our growth and continued success. We face a number of challenges that may affect our ability to sustain our corporate culture, including:

- failure to maintain and/or improve employee morale and engagement for a variety of reasons, including, but not limited to, our office-centric approach in our New York City headquarters, our prior restructurings, the perception of our business and financial condition, and our continued efforts to ensure a cost-conscious and efficient workforce that supports our growth and profitability goals;
- failure to identify, attract, reward, and retain employees who share and further our culture, values, and mission;
- the evolving size, complexity and geographic diversity of our workforce, and our ability to promote a uniform and consistent culture across all our offices and employees;
- the employee and market perception of our ESG efforts, which may impact employee morale and recruiting efforts;
- competitive pressures to move in directions that may divert us from our mission, vision, and values;
- our hybrid working model for employees in Galway and the remote working model for customer service employees;
- the continued challenges of a rapidly-evolving industry; and
- the increasing need to develop expertise in new areas of business that affect us.

In particular, we are focused on driving innovation and stronger business results by attracting top talent and continuing to foster an inclusive work environment for all our employees. Although we have adopted policies to promote compliance with laws and regulations as well as to foster a respectful workplace for all employees, our employees may fail to abide by these policies. In addition to damaging our reputation, actual or alleged misconduct could tarnish our culture and reputation, result in negative publicity, affect the confidence of our stockholders, regulators and other parties and could have a material adverse effect on our business, financial condition and operating results.

Material changes in the pricing practices of our brand and manufacturing partners and/or the costs of raw materials could negatively impact our profitability.

Our brand and manufacturing partners may increase their pricing if raw materials, labor, or other costs become more expensive or subject to other pricing pressures. The inputs used to manufacture products are subject to availability constraints and price volatility. In addition, our brand partners may pass the increase in sourcing costs to us through price increases, thereby impacting our margins. For example, if manufacturers increase their costs, our Exclusive Designs may not be as cost-effective for us or our brand partners to produce, which could negatively impact our ability to meet our financial goals. The fabrics used in our products are made of raw materials including petroleum-based products and cotton. Significant price fluctuations or shortages in petroleum, cotton, or other raw materials could significantly increase our cost of revenue and the cost associated with procuring products via Exclusive Designs. Moreover, in the event of a significant disruption in the price or supply of the fabrics or raw materials used in the manufacture of the products we offer, such as due to changes in global trade policies, tariffs and other measures that could restrict international trade or due to restrictions on Xinjiang cotton, we and/or our partners might not be able to locate alternative suppliers of materials of comparable quality at an acceptable price. In particular, there is significant uncertainty about the future relationship between the United States and other countries with respect to global trade policies, tariffs and treatises. The United States has imposed significant new tariffs on China related to the importation of certain product categories, and other countries may change their business and trade policies in anticipation of or in response to the United States's increased import tariffs and other changes in U.S. trade policies already enacted or that may be enacted in the future. Disruptions in the supply chain due to a variety of macroeconomic factors and the recent inflationary environment have increased raw material costs, impacted pricing of our products, and caused shipping delays. In addition to the general uncertainty and overall risk from changes in global trade policies, tariffs, treatises and supply chains, as we make business decisions in the face of such uncertainty, we may incorrectly anticipate the outcomes, miss out on business opportunities, or fail to effectively adapt our business strategies and manage the adjustments that are necessary in response to such changes. For example, to respond to inflationary and tariff pressures, in August 2025, we implemented increased prices for our subscription plans, which may negatively impact customer perception and/or retention. Any future developments of these issues, or the perception regarding such developments, could increase the costs associated with procuring our rental products, negatively impact our brand partners' business operations which could in turn negatively impact us, reduce the supply of materials used in the design and manufacture of our rental products; and negatively impact customer demand for our products, any of which could have a material adverse effect on our business, financial condition and results of operation.

Our business is affected by seasonality.

Our business is subject to seasonal fluctuations. For our Subscription rentals, we typically acquire the highest number of subscribers in March through May and September through November, as these are the times customers naturally think about changing over their wardrobes. We generally see a higher rate of subscribers pause in the summer, and in mid-December through the end of January. In the third and fourth fiscal quarters, our Reserve business historically (prior to COVID-19) benefited from increased wedding and holiday events but this seasonality has varied since the COVID-19 pandemic. Adverse events, such as higher unemployment, inflation, deteriorating economic conditions, or fewer large-scale holiday and special events, can deter consumers from shopping and renting. Any significant decrease in customers or revenue during periods of high seasonal acquisition could have a disproportionately large impact on our operating results and financial condition for that year. Any factors that harm our operating results during these periods, including disruptions in our brand partners' supply chains or unfavorable economic conditions, could have a disproportionate effect on our results of operations for our entire fiscal year.

We also experience seasonality in the timing of expenses and capital outlays. In anticipation of increased rental activity during seasonal peaks, we typically incur significant expenses, such as rental product capital expenditures. We may also incur expenses for additional marketing and/or additional staffing in our customer support operations. In addition, we typically experience an increase in our shipping costs during peak seasons, such as around the holidays. In the future, our seasonal subscriber or revenue patterns may become more pronounced or may change, may strain our personnel and operational activities, and may cause a shortfall in revenue as compared with expenses in a given period, which could substantially harm our business, financial condition and results of operations.

Furthermore, our growth in recent years may obscure the extent to which seasonality trends have affected our business and may continue to affect our business, and the effects of the COVID-19 pandemic may have altered our historical seasonality trends. Accordingly, yearly or quarterly comparisons of our operating results may not be useful and our results in any particular period will not necessarily be indicative of the results to be expected for any future period. Seasonality in our business can also be affected by introductions of new or enhanced products and offerings, including the costs associated with such introductions.

We may require additional capital to support the growth of our business and satisfy our debt obligations, and this capital might not be available on acceptable terms, if at all.

We have funded our operations since inception primarily through equity and debt financings and revenue generated from our offerings. Our goal is to be a profitable company over time; however, we cannot be certain when or if our operations will generate sufficient cash to fully fund our ongoing operations or the growth of our business. We also intend to continue to make investments to develop and grow our business. For example, in the future, we may need additional funding to satisfy our debt obligations, to obtain rental products, for marketing, and for headcount or other operating expenses and capital expenditures, to develop new features or enhance our offerings, to improve our operating infrastructure, and/or to acquire complementary businesses and technologies. However, we believe that our current market capitalization, business performance and/or current level of indebtedness may adversely impact efforts to raise additional capital. If we are unable to obtain adequate financing or financing on terms satisfactory to us, our ability to support our business growth, and respond to business challenges could be significantly impaired, and our business may be adversely affected. Additionally, in recent periods, there has been volatility in and disruptions to the global economy, including the equity and debt financial markets. Such weakness and volatility in capital markets and the economy in general could limit our access to capital markets and increase our costs of borrowing.

If we incur additional debt, the debt holders would have rights senior to holders of common stock to make claims on our assets, and the terms of any debt could restrict our operations, including our ability to pay dividends on our common stock. Furthermore, if we issue additional equity securities, including pursuant to our shelf registration statement on Form S-3, stockholders will experience dilution, and the new equity securities could have rights senior to those of our common stock. Because our decision to issue securities in the future will depend on numerous considerations, including factors beyond our control, we cannot predict or estimate the amount, timing, or nature of any future issuances of debt or equity securities. As a result, our stockholders bear the risk of future issuances of debt or equity securities reducing the value of our common stock and diluting their interests.

We maintain the majority of our cash and cash equivalents in accounts with major U.S. and international financial institutions, and our deposits at these institutions exceed insured limits. Market conditions can impact the viability of these institutions. In the event of failure of any of the financial institutions where we maintain our cash and cash equivalents, there can be no assurance that we would be able to access uninsured funds in a timely manner or at all. Any inability to access or delay in accessing these funds could adversely affect our business and financial position.

Our level of indebtedness could have a material adverse effect on our ability to generate sufficient cash to fulfill our obligations under such indebtedness, to react to changes in our business and to incur additional indebtedness to fund future needs.

As of July 31, 2025, we had $343.9 million aggregate principal amount of borrowings under a credit facility with CHS (US) Management LLC (as successor in interest to Double Helix Pte Ltd. as administrative agent for Temasek Holdings (as subsequently amended, the “2023 Amended Temasek Facility”). In March 2025, all of the rights and obligations under the 2025 Amended Facility previously held by Double Helix Pte Ltd were assigned to CHS US Investments LLC, an entity under common Control (as defined in the 2025 Amended Facility) with Temasek Holdings (Private) Limited, pursuant to an assignment agreement executed in accordance with the credit facility. If we are unable to successfully restructure our long-term debt, our liquidity, results of operations, cash flows, and financial condition may be materially adversely impacted. See Risks Related to the Recapitalization Transactions, Note 7 — Long-Term Debt and Note 15 — Subsequent Events in the Notes to the Condensed Consolidated Financial Statements for more information on our indebtedness and the pending Recapitalization Transactions.

Our ability to make interest and principal payments and to fund our planned capital expenditures will depend on our ability to generate cash flows. Our ability to generate cash flows is, to a certain extent, subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control, such as an environment of rising or continuously high interest rates. To the extent we are impacted by macroeconomic trends, or other factors, including, but not limited to, lower demand for our business, increased rental product spend or tariffs, we plan to reduce fixed and variable costs accordingly and has established plans to preserve existing cash liquidity, which includes additional reductions to labor, operating expenses, and/or capital expenditures. However, these actions will not provide sufficient incremental liquidity to fund our debt service obligations when they become current. If our cash flows, capital resources and any measures to reduce fixed and variable costs are insufficient to fund our debt service obligations, we may be forced to reduce or delay investments and capital expenditures or to sell assets, seek additional capital or restructure or refinance our indebtedness. Our ability to restructure or refinance our current or future debt will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments may restrict us from adopting some of these alternatives. We cannot provide assurance that our business will be able to generate sufficient levels of cash or that future borrowings or other financings will be available to us in an amount sufficient to enable us to service our indebtedness and fund our other liquidity needs. If we need to generate additional levels of cash to service our indebtedness or meet our covenant obligations, we may need to undertake additional cost-cutting measures. These financing risks, in addition to potential rising interest rates and changes in market conditions, if realized, could negatively impact our business, financial condition and results of operations. See Note 7 —Long-Term Debt and Note 15 — Subsequent Events in the Notes to the Condensed Consolidated Financial Statements for more information on our indebtedness and the pending Recapitalization Transactions.

Our 2025 Amended Facility contains financial covenants and other restrictions on our actions that may limit our operational flexibility or otherwise adversely affect our business, financial condition and results of operations.

The terms of our 2025 Amended Facility include a number of covenants that limit our ability to (subject to negotiated exceptions), among other things, incur additional indebtedness, incur liens on assets, enter into agreements related to mergers and acquisitions, dispose of assets or pay dividends and make distributions. Additionally, the 2025 Amended Facility includes a minimum liquidity maintenance covenant. These and other restrictions may restrict our current and future operations and could adversely affect our ability to finance our future operations or capital needs. In addition, complying with these covenants may make it more difficult for us to successfully execute our business strategy and compete against companies which are not subject to such restrictions. See Risks Related to the Recapitalization Transactions, Note 7 —Long-Term Debt and Note 15 — Subsequent Events in the Notes to the Condensed Consolidated Financial Statements for more information on our indebtedness and the pending Recapitalization Transactions.

A failure by us to comply with the covenants specified in the 2025 Amended Facility could result in an event of default under the agreement, which would give the lender the right to declare all borrowings outstanding, together with accrued and unpaid interest and fees, to be immediately due and payable. If the debt under the credit agreement were to be accelerated, we may not have sufficient cash or be able to borrow sufficient funds to refinance the debt or sell sufficient assets to repay the debt, which could adversely affect our business, financial condition and results of operations.

We have identified material weaknesses in our internal control over financial reporting. If we are unable to remediate the material weaknesses in a timely manner, identify additional material weaknesses in the future or otherwise fail to maintain effective internal control over financial reporting, which may result in material misstatements of our consolidated financial statements or cause us to fail to meet our periodic reporting obligations, our ability to comply with applicable laws and regulations and our access to the capital markets could be impaired, and the price of our Class A stock could decline.

We identified material weaknesses in our internal control over financial reporting, as described below. As of July 31, 2025, these material weaknesses remain unremediated. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

We did not maintain sufficient evidence of the operation of controls to achieve complete, accurate and timely financial accounting, reporting and disclosures nor were monitoring controls evidenced at a sufficient level to provide the appropriate level of oversight of activities related to our internal control over financial reporting. This material weakness contributed to the following additional material weaknesses:

We did not design and maintain effective controls to ensure (i) the appropriate segregation of duties in the operation of manual controls and (ii) journal entries were reviewed at the appropriate level of precision.

We did not design and maintain effective controls over information technology ("IT") general controls for information systems and applications that are relevant to the preparation of our financial statements. Specifically, we did not design and maintain (i) program change management controls to ensure that IT program and data changes affecting financial IT applications and underlying accounting records are identified, tested, authorized and implemented appropriately, (ii) user access controls to ensure appropriate segregation of duties and that adequately restrict user and privileged access to our financial applications, programs and data to appropriate personnel, (iii) computer operations controls to ensure that critical batch jobs are monitored and data backups are authorized and monitored and (iv) testing and approval controls for program development to ensure that new software development is aligned with business and IT requirements. These IT control deficiencies, when aggregated, could impact maintaining effective segregation of duties, as well as the effectiveness of IT-dependent controls (such as automated controls that address the risk of material misstatement to one or more assertions, along with the IT controls and underlying data that support the effectiveness of system-generated data and reports) that could result in misstatements potentially impacting all financial statement accounts and disclosures that would not be prevented or detected.

The material weaknesses described above did not result in a misstatement to our annual or interim consolidated financial statements. However, each of these material weaknesses could result in a misstatement of substantially all account balances or disclosures that would result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected.

The implementation of these remediation efforts is in progress, may require additional expenditures to implement, and will require validation and testing of the design and operating effectiveness of internal controls over a sustained period of financial reporting cycles, and as a result, the timing of when we will be able to fully remediate the material weaknesses described above is uncertain. We can give no assurance that our efforts will remediate these material weaknesses in our internal control over financial reporting, or that additional material weaknesses will not be identified in the future. If the steps we take do not remediate the material weaknesses we have identified in a timely manner, or if our internal control over financial reporting is not effective, there could be errors in our annual or interim consolidated financial statements that could result in a restatement of our financial statements, and could cause us to fail to meet our reporting obligations, any of which could diminish investor confidence in us and cause a decline in the price of our Class A common stock.

Additionally, ineffective internal control over financial reporting could expose us to an increased risk of financial reporting fraud and the misappropriation of assets and subject us to potential delisting from the stock exchange on which we list or to other regulatory investigations and civil or criminal sanctions. If we are unable to remediate the material weaknesses we have identified in a timely manner, or if additional material weaknesses exist or are discovered in the future, and we are unable to remediate any such material weaknesses, our reputation, results of operations and financial condition could suffer.

The requirements of being a public company may strain our resources, divert management's attention, and affect our ability to attract and retain executive management and qualified board members.

As a public company, we are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the listing standards of Nasdaq, and other applicable securities rules and regulations. We expect that the requirements of these rules and regulations will continue to increase our legal, accounting, and financial compliance costs, make some activities more difficult, time-consuming and costly, and place significant strain on our personnel, systems, and resources. As a result of the complexity involved in complying with the rules and regulations applicable to public companies, our management's attention may be diverted from other business concerns, which could harm our business, financial condition, and results of operations. Furthermore, most members of our management team do not have prior experience in running a public company. We have hired certain employees and engaged consultants to assist us in complying with these requirements; however we may invest additional resources in our compliance efforts, including hiring more employees or employees with additional credentials or engaging outside consultants, which may increase our operating expenses. If our efforts to comply with new laws, regulations, and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us and our business may be harmed.

In addition, being a public company that is subject to these rules and regulations has made it more expensive for us to obtain director and officer liability insurance. In the future, we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These rules and regulations may also make it more difficult for us to attract and retain qualified members of our board of directors, particularly members who can serve on our audit committee and compensation committee, and qualified executive officers.

As a result of being a public company, we are obligated to develop and maintain proper and effective internal control over financial reporting, and any failure to maintain the adequacy of these internal controls may adversely affect investor confidence in our Company and, as a result, the value of our Class A common stock.

We are required, pursuant to Section 404 of the Sarbanes-Oxley Act ("Section 404"), to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting. This assessment includes disclosure of any material weaknesses identified by our management in our internal control over financial reporting. In addition, our independent registered public accounting firm will be required to attest to the effectiveness of our internal control over financial reporting in our first annual report required to be filed with the SEC following the date we are no longer an "emerging growth company." At such time, our compliance with Section 404 will require that we incur substantial expenses and expend significant management efforts.

In addition to the material weaknesses in internal control over financial reporting identified in connection with the audit of our financial statements, subsequent testing by us or our independent registered public accounting firm may reveal additional deficiencies in our internal control over financial reporting that are deemed to be material weaknesses. During the evaluation and testing process of our internal controls, if we identify additional material weaknesses in our internal control over financial reporting, we will be unable to certify that our internal control over financial reporting is effective. We cannot provide assurance that there will not be additional material weaknesses in our internal control over financial reporting in the future. Any failure to maintain internal control over financial reporting could severely inhibit our ability to accurately report our financial condition or results of operations. If we are unable to conclude that our internal control over financial reporting is effective, or if we or our independent registered public accounting firm determines we have additional material weaknesses in our internal control over financial reporting, we could lose investor confidence in the accuracy and completeness of our financial reports, the market price of our Class A common stock could decline, and we could be subject to sanctions or investigations by the SEC or other regulatory authorities. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets.

Strategic investments, partnerships, alliances, or acquisitions could be difficult to identify, pose integration challenges, divert the attention of management, disrupt our business, dilute stockholder value, and adversely affect our business, financial condition, and results of operations.

Our success depends, in part, on our ability to expand our services and grow our business in response to changing technologies, customer demands, and competitive pressures. We may choose to expand our services and grow our business by entering into partnerships or alliances with third parties rather than through internal development or through the acquisition of complementary businesses and technologies. The identification of suitable alliance partners or acquisition candidates can be difficult, time-consuming, and costly, and we may not be able to successfully complete identified transactions. In addition, if we pursue and complete an acquisition, we may not be able to successfully integrate the acquired business. The risks we face in connection with partnerships and acquisitions include:

- a partnership or acquisition may disrupt our ongoing business, divert resources, increase our expenses, and distract our management;
- an acquisition may negatively affect our financial results because it may require us to incur charges or assume substantial debt or other liabilities, may cause adverse tax consequences or unfavorable accounting treatment, may expose us to claims and disputes by stockholders and third parties, including intellectual property claims and disputes, or may not generate sufficient financial return to offset additional costs and expenses related to the acquisition;
- we may encounter difficulties or unforeseen expenditures in integrating the business, offerings, technologies, personnel, or operations of any company that we partner with or acquire; and
- if we incur debt or issue a significant amount of equity securities to fund such joint venture or acquisition, such debt may subject us to material restrictions on our ability to conduct our business, as well as financial maintenance covenants and such equity securities may cause dilution for our existing stockholders and earning per share may decrease.

The occurrence of any of these foregoing risks could adversely affect our business, financial condition, and results of operations and expose us to unknown risks or liabilities.

We are an "emerging growth company" and a "smaller reporting company," and we cannot be certain if the reduced reporting and disclosure requirements applicable to emerging growth companies and smaller reporting companies will make our Class A common stock less attractive to investors.

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012 ("JOBS Act"), and we may take advantage of certain exemptions from reporting requirements that are applicable to other public companies that are not "emerging growth companies," including:

- the auditor attestation requirements of Section 404;
- reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements; and
- exemptions from the requirements of holding a non-binding advisory stockholder vote on executive compensation and non-binding advisory stockholder vote to approve any golden parachute payments not previously approved.

Pursuant to Section 107 of the JOBS Act, as an emerging growth company, we have elected to use the extended transition period for complying with new or revised accounting standards until those standards would otherwise apply to private companies. As a result, our consolidated financial statements may not be comparable to the financial statements of issuers who are required to comply with the effective dates for new or revised accounting standards that are applicable to public companies, which may make our Class A common stock less attractive to investors. In addition, if we cease to be an emerging growth company, we will no longer be able to use the extended transition period for complying with new or revised accounting standards.

We will remain an emerging growth company until the earliest of:

- the last day of the fiscal year following the fifth anniversary of our IPO;
- the last day of the first fiscal year in which our annual gross revenue is $1.235 billion or more;

- the date on which we have, during the previous rolling three-year period, issued more than $1 billion in non-convertible debt securities; and
- the date we qualify as a “large accelerated filer,” with at least $700 million of equity securities held by non-affiliates.

We are also a "smaller reporting company" as defined in the Exchange Act. We may take advantage of certain of the scaled disclosures available to smaller reporting companies as long as we qualify as such, even after we are no longer an EGC, including reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements.

Our reported financial results may be adversely affected by changes in accounting principles generally accepted in the United States.

GAAP is subject to interpretation by the Financial Accounting Standards Board (the “FASB”), the SEC, and various bodies formed to promulgate and interpret appropriate accounting principles. The accounting for our business is complicated, particularly in the area of revenue recognition, and is subject to change based on the evolution of our business model, interpretations of relevant accounting principles, enforcement of existing or new regulations, and changes in SEC or other agency policies, rules, regulations, and interpretations of accounting regulations. Changes to our business model and accounting methods, principles, or interpretations could result in changes to our financial statements, including changes in revenue and expenses in any period, or in certain categories of revenue and expenses moving to different periods, may result in materially different financial results, and may require that we change how we process, analyze, and report financial information and our financial reporting controls.

If our estimates or judgments relating to our critical accounting policies prove to be incorrect, our results of operations could be adversely affected.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in our condensed consolidated financial statements and accompanying notes appearing elsewhere in this Quarterly Report. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, as provided in Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Estimates.” The results of these estimates form the basis for making judgments about the carrying values of assets, liabilities, and equity, and the amount of revenue and expenses. Significant estimates and judgments include the useful life and salvage value of rental product, incremental borrowing rate to determine lease liabilities and right-of-use assets, valuation of share-based compensation and warrants, and recoverability of long-lived assets. Our results of operations may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our results of operations to fall below the expectations of securities analysts and investors, resulting in a decline in the market price of our Class A common stock.

The estimates of market opportunity and forecasts of market growth included in our public disclosures may prove to be inaccurate, and even if the markets in which we compete achieve the forecasted growth, our business could fail to grow at similar rates, or at all.

The estimates of market opportunity and forecasts of market growth included in our public disclosures may prove to be inaccurate. Market opportunity estimates and growth forecasts are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate, including as a result of any of the risks described in this Quarterly Report.

The variables that go into the calculation of our market opportunity are subject to change over time, and there is no guarantee that any particular number or percentage of addressable customers and subscribers covered by our market opportunity estimates will become a customer or subscriber or generate any particular level of revenues for us. In addition, our ability to expand in any of our target markets depends on a number of factors, including the cost, performance and perceived value associated with our products and offerings. Even if the markets in which we compete meet the size estimates and growth forecasted in our public disclosures, our business could fail to grow at similar rates, or at all. Our growth is subject to many factors, including our success in implementing our business strategy, which is subject to many risks and uncertainties. Accordingly, the forecasts of market growth included in our public disclosures should not be taken as indicative of our future growth.

The COVID-19 pandemic had a material adverse impact on our business. Other future pandemics or public health crises may have a similar adverse impact on our business.

The COVID-19 pandemic materially adversely affected our operating and financial results during fiscal year 2020 in many ways. Future pandemics or public health crises may have similar adverse effects on our business. Although we anticipate that our operating results in future fiscal years will reflect a more normal operating environment, the current economic climate has created a high degree of uncertainty and there is no assurance that our scale, number of customers, revenue or growth will return to or surpass pre-pandemic levels for a sustained period of time. As such, we continue to closely monitor global health crises in general, and will assess our strategy and operational structure in light of future developments.

Expansion of our operations internationally requires management attention and resources, involves additional risks, and may be unsuccessful.

We do not currently offer our products and services internationally. In the event we decide to expand our geographic market internationally, we will need to adapt to different local cultures, standards, laws, and policies. The business model we employ may not appeal as strongly to customers in international markets. Our entry into new markets will also require us to become familiar with different trends and customer preferences in such markets. In addition, consumer shopping behavior may continue to evolve and we may need to adapt our service to such changes.

Furthermore, to succeed with customers in international locations, we will need to locate fulfillment centers in foreign markets, hire local employees and source products appealing to local preferences, and we will have to invest in these facilities, employees and products before proving we can successfully run foreign operations. We may not be successful in expanding into additional international markets or in generating revenue from foreign operations for a variety of reasons, including:

- lower acceptance of our offerings and the concept of renting apparel and accessories and the need to localize our products offerings;
- competition from local incumbents that understand the local market and may operate more effectively;
- regulatory requirements, taxes, trade laws, trade sanctions and economic embargoes, tariffs, export quotas, custom duties, or other trade restrictions, or any unexpected changes thereto; and
- risks resulting from changes in currency exchange rates.

If we invest substantial time and resources to establish and expand our operations internationally and are unable to do so successfully and in a timely manner, our operating results would suffer.

Risks Related to Our Legal and Regulatory Environment

Our business is subject to a large number of U.S. and non-U.S. laws and regulations, many of which are evolving, and failure to comply could potentially impact our operating and financial results.

We are subject to numerous evolving laws and regulations in the United States and around the world, including those relating to consumer protection, environmental protection, intellectual property, consumer product safety, privacy and information security, taxation, and immigration, labor, and other employment law matters, such as workplace safety, particularly in our fulfillment centers, and wage and hour regulations. There has been a continued regulatory focus on automatically renewing subscription offerings, such as ours. For example, California's Automatic Renewal Law, and the federal Restore Online Shoppers' Confidence Act (the "ROSCA"), require companies to adhere to enhanced disclosure and cancellation requirements when entering into automatically renewing contracts with subscription customers. Regulators and private plaintiffs have brought enforcement and litigation or arbitration actions against companies, challenging automatic renewal, terms of service, and subscription programs.

We strive to comply with all applicable laws; however, despite our efforts, we may not have fully complied in the past and may not in the future. If we fail to comply with existing or future laws or regulations, or if these laws or regulations are violated by our brand partners, suppliers or vendors, we may be subject to criminal and civil liabilities, fines, or sanctions and, while incurring substantial legal fees and costs and reputational harm. In addition, compliance and remediation efforts can be costly.

We are subject to U.S. and certain foreign export and import controls, sanctions, embargoes, anti-corruption laws, and anti-money laundering laws and regulations. Compliance with these legal standards could impair our ability to compete in domestic and international markets, and we could face criminal liability and other serious consequences for violations, which could harm our business.

We are subject to export control laws and regulations (including the U.S. Export Administration Regulations), U.S. Customs and import regulations, various economic and trade sanctions regulations administered by the U.S. Treasury Department's Office of Foreign Assets Control, the U.S. Foreign Corrupt Practices Act of 1977 (the "FCPA"), as amended, the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, the USA PATRIOT Act, and other state and national anti-bribery and anti-money laundering laws in the countries in which we conduct activities. Anti-corruption laws are interpreted broadly and generally prohibit companies and their employees, agents, contractors, and other partners from authorizing, promising, offering, or providing, directly or indirectly, corrupt payments of anything of value to recipients in the public or private sector to obtain or retain business or an improper business advantage. As a public company, we also are subject to the FCPA's accounting provisions, which require us to make and keep complete and accurate books and records, and to maintain a system of adequate internal accounting controls. We have brand partners, suppliers, and vendors operating outside the United States and may engage other third parties to sell our products and services or to obtain necessary permits, licenses, patent registrations, and other regulatory approvals outside the United States. We can be held liable for the corrupt or other illegal activities of our employees, agents, contractors, and other partners, even if we do not explicitly authorize such activities. Although we have policies and controls in place to promote compliance with these laws and regulations, there are no assurances that these policies and controls will always prevent illegal or improper acts by employees, agents, third parties, or business partners. Violations of the laws and regulations described above may result in substantial civil and criminal fines and penalties, imprisonment, the loss of export or import privileges, debarment, tax reassessments, breach of contract and fraud litigation, reputational harm, investigation costs, and other consequences, any of which could have a material adverse effect on our business, financial condition, and results of operations.

From time to time, we may be subject to claims, legal proceedings, regulatory disputes, and governmental inquiries that could cause us to incur significant expenses, divert our management's attention, and materially harm our business, financial condition, and operating results.

From time to time, we may be subject to claims, lawsuits, government investigations, and other proceedings involving products liability, competition and antitrust, intellectual property, privacy, consumer protection, securities, tax, labor and employment, commercial disputes, environmental regulations, and other matters that could adversely affect our business operations and financial condition. For example, on November 14, 2022, a purported stockholder of the Company filed a putative class action lawsuit in the Eastern District of New York against the Company, certain of its officers and directors, and the underwriters of its IPO, entitled Rajat Sharma v. Rent the Runway, Inc., et al. The complaint, which has since been amended, alleges that we violated Sections 11, 12(a)(2) and 15 of the Securities Act of 1933, as amended, by making allegedly materially misleading statements, and by omitting material facts necessary to make the statements made therein not misleading. The lawsuit seeks, among other things, compensatory damages, attorneys' fees and costs and such other relief as deemed just and proper by the court. See Note 14 — Commitments and Contingencies in the Notes to the Condensed Consolidated Financial Statements for more details about the class action and other matters.

In addition, in recent years, we have seen a rise in the number and potential significance of these disputes and inquiries and evolving areas of focus for regulators and private plaintiffs. For example, there has been an increase in consumer class action lawsuits and mass arbitrations relating to subscription products. Litigation and regulatory proceedings may be protracted and expensive, and the results are difficult to predict. Certain of these matters include speculative claims for substantial or indeterminate amounts of damages and include claims for injunctive relief. Additionally, the costs we incur could be significant. Adverse outcomes with respect to claims, litigation or any of these legal proceedings may result in significant settlement costs or judgments, penalties and fines, or require us to modify our products and offerings or other business processes, which could negatively affect our financial performance or our revenue growth. The results of litigation, investigations, claims, and regulatory proceedings cannot be predicted with certainty, and determining reserves for pending litigation and other legal and regulatory matters requires significant judgment. There can be no assurance that our expectations will prove correct, and even if these matters are resolved in our favor or without significant cash settlements, these matters, and the time and resources necessary to litigate or resolve them, could harm our business, financial condition, and results of operations.

In addition, as a public company, our business and financial condition are more visible than as a private company, which may result in an increased risk of threatened or actual litigation, including by competitors and other third parties. If such claims are successful, our business, financial condition, and results of operations would be harmed, and even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, would divert the resources of our management and harm our business, financial condition, and results of operations.

Failure to adequately obtain, maintain, protect and enforce our intellectual property and proprietary rights could harm our brand, devalue our proprietary content, and adversely affect our ability to compete effectively.

Our success depends in part on our ability to obtain, maintain, protect, and enforce our intellectual property rights, including those in our proprietary technologies, know-how, and brand. To protect our rights to our intellectual property, we rely on a combination of trademark, copyright patent, and trade secret laws, domain name registrations, confidentiality agreements, and other contractual arrangements with our employees, affiliates, customers, strategic partners, vendors, and others. However, the protective steps we have taken and plan to take may be inadequate to deter infringement, misappropriation or other violations of our intellectual property or proprietary rights and we may be unable to enforce all of our intellectual property rights. Failure to adequately protect and enforce our intellectual property could harm our brand, devalue our proprietary technology and content, and adversely affect our ability to compete effectively.

If we fail to protect our intellectual property rights adequately, our competitors may gain access to our intellectual property and proprietary technology and develop and commercialize substantially identical offerings or technologies. We may not timely or successfully register our trademarks in all jurisdictions, which could enable third parties to use our brand name and thus create potential impediments to any efforts to expand the business outside of the U.S. The copyright registrations we have obtained for our website may not adequately protect all material contained on our website, and these registrations do not cover any material that is not part of our website. The patent prosecution process is expensive and time-consuming. We may not be able to prepare, file and prosecute all necessary or desirable patent applications at a commercially reasonable cost or in a timely manner or in all relevant jurisdictions, creating an opportunity for third parties to patent the same technology while preventing us from continuing to use it. It is also possible that we may fail to identify patentable aspects of inventions made in the course of development and commercialization activities before it is too late to obtain patent protection on them. Moreover, depending on the terms of any future in-licenses to which we may become a party, we may not have the right to control the preparation, filing and prosecution of patent applications, or to maintain the patents, covering technology in-licensed from third parties. Any patents, trademarks, copyrights, or other intellectual property rights that we have or may obtain may be challenged or circumvented by others or invalidated or held unenforceable through administrative proceedings or litigation. There can be no assurance that our patent applications will result in issued patents, or that any such patents will be of sufficient scope to adequately protect our proprietary technology or provide us with any meaningful competitive advantage. Moreover, failure to comply with applicable procedural, documentary, maintenance, renewal, fee payment and other similar requirements with the United States Patent and Trademark Office or other similar governmental agencies or administrative bodies could result in abandonment or lapse of the affected intellectual property rights. Further, the laws of some foreign countries may not be as protective of intellectual property rights as those in the United States, and mechanisms for enforcement of intellectual property rights in those countries may be inadequate. Accordingly, despite our efforts to obtain and protect our intellectual property, it may be possible for unauthorized third parties to copy our offerings and capabilities and use information that we regard as proprietary to create offerings that compete with ours.

We generally enter into confidentiality and invention assignment agreements with our employees and consultants, as well as agreements with other third parties, including suppliers and other partners, that contain confidentiality obligations and assignment provisions. However, we cannot guarantee that we have entered into such agreements with each party that has developed intellectual property for us or that may have had access to our proprietary information and technology, know-how, and trade secrets. Moreover, no assurance can be given that these agreements will be effective in controlling access to our proprietary information or preventing the unauthorized distribution, use, misappropriation, reverse engineering, or disclosure of our proprietary intellectual property and other proprietary rights, information, technology, know-how, and trade secrets. These agreements may be breached, and we may not have adequate remedies for any such breach. If any of our trade secrets were to be disclosed to or independently developed by a competitor, our competitive position would be harmed, possibly leaving us without an adequate remedy to make us whole.

We may be required to spend significant financial and managerial resources to monitor and protect our intellectual property rights. Litigation may be necessary in the future to enforce our intellectual property rights and to protect our trade secrets. Litigation brought to protect and enforce our intellectual property rights could be costly, time-consuming, and distracting to management. In the alternative, the failure to enforce our intellectual property rights could result in the impairment or loss of portions of our intellectual property rights. Further, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims, and countersuits attacking the validity and enforceability of our intellectual property rights, and if such defenses, counterclaims, or countersuits are successful, it could result in the loss, impairment or narrowing of valuable intellectual property rights. In patent litigation in the United States, counterclaims alleging invalidity and/or unenforceability are common, and there are numerous grounds upon which a third party can assert invalidity or unenforceability of a patent. In an infringement proceeding, a court may decide that the patent claims we are asserting are invalid and/or unenforceable, or may refuse to stop the other party from using the technology at issue on the grounds that our patent claims do not cover the technology in question. Third parties may also raise similar claims before administrative bodies in the United States or abroad, even outside the context of litigation. Such mechanisms include re-examination, post grant review, *inter partes* review and equivalent proceedings in foreign jurisdictions (for example, opposition proceedings). Such proceedings could result in revocation of our patents, or could result in narrowing the scope of the patent claims so that they no longer cover our technology. The outcome following legal assertions of invalidity and unenforceability is unpredictable. With respect to the validity question, for example, we cannot be certain that there is no invalidating prior art, of which we, our patent counsel, and the patent examiner were unaware during prosecution. If a defendant were to prevail on a legal assertion of invalidity and/or unenforceability, we may lose some, and perhaps all, of the patent protection on our technology. An adverse result in any litigation or defense proceedings could put one or more of our patents at risk of being invalidated or interpreted narrowly, could put our patent applications at risk of not issuing, and could have a material adverse impact on our business by making the technology at issue freely available for others to use. Our inability to protect our proprietary technology against unauthorized copying or use, as well as any costly litigation or diversion of our management's attention and resources, could delay further sales or the implementation of our offerings and capabilities, impair the functionality of our offerings and capabilities, delay or prevent introductions of new offerings, result in our substituting inferior or more costly technologies into our offerings, allow our competitors to gain momentum or overtake us, or injure our brand and reputation. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. There could also be public announcements of the results of hearings, motions, or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could have a material adverse effect on the price of our Class A common stock.

We may incur costs to defend against, face liability or be vulnerable to intellectual property infringement, misappropriation, and other claims and allegations brought against us by others, which could result in substantial damages and diversion of management's efforts and attention.

Third parties may assert claims against us alleging that we infringe upon, misappropriate, dilute or otherwise violate their intellectual property rights. In addition, we may be subject to claims of infringement related to rental product designs and/or content provided by our third-party partners such as brands, influencers, marketing partners and other third parties. Although we aim to have contractual remedies and indemnification rights in our third-party agreements, such provisions may be inadequate. For example, we have received cease and desist and demand letters from third-parties in connection with our use of certain marketing and advertising assets and our rental product designs, which could lead to claims against us. These risks have been amplified by the increase in third parties whose sole or primary business is to assert such claims. These claims, regardless of their merit, could be expensive and time consuming to defend and could divert management resources. We cannot predict the outcome of claims, lawsuits or administrative proceedings, and we cannot ensure that the results of any such actions will not have an adverse effect on our business, financial condition or results of operations. If these claims are resolved against us, we could incur significant monetary liability, or we could be prevented from renting or selling some of our products or using some of our technology. In addition, a finding of liability or other resolution of claims may require us to change our business model, redesign or rebrand our products, replace portions of our technology platform, license rights from third parties, cease using certain brand names or other intellectual property rights altogether, or make substantial payments for royalty or license fees, legal fees, disgorgement of profits, corrective advertising, settlement payments or other costs or damages. Insurance coverage for infringement claims may not be available at all or only on very limited terms, and may be inadequate to cover potential costs and losses. Further, licenses may not be available to us on reasonable terms, if at all. Any of these events could harm our business and cause our results of operations, liquidity and financial condition to suffer.

Our use of third-party open-source software could adversely affect our ability to offer our products and offerings and subjects us to possible litigation.

We use third-party open-source software in connection with the development and deployment of our software applications and will likely use third-party open-source software in the future. Some open-source licenses require that source code that is developed using open-source software be made available to the public at no cost and that any modifications or derivative works to certain open-source software continue to be licensed under open-source licenses, which in some circumstances could include valuable proprietary code. In some circumstances this could require valuable proprietary code to be made available as open-source software, and may also prohibit charging fees to licensees. While we employ practices designed to monitor our compliance with the licenses of open-source software and try to ensure that we do not use any of the open-source software in a manner that would require us to disclose our proprietary source code or preclude us from charging fees, we cannot guarantee that we will be successful. We cannot guarantee that all open-source software is reviewed prior to use in our platform, or that our developers have not incorporated (and will not in the future incorporate) open-source software into our products and offerings without our knowledge. Furthermore, there are an increasing number of open-source software license types, almost none of which have been tested in a court of law, resulting in a dearth of guidance regarding the proper legal interpretation of such licenses. As a result, there is a risk that open-source software licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to market or provide our products and offerings. If we were to receive a claim of non-compliance with the terms of any of our open-source licenses, we may be required purchase a costly license, to publicly release certain portions of our proprietary source code, to limit or cease our use of some or all of our software, or expend substantial time and resources to re-engineer some or all of our software. We could also be precluded from charging fees for third-party use of our proprietary code.

In addition, the use of third-party open-source software typically carries greater technical and legal risks than the use of third-party commercial software because open-source licensors generally do not provide support, warranties or controls on the functionality or origin of the software. To the extent that our platform depends upon the successful operation of open-source software, any undetected errors or defects could prevent the deployment or impair the functionality of our systems and injure our reputation. Use of open-source software may also present additional security risks because the public availability of such software may make it easier for hackers and other third parties to compromise our platform. Any of the foregoing could be harmful to our business, financial condition, or results of operations and could help our competitors develop offerings that are similar to or better than ours.

We are subject to rapidly changing and increasingly stringent laws, industry standards and consumer expectations relating to data privacy, data security, data protection, and consumer protection. The restrictions, obligations and costs imposed by these laws, or our actual or perceived failure to comply with them, could materially impair our ability to grow our business and negatively impact the results of our operations and subject us to liabilities that adversely affect our business, operations, and financial performance.

We collect, process, store, and use a wide variety of data from current and prospective customers, including personal information, such as home addresses, payment card numbers (through our payment processor) and approximate location information. These activities are regulated by a variety of federal, state, local, and foreign data privacy, data security, data protection and consumer protection laws and regulations, as well as industry standards and guidelines, which have become increasingly stringent in recent years. We have in the past and may continue to be subject to allegations that we have violated one or more of these laws.

U.S. data privacy and data security laws are complex and changing rapidly, with the frequent imposition of new and changing requirements across our business. Many U.S. states have enacted laws regulating the online collection, use, and disclosure of personal information and are requiring that companies implement reasonable data security measures. Laws in all U.S. states and territories also require businesses to notify affected individuals, governmental entities, and/or credit reporting agencies of certain security incidents affecting personal information.

Further, the CCPA took effect on January 1, 2020. The CCPA gives California residents expanded rights related to their personal information, including a private right of action and statutory damages for certain violations, and imposes significant compliance obligations on in-scope businesses, including restrictions on “sales” and certain disclosures of personal information that may restrict our use of cookies and similar technologies for advertising purposes, and could cause us to incur additional CCPA compliance costs or create adverse effects as a result of its restrictions. Similar laws have been proposed in other states and at the federal level, reflecting a trend toward more stringent privacy legislation in the United States. For example, since the CCPA went into effect, comprehensive privacy statutes that share similarities with the CCPA are now in effect and enforceable in multiple additional states, and will soon be enforceable in several other states as well. The enactment of such laws could have potentially conflicting requirements that would make compliance challenging, resulting in further uncertainty and requiring us to incur additional costs and expenses in an effort to comply and we could be subject to fines and penalties in the event of actual or perceived non-compliance. We expect to continue to invest in compliance initiatives and potentially implement business process changes to support our compliance efforts.

In addition, the Telephone Consumer Protection Act (the “TCPA”), imposes significant restrictions on the ability to make telephone calls or send text messages to mobile telephone numbers, including requirements to obtain prior consent of the person being contacted in certain circumstances. We use text messages frequently as well as place outbound telephone calls to communicate with current and former customers. Efforts to comply with the TCPA do not prevent third-party claims (including class action lawsuits) that we have violated the TCPA from being brought, and such claims could be costly to litigate, and if successful, expose us to substantial statutory damages. Likewise, the Controlling the Assault of Non-Solicited Pornography and Marketing Act (the “CAN-SPAM”), imposes specific restrictions and requirements on our efforts to send marketing materials via email, including notice obligations and content requirements that must be addressed in our marketing emails and the ability for recipients to unsubscribe from such emails. The Federal Trade Commission and State Attorneys General also enforce a broad range of “unfair” or “deceptive” trade practice rules and regulations that expose us to potentially substantial costs, penalties, and injunctive relief in connection with all aspects of our sales, advertising, and marketing activities, as well as our subscription-based business.

We are also subject to the European Union General Data Protection Regulation (the “GDPR”), due to certain of our employees being based in Ireland. The GDPR, which is wide-ranging in scope and applies extraterritorially, imposes substantial requirements and restrictions relating to the processing of personal data, including the personal data of our employees based in Ireland. In addition, GDPR compliance requirements continue to rapidly evolve, which poses compliance challenges for many companies, including us. The GDPR also imposes strict rules on the transfer of personal data out of the EU, including to the U.S., which have significantly evolved in recent years, including as a result of various challenges and court rulings. We expect such rules to continue evolving and face additional challenges in the future, adding to the legal complexity and uncertainty.

In addition, privacy advocates and industry groups have regularly proposed, and may propose in the future, self-regulatory standards by which we are legally or contractually bound. If we fail to comply with these contractual obligations or standards, we may face substantial liability or fines. Consumer resistance to the collection and sharing of the data used to deliver targeted advertising, increased visibility of consent or "do not track" mechanisms and "opt-out preference signals" as a result of industry regulatory or legal developments, the adoption by consumers of browser settings or "ad-blocking" software, and the development and deployment of new technologies (including technologies using artificial intelligence) could materially impact our ability to collect data or reduce our ability to deliver relevant promotions or media, which could materially impair the results of our operations. In addition, the U.S. Federal Trade Commission and U.S. State Attorneys General, and international regulators, are increasingly active in investigating and bringing enforcement actions against companies on claims related to notice, transparency, choice and processing of Personal Information in the context of sales and marketing and advertising activities.

Further, we are subject to the PCI Data Security Standard, which is a multifaceted security standard that is designed to protect payment card data as mandated by payment card industry entities. We rely on vendors to handle PCI matters for us and to ensure PCI compliance. Despite our compliance efforts, we may become subject to claims that we have violated the PCI Data Security Standard, based on past, present, and future business practices, which could subject us to fines, restrictions and expulsion from card acceptance programs, have an adverse impact on our business and reputation, and be costly for us to defend.

We may not be successful in achieving compliance with the rapidly evolving privacy, data security, and data protection requirements discussed above, as well as other data privacy, security and consumer protection frameworks that currently, or may in the future, apply to us, despite our efforts to comply. All of these frameworks are constantly evolving and are not always consistent with each other, leading to uncertainty in interpretation. Additionally, despite our best compliance efforts, our service providers may not uphold their legal, regulatory or contractual obligations to comply with these data privacy, data security, data protection, or artificial intelligence requirements, thereby exposing us to risks in these areas. Any actual or perceived non-compliance could result in litigation (including class action lawsuits) and proceedings against us by governmental entities, customers or others, fines and civil or criminal penalties, limited ability or inability to operate our business, offer services, or market our business in certain jurisdictions, negative publicity and harm to our brand and reputation, and reduced overall demand for our products and offerings. Such occurrences could adversely affect our business, financial condition, and results of operations. Our insurance policies and third-party indemnification agreements may not be adequate to compensate us for the potential losses arising from any such disruptions in or failure or security intrusion of our systems or third-party systems where information important to our business operations is stored. In addition, such insurance may not be available to us in the future on economically reasonable terms, or at all. Further, our insurance policies may not cover any or all claims made against us and could have high deductibles, and defending a suit, regardless of its merit, could be costly and divert management attention.

We could incur significant liabilities related to, and significant costs in complying with, environmental, health and safety laws and regulations.

Our operations are subject to a variety of federal, state, local and foreign laws and regulations relating to permitting requirements, health, safety and the protection of the environment. These environmental, health and safety laws and regulations include those relating to, among other things, the generation, storage, handling, use and transportation of hazardous and non-hazardous materials; the emission and discharge of hazardous and non-hazardous materials into the environment; the health and safety of our employees; and the maintenance of our facilities and operations. Our compliance efforts are expected to require ongoing investments and may be costly to maintain.

These laws and regulations are complex and evolving. Despite our efforts, we may be subject to claims that we have violated such laws and regulations based on past, present, and future practices, which could have an adverse impact on our business and reputation, and be costly for us to defend. For example, from time to time, we have reviewed and resolved immaterial permitting issues and compliance notices related to our warehouse operations; however, we cannot guarantee that future matters will continue to be immaterial. Failure to comply with such laws and regulations, which tend to become more stringent over time or failure to obtain or maintain permits necessary for our warehouse operations could, can result in significant fines, penalties, costs, liabilities or restrictions on operations, injunctive relief, civil or criminal sanctions, and could expose us to costs of investigation or remediation, as well as tort claims for property damage or personal injury, and could negatively affect our business, financial condition or results of operations. Liability for the improper release or disposal of waste can be joint and several and significant and there can be no assurance that we will not have to expend material amounts to remediate the consequences of the generation or disposal of waste in the future, particularly with respect to our dry cleaning operations. Further, we may be responsible as a lessee operator for the costs of investigation, removal or remediation of hazardous or non-hazardous substances or waste located on or in or emanating from our leased properties, as well as any property damage. There can be no assurance that our future operations, properties, uses or conditions will not result in the imposition of liability upon us under environmental laws or other regulations, or expose us to third-party actions such as tort suits.

Furthermore, we rely on third-party suppliers to provide chemicals, cleaning supplies, and handling instructions that comply with applicable health, safety and environmental regulations, and to support other compliance initiatives from time to time. A failure of such suppliers to provide adequate advice, abide by applicable regulations, or the terms of our contractual relationships may subject us to material liabilities.

Our ability to utilize our net operating loss carryforwards and certain other tax attributes to offset taxable income or taxes may be limited.

As of January 31, 2025, we had federal net operating loss carryforwards of $654.4 million, $152.1 million of which will expire at various times through 2038. Furthermore, we had state net operating loss carryforwards of $633.2 million, which will expire at various times through 2045. Portions of these net operating loss carryforwards could expire unused and be unavailable to offset future income tax liabilities. While our U.S. federal net operating losses incurred in taxable years beginning after December 31, 2017, may be carried forward indefinitely, the deductibility of such federal net operating losses is limited. In addition, for state income tax purposes, there may be periods during which the use of net operating loss carryforwards is suspended or otherwise limited, which could accelerate or permanently increase state taxes owed.

In addition, under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, and corresponding provisions of state law, if a corporation undergoes an “ownership change,” (very generally defined as a greater than 50% change, by value, in the corporation’s equity ownership by certain shareholders or groups of shareholders over a rolling three-year period), the corporation’s ability to use its pre-change net operating loss carryforwards and other pre-change tax attributes to offset its post-change income or taxes may be limited. In 2021, we completed a Section 382 analysis covering the period beginning in March 2009 and ending in March 2021. From the study, we concluded we experienced an ownership change in 2010 (but not since then) and $1.3 million of net operating losses (“NOLs”) were subject to the limitation. However, all of those NOLs were available by the year ended January 31, 2017. In 2024, we completed an update to the prior Section 382 analysis covering the period beginning April 2021 through January 2025. From the study, we concluded we did not experience an ownership change during the analysis period. Although we believe the Section 382 analyses are accurate, any errors in the analyses could impact our conclusions and ability to utilize our NOLs effectively. We may have experienced since January 2025 and may experience in the future additional ownership changes as a result of shifts in our stock ownership, some of which may be outside of our control. Any ownership change may result in the imposition of additional limitations on our ability to utilize our NOLs existing at the time of the ownership change. Future regulatory changes could also limit our ability to utilize our NOLs. To the extent we are not able to offset future taxable income with our NOLs, our cash flows may be adversely affected. We have recorded a full valuation allowance against our U.S. deferred tax assets, which includes net operating loss carryforwards.

Changes in our effective tax rate or tax liability may have an adverse effect on our results of operations.

We are subject to income and other taxes in the United States on a federal and state basis, as well as subject to taxation in Ireland. Our effective tax rate or tax liability could be adversely affected due to several factors, including:

- changes in the relative amounts of income before taxes in the various jurisdictions in which we operate that have differing statutory tax rates;
- changes in the United States or foreign tax laws, tax treaties, and regulations or their interpretation;
- changes to our assessment about our ability to realize our deferred tax assets that are based on estimates of our future results, the prudence and feasibility of possible tax planning strategies, and the economic and political environments in which we do business;
- the outcome of current and future tax audits, examinations, or administrative appeals; and
- limitations or adverse findings regarding our ability to do business in some jurisdictions.

In the event any tax audit or other proceeding is determined adversely to us, the resulting liabilities (including any penalties and interest) may have an adverse effect on our cash flows. If we expand the scale of our international business activities, any changes in the United States or foreign taxation of such activities may increase our worldwide effective tax rate and harm our business, financial condition, and results of operations. New income or other tax laws or regulations could be enacted at any time, and existing tax laws and regulations could be interpreted, modified, or applied adversely to us. Any such new laws or regulations or the interpretation, modification or application of existing laws and regulations may materially and adversely impact our business, financial condition, results of operations and cash flows.

Risks Related to Our Dependence on Third Parties

We face risks associated with brand and manufacturing partners from whom our products are sourced or co-manufactured.

We obtain substantially all of our products directly from hundreds of brand partners through Wholesale, Share by RTR, and Exclusive Designs arrangements with designer and/or manufacturing partners. The benefits we currently experience from these relationships could be adversely affected if they:

- discontinue selling products to us or manufacturing our Exclusive Designs;
- enter into arrangements with competitors that could impair our ability to source their products, including by giving our competitors exclusivity arrangements or limiting our access to certain products;
- raise the prices they charge us;
- are not satisfied with the value proposition we offer them;
- do not view our brand or financial profile favorably;
- change pricing terms to require us to pay a significant portion of the cost of items on delivery or upfront;
- experience negative publicity or reputational issues;
- do not follow our vendor code of conduct and/or violate legal and regulatory requirements;
- experience supply chain disruptions that cause lead times to be lengthened or missed entirely; or
- fail to execute on the design we have provided for co-manufactured products.

Events that adversely impact our brand and manufacturing partners could impair our ability to obtain adequate and timely products. We also source and manufacture products outside of the United States and we and many of our brand partners use manufacturers in the same geographic regions. As a result we may be subject to magnified impact from such events including, among others, difficulties or problems associated with our partners' business, the financial instability and labor problems of partners, product quality and safety issues, natural or man-made disasters, inclement weather conditions, war, acts of terrorism and other political instability, economic conditions, imposition of additional import or trade restrictions, including legal or economic restrictions on overseas partners' ability to produce and deliver products, increased custom duties and tariffs, unforeseen delays in customs clearance of goods, more restrictive quotas, loss of a most favored nation trading status, currency exchange rates, transportation delays, port of entry issues, the availability of their raw materials and increased production costs.

Our brand partners and manufacturers may be forced to reduce their production or operations, shut down their operations or file for bankruptcy. Our ability to obtain products timely and cost effectively may also depend on our brand partners' ability to obtain financing, including through factoring companies and other entities, which may also assess our creditworthiness and procurement ability. To the extent our brand partners are unable to secure sufficient credit, they may not be able to produce merchandise, which would impact our ability to purchase merchandise from them. The occurrence of one or more of these events could impact our ability to acquire products, which may result in a less appealing assortment of styles for our customers and reduced availability of the styles we are able to obtain. Similarly, the occurrence of a contagious disease or illness could cause delays or increase costs in the manufacture of certain products. For example, the COVID-19 pandemic caused delays in some shipments from our brand partners.

We rely on third parties to provide the payment processing infrastructure underlying our business. If these third-party providers become unavailable or unavailable on favorable terms, our business could be adversely affected.

We rely on third parties to provide payment processing infrastructure, to accept card payments from customers, process and administer gift cards, and through our banking partners, to remit payments to suppliers. These third parties may refuse to renew our agreements with them on commercially reasonable terms or at all. Furthermore, we rely on a single payment processor, which may increase our risks of being unable to process payments and deliver our products in a timely and cost-effective manner. In the event of interruption, we may not be able to develop alternate or secondary processing without incurring material additional costs and substantial delays. If these providers become unwilling or unable to provide these services to us on acceptable terms or at all, our business may be disrupted. For certain payment methods, including credit and debit cards, we pay interchange fees and other processing and gateway fees, and such fees result in significant costs. Online payment providers have also required, and may in the future require, us to provide demonstrations of credit based on providers' perceptions of our creditworthiness. In addition, online payment providers pay fees to banks to settle funds, and there is no assurance that such online payment providers will not pass any costs on to us, as and when such costs increase. If these fees or other obligations increase over time, our operating costs will increase, which could adversely affect our business, financial condition, and results of operations.

Outages or other failures of our payment processor or third-party partners could harm our business and cause customers to lose trust in our payment operations and cause them to discontinue use of our products and services. If the quality or convenience of our payment operations or processing declines or does not keep pace with industry standards, the attractiveness of our business to customers could be adversely affected. For example, we plan to enhance our payment operations in the future; however, our efforts may be unsuccessful or delayed for various reasons and may fail to meet customer expectations. If we are forced to migrate to other third-party payment service providers for any reason, the transition would require significant time and management resources, and may not be available on acceptable terms or be as effective, efficient, or well-received by our customers.

Our business relies on third-party cloud infrastructures, and any disruption of, or interference with, our use of cloud infrastructures could adversely affect our business, financial condition or results of operations.

We have migrated a substantial portion of our primary production environment, core architecture, and data centers to a third-party cloud provider, which provides a distributed computing infrastructure as a service platform for business operations. We use another third-party cloud provider for other portions of our business. Our third-party cloud providers provide the cloud computing infrastructure we use to host our website and mobile application, serve our customers and support our operations and many of the internal tools we use to operate our business. Our website, mobile application, internal tools and operations use computing, storage, data transfer and other functions and services provided by our third-party cloud providers. We do not have control over the operations of the facilities of our third-party cloud providers. In addition, our third-party cloud providers' facilities may be vulnerable to damage or interruption from earthquakes, hurricanes, floods, fires, cybersecurity attacks, terrorist attacks, power losses, telecommunications failures and other events beyond our control. In the event that any third-party provider's systems or service abilities are hindered by any of the events discussed above, particularly in a region where our website is mainly hosted, our ability to operate our business may be impaired. A decision to close their facilities without adequate notice or other unanticipated problems or disruptions could result in lengthy interruptions to our business. Further, our agreements with our third-party cloud providers do not provide us with an adequate remedy for every scenario that could negatively affect our business and limit our third-party cloud providers' liability. All of the aforementioned risks may be exacerbated if our business continuity and disaster recovery plans prove to be inadequate.

Additionally, data stored with our third-party cloud providers may be subject to cybersecurity risks that threaten the confidentiality, availability, and integrity of such data, including threats or attacks from computer malware, ransomware, viruses, social engineering (including phishing attacks), denial of service or other attacks, employee theft or misuse and general hacking. Any of these security incidents could result in unauthorized access to, damage to, disablement or encryption of, use or misuse of, disclosure of, modification of, destruction of, or loss of our data or our customers' data or disrupt our ability to provide our products and offerings, including due to any failure by us or our service providers to properly configure our cloud environment. Our business' continuing and uninterrupted performance is critical to our success. Customers may become dissatisfied by any system failure that interrupts our ability to provide our merchandise and offerings to them. We may not be able to easily switch our third-party cloud operations to another cloud or other data center provider if there are disruptions or interference with cloud services and, even if we do switch our operations, other cloud and data center providers are subject to the same risks. Sustained or repeated system failures would reduce the attractiveness of our products and offerings, thereby reducing revenue. Moreover, negative publicity arising from these types of disruptions could damage our brand and reputation and may adversely impact our business.

Our third-party cloud providers do not have an obligation to renew their agreements with us on terms acceptable to us or at all. Although alternative data center providers may be able to host our business on a substantially similar basis to our current third-party cloud providers, transitioning our cloud infrastructure to alternative providers could potentially be disruptive, and we could incur significant one-time costs. If we are unable to renew our agreement for our cloud services on commercially acceptable terms, our agreements with our third-party cloud providers are prematurely terminated, or we add additional infrastructure providers, we may experience costs or downtime in connection with the transfer to, or the addition of, new data center providers. If our third-party cloud providers or other infrastructure providers increase the costs of their services, our business, financial condition or results of operations could be materially and adversely affected.

We depend on search engines, social media platforms, mobile application stores, content-based and cross-context behavioral online advertising and other online sources to attract consumers to and promote our website and our mobile application, which may be affected by third-party actions or interference beyond our control and, as we grow, our marketing and/or customer acquisition costs may continue to rise.

Our success depends on our ability to attract consumers to our website and mobile application and convert them into customers in a cost-effective manner. We depend, in large part, on search engines, social media platforms, mobile application stores, content-based online and cross-context behavioral advertising and other online sources for traffic to our website and mobile application.

With respect to search engines, we are included in search results for both paid search listings, where we purchase specific search terms resulting in inclusion of our advertisements, and free search listings, which depend on algorithms used by search engines. For paid search listings, if one or more of the search engines or other online sources on which we rely for purchased listings modifies or terminates its relationship with us, our expenses could rise, we could lose consumers who access our advertisements and traffic to our website could decrease, any of which could have a material adverse effect on our business, financial condition, and results of operations. For free search listings, if search engines on which we rely for algorithmic listings modify their algorithms, our websites may appear less prominently or not at all in search results, which could result in reduced traffic to our websites.

Our ability to maintain and increase the number of consumers directed to our products from digital platforms is not entirely within our control. Search engines, social media platforms and other online sources often revise their algorithms products, and APIs, introduce new advertising products and respond to regulator and/or industry standards group expectations. If one or more of the search engines or other online sources on which we rely for traffic to our website and our mobile application were to modify its general methodology for how it displays our advertisements or keyword search results or change their APIs without sufficient notice, as they have in the past and may again in the future, fewer consumers may click through to our website and our mobile application or have difficulty accessing our sites, and our business and operating results are likely to suffer. Our efforts to attract consumers and convert them into customers also rely on the use of cookies and similar tracking technologies, and our ability to use and benefit from such technologies may be restricted or prohibited by changes in the law, market practice, or technology, or third parties who are not under our control. For example, Apple utilizes “opt-in” privacy models for mobile applications using its operating system such as ours, requiring such applications to give consumers the choice to allow or deny the use of tracking technologies to engage in targeted advertising and similar activities, which may reduce the efficacy of our marketing tracking. In addition, if our online display advertisements are no longer effective or are not able to reach certain customers due to their use of ad-blocking software, our business and operating results could suffer. Furthermore, changes in customer acceptance or usage of our online sources for traffic could adversely impact the effectiveness of our advertising.

Additionally, changes in regulations could limit the ability of search engines and social media platforms to collect data from users and engage in targeted advertising, making them less effective in disseminating our advertisements to our target customers. If the effectiveness of marketing through search engines and social media platforms diminishes, or if costs of through such channels increase, we may incur additional marketing expenses or be required to allocate a larger portion of our marketing spend to other channels and our business and operating results could be adversely affected.

Furthermore, we depend on the Apple App Store to distribute our mobile application, and because many of our customers access our products through our mobile application, any changes to the Apple App Store terms and conditions or how the Apple App Store functions in connection with our mobile application could adversely affect our business. Apple has broad discretion to change its respective terms and conditions, including those relating to the amount of (and requirement to pay) certain fees associated with our use of the Apple App Store, to interpret its respective terms and conditions in ways that may limit, eliminate or otherwise interfere with our ability to distribute our mobile application through its stores, the features we provide and the manner in which we market in-application products. We cannot provide assurance that Apple will not limit, eliminate or otherwise interfere with the distribution of our mobile application, the features we provide and the manner in which we market our mobile application. To the extent it does so, our business, financial condition, and results of operations could be adversely affected.

As existing social media platforms continue to rapidly evolve and new platforms develop, we must continue to maintain a presence on these platforms and establish presences on new or emerging social media platforms. If we are unable to cost-effectively use social media platforms as marketing tools or if the social media platforms we use change their policies or algorithms, we may not be able to fully optimize such platforms, and our ability to maintain and acquire consumers and our financial condition may suffer. Furthermore, as laws and regulations and public opinion rapidly evolve to govern the use of these platforms and devices, the failure by us, our employees, our network of social media influencers, our sponsors or third parties acting at our direction or on our behalf to abide by applicable laws and regulations in the use of these platforms and devices or otherwise could subject us to regulatory investigations, class action lawsuits, mass arbitrations, liability, fines or other penalties and have an adverse effect on our business, financial condition, results of operations and prospects.

Any failure by us, our brand partners, third-party manufacturers, or marketing partners to comply with our vendor code of conduct, product safety, labor, or other laws, or to provide safe factory conditions for their workers, may damage our reputation and brand, and harm our business.

Our standard vendor terms and conditions, vendor code of conduct, and other policies require our brand and manufacturing partners to comply with applicable laws and certain business standards, however, we often have limited visibility into their supply chains, practices, and level of compliance The failure of these partners to comply with our vendor code of conduct or applicable laws and regulations could damage our reputation, lead to negative press and/or customer sentiment, or result in costly litigation against us.

The products we rent or sell to our customers are subject to regulation by the Federal Consumer Product Safety Commission, the Federal Trade Commission, and similar state and international regulatory authorities. As a result, such products could in the future be subject to mandatory recalls and other remedial actions. Product safety, labeling, and licensing concerns may also result in us voluntarily removing selected products from our assortment. Such recalls or voluntary removal of products can result in, among other things, lost revenue, diverted resources, potential harm to our reputation, and increased customer service costs and legal expenses, which could have a material adverse effect on our operating results.

It is possible that some of the products we rent or sell or provide to our customers and potential customers on behalf of third-party marketing partners may expose us to product liability claims and litigation or regulatory action relating to personal injury. Although we maintain liability insurance, we cannot be certain that our coverage will be adequate for liabilities actually incurred or that insurance will continue to be available to us on economically reasonable terms or at all. In addition, our partners may not have sufficient resources or insurance to satisfy their indemnity and defense obligations to us in connection with product liability claims or regulatory actions. Further, product liability claims could damage our reputation, lead to negative press and/or customer sentiment, or result in costly demands or litigation against us.

We may incur significant losses from fraud.

We have in the past incurred and may in the future incur losses from various types of fraud, including claims that a customer did not authorize a purchase, customers who have closed bank accounts or have insufficient funds to satisfy payments, customers who use stolen credit cards to make purchases, customers who fraudulently rented multiple products at once and customers who have failed to return rentals. In addition to the direct costs of such losses, if the fraud is related to credit card transactions and becomes excessive, it could result in us paying higher fees or losing the right to accept credit cards for payment. In addition, under current credit card practices, we are typically liable for fraudulent credit card transactions. We have implemented fraud prevention measures, such as detection tools to identify irregular or high risk customer order patterns, to reduce the risk of fraud. However, these measures may be insufficient to prevent or detect fraud and our failure to adequately prevent fraudulent transactions could damage our reputation, result in litigation or regulatory action, and lead to costs, fees, and expenses that could substantially impact our operating results.

If our insurance coverage is insufficient for the needs of our business or our insurance providers are unable to meet their obligations, we may not be able to mitigate the risks facing our business.

We procure third-party insurance policies to cover various operations-related risks including employment practices liability, workers' compensation, property and business interruptions, cybersecurity and data security incidents, crime, directors' and officers' liability, and general business liabilities. In addition, we are required to maintain certain levels of insurance coverage in certain commercial agreements, such as our real estate leases, and in our 2025 Amended Facility. We cannot guarantee that we will continue to maintain adequate insurance coverage on favorable terms that meets our coverage needs and/or contractual obligations. Insurance providers may discontinue their coverage or significantly increase the cost of coverage, and we cannot guarantee that we would be able to secure replacement coverage on reasonable terms or at all. In addition, if our insurance carriers change the terms of our policies in a manner not favorable to us, our insurance costs could increase. Further, if the insurance coverage we maintain is not adequate to cover losses that occur, or if we are required to purchase additional insurance for other aspects of our business (including due to contractual requirements), we could be liable for significant additional costs. Additionally, if any of our insurance providers becomes insolvent, it would be unable to pay any operations-related claims that we make.

Insurance providers have also raised premiums and deductibles for many businesses, including ours, and may do so in the future. As a result, our insurance and claims expense could increase, or we may decide to raise our deductibles or self-insured retentions when our policies are renewed or replaced. Our business, financial condition, and results of operations could be adversely affected if the cost per claim, premiums, the severity of claims, or the number of claims significantly exceeds our historical experience and coverage limits; we experience a claim in excess of our coverage limits; our insurance providers fail to pay on our insurance claims; we experience a claim for which coverage is not provided; or the number of claims under our deductibles or self-insured retentions differs from historical averages.

Risks Related to Ownership of Our Class A Common Stock

The dual class structure of our common stock and the stockholders' agreement among us and certain stockholders have the effect of concentrating voting control with those stockholders who held our capital stock prior to the listing of our Class A common stock on Nasdaq, including our Co-Founders, and their affiliates, which will limit an investor's ability to influence corporate matters, including a change of control.

Our Class B common stock has 20 votes per share, and our Class A common stock has one vote per share. Because of the twenty-to-one voting ratio between our Class B and Class A common stock, the holders of our Class B common stock collectively continue to control a significant percentage of the combined voting power of our common stock and therefore are able to control all matters submitted to our stockholders for approval until the date of automatic conversion described below, when all outstanding shares of Class B common stock and Class A common stock will convert automatically into shares of a single class of common stock. In addition, we and certain stockholders, including our Co-Founder, Chair, CEO and President, Jennifer Y. Hyman, entered into a stockholders' agreement in connection with our IPO with respect to the election of directors.

The holders of our Class B common stock have concentrated control may limit or preclude an investor's ability to influence corporate matters for the foreseeable future, including the election of directors, amendments of our organizational documents, and any merger, consolidation, sale of all or substantially all of our assets, or other major corporate transaction requiring stockholder approval. In addition, this concentrated control may prevent or discourage unsolicited acquisition proposals or offers for our capital stock.

Future transfers by holders of Class B common stock will generally result in those shares converting to Class A common stock, subject to limited exceptions, such as certain transfers effected for estate planning purposes. In addition, each share of Class B common stock will convert into one share of Class A common stock in connection with the Exchange Agreement. See Note 15 — "Subsequent Events" in the Notes to the Condensed Consolidated Financial Statements for more information about the conversion of our Class B common stock in connection with the Recapitalization Transactions. Further, each share of Class B common stock will automatically convert into one share of Class A common stock upon the date that is the earlier of (i) the transfer of such share to a person that is not in the same Permitted Ownership Group (as defined in our Amended and Restated Certificate of Incorporation ("Amended Charter")) as such Permitted Class B Holder (as defined in the Amended Charter), (ii) November 1, 2028, or (iii) with respect to any shares held by any person in our Co-Founder's Permitted Ownership Group, (A) such time as a Co-Founder is removed or resigns from the Board of Directors, or otherwise ceases to serve as a director on the Board of Directors, (B) such time as a Co-Founder ceases to be either an employee, officer or consultant, or (C) the date that is 12 months after the death or disability of a Co-Founder.

We are required to meet the Nasdaq Global Market's continued listing requirements and other Nasdaq rules, or we may risk delisting. Delisting could negatively affect the price of our Class A common stock, which could make it more difficult for us to sell securities in a future financing or for you to sell our Class A common stock.

We are required to meet the continued listing requirements of the Nasdaq Global Market and other Nasdaq rules, including those regarding director independence and independent committee requirements, minimum share price and certain other corporate governance requirements.

On October 20, 2023, we received a letter from Nasdaq indicating that, for the prior thirty consecutive business days, the bid price for our Class A common stock had closed below the minimum $1.00 per share requirement for continued listing (the "Bid Price Rule"). In order to regain compliance with the Bid Price Rule, we implemented a 1-for-20 reverse stock split that became effective on April 2, 2024 and our Class A common stock began trading on a post-split basis on April 3, 2024 (the "Reverse Stock Split"). On April 17, 2024, Nasdaq confirmed that we had regained compliance with the Bid Price Rule.

In addition, on March 27, 2024, we received a letter from Nasdaq indicating that we were no longer in compliance with the minimum market value of listed securities of $35,000,000 required for continued listing on The Nasdaq Capital Market (the "Minimum Market Value Rule"). On April 25, 2024, Nasdaq confirmed our transfer to the Nasdaq Global Market and removed the deficiency under the Minimum Market Value Rule.

While we are currently in compliance with the continued listing requirements of The Nasdaq Global Market, there can be no guarantee that we will be able to maintain compliance with these requirements in the future. If we do not meet these continued listing requirements, our Class A common stock could be delisted. Delisting of our Class A common stock from the Nasdaq Global Market could cause us to pursue eligibility for trading on other markets or exchanges, or on the pink sheets. In such case, our stockholders' ability to trade, or obtain quotations of the market value of, our ordinary shares would be severely limited because of lower trading volumes and transaction delays.

Our share price may be volatile, and our investors may be unable to sell shares at or above the price they paid for them.

The market price of our Class A common stock has declined significantly since our IPO, has been volatile and is likely to continue to be volatile and could be subject to wide fluctuations in response to the risk factors described in this Quarterly Report, and others within or beyond our control, including:

- the Recapitalization Transactions;
- actual or anticipated fluctuations in our revenue or other operating metrics;
- our actual or anticipated operating performance and the operating performance of our competitors;
- changes in the financial projections we provide to the public or our failure to meet these projections;
- positive or negative publicity;
- failure of securities analysts to initiate or maintain coverage of us, changes in financial estimates by any securities analysts who follow our Company, or our failure to meet the estimates or the expectations of investors;
- any major change in our board of directors, management, or key personnel;
- the economy as a whole and market conditions in our industry;
- change in global trade policies, tariffs and other measures that could restrict international trade;
- changes in overall stock market conditions;
- rumors and market speculation involving us or other companies in our industry;
- announcements by us or our competitors of significant innovations, new products, services, features, integrations, or capabilities, acquisitions, strategic investments, partnerships, joint ventures, or capital commitments;
- the legal and regulatory landscape and changes in the application of existing laws or adoption of new laws that impact our business, including changes in e-commerce and tax laws;
- legal and regulatory claims, litigation, or pre-litigation disputes and other proceedings;
- the impact of COVID-19 or future pandemics on our business or the fashion industry and sharing economy generally;
- sales or expected sales of our Class A common stock by us, our officers, directors, principal stockholders, and employees;
- if securities or industry analysts publish research about our business, or if they publish unfavorable research; and

- other events or factors, including those resulting from geopolitical conditions, including war, incidents of terrorism, or responses to these events.

Our investors may not realize any return on their investment in us and may lose some or all of their investment. In addition, stock markets, and the trading of e-commerce companies' and technology companies' stocks in particular, have experienced significant price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. Stock prices of many companies have fluctuated in a manner often unrelated to the operating performance of those companies. It is common for stockholders to institute securities class action litigation following periods of stock volatility. We are currently subject to securities litigation which could divert resources and the attention of management from our business, and materially adversely affect our business, financial condition and results of operations, and we could be subject to additional securities litigation in the future.

Our management has broad discretion in the use of our cash resources and may not use them effectively.

Our management has broad discretion, subject to our 2025 Amended Facility and the Exchange Agreement, in the application of our cash resources, which may include working capital, to fund growth and for other general corporate purposes. We may also use a portion of our cash resources to acquire or make investments in businesses, products, offerings, and technologies. We may also spend or invest these proceeds in a way with which our stockholders disagree. The failure by our management to apply these funds effectively could adversely affect our ability to pursue our growth strategies and expand our business. Pending their use, we may invest these funds in a way that does not produce income or that loses value.

Our business and financial performance may differ from any projections that we disclose or any information that may be attributed to us by third parties.

From time to time, we may provide guidance regarding our projected business and/or financial performance. However, any such projections involve risks, assumptions, and uncertainties, and our actual results could differ materially from such projections. Factors that could cause or contribute to such differences include, but are not limited to, those identified in the risk factors described in this Quarterly Report, some or all of which are not predictable or within our control. Other unknown or unpredictable factors also could adversely impact our performance, and we undertake no obligation to update or revise any projections, whether as a result of new information, future events, or otherwise. In addition, various news sources, bloggers, and other publishers often make statements regarding our historical or projected business or financial performance, and you should not rely on any such information even if it is attributed directly or indirectly to us.

Future sales of our common stock in the public market could cause our share price to fall.

See Risks Related to the Recapitalization Transactions and Note 15 — Subsequent Events in the Notes to the Condensed Consolidated Financial Statements for more information on the pending Recapitalization Transactions, including the anticipated sale and issuance of our common stock.

Generally, the sale of substantial amounts of shares of our common stock in the public market, or the perception that such sales could occur, could harm the prevailing market price of shares of our Class A common stock. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate.

In the future, we may sell additional Class A common stock, other series of common stock, convertible securities, or other equity securities, including preferred securities, in one or more transactions at prices and in a manner we determine from time to time, including pursuant to our shelf registration statement on Form S-3. We also expect to issue Class A common stock to employees, consultants, and directors pursuant to our equity incentive plans. If we sell Class A common stock, other series of common stock, convertible securities, or other equity securities in subsequent transactions, or Class A common stock or Class B common stock is issued pursuant to equity incentive plans, investors may be materially diluted. New investors in subsequent transactions could gain rights, preferences, and privileges senior to those of holders of our Class A common stock.

In addition, we may issue our capital stock or securities convertible into our capital stock from time to time in connection with a financing, acquisition, investments, or otherwise. Additional issuances of our stock will result in dilution to existing holders of our stock. Also, to the extent outstanding stock options to purchase our stock are exercised or restricted stock units ("RSUs") settle, there will be further dilution. The amount of dilution could be substantial depending upon the size of the issuance or exercise. Any such issuances could result in substantial dilution to our existing stockholders and cause the trading price of our Class A common stock to decline.

These factors could also make it more difficult for us to raise additional funds through future offerings of our shares of Class A common stock or other securities.

Certain provisions in our corporate charter documents and under Delaware law may prevent or hinder attempts by our stockholders to change our management or to acquire a controlling interest in us, and the trading price of our Class A common stock may be lower as a result.

There are provisions in our Amended Charter and Amended and Restated Bylaws ("Amended Bylaws") that may make it difficult for a third party to acquire, or attempt to acquire, control of our Company, even if a change in control were considered favorable by our stockholders. These anti-takeover provisions include:

- authorization of the issuance of "blank check" preferred stock that our board of directors could use to implement a stockholder rights plan;
- a dual class common stock structure in which holders of our Class B common stock, which has 20 votes per share, have the ability to control the outcome of matters requiring stockholder approval, even if they own significantly less than a majority of the outstanding shares of our Class B and Class A common stock, including the election of directors and significant corporate transactions, such as a merger or other sale of our Company or its assets;
- a classified board of directors so that not all members of our board of directors are elected at one time;
- a requirement that our directors may only be removed for cause;
- the ability of our directors to fill all board vacancies, subject to the rights granted pursuant to the stockholders' agreement;
- a prohibition on stockholder actions by written consent, thereby requiring that all stockholder actions be taken at a meeting of our stockholders;
- advance notice procedures for stockholder director nominees and annual meeting matters (other than the parties to our stockholders; agreement for nominations made pursuant to the terms of the stockholders' agreement);
- an inability of our stockholders to call special meetings of stockholders;
- the ability of our directors to amend our Amended Bylaws without stockholder consent;
- the requirement of a super-majority to amend some provisions in our Amended Charter and Amended Bylaws; and
- a prohibition on cumulative voting for directors.

Although we have opted out of Section 203 of the General Corporation Law of the State of Delaware, our Amended Charter contains provisions that are similar to Section 203. Specifically, our Amended Charter provides that, subject to certain exceptions, we will not be able to engage in a "business combination" with any "interested stockholder" for three years following the date that the person became an interested stockholder, unless certain requirements are met. A "business combination" includes, among other things, a merger or consolidation involving us and the "interested stockholder" or the sale of more than 10% of our assets or to an interested stockholder. In general, an "interested stockholder" is any entity or person beneficially owning 15% or more of our outstanding voting stock and any affiliates or associates of such entity or person.

Any provision in our Amended Charter, Amended Bylaws, or Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our Class A common stock, and could also affect the price that some investors are willing to pay for our Class A common stock.

Our Amended Charter designates the Court of Chancery of the State of Delaware and the federal district courts of the United States of America as the exclusive forums for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees.

Our Amended Charter provides that the Court of Chancery of the State of Delaware is the exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: any derivative action or proceeding brought on our behalf, any action asserting a breach of fiduciary duty, any action asserting a claim against us arising under the Delaware General Corporation Law, our Amended Charter, or our Amended Bylaws (as either may be amended or restated), and any action asserting a claim against us that is governed by the internal affairs doctrine or as to which the Delaware General Corporation Law confers exclusive jurisdiction on the Court of Chancery of the State of Delaware. This provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act. Furthermore, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all Securities Act actions. Accordingly, both state and federal courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our Amended Charter further provides that the federal district courts of the United States of America are the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act.

While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions. In such instance, we would expect to vigorously assert the validity and enforceability of the exclusive forum provisions of our Amended Charter. This may require significant additional costs associated with resolving such action in other jurisdictions and there can be no assurance that the provisions will be enforced by a court in those other jurisdictions.

These exclusive forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees, which may discourage lawsuits against us and our directors, officers, and other employees. If a court were to find either exclusive forum provision in our Amended Charter to be inapplicable or unenforceable in an action, we could incur further significant additional costs associated with resolving the dispute in other jurisdictions, all of which could seriously harm our business.

Our Amended Charter provides that the doctrine of "corporate opportunity" does not apply with respect to any directors (or their affiliates) who are not our employees.

Our Amended Charter provides that the doctrine of "corporate opportunity" does not apply with respect to any director (or their respective affiliates) who is not employed by us or our subsidiaries. The doctrine of corporate opportunity generally provides that a corporate fiduciary may not develop an opportunity using corporate resources or information obtained in their corporate capacity for their personal advantage, acquire an interest adverse to that of the corporation or acquire property that is reasonably incident to the present or prospective business of the corporation or in which the corporation has a present or expectancy interest, unless that opportunity is first presented to the corporation and the corporation chooses not to pursue that opportunity. The doctrine of corporate opportunity is intended to preclude officers, directors or other fiduciaries from personally benefiting from opportunities that belong to the corporation. Pursuant to our Amended Charter, to the extent permitted by Delaware law, we renounce any present or expectancy interest that we have in, or right to be offered an opportunity to participate in, specified business opportunities that are from time to time presented to our directors, or their respective affiliates (other than those who are employed by us or our subsidiaries). Any directors, or their respective affiliates, other than those directors, or affiliates who are employed by us or our subsidiaries, have no duty to communicate or present corporate opportunities to us, and have the right to either hold any corporate opportunity for their (and their affiliates') own account and benefit or to recommend, assign or otherwise transfer such corporate opportunity to persons other than us, including to any directors, or their respective affiliates (other than those who are employed by us or our subsidiaries). Notwithstanding the foregoing, pursuant to our Amended Charter, we do not renounce our present or expectancy interest in any business opportunity that is expressly offered to a director, executive officer or employee of us or our subsidiaries, solely in his/her capacity as a director, executive officer or employee.

The effects of climate change and related regulatory, customer and investor responses may adversely impact our business.

Our corporate offices, fulfillment centers and facilities of our brand and manufacturing partners are subject to risks relating to climate change and other environmental impacts. For example, the physical effects of climate change, such as more intense, prolonged, and/or frequent severe weather events, natural disasters and/or significant changes in climate patterns or temperatures, may result in facility damage, supply chain interruptions (including but not limited to challenges regarding the availability and quality of water and raw materials), changes in the availability and/or cost of insurance, as well as other adverse impacts. Similarly, our carbon emissions and our business' overall impact on the environment could subject us to reputational, market and/or regulatory risks and could result in changes in consumer preferences. Climate change and other environmental concerns may cause social, economic and physical disruptions in the places where we operate, including disruptions to our supply chain and to local infrastructure and transportation systems which could limit material availability and quality, disrupt our data management and communications systems, increase product costs, impact our ability to ship and deliver products, prevent access to our physical locations and negatively impact the economy, consumer confidence and discretionary spending. In addition, implementing changes to mitigate these risks may result in substantial short- and long-term additional operational expenses, which may materially affect our profitability.

Item 2. Unregistered Sales Of Equity Securities and Use Of Proceeds

Unregistered Sales of Equity Securities

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

(a) Exhibits.

Exhibit Number	Description of Exhibit	Incorporated by Reference				Filed / Furnished Herewith
		Form	File No.	Exhibit	Filing date	
3.1	Amended & Restated Certificate of Incorporation	8-K	001-40958	3.1	10/29/2021	
3.2	Certificate of Amendment to Twelfth Amended & Restated Certificate of Incorporation	8-K	001-40958	3.1	04/02/2024	
3.3	Amended & Restated Bylaws	8-K	001-40958	3.2	10/29/2021	
10.1	Amendment No. 1 to Rent the Runway, Inc. Transaction Bonus Plan					*
10.2	Amendment No. 2 to Rent the Runway, Inc. Transaction Bonus Plan	8-K	001-40958	10.5	8/21/2025	
10.3	Twelfth Amendment to the Credit Agreement, dated as May 29, 2025, by and among the Company, the lenders from time to time party thereto and CHS (US) Management LLC, as administrative agent					*
10.4	Thirteenth Amendment to the Credit Agreement, dated as of July 31, 2025, by and among the Company, the lenders from time to time party thereto and CHS (US) Management LLC, as administrative agent					*
10.5	Fourteenth Amendment to the Credit Agreement, dated as of August 20, 2025, by and among the Company, the lenders from time to time party thereto and CHS (US) Management LLC, as administrative agent	8-K	001-40958	10.4	8/21/2025	
10.6	Exchange Agreement, dated August 20, 2025, by and between the Company and CHS US Investments LLC	8-K	001-40958	10.1	8/21/2025	
10.7	Investor Rights Agreement, dated August 20, 2025, by and among the Company, CHS US Investments LLC, Gateway Runway, LLC, S3 RR Aggregator, LLC and entities affiliated with Jennifer Hyman	8-K	001-40958	10.2	8/21/2025	
10.8	Rights Offering Backstop Agreement, dated August 20, 2025, by and among the Company and CHS US Investments LLC, Gateway Runway, LLC and S3 RR Aggregator, LLC	8-K	001-40958	10.3	8/21/2025	
10.9	Non-Employee Director Compensation Program					*
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a)					*
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a)					*
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350					**
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350					**
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.					*
101.SCH	Inline XBRL Taxonomy Extension Schema Document					*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)					*

* Filed herewith

** Furnished herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

RENT THE RUNWAY, INC.

Date: September 12, 2025

By: /s/ Siddharth Thacker
Siddharth Thacker
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 10.1

RENT THE RUNWAY, INC.
10 JAY STREET
BROOKLYN, NEW YORK 11201

August 18, 2025

Ms. Jennifer Y. Hyman

Re: Amendment to the Transaction Bonus Plan

Dear Jenn:

This Letter Agreement between you, in your capacity as Chief Executive Officer of Rent the Runway, Inc., a Delaware corporation (the "**Company**"), and the Company, constitutes an amendment to the Transaction Bonus Plan adopted by the Company on May 15, 2024 (the "**Plan**"). Capitalized terms used in this Letter Agreement and not defined shall have the meanings given such terms in the Plan.

1. Authority to Amend the Plan. Paragraph (G)(10) of the Plan provides that the Plan may be amended at any time or from time to time by the Administrator; provided, however, that, prior to the Transaction Agreement Date, no such amendment shall impair the then-existing rights of a Participant with regard to the Plan absent the consent of the current Chief Executive Officer of the Company.

2. Amendments to the Plan. Effective upon the date hereof paragraph (G)(10) of the Plan is hereby deleted in its entirety and replaced with the following:

(1) Right to Amend the Plan. The Plan may be amended at any time or from time to time by the Administrator; provided, however, that, on or prior to the Transaction Agreement Date no such amendment shall impair the then-existing rights of a Participant with regard to the Plan absent the consent of the current Chief Executive Officer of the Company; and provided, further, that, following the Transaction Agreement Date no such amendment shall impair the then-existing rights of a Participant with regard to the Plan absent his or her consent.

3. Except as expressly provided for in this Letter Agreement, the Transaction Bonus Plan and its terms and conditions remain in full force and effect and unchanged by this Letter Agreement. This Letter Agreement is to be governed by and construed in accordance with the laws of the State of Delaware without regard to the choice of law principles thereof.

4. Please acknowledge your agreement to the terms and conditions set forth in this letter by signing and dating this letter in the space provided below.

[signature page follows]

Very truly yours,

/s/ Cara Schembri
Cara Schembri

Agreed and accepted

/s/ Jennifer Y. Hyman
Jennifer Y. Hyman
Co-Founder, Chair, Chief Executive Officer & President

Execution Version

TWELFTH AMENDMENT TO CREDIT AGREEMENT

This **TWELFTH AMENDMENT**, dated as of May 29, 2025 (this "**Amendment**"), to the Credit Agreement, dated as of July 23, 2018, by and among the lenders from time to time party thereto (individually, a "**Lender**," and any and all such lenders collectively, the "**Lenders**"), CHS (US) Management LLC (as successor-in-interest to Double Helix Pte Ltd), as the Agent for the Lenders (in such capacity, together with its successors and assigns in such capacity, the "**Agent**"), and Rent the Runway, Inc., a Delaware corporation (the "**Borrower**") (as amended by the First Amendment to Credit Agreement, dated as of December 21, 2018, the Second Amendment to Credit Agreement, dated as of April 24, 2019, the Third Amendment to Credit Agreement and First Amendment to the Security Agreement, dated as of November 26, 2019, the Fourth Amendment to Credit Agreement, dated as of June 2, 2020, the Fifth Amendment to Credit Agreement, dated as of August 18, 2020, the Sixth Amendment to Credit Agreement and Second Amendment to the Security Agreement, dated as of October 26, 2020, the Seventh Amendment to Credit Agreement and Third Amendment to the Security Agreement, dated as of October 18, 2021, the Eighth Amendment to Credit Agreement, dated as of August 15, 2022, the Ninth Amendment to Credit Agreement, dated as of January 31, 2023, the Tenth Amendment to Credit Agreement, dated as of December 1, 2023, the Eleventh Amendment to Credit Agreement, dated as of March 31, 2025 (the "**Eleventh Amendment**"), and as further amended, amended and restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**") is by and among the Borrower, the Lenders and the Agent. Unless otherwise defined herein, capitalized terms used herein shall have the meanings provided in the Credit Agreement.

WHEREAS, pursuant to Sections 7.16(a)(ii), 7.16(b)(ii) and 7.16(c)(ii) of the Credit Agreement, the 2025 Covenant Levels (as defined below) are to be mutually agreed by the Agent and Borrower in accordance with Section 7.16(d) of the Credit Agreement;

WHEREAS, pursuant to Section 7.16(d) of the Credit Agreement, the maximum amount of Inventory CapEx, Fixed Operating Expenditures and Marketing Spend (a) for each Inventory CapEx Test Period, FOE Test Period and Marketing Spend Test Period, as applicable, during the Fiscal Year ending January 31, 2026 and (b) in the aggregate for the Fiscal Year ending January 31, 2026 (collectively, the "**2025 Covenant Levels**"), in each case, must be determined by no later than March 31, 2025 (the "**Original 2025 Covenant Levels Due Date**");

WHEREAS, pursuant to the Eleventh Amendment, the Borrower, the Agent and the Lenders agreed to extend the Original 2025 Covenant Levels Due Date to May 30, 2025; and

WHEREAS, the Borrower, the Agent and the Lenders have agreed to further extend the Original 2025 Covenant Levels Due Date, as provided more fully herein, subject to the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the mutual agreements contained in the Credit

Agreement and herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

Section 1 **Amendment to the Credit Agreement; Acknowledgment**.

1.01 Subject to the satisfaction in full of the conditions to effectiveness set forth in Section 2 below, the Borrower, the Agent and the Lenders hereby agree to extend the Original 2025 Covenant Levels Due date to July 31, 2025.

1.02 The amendment in this Section 1 shall be effective only in this specific instance and for the specific purpose set forth herein and does not allow for any other or further departure from the terms and conditions of the Credit Agreement or any other Loan Document, which terms and conditions shall continue in full force and effect.

Section 2 **Effectiveness**. This Amendment shall become effective and be deemed effective as of the date on which the Agent shall have received this Amendment, duly executed by the Agent, the Borrower and the Lenders (the date of such effectiveness being herein called the "**Amendment Effective Date**").

Section 3 **Miscellaneous**.

3.01 **Continuing Effect; No Waiver**. Except as otherwise expressly provided herein, the Credit Agreement and the other Loan Documents are, and shall continue to be, in full force and effect and are hereby ratified and confirmed in all respects, except that on and after the Amendment Effective Date, (i) all references in the Credit Agreement to "this Agreement", "hereto", "hereof", "hereunder" or words of like import referring to the Credit Agreement shall mean the Credit Agreement as modified by this Amendment, and (ii) all references in the other Loan Documents to the "Credit Agreement", "thereto", "thereof", "thereunder" or words of like import referring to the Credit Agreement shall mean the Credit Agreement as modified by this Amendment. To the extent that the Credit Agreement or any other Loan Document purports to pledge to the Agent, or to grant to the Agent, a security interest or lien, such pledge or grant is hereby ratified and confirmed in all respects. This Amendment does not and shall not affect any of the obligations of the Credit Parties, other than as expressly provided herein, including, without limitation, the Credit Parties' obligations to repay the Loans in accordance with the terms of Credit Agreement, or the obligations of the Credit Parties under any Loan Document to which they are a party, all of which obligations shall remain in full force and effect, and nothing herein contained shall be construed as a substitution or novation of the obligations outstanding under the Credit Agreement or instruments securing the same. Nothing expressed or implied in this Amendment shall be construed as a release or other discharge of any Credit Party under the Credit Agreement, as modified hereby, or the other Loan Documents from any of its obligations and liabilities as a "Borrower" or "Credit Party" thereunder. Except as expressly provided herein, the execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of the Agent and the Lenders under the Credit Agreement or any other Loan Document, nor constitute a waiver of any provision of the Credit Agreement or any other Loan Document.

3.02 Loan Document. This Amendment is a Loan Document under and as defined in the Credit Agreement.

3.03 Counterparts. This Amendment may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Amendment. The words "execution," "execute", "signed," "signature," and words of like import in or related to any document to be signed in connection with this Amendment and the transactions contemplated hereby shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that notwithstanding anything contained herein to the contrary the Agent is under no obligation to agree to accept electronic signatures in any form or in any format unless expressly agreed to by the Agent pursuant to procedures approved by it.

3.04 Headings. Headings of the various subdivisions hereof are for convenience of reference only and shall in no way modify or affect any of the terms or provisions hereof.

3.05 Binding Effect; Assignment. This Amendment shall be binding upon and inure to the benefit of the Credit Parties, the Agent and the Lenders and their respective successors and assigns in accordance with the terms of the Credit Agreement.

3.06 Severability. Any provision of this Amendment that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining portions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

3.07 Costs and Expenses. The Borrower agrees to pay on demand all reasonable and documented costs and expenses of the Agent in connection with the preparation, execution and delivery of this Amendment.

3.08 Consent to Jurisdiction; Governing Law; Waiver of Jury Trial. Sections 12.2, 12.3 and 12.13 of the Credit Agreement are incorporated herein *mutatis mutandis*.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

RENT THE RUNWAY, INC., as Borrower

By: /s/ Siddharth Thacker

Name: Siddharth Thacker

Title: Chief Financial Officer

CHS (US) MANAGEMENT LLC, as Agent

By: /s/ David Zhang

Name: David Zhang

Title: Authorized Signatory

CHS US INVESTMENTS LLC, as a Lender

By: CHS GP LP, as manager

By: CHS UGP LLC, as general partner

By: /s/ David Zhang

Name: David Zhang

Title: Authorized Signatory

THIRTEENTH AMENDMENT TO CREDIT AGREEMENT

This **THIRTEEN AMENDMENT**, dated as of July 31, 2025 (this "**Amendment**"), to the Credit Agreement, dated as of July 23, 2018, by and among the lenders from time to time party thereto (individually, a "**Lender**," and any and all such lenders collectively, the "**Lenders**"), CHS (US) Management LLC (as successor-in-interest to Double Helix Pte Ltd), as the Agent for the Lenders (in such capacity, together with its successors and assigns in such capacity, the "**Agent**"), and Rent the Runway, Inc., a Delaware corporation (the "**Borrower**") (as amended by the First Amendment to Credit Agreement, dated as of December 21, 2018, the Second Amendment to Credit Agreement, dated as of April 24, 2019, the Third Amendment to Credit Agreement and First Amendment to the Security Agreement, dated as of November 26, 2019, the Fourth Amendment to Credit Agreement, dated as of June 2, 2020, the Fifth Amendment to Credit Agreement, dated as of August 18, 2020, the Sixth Amendment to Credit Agreement and Second Amendment to the Security Agreement, dated as of October 26, 2020, the Seventh Amendment to Credit Agreement and Third Amendment to the Security Agreement, dated as of October 18, 2021, the Eighth Amendment to Credit Agreement, dated as of August 15, 2022, the Ninth Amendment to Credit Agreement, dated as of January 31, 2023, the Tenth Amendment to Credit Agreement, dated as of December 1, 2023, the Eleventh Amendment to Credit Agreement, dated as of March 31, 2025, the Twelfth Amendment to Credit Agreement, dated as of May 29, 2025, and as further amended, amended and restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**") is by and among the Borrower, the Lenders and the Agent. Unless otherwise defined herein, capitalized terms used herein shall have the meanings provided in the Credit Agreement.

WHEREAS, the Borrower, the Agent and the Lenders desire to amend certain provisions of the Credit Agreement as provided more fully herein, subject to the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the mutual agreements contained in the Credit Agreement and herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

Section 1 **Amendments to the Credit Agreement; Acknowledgment**.

1.01 The Credit Agreement is hereby amended (a) to delete the red or green stricken text (indicated textually in the same manner as the following examples: ~~stricken text~~ and ~~stricken text~~) and (b) to add the blue or green double-underlined text (indicated textually in the same manner as the following examples: double-underlined text and double-underlined text), in each case, as set forth in the marked copy of the Credit Agreement attached hereto as Exhibit A and made a part hereof for all purposes.

1.02 The amendments in this Section 1 shall be effective only in this specific instance and for the specific purposes set forth herein and do not allow for any other or further departure from the terms and conditions of the Credit Agreement or any other Loan Document, which terms and conditions shall continue in full force and effect.

Section 2 **Representations and Warranties**. The Borrower hereby represents and warrants to the Lenders and the Agent as follows:

2.01 **No Default**. At and as of the date of this Amendment and after giving effect to this Amendment, (a) no Default has occurred and is continuing (to the knowledge of any Responsible Officer of the Borrower) and (b) no Event of Default has occurred and is continuing.

2.02 **Representations and Warranties True and Correct**. At and as of the date of this Amendment and after giving effect to this Amendment, each of the representations and warranties (other than the first sentence of Section 5.22 of the Credit Agreement (as amended hereby)) made by any Credit Party in or pursuant to the Loan Documents (as amended hereby) are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations or warranties that already are qualified or modified as to "materiality" or "Material Adverse Effect" in the text thereof, which representations and warranties shall be true and correct in all respects subject to such qualification), except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations or warranties that already are qualified or modified as to "materiality" or "Material Adverse Effect" in the text thereof, which representations and warranties shall be true and correct in all respects subject to such qualification) on and as of such earlier date.

2.03 **Due Authorization**. The execution, delivery and performance of this Amendment and the Credit Agreement (as amended hereby) (i) are within the Borrower's corporate power, (ii) have been duly authorized by all necessary action, and (iii) are not in contravention of any Requirement of Law applicable to the Borrower or the terms of the Borrower's organizational documents.

2.04 **Enforceability of Agreement and Loan Documents.** This Amendment has been duly executed and delivered by the Borrower's duly authorized officers. This Amendment and the Credit Agreement (as amended hereby) constitute the valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms, except as enforcement thereof may be limited by applicable bankruptcy, reorganization, insolvency, fraudulent conveyance, moratorium or similar laws affecting the enforcement of creditor's rights, generally and by general principles of equity (regardless of whether enforcement is considered in a proceeding in law or equity).

2.05 **Consents, Approvals and Filings, Etc.** No authorization, consent, approval, license, qualification or formal exemption from, nor any filing, declaration or registration with, any court, governmental agency or regulatory authority or any securities exchange or any other Person (whether or not governmental) is required in connection with (i) the execution and delivery of this Amendment and (ii) performance by the Borrower of this Amendment and the Credit Agreement (as amended hereby), in each case, except for such matters which have been previously obtained.

Section 3 **Effectiveness**. This Amendment shall become effective and be deemed

effective as of the date when, and only when, all of the following conditions have been satisfied as determined in the Agent's and the Lenders' reasonable discretion (the date of such effectiveness being herein called the "**Amendment Effective Date**"):

3.01 Amendment. The Agent shall have received this Amendment, duly executed by the Agent, the Borrower and the Lenders.

3.02 Closing Certificate. The Agent shall have received a certificate of a Responsible Officer of the Borrower dated the Amendment Effective Date, stating that to the best of his or her respective knowledge after due inquiry, the conditions set forth in Section 3.03 hereof have been satisfied.

3.03 Representations and Warranties; No Event of Default. At and as of the date of this Amendment, both before and after giving effect to this Amendment, each of the representations and warranties (other than the first sentence of Section 5.22 of the Credit Agreement (as amended hereby)) made by any Credit Party herein or in or pursuant to any other Loan Document (as amended hereby) shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations or warranties that already are qualified or modified as to "materiality" or "Material Adverse Effect" in the text thereof, which representations and warranties shall be true and correct in all respects subject to such qualification), except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations or warranties that already are qualified or modified as to "materiality" or "Material Adverse Effect" in the text thereof, which representations and warranties shall be true and correct in all respects subject to such qualification) on and as of such earlier date. At and as of the date of this Amendment and after giving effect to this Amendment, no Default or Event of Default shall have occurred and be continuing.

Section 4 Release. Each Credit Party hereby acknowledges and agrees that: (i) neither it nor any of its Subsidiaries has any claim or cause of action against the Agent or any Lender (or any of their respective Affiliates, officers, directors, employees, attorneys, consultants or agents in their capacities for the Agent or any Lender) in connection with the Loan Documents and (ii) the Agent and each Lender has heretofore properly performed and satisfied in a timely manner all of its obligations to the Credit Parties and their Subsidiaries under the Credit Agreement and the other Loan Documents that are required to have been performed on or prior to the date hereof. Notwithstanding the foregoing, the Agent and the Lenders wish (and the Credit Parties agree) to eliminate any possibility that any past conditions, acts, omissions, events or circumstances would impair or otherwise adversely affect any of the Agent's and the Lenders' rights, interests, security and/or remedies under the Credit Agreement and the other Loan Documents. Accordingly, for and in consideration of the agreements contained in this Amendment and other good and valuable consideration, each Credit Party (for itself and its Subsidiaries and the successors, assigns, heirs and representatives of each of the foregoing) (collectively, the "**Releasors**") does hereby fully, finally, unconditionally and irrevocably release and forever discharge the Agent, each Lender and each of their respective Affiliates, officers, directors, employees, attorneys, consultants and agents in their capacities as the Agent or any Lender (collectively, the "**Released Parties**") from any and all debts, claims, obligations,

damages, costs, attorneys' fees, suits, demands, liabilities, actions, proceedings and causes of action, in each case, whether known or unknown, contingent or fixed, direct or indirect, and of whatever nature or description, and whether in law or in equity, under contract, tort, statute or otherwise, which any Releasor has heretofore had or now or hereafter can, shall or may have against any Released Party by reason of any act, omission or thing whatsoever done or omitted to be done on or prior to the Amendment Effective Date arising out of, connected with or related in any way to this Amendment, the Credit Agreement or any other Loan Document, or any act, event or transaction related or attendant thereto, or the agreements of the Agent or any Lender contained therein, or the possession, use, operation or control of any of the assets of any Credit Party, or the making of any Loans or other advances, or the management of such Loans or advances or the Collateral prior to the Amendment Effective Date.

Section 5 Miscellaneous.

5.01 Continuing Effect; No Waiver. Except as otherwise expressly provided herein, the Credit Agreement and the other Loan Documents are, and shall continue to be, in full force and effect and are hereby ratified and confirmed in all respects, except that on and after the Amendment Effective Date, (i) all references in the Credit Agreement to "this Agreement", "hereto", "hereof", "hereunder" or words of like import referring to the Credit Agreement shall mean the Credit Agreement as modified by this Amendment, and (ii) all references in the other Loan Documents to the "Credit Agreement", "thereto", "thereof", "thereunder" or words of like import referring to the Credit Agreement shall mean the Credit Agreement as modified by this Amendment. To the extent that the Credit Agreement or any other Loan Document purports to pledge to the Agent, or to grant to the Agent, a security interest or lien, such pledge or grant is hereby ratified and confirmed in all respects. This Amendment does not and shall not affect any of the obligations of the Credit Parties, other than as expressly provided herein, including, without limitation, the Credit Parties' obligations to repay the Loans in accordance with the terms of Credit Agreement, or the obligations of the Credit Parties under any Loan Document to which they are a party, all of which obligations shall remain in full force and effect, and nothing herein contained shall be construed as a substitution or novation of the obligations outstanding under the Credit Agreement or instruments securing the same. Nothing expressed or implied in this Amendment shall be construed as a release or other discharge of any Credit Party under the Credit Agreement, as amended hereby, or the other Loan Documents from any of its obligations and liabilities as a "Borrower" or "Credit Party" thereunder. Except as expressly provided herein, the execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of the Agent and the Lenders under the Credit Agreement or any other Loan Document, nor constitute a waiver of any provision of the Credit Agreement or any other Loan Document.

5.02 Loan Document. This Amendment is a Loan Document under and as defined in the Credit Agreement.

5.03 Counterparts. This Amendment may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Amendment. The words “execution,” “execute”, “signed,” “signature,” and words of like import in or related to any document to be signed in connection

with this Amendment and the transactions contemplated hereby shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that notwithstanding anything contained herein to the contrary the Agent is under no obligation to agree to accept electronic signatures in any form or in any format unless expressly agreed to by the Agent pursuant to procedures approved by it.

5.04 Headings. Headings of the various subdivisions hereof are for convenience of reference only and shall in no way modify or affect any of the terms or provisions hereof.

5.05 Binding Effect; Assignment. This Amendment shall be binding upon and inure to the benefit of the Credit Parties, the Agent and the Lenders and their respective successors and assigns in accordance with the terms of the Credit Agreement.

5.06 Severability. Any provision of this Amendment that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining portions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

5.07 Costs and Expenses. The Borrower agrees to pay on demand all reasonable and documented costs and expenses of the Agent in connection with the preparation, execution and delivery of this Amendment.

5.08 Consent to Jurisdiction; Governing Law; Waiver of Jury Trial. Sections 12.2, 12.3 and 12.13 of the Credit Agreement are incorporated herein *mutatis mutandis*.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

RENT THE RUNWAY, INC., as Borrower

By: /s/ Sid Thacker

Name: Sid Thacker

Title: Chief Financial Officer

CHS (US) MANAGEMENT LLC, as Agent

By: /s/ David Zhang

Name: David Zhang

Title: Authorized Signatory

CHS US INVESTMENTS LLC, as a Lender

By: CHS GP LP, as manager

By: CHS UGP LLC, as general partner

By: /s/ David Zhang

Name: David Zhang

Title: Authorized Signatory

Exhibit A
Conformed through ~~Tenth~~Thirteenth Amendment

THIS CREDIT AGREEMENT AND THE RIGHTS AND OBLIGATIONS EVIDENCED HEREBY ARE SUBORDINATE IN THE MANNER AND TO THE EXTENT SET FORTH IN THE SPECIFIED SUBORDINATION AGREEMENT (AS HEREINAFTER DEFINED) TO THE OBLIGATIONS OWED BY BORROWER UNDER THE SENIOR CREDIT AGREEMENT (AS HEREINAFTER DEFINED).

CREDIT AGREEMENT

DATED AS OF JULY 23, 2018

BY AND AMONG

RENT THE RUNWAY, INC.,
AS BORROWER,

THE LENDERS FROM TIME TO TIME PARTY HERETO,
AS LENDERS,

AND

DOUBLE HELIX PTE LTD,
AS ADMINISTRATIVE AGENT

Table of Contents

Page

EXHIBITS

ANNEXES

SCHEDULES

CREDIT AGREEMENT

This Credit Agreement is made as of July 23, 2018, by and among the lenders from time to time party hereto (individually a "**Lender**," and any and all such lenders collectively the "**Lenders**"), Double Helix Pte Ltd, as the administrative agent for the Lenders (in such capacity, together with its successors and assigns in such capacity, the "**Agent**"), and Rent the Runway, Inc., a Delaware corporation ("**Borrower**").

RECITALS

The Borrower has requested that the Lenders extend credit to the Borrower consisting of (a) a term loan in the original principal amount of $100,000,000 on the Effective Date (as defined below), (b) delayed draw term loans in the aggregate principal amount not to exceed $100,000,000, and (c) a Term Loan C in the original principal amount of $30,000,000, in each case, on the terms and conditions set forth herein.

The Lenders are prepared to extend such credit as aforesaid, but only on the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the covenants contained herein, the Borrower, the Lenders, and the Agent agree as follows:

1. DEFINITIONS.

1.1 Certain Defined Terms. For the purposes of this Agreement the following terms will have the following meanings:

"**Account**" shall mean "accounts" as defined in the UCC, and also means a right to payment of a monetary obligation, whether or not earned by performance, (a) for property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of or (b) for services rendered or to be rendered.

"**Account Control Agreement(s)**" shall mean, with respect to any deposit account, any securities account, commodity account, securities entitlement or commodity contract, an agreement, in form and substance reasonably satisfactory to the Agent, among the Agent, the Senior Agent, the financial institution or other Person at which such account is maintained or with which such entitlement or contract is carried and the Borrower or Guarantor maintaining such account, effective to grant "control" (as defined under the applicable UCC) over such account to the Agent.

"**Affected Lender**" shall have the meaning set forth in Section 12.11 hereof.

"**Affiliate**" shall mean, with respect to any Person, (i) another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified, (ii) any director, officer, managing member, partner, trustee, or beneficiary of that Person, (iii) any other Person directly or indirectly holding 25% or more of any class of the Equity Interests of that Person, and (iv) any other Person 25% or more of any class of whose Equity Interests is held directly or indirectly by that Person. Notwithstanding anything herein to the contrary, in no event shall any Agent or any Lender be considered an "Affiliate" of any Credit Party.

"**Agent**" shall have the meaning set forth in the preamble.

"**Agent's Account**" shall mean an account at a bank designated by the Agent from time to time as the account into which the Credit Parties shall make all payments to the Agent for the benefit of the Agent and the Lenders under this Agreement and the other Loan Documents.

"**Aggregate Amounts Due**" shall have the meaning set forth in Section 9.3 hereof.

"**Agreement**" shall mean this Credit Agreement and any annexes, exhibits and schedules attached hereto, as it may be amended, supplemented or otherwise modified from time to time.

"**All in Yield**" shall have the meaning set forth in Section 2.11(b)(v) hereof.

"**Anti-Terrorism Laws**" shall mean any laws relating to terrorism, trade sanctions programs and embargoes, import/export licensing, money laundering, corruption or bribery, and any regulation, order, or directive promulgated, issued or enforced pursuant to such laws, all as amended, supplemented or replaced from time to time.

"**Applicable Margin**" means (a) for any period ending on or prior to October 31, 2023, 12%, (b) on and after November 1, 2023 through April 30, 2025, 0%, (c) on and after May 1, 2025 through January 31, 2026, 14%, and (d) on and after February 1, 2026, 15%.

"**Applicable PIK Rate**" means (a) for any period ending on or prior to January 31, 2023, 5%, (b) on and after February 1, 2023 through October 31, 2023, 10%, (c) on and after November 1, 2023 through April 30, 2025, 0%, (c) on and after May 1, 2025 through January 31, 2026, 9% and (d) on and after February 1, 2026, 10%.

"**Application Event**" shall mean the (a) occurrence of an Event of Default and (b) the election by the Agent or the Majority Lenders during the continuance of such Event of Default to require that payments and proceeds of Collateral be applied pursuant to Section 9.2(a).

"**Asset Sale**" means the sale, transfer, license, lease or other disposition (including any sale and leaseback transaction), whether in one transaction or in a series of transactions, of any property (including, without limitation, any Equity Interests, contracts, merchant accounts (or any rights thereto)) by any Person (or the granting of any option or other right to do any of the foregoing), including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith. For purposes of clarification, "Asset Sale" shall include any disposition of property through a "plan of division" under the Delaware Limited Liability Company Act or any comparable transaction under any similar law.

"**Assignment Agreement**" shall mean an Assignment Agreement substantially in the form of Exhibit B hereto.

"**Authorized Signer**" shall mean each person who has been authorized by the Borrower to execute and deliver any Requests for Loans hereunder pursuant to a written authorization delivered to the Agent and whose signature card or incumbency certificate has been received by the Agent.

"**Bail-In Action**" shall mean the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

"**Bail-In Legislation**" shall mean, (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation rule or requirement for such EEA Member Country from time to time

which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

"**Bankruptcy Code**" shall mean Title 11 of the United States Code and the rules promulgated thereunder.

"**Board Observer**" shall have the meaning specified therefor in Section 6.9.

"**BOD Meeting**" shall have the meaning specified therefor in Section 6.9.

"**Borrower**" shall have the meaning set forth in the preamble to this Agreement.

"**Business Day**" shall mean any day other than a Saturday or a Sunday on which commercial banks are open for domestic and international business (including dealings in foreign exchange) in New York, New York.

"**Capitalized Lease**" shall mean, as applied to any Person, any lease of any property (whether real, personal or mixed) with respect to which the discounted present value of the rental obligations of such Person as lessee thereunder, in conformity with GAAP, is required to be capitalized on the balance sheet of that Person. Notwithstanding the foregoing, with respect to the accounting for leases as either operating leases or capital leases and the impact of such accounting in accordance with FASB ASC 842, GAAP as in effect on December 31, 2018 shall be applied (whether or not such leases were in effect on such date).

"**Cash Secured L/C**" shall mean, a letter of credit issued for the account of the Borrower or a Guarantor and for which the Borrower or Guarantor, as applicable, has provided cash collateral to the financial institution that is the issuer of such letter of credit.

"**CFC**" shall mean a Person that is a controlled foreign corporation under Section 957 of the Internal Revenue Code.

"**CFC Holding Company**" means any Domestic Subsidiary substantially all the assets of which consist (directly or indirectly) of equity interests (including, for this purpose, any debt or other instrument treated as equity for U.S. federal income tax purposes) and/or, if applicable, debt in one or more (a) Foreign Subsidiaries that are CFCs and/or (b) other Subsidiaries substantially all the assets of which consist (directly or indirectly) of equity interests (including, for this purpose, any debt or other instrument treated as equity for U.S. federal income tax purposes) and/or, if applicable, debt in one or more Foreign Subsidiaries that are CFCs.

"**Change in Law**" shall mean the occurrence, after the Effective Date, of any of the following: (i) the adoption or introduction of, or any change in any applicable law, treaty, rule or regulation (whether domestic or foreign) now or hereafter in effect and whether or not applicable to any Lender or Agent on such date, or (ii) any change in interpretation, administration or implementation of any such law, treaty, rule or regulation by any Governmental Authority, or (iii) the issuance, making or implementation by any Governmental Authority of any interpretation, administration, request, regulation, guideline, or directive (whether or not having the force of law), including any risk-based capital guidelines. For purposes of this definition, (x) a change in law, treaty, rule, regulation, interpretation, administration or implementation shall include, without limitation, any change made or which becomes effective on the basis of a law, treaty, rule, regulation, interpretation administration or implementation then in force, the effective date of which

change is delayed by the terms of such law, treaty, rule, regulation, interpretation, administration or implementation, (y) the Dodd-Frank Wall Street Reform and Consumer Protection Act (Pub. L. 111-203, H.R. 4173) and all requests, rules, regulations, guidelines, interpretations or directives promulgated thereunder or issued in connection therewith shall be deemed to be a "Change in "Law", regardless of the date enacted, adopted, issued or promulgated, and (z) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States regulatory authorities, in each case pursuant to Basel III, shall each be deemed to be a "Change in Law", regardless of the date enacted, adopted, issued or implemented.

"**Change of Control**" shall mean an event or series of events by which (a) a transaction in which any "person" or "group" (within the meaning of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended) becomes the "beneficial owner" (as defined in Rule 13d-3 of the Securities Exchange Act of 1934, as amended), directly or indirectly, of a sufficient number of shares of all classes of stock then outstanding of the Borrower ordinarily entitled to vote in the election of directors of the Borrower, empowering such "person" or "group" to elect a majority of the board of directors of the Borrower, who did not have such power before such transaction, (b) any "person" or "group" (within the meaning of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended) (other than a Person that is a stockholder on the Effective Date) shall obtain "beneficial ownership" (as defined in Rule 13d-3 of the Securities Exchange Act of 1934, as amended), either directly or indirectly, of more than 34% of all classes of stock then outstanding of the Borrower ordinarily entitled to vote in the election of directors of the Borrower, (c) the occurrence of an event or series of events that would trigger a violation of any change of control or change in control provision in any of the Subordinated Debt Documents or the Senior Loan Documents, (d) [reserved], (e) the individuals holding the offices of chief executive officer or chief financial officer as of the Effective Date shall for any reason cease to hold such office or be actively engaged in day-to-day management of the Borrower, unless a successor or an interim officer is appointed by the board of directors of the Borrower within 90 days of such cessation, or (f) other than in the case of any Asset Sale permitted under Section 7.4 of 100% of the Equity Interests of any Credit Party, the Borrower fails at any time to own, directly or indirectly, 100% of the Equity Interests of the other Credit Parties. For the avoidance of doubt, it shall be deemed a Change of Control if an entity is interposed directly above Borrower following the Sixth Amendment Effective Date and such direct parent entity does not become a Guarantor at the time of such formation, in accordance with Section 6.19(d).

"**Class**" shall mean (a) with respect to Lenders, each of the following classes of Lenders: (i) Lenders having Term Loan A Exposure, (ii) Lenders having Term Loan B Exposure, (iii) [reserved], and (iv) Lenders having Incremental Term Loan Exposure of each applicable tranche, and (b) with respect to Loans, each of the following classes of Loans: (i) Term Loan A, (ii) Term Loan B, (iii) [reserved], and (iv) each tranche of Incremental Term Loans.

"**Collateral**" shall mean all property or rights in which a security interest, mortgage, lien or other encumbrance in favor of the Agent for the benefit of the Agent and the Lenders is or has been granted or arises or has arisen, under or in connection with this Agreement, the other Loan Documents, or otherwise to secure the Indebtedness.

"**Collateral Access Agreement**" shall mean an agreement in form and substance satisfactory to the Agent in its reasonable discretion, pursuant to which a mortgagee or lessor of real property on which Collateral is stored or otherwise located, or a warehouseman, processor or other bailee of inventory or other property owned by the Borrower or any Guarantor, that acknowledges the Liens under the Collateral Documents and subordinates or waives any Liens held by such Person on such property and, includes such other agreements with respect to the Collateral as the Agent may require in its reasonable discretion, as the same may be amended, restated or otherwise modified from time to time.

"**Collateral Documents**" shall mean the Security Agreement, the Pledge Agreements, the Mortgages, the Account Control Agreements, the Collateral Access Agreements, and all other security documents (and any joinders thereto) executed by any Credit Party in favor of the Agent on or after the Effective Date, in connection with any of the foregoing collateral documents, in each case, as such collateral documents may be amended or otherwise modified from time to time.

"**Commitments**" shall mean Term Loan Commitments.

"**Consolidated**" (or "**consolidated**") or "**Consolidating**" (or "**consolidating**") shall mean, when used with reference to any financial term in this Agreement, the aggregate for two or more Persons of the amounts signified by such term for all such Persons determined on a consolidated (or consolidating) basis in accordance with GAAP, applied on a consistent basis. Unless otherwise specified herein, "Consolidated" and "Consolidating" shall refer to the Borrower and its Subsidiaries, determined on a Consolidated or Consolidating basis.

"**Contractual Obligation**" shall mean, as to any Person, any provision of any security issued by such Person or of any material agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"**Control**" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"**Covered Entity**" shall mean (a) each Credit Party, any other Persons that guaranty the Indebtedness and/or pledge collateral to secure the Indebtedness, (b) each Person that, directly or indirectly, is in control of a Person described in clause (a) above, and (c) all brokers or other agents of any Credit Party acting in any capacity in connection with this Agreement. For purposes of this definition, control of a Person shall mean the direct or indirect (x) ownership of, or power to vote, 25% or more of the issued and outstanding equity interests having ordinary voting power for the election of directors of such Person or other Persons performing similar functions for such Person, or (y) power to direct or cause the direction of the management and policies of such Person whether by ownership of equity interests, contract or otherwise.

"**Credit Date**" shall mean, with respect to each Term Loan, the date such Term Loan is made by the Lenders.

"**Credit Parties**" shall mean the Borrower and its Subsidiaries, if any, and "**Credit Party**" shall mean any one of them, as the context indicates or otherwise requires.

"**Data Security Requirements**" means, collectively, all of the following to the extent relating to confidential or sensitive information, payment card data, Personal Data, or other protected information relating to individuals or otherwise relating to privacy, security, Processing, marketing, or security breach notification requirements and applicable to the Credit Parties: (i) each Credit Party's own rules, policies, and procedures (whether physical or technical in nature, or otherwise), (ii) all applicable laws and all industry standards applicable to the Credit Parties' industry (including the Payment Card Industry Data Security Standard), and (iii) agreements the Credit Parties have entered into or by which any of them is bound.

"**Debt**" shall mean as to any Person, without duplication, (a) all Funded Debt of such Person, (b) all obligations of such Person under conditional sale or other title retention agreements relating to property or assets purchased by such Person, (c) all indebtedness of such Person arising in connection with any

Hedging Transaction entered into by such Person, (d) all recourse Debt of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) of which such Person is the general partner, (e) all Off Balance Sheet Liabilities of such Person, (f) all Guarantee Obligations of such Person in respect of any of the types of obligations described in the preceding clauses (a) through (e), and (g) all liabilities of the type described in the preceding clauses (a) through (f) that are secured by any Liens on any property owned by such Person as of such date even though such Person has not assumed or otherwise become liable for the payment thereof, the amount of which is determined in accordance with GAAP; provided however that so long as such Person is not personally liable for any such liability, the amount of such liability shall be deemed to be the lesser of the fair market value at such date of the property subject to the Lien securing such liability and the amount of the liability secured.

"**Debtor Relief Laws**" shall mean the Bankruptcy Code, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

"**Default**" shall mean any event that with the giving of notice or the passage of time, or both, would constitute an Event of Default under this Agreement.

"**Defaulting Lender**" shall mean any Lender that (a) has failed to (i) fund all or any portion of its Loans within two (2) Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Agent and the Borrower in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Agent or any other Lender any other amount required to be paid by it hereunder within two (2) Business Days of the date when due, (b) has notified the Borrower or the Agent in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement is based on such Lender's good faith determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) has not been satisfied), (c) has failed, within three Business Days after written request by the Agent or the Borrower, to confirm in writing to the Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Agent and the Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity or (iii) become the subject of a Bail-In Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority, so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender upon delivery of written notice of such determination to the Borrower and each Lender; provided, that notwithstanding anything to the contrary contained in this Agreement, (x) the Agent shall not be responsible or have any liability for, or have any duty to ascertain, inquire into, monitor or enforce, compliance with the provisions hereof relating to a Defaulting Lender and (y) the Borrower and

the Lenders acknowledge and agree that the Agent shall have no responsibility or obligation to determine whether any Lender is a Defaulting Lender.

"**Disbursement Letter**" shall mean a flow of fund agreement, in form and substance satisfactory to the Agent, by and among the Borrower, the Agent and the Lenders, and the related funds flow memorandum describing the sources and uses of all cash payments in connection with the transactions contemplated to occur on the Effective Date.

"**Distribution**" is defined in Section 7.5 hereof.

"**Dollars**" and the sign "**$**" shall mean lawful money of the United States of America.

"**Domestic Subsidiary**" shall mean any Subsidiary that is organized under the laws of the United States of America, any State thereof or the District of Columbia (excluding, for the avoidance of doubt, any Subsidiary organized under the laws of Puerto Rico or any other territory), and "**Domestic Subsidiaries**" shall mean any or all of them.

"**EEA Financial Institution**" shall mean (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"**EEA Member Country**" shall mean any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"**EEA Resolution Authority**" shall mean any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"**Effective Date**" shall mean the date on which all the conditions precedent set forth in Sections 4.1 and 4.2 have been satisfied.

"**Electronic Transmission**" shall mean each document, instruction, authorization, file, information and any other communication transmitted, posted or otherwise made or communicated by e-mail or E-Fax, or otherwise to or from an E-System or other equivalent service.

"**Eligible Assignee**" shall mean (a) a Lender; (b) a Temasek Entity; or (c) any other Person (other than a natural person) approved by (i) the Agent, and (ii) unless an Event of Default under Section 8.1(a), 8.1(b) or 8.1(i) has occurred and is continuing or such assignment is in connection with any sale, transfer, or other disposition of all or any substantial portion of the loan portfolio of such Lender, the Borrower (each such approval not to be unreasonably withheld, conditioned or delayed), provided that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Agent within five (5) Business Days after having received notice thereof; provided further that notwithstanding the foregoing, (x) "Eligible Assignee" shall not include the Borrower, or any of the Borrower's Affiliates or Subsidiaries and (y) no assignment shall be made to a Defaulting Lender (or any Person who would be a Defaulting Lender if such Person was a Lender hereunder) without the consent of the Agent.

"**Eligible Incremental Lenders**" shall mean any bank, trust company, savings and loan association, savings bank or other financial institution that regularly engages in the business of extending loans or credit, and whose reported capital and surplus equal at least $250,000,000.

"Equity Interest" shall mean (i) in the case of any corporation, all capital stock and any securities exchangeable for or convertible into capital stock, (ii) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents of corporate stock (however designated) in or to such association or entity, (iii) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited) and (iv) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distribution of assets of, the issuing Person, and including, in all of the foregoing cases described in clauses (i), (ii), (iii) or (iv), any warrants, rights or other options to purchase or otherwise acquire any of the interests described in any of the foregoing cases, but excluding, in all of the foregoing cases described in clauses (i), (ii), (iii) and (iv), any Debt that is convertible into or exchangeable for Equity Interests but only prior to any such conversion.

"**ERISA**" shall mean the Employee Retirement Income Security Act of 1974, as amended, or any successor act or code and the regulations in effect from time to time thereunder.

"**ERISA Affiliate**" shall mean, with respect to any Person, any trade or business (whether or not incorporated) which is a member of a group of which such Person is a member and which would be deemed to be a "controlled group" or under "common control" within the meaning of Sections 414(b), (c), (m) or (o) of the Internal Revenue Code or Sections 4001(a)(14) or 4001(b)(1) of ERISA.

"**ERISA Event**" shall mean (a) the occurrence of a Reportable Event with respect to any Pension Plan; (b) the failure to meet the minimum funding standards of Section 412 or 430 of the Internal Revenue Code or Section 302 or 303 of ERISA with respect to any Pension Plan (whether or not waived in accordance with Section 412(c) of the Internal Revenue Code or Section 302(c) of ERISA) or the failure to make a contribution or installment required under Section 412 or Section 430(j) of the Internal Revenue Code with respect to any Pension Plan or the failure to make any required contribution to a Multiemployer Plan; (c) a determination that any Pension Plan is, or is expected to be, in "at risk" status (as defined in Section 430 of the Internal Revenue Code or Section 303 of ERISA); (d) a determination that any Multiemployer Plan is, or is expected to be, in "critical" or "endangered" status under Section 432 of the Internal Revenue Code or Section 305 of ERISA; (e) the filing of a notice of intent to terminate a Pension Plan or the treatment of an amendment to a Pension Plan as a termination under Section 4041 of ERISA; (f) the withdrawal by any Credit Party or any of its ERISA Affiliates from any Pension Plan with two or more contributing sponsors or the termination of any such Pension Plan resulting in liability to any Credit Party or any of its ERISA Affiliates pursuant to Section 4063 or 4064 of ERISA; (g) the institution by the PBGC of proceedings to terminate any Pension Plan, or the occurrence of any event or condition that might constitute grounds under ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (h) the imposition of liability on any Credit Party or any of its ERISA Affiliates pursuant to Section 4062(e) or 4069(a) of ERISA or by reason of the application of Section 4212(c) of ERISA; (i) the withdrawal of any Credit Party or any of its ERISA Affiliates in a complete or partial withdrawal (within the meaning of Sections 4203 and 4205 of ERISA) from any Multiemployer Plan or the receipt by any Credit Party or any of its ERISA Affiliates of notice from any Multiemployer Plan that it is insolvent pursuant to Section 4245 of ERISA, or that it intends to terminate or has terminated under Section 4041A or 4042 of ERISA; (j) the occurrence of an act or omission which could give rise to the imposition on any Credit Party or any of its ERISA Affiliates of fines, penalties, taxes or related charges under Sections 4975 or 4971 of the Internal Revenue Code or under Section 409, Section 502(c), (i) or (l), or Section 4071 of ERISA in respect of any Employee Plan; (k) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent, upon any Credit Party or any of its ERISA Affiliates; or

(l) the imposition of a Lien pursuant to Section 430(k) of the Internal Revenue Code or pursuant to ERISA with respect to any Pension Plan.

"**E-System**" shall mean any electronic system and any other Internet or extranet-based site, whether such electronic system is owned, operated, hosted or utilized by the Agent, any of its Affiliates or any other Person, providing for access to data protected by passcodes or other security system.

"**EU Bail-In Legislation Schedule**" shall mean the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"**Event of Default**" shall mean each of the conditions or events set forth in Section 8.1 hereof.

"**Excluded Account**" shall mean (a) any account which is a payroll, withholding, disbursement, zero balance (in which all funds in such zero balance account are transferred on a daily basis to an account subject to an Account Control Agreement) or trust account, and (b) any Excluded L/C Account.

"**Excluded L/C Account**" shall have the meaning specified therefore in Section 7.2(f).

"**Excluded Taxes**" shall mean any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 12.11) or (ii) such Lender changes its lending office, except in each case to the extent that pursuant to Section 10.4, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 12.12 and (d) any U.S. federal withholding Taxes imposed under FATCA.

"**Existing Indebtedness**" shall mean the Debt under that certain Plain English Growth Capital Loan and Security Agreement, dated as of November 25, 2015, between the Borrower and Triplepoint Venture Growth BDC Corp., as amended through the Effective Date.

"**FATCA**" shall mean sections 1471 through 1474 of the Internal Revenue Code as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), and any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b)(1) of the Internal Revenue Code, any intergovernmental agreement entered into in connection with the implementation of such Sections of the Internal Revenue Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to such intergovernmental agreement.

"**Fee Letter**" shall mean the second amended and restated fee letter by and between Borrower and Agent, dated as of the Seventh Amendment Effective Date, as amended, restated, replaced or otherwise modified from time to time.

"**Fees**" shall mean the fees and charges payable by the Borrower to the Lenders or the Agent hereunder or under the Fee Letter.

"**Financial Statements**" shall have the meaning specified therefor in Section 4.1(h).

"**Fiscal Quarter**" shall mean the fiscal quarter of the Borrower and its Subsidiaries ending on January 31, April 30, July 31 and October 31 of each year.

"**Fiscal Year**" shall mean the fiscal year of the Borrower and its Subsidiaries ending on January 31 of each year.

"**Fixed Operating Expenditures**" shall mean, for any period, without duplication, any technology, marketing and general & administrative expenditures by the Borrower and its Subsidiaries during such period, other than Marketing Spend, stock compensation, credit card fees, customer service personnel costs, taxes (including sales, federal, state and local), any gains/losses associated with liquidation of rental product, asset disposals, lease terminations or exchange rates and expenditures described on Schedule 6.21 (such expenditures described on Schedule 6.21, the "**Specified Exclusions**").

"**FOE Test Date**" shall mean January 31, April 30, July 31 and October 31 of each Fiscal Year.

"**FOE Test Period**" shall mean, with respect to any FOE Test Date, the 2 consecutive Fiscal Quarter period ending on such FOE Test Date.

"**Foreign Benefit Event**" shall mean, with respect to any Foreign Plan, (a) the existence of unfunded liabilities in excess of the amount permitted under any Requirement of Law, or in excess of the amount that would be permitted absent a waiver from a Governmental Authority, (b) the failure to make the required contributions or payments, under any Requirement of Law, on or before the due date for such contributions or payments, (c) the receipt of a notice from a Governmental Authority relating to the intention to terminate any such Foreign Plan or to appoint a trustee or similar official to administer any such Foreign Plan, or alleging the insolvency of any such Foreign Plan, or (d) the occurrence of any transaction that is prohibited under any Requirement of Law and that could reasonably be expected to result in the incurrence of any liability by a Credit Party, or the imposition on a Credit Party of, any fine, excise tax or penalty resulting from any noncompliance with any Requirement of Law.

"**Foreign Lender**" shall mean a Lender that is not a "United States person," within the meaning of Section 7701(a)(30) of the Internal Revenue Code.

"**Foreign Plan**" shall mean any employee pension benefit plan (within the meaning of Section 3(2) of ERISA, whether or not subject to ERISA) that is maintained or contributed to by a Credit Party with respect to workers employed outside the United States.

"**Foreign Subsidiary**" shall mean any Subsidiary of the Borrower that is not a Domestic Subsidiary, and "Foreign Subsidiaries" shall mean any or all of them.

"**Fourth Amendment Effective Date**" shall mean June 2, 2020.

"**Funded Debt**" of any Person shall mean, without duplication, (a) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services as of such date (other than (i) operating leases and (ii) trade payables not outstanding for more than 90 days after the date such payable was due, in each case, incurred in the ordinary course of business and payable in accordance with customary practices) or which is evidenced by a note, bond, debenture or similar instrument, (b) the principal component of all obligations of such Person under Capitalized Leases, (c) all reimbursement obligations (actual, contingent or otherwise) of such Person in respect of letters of credit, bankers acceptances or similar obligations issued or created for the account of such Person, and (d) all Guarantee Obligations in respect of

any liability which constitutes Funded Debt under the preceding clauses (a) through (c); provided, however that Funded Debt shall not include any indebtedness under any Hedging Transaction prior to the occurrence of a termination event with respect thereto.

"**GAAP**" shall mean, as in effect from time to time, generally accepted accounting principles in the United States of America that are applicable to the circumstances as of the date of determination.

"**Governmental Authority**" shall mean the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including without limitation any supranational bodies such as the European Union or the European Central Bank) and any group or body charged with setting financial accounting or regulatory capital rules or standards (including, without limitation, the Financial Accounting Standards Board, the Bank for International Settlements or the Basel Committee on Banking Supervision or any successor or similar authority to any of the foregoing).

"**Governmental Obligations**" shall mean noncallable direct general obligations of the United States of America or obligations the payment of principal of and interest on which is unconditionally guaranteed by the United States of America.

"**Guarantee Obligation**" shall mean as to any Person (the "guaranteeing person") any obligation of the guaranteeing Person in respect of any obligation of another Person (the "primary obligor") (including, without limitation, any bank under any letter of credit), the creation of which was induced by a reimbursement agreement, guaranty agreement, keepwell agreement, purchase agreement, counterindemnity or similar obligation issued by the guaranteeing person, in either case guaranteeing or in effect guaranteeing any Debt, leases, dividends or other obligations (the "primary obligations") of the primary obligor in any manner, whether directly or indirectly, including, without limitation, any obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of any such primary obligation or (2) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided, however, that the term Guarantee Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guarantee Obligation of any guaranteeing person shall be deemed to be the lower of (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee Obligation is made and (b) the maximum amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee Obligation, unless such primary obligation and the maximum amount for which such guaranteeing person may be liable are not stated or determinable, in which case the amount of such Guarantee Obligation shall be such guaranteeing person's maximum reasonably anticipated liability in respect thereof as determined by the applicable Person in good faith.

"**Guarantor(s)**" shall mean each Subsidiary of the Borrower (and, to the extent the Lenders have agreed to the formation of a direct parent holding entity, such parent entity of the Borrower, in accordance with Section 6.19(d)) which has executed and delivered to the Agent a Guaranty (or a joinder to a Guaranty), and a Security Agreement (or a joinder to the Security Agreement). It is understood and agreed that any Subsidiary or Affiliate of the Borrower that is a guarantor under the Senior Loan Documents (or any Permitted Refinancing Debt in respect of such Debt) shall be required to be a Guarantor hereunder.

Notwithstanding anything to the contrary contained herein or in any other Loan Document, a Subsidiary shall not cease to be a Guarantor hereunder solely by virtue of such Subsidiary no longer being a wholly-owned Subsidiary of a Credit Party unless all of the Equity Interests of such Subsidiary held by any Credit Party are sold or otherwise transferred to any transferee other than the Borrower, an Affiliate of the Borrower, or a Subsidiary of the Borrower as part of or in connection with any disposition (whether by sale, by merger or by any other form of transaction) permitted in accordance with the terms of this Agreement.

"**Guaranty**" shall mean, collectively, those guaranty agreements executed and delivered from time to time after the Effective Date (whether by execution of joinder agreements or otherwise) pursuant to Section 6.13 hereof or otherwise, in each case in the form attached hereto as Exhibit C, as amended, restated or otherwise modified from time to time.

"**Hazardous Material**" shall mean any hazardous or toxic waste, substance or material defined or regulated as such in or for purposes of the Hazardous Material Laws.

"**Hazardous Material Law(s)**" shall mean all laws, codes, ordinances, rules, regulations and other governmental restrictions and Requirements of Law issued by any federal, state, local or other governmental or quasi-governmental authority or body (or any agency, instrumentality or political subdivision thereof) pertaining to any substance or material which is regulated for reasons of health, safety or the environment and which is present or alleged to be present on or about or used in any facilities owned, leased or operated by any Credit Party, or any portion thereof including, without limitation, those relating to soil, surface, subsurface ground water conditions and the condition of the indoor and outdoor ambient air; any so-called "superfund" or "superlien" law; and any other United States federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning, any Hazardous Material, as now or at any time during the term of the Agreement in effect.

"**Hedging Transaction**" shall mean each interest rate swap transaction, basis swap transaction, forward rate transaction, equity transaction, equity index transaction, foreign exchange transaction, cap transaction, floor transaction (including any option with respect to any of these transactions and any combination of any of the foregoing).

"**Hereof**", "**hereto**", "**hereunder**" and similar terms shall refer to this Agreement and not to any particular paragraph or provision of this Agreement.

"**Highest Lawful Rate**" shall mean the maximum lawful interest rate, if any, that at any time or from time to time may be contracted for, charged, or received under the laws applicable to any Lender which are presently in effect or, to the extent allowed by law, under such applicable laws which may hereafter be in effect and which allow a higher maximum non-usurious interest rate than applicable laws now allow.

"**Incremental Term Loan Commitments**" has the meaning specified in Section 2.11.

"**Incremental Term Loan Exposure**" shall mean, with respect to any Lender, as of any date of determination, the sum of (a) such Lender's undrawn Incremental Term Loan Commitment and (b) the aggregate outstanding principal amount of the Incremental Term Loans of such Lender.

"**Incremental Term Loan Lender**" has the meaning specified in Section 2.11.

"**Incremental Term Loans**" has the meaning specified in Section 2.11.

"**Indebtedness**" shall mean all indebtedness and liabilities (including without limitation principal, interest (including without limitation interest accruing at the then applicable rate provided in this Agreement or any other applicable Loan Document after an applicable maturity date and interest accruing at the then applicable rate provided in this Agreement or any other applicable Loan Document after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Credit Parties whether or not a claim for post-filing or post-petition interest is allowed in such proceeding), fees, prepayment premiums (including the Yield Maintenance Premium and the Prepayment Premium), expenses, indemnification and other charges) arising under this Agreement or any of the other Loan Documents, whether direct or indirect, absolute or contingent, of any Credit Party to any of the Lenders or Affiliates thereof or to the Agent, in any manner and at any time, whether arising under this Agreement, the Guaranty or any of the other Loan Documents due or hereafter to become due, now owing or that may hereafter be incurred by any Credit Party to any of the Lenders or Affiliates thereof or to the Agent, in each case whether or not reduced to judgment, with interest according to the rates and terms specified, and any and all consolidations, amendments, renewals, replacements, substitutions or extensions of any of the foregoing; provided, however that for purposes of calculating the Indebtedness outstanding under this Agreement or any of the other Loan Documents, the direct and indirect and absolute and contingent obligations of the Credit Parties (whether direct or contingent) shall be determined without duplication.

"**Indemnified Liabilities**" shall mean, collectively, any and all liabilities, obligations, losses, damages, penalties, claims, costs, expenses and disbursements of any kind or nature whatsoever (including the reasonable fees and disbursements of (i) one outside counsel for the Agent and (ii) one outside counsel for the Lenders taken as a whole (absent a conflict of interest (in which case, each group of similarly situated and conflicted Lenders may engage and be reimbursed for an additional firm of outside counsel) and if necessary, one local counsel in each relevant jurisdiction and such specialist counsel as the Agent or the Lenders may reasonably determine (and in the case of a conflict of interest, one additional local counsel or specialist counsel for the Agent or each group of similarly situated and conflicted Lenders) arising out of, in connection with, or as a result of: (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby; (ii) any Loan or the use or proposed use of the proceeds therefrom; (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Borrower or any of its Subsidiaries, or any environmental liability related in any way to the Borrower or any of its Subsidiaries; (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower, and regardless of whether any Indemnitee is a party thereto; and (v) any fees or expenses incurred by Indemnitees in enforcing this indemnity), whether direct, indirect or consequential and whether based on any federal, state or foreign laws, statutes, rules or regulations, on common law or equitable cause or on contract or otherwise, that may be imposed on, incurred by, or asserted against any such Indemnitee, in any manner relating to or arising out of this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby (including the Lenders' agreement to make Loans or the use or intended use of the proceeds thereof, or any enforcement of any of the Loan Documents (including any sale of, collection from, or other realization upon any of the Collateral or the enforcement of the Guaranty)).

"**Indemnified Taxes**" shall mean (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Credit Party under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

"**Indemnitee**" shall have the meaning assigned to such term in Section 12.4(b).

"**Insolvency Proceeding**" shall means any proceeding commenced by or against any Person under any provision of any Debtor Relief Law.

"**Intellectual Property**" shall have the meaning assigned to such term in the Security Agreement.

"**Intercompany License Agreement**" shall mean that certain License Agreement entered into on September 12, 2019, between the Borrower and Rent the Runway Limited.

"**Intercompany Note**" shall mean any promissory note issued or to be issued by any Credit Party to evidence an intercompany loan in form and substance satisfactory to the Agent.

"**Interest Payment Date**" shall mean the first Business Day occurring after the end of each Fiscal Quarter.

"**Internal Revenue Code**" shall mean the Internal Revenue Code of 1986 of the United States of America, as amended from time to time, and the regulations promulgated thereunder.

"**Inventory**" shall mean any inventory as defined under the UCC.

"**Inventory CapEx**" shall mean, for any period, without duplication, (i) any expenditures for any purchase or other acquisition of any Inventory during such period that would be classified as a fixed or capital asset on a consolidated balance sheet of the Borrower and its Subsidiaries prepared in accordance with GAAP less (ii) rental product received in prior periods plus (iii) purchases of rental product not yet settled. Rental product received in prior periods and purchases of rental product not yet settled can be found in the "Supplemental Cash Flow Information" section of the Borrower's public filings.

"**Inventory CapEx Test Date**" shall mean July 31 and January 31 of each Fiscal Year.

"**Inventory CapEx Test Period**" shall mean, with respect to any Inventory CapEx Test Date, the 2 consecutive Fiscal Quarter period ending on such Inventory CapEx Test Date.

"**Investment**" shall mean, when used with respect to any Person, (a) any loan, investment or advance made by such Person to any other Person (including, without limitation, any Guarantee Obligation) in respect of any Equity Interest, Debt, obligation or liability of such other Person, (b) the purchase or other acquisition by such Person, or other obligation for the purchase of, all or substantially all or any material portion of the assets or business interests or a division or line of business or other business unit of any Person or any business or going concern, and (c) any other investment made by such Person (however acquired) in Equity Interests in any other Person, including, without limitation, any investment made in exchange for the issuance of Equity Interest of such Person and any investment made as a capital contribution to such other Person.

"**Joinder Agreement**" shall have the meaning set forth in Section 2.11.

"**Lenders**" shall have the meaning set forth in the preamble and any assignee which becomes a Lender pursuant to Section 12.7 hereof.

"**Lien**" shall mean any security interest in or lien on or against any property arising from any pledge, assignment, hypothecation, mortgage, security interest, deposit arrangement, trust receipt, conditional sale or title retaining contract, sale and leaseback transaction, Capitalized Lease, consignment or bailment for security, or any other type of lien, charge, encumbrance, title exception, preferential or priority arrangement

affecting property (including with respect to stock, any stockholder agreements, voting rights agreements, buy-back agreements and all similar arrangements), whether based on common law or statute.

"**Liquidity**" shall mean an amount equal to the sum of (a) Qualified Cash plus (b) Qualified Cash Equivalents plus (c) availability under the Senior Credit Agreement.

"**Loan**" shall mean a Term Loan.

"**Loan Account**" shall mean an account maintained hereunder by the Agent on its books of account at the Principal Office and with respect to the Borrower, in which it will be charged with all Loans made to, and all other Indebtedness incurred by the Credit Parties.

"**Loan Documents**" shall mean, collectively, this Agreement, the Fee Letter, the Notes (if issued), the Disbursement Letter, the Guaranty, the Specified Subordination Agreement (if any), the Subordination Agreements, the Collateral Documents, the Perfection Certificate, the UCC Filing Authorization Letter and any other documents, certificates or agreements that are executed and required to be delivered pursuant to any of the foregoing documents, as such documents may be amended, restated or otherwise modified from time to time.

"**Majority Lenders**" shall mean, collectively, Lenders whose Pro Rata Share (calculated in accordance with clause (e) of the definition thereof) aggregate at least 50.1%. The Commitments of, and portion of the Indebtedness attributable to, any Defaulting Lender shall be excluded for purposes of making a determination of "Majority Lenders".

"**Marketing Spend**" shall mean, with respect to any period, the aggregate amount that is spent on marketing activities (including, without limitation, online and mobile marketing, search engine optimization and email costs, brand marketing, printed collateral, consumer research, and other related costs) as reported on the Borrower's financial statements for such period, but excluding therefrom salaries, payroll taxes, benefits, stock compensation, consulting and other employee related expenses associated with employees working in a marketing function for such period.

"**Marketing Spend Test Period**" shall mean each Fiscal Quarter.

"**Material Adverse Effect**" shall mean a material adverse effect on and/or material adverse developments with respect to (i) business, operations, assets or financial condition of the Credit Parties taken as a whole, (ii) the prospect of repayment of all or any portion of the Indebtedness or in otherwise timely performing any Credit Party's obligations under the Loan Documents, (iii) the validity, perfection, value or priority of the Agent's security interests in the Collateral, (iv) the legality, validity or enforceability of this Agreement and any other Loan Document, or (v) the rights and remedies of Agent or any Lender under any Loan Document; provided that, during the period from the Sixth Amendment Effective Date through and including July 31, 2021, in determining whether a "Material Adverse Effect" has occurred or exists, any change in or effect upon the business, operations, assets or financial condition of the Borrower and its Subsidiaries substantially and directly related to the impacts of COVID-19 shall not be considered to be a Material Adverse Effect so long as any such change or effect is not materially disproportionately adverse to the Credit Parties, taken as a whole, compared to other companies in the same industry in which the Credit Parties operate.

"**Material Contract**" shall mean any agreement or contract the loss of which would be reasonably likely to result in a Material Adverse Effect; provided that Material Contracts shall not be deemed to include any Pension Plans, collective bargaining agreements, or casualty or liability or other insurance policies maintained in the ordinary course of business.

"**Maturity Date**" shall mean the earlier to occur of (i) October 29, 2026 (or if such date is not a Business Day, the immediately preceding Business Day), and (ii) the date that the Term Loans shall become due and payable in full hereunder, whether by acceleration or otherwise, and all Commitments have been terminated.

"**Mortgages**" shall mean the mortgages, deeds of trust and any other similar documents related thereto or required thereby executed and delivered after the Effective Date by the Borrower or a Guarantor pursuant to Section 6.13 hereof or otherwise, each in form and substance satisfactory to the Agent, and "**Mortgage**" shall mean any such document, as such documents may be amended, restated or otherwise modified from time to time.

"**Multiemployer Plan**" shall mean an employee benefit plan which is a multiemployer plan as defined in Section 4001(a)(3) of ERISA, to which a Credit Party or any of its ERISA Affiliates makes or is obligated to make contributions or with respect to which a Credit Party or any of its ERISA Affiliates has any liability.

"**Net Cash Proceeds**" shall mean (a) with respect to any Asset Sale, an amount equal to: (i) cash payments received by any Credit Party from such Asset Sale, minus (ii) any documented direct costs incurred in connection with such Asset Sale to the extent paid or payable to non-Affiliates, including (A) income or gains taxes payable by the seller as a result of any gain recognized in connection with such Asset Sale, (B) payment of the outstanding principal amount of, premium or penalty, if any, and interest on any Debt (other than the Indebtedness) that is secured by a Lien on the stock or assets in question and that is required to be repaid under the terms thereof as a result of such Asset Sale, and (C) a reasonable reserve for any indemnification payments (fixed or contingent) attributable to seller's indemnities and representations and warranties to purchaser in respect of such Asset Sale undertaken by such Credit Party in connection with such Asset Sale; provided that upon release of any such reserve, the amount released shall be considered Net Cash Proceeds; and (b) with respect to any insurance, condemnation, taking or other casualty proceeds, an amount equal to: (i) any cash payments or proceeds received by any Credit Party (A) under any casualty or business interruption insurance policies in respect of any covered loss thereunder, or (B) as a result of the condemnation or taking of any assets of such Credit Party by any Person pursuant to the power of eminent domain, condemnation or otherwise, or pursuant to a sale of any such assets to a purchaser with such power under threat of such a taking, minus (ii) (A) any documented costs incurred by such Credit Party in connection with the adjustment or settlement of any claims of such Credit Party in respect thereof, and (B) any documented direct costs incurred in connection with any sale of such assets as referred to in clause (b)(i)(B) of this definition to the extent paid or payable to non-Affiliates, including income taxes payable as a result of any gain recognized in connection therewith.

"**Ninth Amendment**" shall mean that certain Ninth Amendment to Credit Agreement, dated as of January 31, 2023, by and among the Borrower, the Agent and the Lenders party thereto.

"**Ninth Amendment Effective Date**" shall have the meaning specified therefor in the Ninth Amendment.

"**Ninth Amendment Warrant**" shall mean that certain Class A Common Stock Warrant issued by the Borrower as of the Ninth Amendment Effective Date in favor of the Holder (as defined therein), as amended, restated, replaced or otherwise modified from time to time in accordance with the terms thereof, substantially in the form attached as Exhibit C to the Ninth Amendment.

"**Non-Consenting Lender**" shall have the meaning set forth in Section 12.11.

"**Non-Defaulting Lender**" shall mean any Lender that is not, as of the date of relevance, a Defaulting Lender.

"**Notes**" shall mean the notes described in Section 2.2 hereof, made by the Borrower to each of the Lenders in the form attached hereto as Exhibit F, as such notes may be amended or supplemented from time to time, and any other notes issued in substitution, replacement or renewal thereof from time to time.

"**OFAC**" shall mean the U.S. Department of the Treasury's Office of Foreign Assets Control.

"**Off Balance Sheet Liability(ies)**" of a Person shall mean (i) any repurchase obligation or liability of such Person with respect to accounts or notes receivables sold by such Person, (ii) any liability under any sale and leaseback transaction which is not a Capitalized Lease, (iii) any liability under any so-called "synthetic lease" transaction entered into by such Person, or (iv) any obligation arising with respect to any other transaction which is the functional equivalent of Debt or any of the liabilities set forth in subsections (i)-(iii) of this definition, but which does not constitute a liability on the balance sheets of such Person.

"**Other Connection Taxes**" shall mean, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"**Other Taxes**" shall mean all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 12.11).

"**Participant Register**" has the meaning specified in Section 12.7(f).

"**PBGC**" shall mean the Pension Benefit Guaranty Corporation or any successor thereto.

"**Personal Data**" means all information or data relating to one or more individual(s) that is personally identifying (i.e., data that identifies an individual or, in combination with any other information or data, is capable of identifying an individual), including all information or data regulated or protected by one or more federal, state, or foreign data privacy or security laws.

"**Pension Plan**" shall mean any "employee benefit plan" (within the meaning of Section 3(3) of ERISA) maintained, sponsored or contributed to by a Credit Party or any of its ERISA Affiliates, or to which there is an obligation to contribute by a Credit Party or any of its ERISA Affiliates, or with respect to which a Credit Party or any of its ERISA Affiliates has any liability, which is subject to the minimum funding standards of Section 412 of the Internal Revenue Code, Section 302 of ERISA or Title IV of ERISA, other than a Multiemployer Plan.

"**Perfection Certificate**" shall mean a certificate in form satisfactory to the Agent that provides information with respect to the assets of the Borrower and the Guarantors.

"**Permitted Account**" shall mean a deposit account maintained by the Borrower at Comerica Bank, in which such deposits are restricted cash in favor of Comerica Bank.

"**Permitted Acquisition**" shall mean any acquisition by the Borrower or any Guarantor of all or substantially all of the assets of another Person, or of a division or line of business of another Person, or any Equity Interests of another Person which satisfies and/or is conducted in accordance with the following requirements:

(a) Such acquisition is of a business or Person engaged in a line of business which is compatible with, or complementary to, the business of the Borrower or such Guarantor or a reasonable extension therefrom;

(b) If such acquisition is structured as an acquisition of the Equity Interests of any Person, then the Person so acquired shall (X) become a wholly-owned direct Domestic Subsidiary of the Borrower or of a Guarantor and the Borrower or the applicable Guarantor shall cause such acquired Person to comply with Section 6.13 hereof or (Y) provided that the Credit Parties continue to comply with Section 6.4(a) hereof, be merged with and into the Borrower or such a Guarantor (and, in the case of the Borrower, with the Borrower being the surviving entity);

(c) If such acquisition is structured as the acquisition of assets, such assets shall be acquired directly by the Borrower or a Guarantor (subject to compliance with Section 6.4(a) hereof);

(d) The Borrower shall have delivered to the Agent not less than ten (10) (or such shorter period of time agreed to in writing by the Agent) nor more than ninety (90) days prior to the date of such acquisition, notice of such acquisition together with Pro Forma Projected Financial Information, copies of all material documents relating to such acquisition (including then-current drafts of the acquisition agreement and any related document), and historical financial information (including income statements, balance sheets and cash flows) covering at least three (3) complete fiscal years of the acquisition target, if available, prior to the effective date of the acquisition or the entire operating existence of the acquisition target, whichever period is shorter, in each case in form and substance reasonably satisfactory to the Agent;

(e) Both immediately before and after the consummation of such acquisition and after giving effect to the Pro Forma Projected Financial Information, no Default or Event of Default shall have occurred and be continuing;

(f) The acquisition shall be consensual and the board of directors (or other Person(s) exercising similar functions) of the seller of the assets or issuer of the Equity Interests being acquired shall have approved such transaction;

(g) All governmental, quasi-governmental, agency, regulatory or similar licenses, authorizations, exemptions, qualifications, consents and approvals necessary under any laws applicable to the Borrower or Guarantor making the acquisition, or the acquisition target (if applicable) for or in connection with the proposed acquisition and all necessary non-governmental and other third-party approvals which, in each case, are material to such acquisition shall have been obtained, and all necessary or appropriate declarations, registrations or other filings with any court, governmental or regulatory authority, securities exchange or any other Person, which in each case, are material to the consummation of such acquisition or to the acquisition target, if applicable, have been made, and evidence thereof reasonably

satisfactory in form and substance to the Agent shall have been delivered, or caused to have been delivered, by the Borrower to the Agent;

(h) There shall be no actions, suits or proceedings pending or, to the knowledge of any Credit Party threatened against or affecting the acquisition target in any court or before or by any governmental department, agency or instrumentality, which could reasonably be expected to be decided adversely to the acquisition target and which, if decided adversely, could reasonably be expected to have a material adverse effect on the business, operations, properties or financial condition of the acquisition target and its subsidiaries (taken as a whole) or would materially adversely affect the ability of the acquisition target to enter into or perform its obligations in connection with the proposed acquisition, nor shall there be any actions, suits, or proceedings pending, or to the knowledge of any Credit Party threatened against the Credit Party that is making the acquisition which would materially adversely affect the ability of such Credit Party to enter into or perform its obligations in connection with the proposed acquisition;

(i) (A)The aggregate Purchase Price for acquisitions of assets that are not located within the United States or Equity Interests of Persons that are not organized in a jurisdiction located within the United States shall not exceed $10,000,000 in the aggregate for all such acquisitions during any Fiscal Year; provided, that, this clause (A) shall not apply to acquisitions of assets and Equity Interests that are located within (or organized in) a jurisdiction in which the Agent reasonably determines a perfected Lien may be granted on such assets and Equity Interests in form and substance reasonably acceptable to the Agent (such determination to be evidenced in writing), and (B) such assets and Equity Interests described in clause (A) above shall be pledged to the Agent for the benefit of the Agent and the Lenders in accordance with Section 6.13(b); and

(j) The Purchase Price of such proposed new acquisition, computed on the basis of total acquisition consideration paid or incurred, or required to be paid or incurred, with respect thereto, when added to the Purchase Price of each other acquisition consummated hereunder as a Permitted Acquisition during the same Fiscal Year as the applicable acquisition does not exceed Fifteen Million Dollars ($15,000,000); provided, that, with respect to any Fiscal Year ending on or after January 31, 2020, any unused amounts from such Fiscal Year may be carried forward into the immediately succeeding Fiscal Year; provided, further, that the aggregate amount carried forward to the immediately succeeding Fiscal Year shall not exceed Fifteen Million Dollars ($15,000,000).

"**Permitted Investments**" shall mean with respect to any Person:

(a) Governmental Obligations;

(b) Obligations of a state or commonwealth of the United States or the obligations of the District of Columbia or any possession of the United States, or any political subdivision of any of the foregoing, which are described in Section 103(a) of the Internal Revenue Code and are graded in any of the highest three (3) major grades as determined by at least one Rating Agency or secured, as to payments of principal and interest, by a letter of credit provided by a financial institution or insurance provided by a bond insurance company which in each case is itself or its debt is

rated in one of the highest three (3) major grades as determined by at least one Rating Agency;

(c) Banker's acceptances, commercial accounts, demand deposit accounts, certificates of deposit, other time deposits or depository receipts issued by or maintained with any Lender or any Affiliate thereof, or any bank, trust company, savings and loan association, savings bank or other financial institution whose deposits are insured by the Federal Deposit Insurance Corporation and whose reported capital and surplus equal at least $250,000,000, provided that such minimum capital and surplus requirement shall not apply to demand deposit accounts maintained by any Credit Party in the ordinary course of business;

(d) Commercial paper rated at the time of purchase within the two highest classifications established by not less than two Rating Agencies, and which matures within 270 days after the date of issue;

(e) Secured repurchase agreements against obligations itemized in paragraph (a) above, and executed by a bank or trust company or by members of the association of primary dealers or other recognized dealers in United States government securities, the market value of which must be maintained at levels at least equal to the amounts advanced; and

(f) Any fund or other pooling arrangement which exclusively purchases and holds the investments itemized in (a) through (e) above.

"**Permitted Liens**" shall mean with respect to any Person:

(a) Liens for (i) taxes or governmental assessments or charges the payment of which is not required under Section 6.3(a) or (ii) customs duties in connection with the importation of goods to the extent such Liens attach to the imported goods that are the subject of the duties (x) to the extent not yet due, (y) as to which the period of grace, if any, related thereto has not expired or (z) which are being contested in good faith by appropriate proceedings, provided that in the case of any such contest, any proceedings for the enforcement of such liens have been suspended and adequate reserves with respect thereto are maintained on the books of such Person in conformity with GAAP;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's, processor's, landlord's liens or other like liens arising in the ordinary course of business which secure obligations that are not overdue for a period of more than 30 days or which are being contested in good faith by appropriate proceedings, provided that in the case of any such contest, (x) any proceedings commenced for the enforcement of such Liens have been suspended and (y) appropriate reserves with respect thereto are maintained on the books of such Person in conformity with GAAP;

(c) (i) Liens incurred in the ordinary course of business to secure the performance of statutory obligations arising in connection with progress payments or advance payments due under contracts with the United States government or any agency thereof entered into in the ordinary course of business and (ii) Liens incurred or deposits made in the ordinary course of business to secure the performance of statutory obligations, bids, leases, fee and expense arrangements with trustees and

fiscal agents, trade contracts, surety and appeal bonds, performance bonds and other similar obligations (exclusive of obligations incurred in connection with the borrowing of money, any lease-purchase arrangements or the payment of the deferred purchase price of property), whether by means of a letter of credit, guarantee, escrow or otherwise, provided that in each case full provision for the payment of all such obligations has been made on the books of such Person as may be required by GAAP;

(d) judgment liens securing judgments and other proceedings not constituting an Event of Default under Section 8.1(g);

(e) minor survey exceptions or minor encumbrances, easements or reservations, or rights of others for rights-of-way, utilities and other similar purposes, or zoning or other restrictions as to the use of real properties, or any interest of any lessor or sublessor under any lease permitted hereunder which, in each case, does not materially interfere with the business of such Person;

(f) precautionary Liens arising pursuant to a transaction permitted under Section 7.8 hereof;

(g) Liens arising in connection with worker's compensation, unemployment insurance, old age pensions and social security benefits and similar statutory obligations (excluding Liens arising under ERISA), provided that no enforcement proceedings in respect of such Liens are pending and provisions have been made for the payment of such liens on the books of such Person as may be required by GAAP; and

(h) continuations of Liens that are permitted under subsections (a)-(f) hereof, provided such continuations do not violate the specific time periods set forth in subsections (b) and (d) and provided further that such Liens do not extend to any additional property or assets of any Credit Party or secure any additional obligations of any Credit Party.

"**Permitted Refinancing Debt**" shall mean the extension of maturity, refinancing or modification of the terms of Debt so long as:

(a) after giving effect to such extension, refinancing or modification, the amount of such Debt is not greater than the amount of Debt outstanding immediately prior to such extension, refinancing or modification (other than by the amount of premiums paid thereon and the fees and expenses incurred in connection therewith, by the amount of accrued interest capitalized in the course of such refinancing, and by the amount of unfunded commitments with respect thereto);

(b) such extension, refinancing or modification does not result in a shortening of the average weighted maturity (measured as of the extension, refinancing or modification) of the Debt so extended, refinanced or modified;

(c) such extension, refinancing or modification is pursuant to terms that are not (when taken as a whole) less favorable to the Credit Parties and the Lenders than the terms of the Debt (including, without limitation, terms relating to the collateral (if any) and subordination (if any)) being extended, refinanced or modified; provided that the interest rate, original issue discount and other related economic

terms of the Debt being extended, refinanced or modified may be set substantially at the applicable then-prevailing market rate available to the Borrower; and

(d) the Debt that is extended, refinanced or modified is not recourse to any Credit Party that is liable on account of the obligations other than those Persons which were obligated with respect to the Debt that was refinanced, renewed, or extended.

"**Person**" shall mean a natural person, corporation, limited liability company, partnership, limited liability partnership, trust, incorporated or unincorporated organization, joint venture, joint stock company, firm or association or a government or any agency or political subdivision thereof or other entity of any kind.

"**Pledge Agreement(s)**" shall mean any pledge agreement executed and delivered from time to time after the Effective Date by the Borrower or a Guarantor pursuant to Section 6.13 hereof or otherwise, and any agreements, instruments or documents related thereto, in each case in form and substance satisfactory to the Agent, as amended, restated or otherwise modified from time to time.

"**Post-Default Rate**" shall have the meaning specified therefor in Section 2.6(d).

"**Prepayment Premium**" shall have the meaning specified therefor in the Fee Letter.

"**Principal Office**" shall mean the Agent's "Principal Office" as set forth on Annex III, or such other office as the Agent may from time to time designate in writing to the Borrower and each Lender.

"**Pro Forma Projected Financial Information**" shall mean, as to any proposed acquisition, a statement prepared by the Borrower (supported by reasonable detail) setting forth the total Purchase Price to be paid or incurred in connection with the proposed acquisition, and pro forma combined projected financial information for the Credit Parties and the acquisition target (if applicable), consisting of projected balance sheets as of the proposed effective date of the acquisition and as of the end of at least the next succeeding three (3) Fiscal Years following the acquisition and projected statements of income and cash flows for each of those years, as projected as of the effective date of the acquisition and as of the ends of those Fiscal Years and accompanied by (i) a statement in reasonable detail specifying all material assumptions underlying the projections and (ii) such other information as the Agent or the Lenders shall reasonably request.

"**Pro Rata Share**" shall mean (a) with respect to all payments, computations and other matters relating to the Term Loan A of any Lender, the percentage obtained by dividing (i) the Term Loan A Exposure of that Lender, by (ii) the aggregate Term Loan A Exposure of all Lenders; (b) with respect to all payments, computations and other matters relating to the Term Loan B of any Lender, the percentage obtained by dividing (i) the Term Loan B Exposure of that Lender, by (ii) the aggregate Term Loan B Exposure of all Lenders; (c) [reserved]; (d) with respect to all payments, computations, and other matters relating to Incremental Term Loan Commitments or Incremental Term Loans, the percentage obtained by dividing (i) the Incremental Term Loan Exposure of that Lender, by (ii) the aggregate Incremental Term Loan Exposure of all Lenders and (e) for all other purposes with respect to each Lender, the percentage obtained by dividing (i) an amount equal to the sum of the Term Loan A Exposure, the Term Loan B Exposure and the Incremental Term Loan Exposure of that Lender, by (ii) an amount equal to the sum of the aggregate Term Loan A Exposure, the aggregate Term Loan B Exposure and the aggregate Incremental Term Loan Exposure of all Lenders.

"**Process**" or "**Processing**" means any operation or set of operations which is performed on Personal Data or on sets of Personal Data, whether or not by automated means, such as the receipt, access,

acquisition, collection, recording, organization, compilation, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transfer, transmission, dissemination or otherwise making available, alignment or combination, restriction, disposal, erasure or destruction.

"**Purchase Price**" shall mean, with respect to any acquisition, an amount equal to the sum of (a) the aggregate consideration paid in cash or cash equivalents by a Credit Party (whether as initial consideration or through the payment or disposition of deferred consideration, including, without limitation, in the form of seller financing, royalty payments, payments allocated towards non-compete covenants, payments to principals for consulting services or other similar payments) in connection with such acquisition, plus (b) the aggregate amount of liabilities of the acquired business (net of current assets of the acquired business) that would be reflected on a balance sheet (if such were to be prepared) of the Credit Parties after giving effect to such acquisition, plus (c) the aggregate amount of all transaction fees, costs and expenses incurred by the Credit Parties in connection with such acquisition.

"**Qualified Cash**" means, as of any date of determination, the aggregate amount of unrestricted cash on-hand of the Credit Parties maintained in deposit accounts in the name of a Credit Party in the United States as of such date, which deposit accounts are subject to Account Control Agreements.

"**Qualified Cash Equivalents**" means, as of any date of determination, the aggregate amount of Permitted Investments of the Credit Parties that constitute "cash equivalents" (as defined under GAAP) that are maintained in securities accounts in the name of a Credit Party in the United States as of such date, which securities accounts are subject to Account Control Agreements.

"**Qualified IPO**" shall mean an underwritten public offering (other than a public offering pursuant to a registration statement on Form S-8) of the Equity Interests of the Borrower or any direct or indirect parent of the Borrower which generates cash proceeds of at least $200.0 million.

"**Rating Agency**" shall mean Moody's Investor Services, Inc., Standard and Poor's Ratings Services, their respective successors or any other nationally recognized statistical rating organization which is acceptable to the Agent.

"**Recipient**" shall mean (a) the Agent and (b) any Lender.

"**Register**" shall have the meaning specified therefor in Section 12.7(h).

"**Reinvestment Amounts**" shall have the meaning specified therefor in Section 2.8(a).

"**Replacement Lender**" shall have the meaning specified therefor in Section 12.11.

"**Reportable Compliance Event**" shall mean that any Covered Entity becomes a Sanctioned Person, or is indicted, arraigned, investigated or custodially detained, or receives an inquiry from regulatory or law enforcement officials, in connection with any Anti-Terrorism Law or any predicate crime to any Anti-Terrorism Law, or has knowledge of or self-discovers facts or circumstances implicating any aspect of its operations with the actual or possible violation of any Anti-Terrorism Law.

"**Reportable Event**" means an event described in Section 4043 of ERISA (other than an event not subject to the provision for 30-day notice to the PBGC under the regulations promulgated under such Section).

"**Request for Loan**" shall mean a request for a Loan issued by the Borrower under Section 2.3 in the form attached hereto as Exhibit D hereto.

"**Required Prepayment Date**" shall have the meaning specified therefor in Section 2.9(b).

"**Requirement of Law**" shall mean as to any Person, the certificate of incorporation and bylaws, the partnership agreement or other organizational or governing documents of such Person and the common law and all federal, state, provincial, local, foreign, multinational or international laws, statutes, codes, treaties, standards, rules and regulations, guidelines, ordinances, orders, judgments, writs, injunctions, decrees (including administrative or judicial precedents or authorities) and the interpretation or administration thereof by, and other determinations, directives, requirements or requests of, any Governmental Authority, in each case that are applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"**Responsible Officer**" shall mean, with respect to any Person, the chief executive officer, chief financial officer, treasurer, president, secretary or controller of such Person or any other officer of such Person having substantially the same authority and responsibility.

"**Sanctioned Country**" shall mean a country subject to a sanctions program maintained under any Anti-Terrorism Law.

"**Sanctioned Person**" shall mean any individual person, group, regime, entity or thing listed or otherwise recognized as a specially designated, prohibited, sanctioned or debarred person, group, regime, entity or thing, or subject to any limitations or prohibitions (including but not limited to the blocking of property or rejection of transactions), under any Anti-Terrorism Law.

"**Sanction(s)**" shall mean any sanction administered or enforced by the United States Government (including, without limitation, OFAC), the United Nations Security Council, the European Union, Her Majesty's Treasury or other relevant sanctions authority.

"**Second Amendment Effective Date**" shall mean April 24, 2019.

"**Security Agreement**" shall mean, collectively, the security agreement(s) executed and delivered by the Borrower on the Effective Date pursuant to Section 4.1 hereof, and any such agreements executed and delivered by the Guarantors after the Effective Date (whether by execution of a joinder agreement to any existing security agreement or otherwise) pursuant to Section 6.13 hereof or otherwise, in the form of the Security Agreement attached hereto as Exhibit A, as amended, restated or otherwise modified from time to time.

"**Senior Agent**" shall mean the administrative agent and/or collateral agent under the Senior Credit Agreement and its successors and permitted assigns in such capacity.

"**Senior Credit Agreement**" shall mean a revolver credit agreement, in form and substance reasonably satisfactory to the Agent in all respects (such approval to be evidenced in writing by the Agent), if executed, to be executed by and among the Senior Agent, the Senior Lenders and the Borrower, as the same may be amended, restated, supplemented or otherwise modified from time to time in a manner not prohibited by the terms of the Specified Subordination Agreement.

"**Senior Debt**" shall mean Debt of the Borrower or any Guarantor under the Senior Loan Documents, if any.

"**Senior Lenders**" shall mean the lenders party to the Senior Credit Agreement, if any.

"**Senior Loan Documents**" shall mean, collectively, the Senior Credit Agreement and any and all other documents, instruments and certificates executed and delivered pursuant thereto, in each case, as the same may be amended, restated, supplemented or otherwise modified from time to time in a manner not prohibited by the terms of the Specified Subordination Agreement. For the avoidance of doubt, no Senior Loan Document is in effect on the Seventh Amendment Effective Date.

"**Seventh Amendment**" shall mean that certain Seventh Amendment to Credit Agreement and Third Amendment to the Security Agreement, dated as of October 18, 2021, by and among the Borrower, the Agent and the Lenders party thereto.

"**Seventh Amendment Effective Date**" shall have the meaning specified therefor in the Seventh Amendment.

"**Seventh Amendment Existing Term Loan Indebtedness**" shall have the meaning specified therefor in Section 2.1.

"**Seventh Amendment Fee**" shall have the meaning specified therefor in Section 2.1.

"**Seventh Amendment Warrant**" shall mean that certain Class A Common Stock Warrant issued by the Borrower as of the Seventh Amendment Effective Date in favor of the Holder (as defined therein), as amended, restated, replaced or otherwise modified from time to time in accordance with the terms thereof, substantially in the form attached as Exhibit E to the Seventh Amendment.

"**Sixth Amendment Effective Date**" shall mean October 26, 2020.

"**Sixth Amendment Existing Term Loan Indebtedness**" shall have the meaning specified therefor in Section 2.1.

"**Solvent**" shall mean, with respect to any Person on a particular date, that on such date (a) such Person is able to realize upon its assets and pay its debts and other liabilities, contingent obligations and other commitments as they mature in the normal course of business, (b) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay as such debts and liabilities mature, and (c) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person's property would constitute unreasonably small capital.

"**Specified Exclusions**" shall have the meaning specified therefor in the definition of Fixed Operating Expenditures.

"**Specified Expenditures**" means Inventory CapEx, Fixed Operating Expenditures and Marketing Spend.

"**Specified Expenditures Cap**" means (i) with respect to Inventory CapEx, the Inventory CapEx Cap, (ii) with respect to Fixed Operating Expenditures, the FOE Cap and (iii) with respect to Marketing Spend, the Marketing Spend Cap.

"**Specified Expenditures Test Period**" means (i) with respect to Inventory CapEx, the Inventory CapEx Test Period, (ii) with respect to Fixed Operating Expenditures, the FOE Test Period and (iii) with respect to Marketing Spend, the Marketing Spend Test Period.

"**Specified Subordination Agreement**" shall mean a subordination agreement, in form and substance reasonably satisfactory to the Agent and the Lenders in all respects, if executed, to be executed

by and between the Senior Agent and the Agent and to be acknowledged and agreed by the Borrower and the Guarantors, as the same may be amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof. For the avoidance of doubt, no Specified Subordination Agreement is in effect on the Seventh Amendment Effective Date.

"**Subordinated Debt**" shall mean any unsecured Funded Debt of any Credit Party and other obligations under the Subordinated Debt Documents and any other Funded Debt of any Credit Party which has been subordinated in right of payment and priority to the Indebtedness, all on terms and conditions satisfactory to the Agent.

"**Subordinated Debt Documents**" shall mean and include any documents evidencing any Subordinated Debt, in each case, as the same may be amended, modified, supplemented or otherwise modified from time to time in compliance with the terms of this Agreement.

"**Subordination Agreements**" shall mean, collectively, any subordination agreements entered into by any Person from time to time in favor of the Agent in connection with any Subordinated Debt, the terms of which are acceptable to the Agent, in each case as the same may be amended, restated or otherwise modified from time to time, and "**Subordination Agreement**" shall mean any one of them.

"**Subsidiary(ies)**" shall mean any other corporation, association, joint stock company, business trust, limited liability company, partnership or any other business entity of which more than fifty percent (50%) of the outstanding voting stock, share capital, membership, partnership or other interests, as the case may be, is owned either directly or indirectly by any Person or one or more of its Subsidiaries. Unless otherwise specified to the contrary herein or the context otherwise requires, Subsidiary(ies) shall refer to the Subsidiary(ies) of the Borrower.

"**Successor Agent**" shall have the meaning set forth in Section 11.4(a) hereof.

"**Taxes**" shall mean all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges in the nature of a tax imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"**Temasek Entity**" shall mean, (a) Double Helix Pte Ltd and (b) any wholly-owned Subsidiary of Temasek Holdings (Private) Limited ("**Temasek Holdings**"), which the boards of directors or other equivalent governing bodies serving a similar function of such Subsidiary is comprised of employees or nominees of (i) Temasek Holdings, (ii) Temasek Pte. Ltd., a wholly-owned Subsidiary of Temasek Holdings, or (iii) a wholly-owned Subsidiary of Temasek Pte. Ltd.

"**Tenth Amendment Effective Date**" shall mean December 1, 2023.

"**Term Loan**" shall mean a Term Loan A, a Term Loan B and/or an Incremental Term Loan, as the context requires.

"**Term Loan A**" shall mean a term loan made by a Lender to the Borrower pursuant to Section 2.1(a)(i) or all of the term loans made by the Lenders to the Borrower pursuant to Section 2.1(a)(i), as the context requires.

"**Term Loan A Commitment**" shall mean the commitment of a Lender to make or otherwise fund a Term Loan A and "**Term Loan A Commitments**" means such commitments of all Lenders in the aggregate. The amount of each Lender's Term Loan A Commitment, if any, is set forth on Annex I. The aggregate amount of the Term Loan A Commitments as of the Effective Date was $100,000,000.

"**Term Loan A Exposure**" shall mean, with respect to any Lender, as of any date of determination, the outstanding principal amount of the Term Loan A of such Lender.

"**Term Loan B**" shall mean a term loan made by a Lender to the Borrower pursuant to Section 2.1(a)(ii) or all of the term loans made by the Lenders to the Borrower pursuant to Section 2.1(a)(ii), as the context requires.

"**Term Loan B Commitment**" shall mean the commitment of a Lender to make or otherwise fund a Term Loan B and "**Term Loan B Commitments**" means such commitments of all Lenders in the aggregate. The aggregate amount of the Term Loan B Commitments as of the Effective Date was $100,000,000.

"**Term Loan B Exposure**" shall mean, with respect to any Lender, as of any date of determination, the outstanding principal amount of the Term Loan B of such Lender.

"**Term Loan B Commitment Termination Date**" shall mean the earlier to occur of (a) the date of the termination of the Term Loan B Commitments pursuant to Section 8.2, and (b) the second anniversary of the Effective Date.

"**Term Loan C**" shall mean a term loan made by a Lender to the Borrower pursuant to Section 2.1(a)(iii) or all of the term loans made by the Lenders to the Borrower pursuant to Section 2.1(a)(iii), as the context requires. Term Loan C was repaid in full on the Seventh Amendment Effective Date.

"**Term Loan Commitment**" shall mean the Term Loan A Commitment, the Term Loan B Commitment or the Incremental Term Loan Commitment (if any) of a Lender, and "**Term Loan Commitments**" means such commitments of all Lenders.

"**Third Amendment Effective Date**" shall mean November 26, 2019.

"**Third Amendment Existing Term Loan Indebtedness**" shall have the meaning specified therefor in Section 2.1.

"**UCC Filing Authorization Letter**" shall mean a letter duly executed by the Borrower authorizing the Agent to file appropriate financing statements on Form UCC-1 without the signature of the Borrower in such office or offices as may be necessary or, in the opinion of the Agent, desirable to perfect the security interests purported to be created by the Security Agreement.

"**Uniform Commercial Code**" or "**UCC**" shall mean the Uniform Commercial Code as in effect in any applicable state; provided that, unless specified otherwise or the context otherwise requires, such terms shall refer to the Uniform Commercial Code as in effect in the State of New York.

"**Unit**" shall mean an individual unit (i.e., wardrobe and similar merchandise) owned by the Borrower and currently available for rent or held for sale.

"**U.S. Person**" shall mean any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Internal Revenue Code.

"**U.S. Tax Compliance Certificate**" shall have the meaning specified therefor in Section 12.12.

"**USA Patriot Act**" shall have the meaning specified therefor in Section 5.7.

"**Waivable Mandatory Prepayment"** shall have the meaning specified therefor in Section 2.9(b).

"**Warrant Documents**" shall mean the Warrant Purchase Agreement and the Warrants.

"**Warrant Purchase Agreement**" shall mean that certain Warrant Purchase Agreement, dated as of the Effective Date, by and between the Borrower and the Investor (as defined therein), as amended, restated, replaced or otherwise modified from time to time in accordance with the terms thereof.

"**Warrants**" shall mean, collectively, that certain Warrant No. 1 and Warrant No. 2, in each case, issued by the Borrower as of the Effective Date in favor of the Holder (as defined in the applicable Warrant), as amended, restated, replaced or otherwise modified from time to time in accordance with the terms thereof.

"**Withholding Agent**" shall mean any Credit Party and the Agent.

"**Write-Down and Conversion Powers**" shall mean, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which writedown and conversion powers are described in the EU Bail-In Legislation Schedule.

"**Yield Maintenance Premium**" shall have the meaning specified therefor in the Fee Letter.

1.2 Other Interpretive Provisions. With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words "herein," "hereof" and "hereunder," and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (vi) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including;" the words "to" and "until" each mean "to but excluding;" and the word "through" means "to and including."

(c) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

(d) Any reference herein or in any other Loan Document to the satisfaction, repayment, or payment in full of the Indebtedness shall mean the repayment in Dollars in full in cash or immediately available funds of all of the Indebtedness (including the Yield Maintenance Premium and the Prepayment Premium) other than unasserted contingent indemnification obligations.

1.3 Accounting Terms.

(a) Generally. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the Audited Financial Statements, except as otherwise specifically prescribed herein or as reflected in the management financials provided prior to the Effective Date to (i) include any proceeds from end-of-life liquidated inventory in revenue and related costs in cost of revenue, which is presented as net gains or losses from sale of end-of-life liquidated inventory on GAAP financials and (ii) not adjust the purchases of property, plant and equipment ("PPE") and rental product for any unpaid accounts payable balances. Additionally, GAAP financial statements may include more detailed or more summarized line items than what is presented in the management financials.

(b) Changes in GAAP. If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Borrower or the Majority Lenders shall so request, the Agent, the Lenders and the Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Borrower shall provide to the Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

1.4 Rounding. Any financial ratios required to be maintained by the Borrower or the Guarantors pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to two places more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding up if there is no nearest number).

1.5 Times of Day; Rates. Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

1.6 Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Equity Interests at such time.

1.7 Senior Loan Documents and Specified Subordination Agreement. The Borrower agrees and acknowledges that each reference to any Senior Loan Document, Senior Debt, Senior Agent, Senior

Lenders, or the Specified Subordination Agreement in any Loan Document (including, without limitation this Agreement and the Security Agreement) shall be disregarded until each of the Senior Credit Agreement and the Specified Subordination Agreement shall have been executed and delivered by the requisite parties thereto (including, in the case of the Specified Subordination Agreement, the Agent) and are in full force and effect.

2. TERM LOANS.

2.1 Commitments.

(a) Subject to the terms and conditions hereof,

(i) each Lender severally made, on the Effective Date, a Term Loan A to the Borrower in an amount equal to such Lender's Term Loan A Commitment; and

(ii) each Lender severally made, after the Effective Date and prior to the Term Loan B Commitment Termination Date, one or more Term Loan B to the Borrower in an aggregate amount equal to such Lender's Term Loan B Commitment.

Any amount borrowed under this Section 2.1 and subsequently repaid or prepaid may not be reborrowed. All amounts owed hereunder with respect to the Term Loan A and the Term Loan B shall be paid in full no later than the Maturity Date. Each Lender's Term Loan A Commitment and Term Loan B Commitment have been terminated in full.

Notwithstanding anything to the contrary contained in this Agreement, the Fee Letter or any other Loan Document, the Borrower hereby acknowledges, confirms and agrees that (a)(i) immediately prior to the Third Amendment Effective Date, the outstanding principal amount of the Term Loan was equal to $170,710,680.23 (such Indebtedness being hereinafter referred to as the "**Third Amendment Existing Term Loan Indebtedness**") and (ii) such Third Amendment Existing Term Loan Indebtedness was not repaid on the Third Amendment Effective Date, but rather was re-evidenced by this Agreement as a portion of the Term Loan outstanding hereunder, (b)(i) immediately prior to the Sixth Amendment Effective Date, the outstanding principal amount of the Term Loan was equal to $273,419,462.68 (such Indebtedness being hereinafter referred to as the "**Sixth Amendment Existing Term Loan Indebtedness**") and (ii) such Sixth Amendment Existing Term Loan Indebtedness was not repaid on the Sixth Amendment Effective Date, but rather was re-evidenced by this Agreement as a portion of the Term Loan outstanding hereunder, and (c)(i) on the Seventh Amendment Effective Date, the Borrower shall pay an amendment fee to the Lenders in an amount equal to 3.00% of the aggregate principal amount of Term Loan A and Term Loan B outstanding on the Seventh Amendment Effective Date (calculated with all accrued but unpaid interest paid in kind on the Term Loan being capitalized on the Seventh Amendment Effective Date) (the "**Seventh Amendment Fee**") and such Seventh Amendment Fee shall be added to the outstanding principal amount of the Term Loan A and the Term Loan B on the Seventh Amendment Effective Date instead of being paid in cash and shall thereafter bear interest in accordance with Section 2.6 and otherwise be treated as a Term Loan for purposes of this Agreement as if it had originally been part of the outstanding principal of the Term Loan, (ii) the Borrower shall repay the outstanding principal amount of the Term Loan C in full in accordance with Section 3.05 of the Seventh Amendment, (iii) after giving effect to the foregoing clauses (c)(i) and (c)(ii) on the Seventh Amendment Effective Date, the outstanding principal amount of the Term Loan (calculated with all accrued but unpaid interest paid in kind on the Term Loan being capitalized on the Seventh Amendment Effective Date) is equal to an amount to be provided in writing by the Agent to the Borrower on or before the Seventh Amendment Effective Date and confirmed in writing by the Borrower (such Indebtedness being hereinafter referred to as the "**Seventh Amendment Existing Term Loan Indebtedness**") and (iv) such Seventh Amendment Existing Term Loan Indebtedness shall not be repaid

on the Seventh Amendment Effective Date, but rather shall be re-evidenced by this Agreement as a portion of the Term Loan outstanding hereunder.

2.2 Accrual of Interest and Maturity; Evidence of Indebtedness.

(a) The Borrower hereby unconditionally promises to pay to the Agent for the account of each Lender the then unpaid principal amount of each Loan (plus all accrued and unpaid interest) of and any other outstanding Indebtedness hereunder (including the Yield Maintenance Premium and the Prepayment Premium) owing to such Lender to the Borrower on the Maturity Date and, subject to the terms of the Specified Subordination Agreement, on such other dates and in such other amounts as may be required from time to time pursuant to this Agreement. Subject to the terms and conditions hereof, each Loan shall, from time to time from and after the date of such Loan (until paid), bear interest in accordance with Section 2.6.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing indebtedness of the Borrower to the appropriate lending office of such Lender resulting from each Loan made by such lending office of such Lender from time to time, including the amounts of principal and interest payable thereon and paid to such Lender from time to time under this Agreement.

(c) The Agent shall maintain the Register pursuant to Section 12.7(h), and a subaccount therein for each Lender, in which Register and subaccounts (taken together) shall be recorded (i) the amount of each Loan made hereunder, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder in respect of the Loans and (iii) both the amount of any sum received by the Agent hereunder from the Borrower in respect of the Loans and each Lender's share thereof.

(d) The entries made in the Register maintained pursuant to paragraph (c) of this Section 2.2 and Section 12.7(h) shall, absent manifest error, to the extent permitted by applicable law, be prima facie evidence of the existence and amounts of the obligations of the Borrower therein recorded; provided, however, that the failure of any Lender or the Agent to maintain the Register or any account, as applicable, or any error therein, shall not in any manner affect the obligation of the Borrower to repay the Loans (and all other amounts owing with respect thereto) made to the Borrower by the Lenders in accordance with the terms of this Agreement. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Agent in respect of such matters, the accounts and records of the Agent shall control in the absence of manifest error.

(e) The Borrower agrees that, upon written request to the Agent by any Lender, the Borrower will execute and deliver, to such Lender, at the Borrower's own expense, a Note evidencing the outstanding Loans owing to such Lender.

2.3 Requests for Loans.

(a) With respect to Term Loan A, the Borrower shall deliver to the Agent a Request for Loan fully executed by an Authorized Signer no later than 5 Business Days prior to the Effective Date (or such shorter period as the Agent may agree in writing in its sole discretion). Following the Effective Date, whenever the Borrower desires that Lenders make a Term Loan (other than Term Loan A), the Borrower shall deliver to the Agent a fully executed and delivered Request for Loan (which shall specify the principal amount of the proposed Loan and the proposed date of such Loan, which must be a Business Day) no later than 10:00 a.m. (New York City time) at least 10 days in advance of the proposed Credit Date. Except as otherwise provided herein, a Request for Loan for a Term Loan shall be irrevocable on and after the date of receipt by the Agent, and the Borrower shall be bound to make a borrowing in

accordance therewith. Promptly upon receipt by the Agent of any Request for Loan, the Agent shall notify each Lender of the proposed borrowing. The Agent and Lenders (i) may act without liability upon the basis of written or facsimile notice believed by the Agent in good faith to be from the Borrower (or from any Authorized Signer), (ii) shall be entitled to rely conclusively on any Authorized Signer's authority to request a Term Loan on behalf of the Borrower until the Agent receives written notice to the contrary, and (iii) shall have no duty to verify the authenticity of the signature appearing on any written Request for Loan.

(b) Each Lender shall make its Term Loan available to the Agent not later than 12:00 p.m. (New York City time) on the applicable Credit Date, by wire transfer of same day funds in Dollars, at the Agent's Principal Office. Upon satisfaction or waiver of the conditions precedent specified herein, the Agent shall make the proceeds of the Term Loans available to the Borrower on the applicable Credit Date by causing an amount of same day funds in Dollars equal to the proceeds of all such Loans received by the Agent from Lenders to be credited to the account of the Borrower designated in writing to the Agent by the Borrower.

(c) A Request for Loan, once delivered to the Agent, shall not be revocable by the Borrower and shall constitute a certification by the Borrower as of the date thereof that:

(i) all conditions to the making of Loans set forth in Sections 4.1 and/or 4.2, as applicable, of this Agreement have been satisfied, and shall remain satisfied to the date of such Loan (both before and immediately after giving effect to such Loan);

(ii) at the time of and after giving effect to the making of such Loan and the application of the proceeds thereof, no Default or Event of Default has occurred and is continuing or would result from the making of the Loan to be made; and

(iii) the representations and warranties of the Credit Parties contained in this Agreement and the other Loan Documents are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations or warranties that already are qualified or modified as to "materiality" or "Material Adverse Effect" in the text thereof, which representations and warranties shall be true and correct in all respects subject to such qualification) as of the date of the making of such Loan to the same extent as though made on and as of that date (both before and immediately after giving effect to such Loan), except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations or warranties that already are qualified or modified as to "materiality" or "Material Adverse Effect" in the text thereof, which representations and warranties shall be true and correct in all respects subject to such qualification) on and as of such earlier date.

2.4 Disbursement of Loans. Unless the Agent shall have been notified in writing by any Lender prior to the applicable Credit Date that such Lender does not intend to make available to the Agent the amount of such Lender's Loan requested on such Credit Date, the Agent may assume that such Lender has made such amount available to the Agent on such Credit Date and the Agent may but shall not be obligated to, make available to the Borrower a corresponding amount on such Credit Date. If such corresponding amount is not in fact made available to the Agent by such Lender, the Agent shall be entitled to recover such corresponding amount on demand from such Lender together with interest thereon, for each day from such Credit Date until the date such amount is paid to the Agent, at the customary rate set by the Agent for the correction of errors among banks for three Business Days and thereafter at the rate specified in Section 2.6(a). If such Lender does not pay such corresponding amount forthwith upon the Agent's demand therefor, the Agent shall promptly notify the Borrower and the Borrower shall immediately pay such corresponding amount to the Agent together with interest thereon, for each day from such Credit Date until

the date such amount is paid to the Agent, at the rate specified in Section 2.6(a). Nothing in this Section 2.4 shall be deemed to relieve any Lender from its obligation to fulfill its Term Loan Commitments hereunder or to prejudice any rights that the Borrower may have against any Lender as a result of any default by such Lender hereunder.

2.5 Fees. The Borrower agrees to pay to the Agent all fees payable by it in the Fee Letter in the amounts and at the times specified therein.

2.6 Interest Payments; Default Interest.

(a) Except as otherwise set forth herein, each Class of Loan shall bear interest on the unpaid principal amount thereof from the date made through repayment (whether by acceleration or otherwise) thereof as follows:

(i) in the case of Term Loan A and Term Loan B, at a rate per annum equal to the Applicable Margin, which shall be due and payable in cash, in arrears, on each Interest Payment Date; provided, that (A) interest accruing at a rate per annum up to the Applicable PIK Rate may be paid by capitalizing such interest and adding such capitalized interest to the then outstanding principal amount of the Term Loan and (B) solely with respect to accrued and unpaid interest on the Term Loan that is due and payable on the Interest Payment Date occurring on August 1, 2025, (1) the portion of such interest that accrues at the Applicable PIK Rate pursuant to the foregoing clause (A) shall be paid by capitalizing such interest and adding such capitalized interest to the then outstanding principal amount of the Term Loan on such Interest Payment Date (i.e., August 1, 2025) and (2) the portion of such interest that is payable in cash on such Interest Payment Date shall instead be due and payable on August 29, 2025. The Borrower shall provide the Agent with written notice of its election to capitalize interest pursuant to this clause (i) at least fifteen (15) Business Days (or such shorter period as the Agent may agree in writing in its sole discretion) in advance of each Interest Payment Date. If the Borrower fails to provide such written notice, all interest due and payable on the following Interest Payment Date shall be due and payable in cash. Any interest to be so capitalized pursuant to this clause (i) shall be capitalized on each designated Interest Payment Date and added to the then outstanding principal amount of the Term Loan and, thereafter, shall bear interest as provided hereunder as if it had originally been part of the outstanding principal of the Term Loan; and

(ii) in the case of Incremental Term Loans, at the rate set forth in the Joinder Agreement.

(b) [Reserved].

(c) Interest on each Loan shall be payable (i) as set forth in clause (a) above; (ii) upon any prepayment of that Loan, whether voluntary or mandatory, to the extent accrued on the amount of principal being prepaid; and (iii) on the Maturity Date. Whenever any payment under this Section 2.6 shall become due on a day which is not a Business Day, the date for payment thereof shall be extended to the next Business Day. Interest shall be computed on the basis of a 360 day year, in each case for the actual number of days elapsed in the period during which it accrues.

(d) Upon the occurrence and during the continuance of an Event of Default, the principal amount of all Loans outstanding and, to the extent permitted by applicable law, any interest payments on the Loans or any fees or other amounts owed hereunder (including any Yield Maintenance Premium and the Prepayment Premium), shall thereafter automatically bear interest (including post-petition interest in any proceeding under the Bankruptcy Code or other applicable bankruptcy laws), from the date such Event of Default occurred until the date such Event of Default is cured or waived in writing in accordance herewith, payable on demand at a rate that is 2% per annum in excess of the interest rate otherwise payable

hereunder with respect to the applicable Loans ("**Post-Default Rate**"). Payment or acceptance of the increased rates of interest provided for in this Section 2.6(d) is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of the Agent or any Lender.

2.7 Optional Prepayments.

(a) Subject to the terms of the Specified Subordination Agreement, with respect to each Term Loan, any time after the Seventh Amendment Effective Date, the Borrower may prepay such Term Loan on any Business Day, in whole or in part, in an aggregate minimum amount of $5,000,000 and integral multiples of $1,000,000 in excess of that amount, subject to the payment of the Yield Maintenance Premium and the Prepayment Premium, as applicable.

(b) All such prepayments shall be made upon not less than 10 Business Day's (or such shorter period as the Agent may agree in writing in its sole discretion) prior written notice to the Agent by 10:00 a.m. (New York time) on the date required. Upon the giving of any such notice, the principal amount of the Term Loan specified in such notice shall become due and payable on the prepayment date specified therein.

2.8 Mandatory Repayment of Loans.

(a) Asset Sales. Subject to the terms of the Specified Subordination Agreement, no later than the third Business Day following the date of receipt by any Credit Party of any Net Cash Proceeds from Asset Sales (excluding Asset Sales permitted under Section 7.4 other than Section 7.4(g)(ii)) in excess of $1,000,000 in the aggregate in any Fiscal Year, the Borrower shall prepay the Loans as set forth in Section 2.9(a) in an aggregate amount equal to such Net Cash Proceeds; provided, so long as (i) no Event of Default shall have occurred and be continuing, (ii) the Borrower has delivered the Agent prior written notice of the Borrower's intention to apply such monies (the "**Reinvestment Amounts**") to the costs of replacement of the properties or assets that are the subject of such sale or disposition or the cost of purchase or construction of other assets useful in the business of the Borrower, (iii) the monies are held in a deposit account in which the Agent has a perfected security interest, and (iv) the Borrower completes such replacement, purchase, or construction within 180 days after the initial receipt of such monies, the Borrower shall have the option to apply such monies to the costs of replacement of the assets that are the subject of such sale or disposition or the costs of purchase or construction of other assets useful in the business of the Borrower unless and to the extent that such applicable period shall have expired without such replacement, purchase or construction being made or completed, in which case, any amounts remaining in the cash collateral account shall be paid to the Agent and applied in accordance with Section 2.9(a). Nothing contained in this Section 2.8(a) shall permit the Borrower or any of its Subsidiaries to sell or otherwise dispose of any assets other than in accordance with Section 7.4.

(b) Insurance/Condemnation Proceeds. Subject to the terms of the Specified Subordination Agreement, no later than the third Business Day following the date of receipt by any Credit Party, or the Agent as loss payee, of any Net Cash Proceeds from insurance or any condemnation, taking or other casualty in excess of $1,000,000 in the aggregate in any Fiscal Year, the Borrower shall prepay the Loans in an aggregate amount equal to such Net Cash Proceeds; provided, so long as (i) no Event of Default shall have occurred and be continuing, (ii) the Borrower has delivered the Agent prior written notice of the Borrower's intention to apply the Reinvestment Amounts to the costs of replacement of the properties or assets that are the subject of such condemnation, taking or other casualty or the cost of purchase or construction of other assets useful in the business of the Borrower, (iii) the monies are held in a deposit account in which the Agent has a perfected security interest, and (iv) the Borrower completes such replacement, purchase, or construction within 180 days after the initial receipt of such monies, the Borrower

shall have the option to apply such monies to the costs of replacement of the assets that are the subject of such condemnation, taking or other casualty or the costs of purchase or construction of other assets useful in the business of the Borrower unless and to the extent that such applicable period shall have expired without such replacement, purchase or construction being made or completed, in which case, any amounts remaining in the cash collateral account shall be paid to the Agent and applied in accordance with Section 2.9(a).

(c) Issuance of Debt. Subject to the terms of the Specified Subordination Agreement, on the date of receipt by any Credit Party of any cash proceeds from the incurrence of any Debt of any Credit Party (other than with respect to any Debt permitted to be incurred pursuant to Section 7.1), the Borrower shall prepay the Loans in accordance with Section 2.9(a) in an aggregate amount equal to 100% of such proceeds, net of underwriting discounts and commissions and other reasonable costs and expenses associated therewith, in each case, paid to non-Affiliates, including reasonable legal fees and expenses.

(d) Prepayment Notice and Certificate.

(i) The Borrower shall provide written notice to the Agent of the anticipated date of any prepayment of the Loans (which notice is not required to include the amount of such prepayment) pursuant to Sections 2.8(a) through 2.8(c) at least 10 Business Days (or such shorter period as the Borrower and Agent may agree) prior to such prepayment.

(ii) Concurrently with any prepayment of the Loans pursuant to Sections 2.8(a) through 2.8(c), the Borrower shall deliver to the Agent a certificate of a Responsible Officer demonstrating the calculation of the amount of the applicable cash proceeds and compensation owing to Lenders under the Fee Letter. In the event that the Borrower shall subsequently determine that the actual amount received exceeded the amount set forth in such certificate, the Borrower shall promptly make an additional prepayment of the Loans, and the Borrower shall concurrently therewith deliver to the Agent a certificate of a Responsible Officer demonstrating the derivation of such excess.

2.9 Application of Payments.

(a) (i) Any prepayment of any Term Loan pursuant to Section 2.7 and (ii) except in connection with any Waivable Mandatory Prepayment provided for in Section 2.9(b), so long as no Application Event has occurred and is continuing, any mandatory prepayment of any Loan pursuant to Section 2.8, in each case, shall be applied as follows:

first, to ratably prepay the principal of the Term Loan A and Term Loan B until paid in full; and

second, to ratably prepay the principal of the Incremental Term Loans, if any (in the order of the Credit Dates of the Incremental Term Loans), until paid in full;

(b) Anything contained herein to the contrary notwithstanding, in the event the Borrower is required to make any mandatory prepayment (a "**Waivable Mandatory Prepayment**") of the Term Loans, not less than three Business Days prior to the date (the "**Required Prepayment Date**") on which the Borrower is required to make such Waivable Mandatory Prepayment, the Borrower shall notify the Agent in writing of the amount of such prepayment by 2:00 p.m. (New York City time) on such date, and the Agent will promptly thereafter notify each Lender holding an outstanding Term Loan of the amount of such Lender's Pro Rata Share of such Waivable Mandatory Prepayment and such Lender's option to decline such amount. Each such Lender may exercise such option by giving written notice to the Borrower and the Agent of its election to do so on or before 2:00 p.m. (New York City time) on the first Business

Day prior to the Required Prepayment Date (it being understood that any Lender which does not notify the Borrower and the Agent of its election to exercise such option on or before 2:00 p.m. (New York City time) on the first Business Day prior to the Required Prepayment Date shall be deemed to have elected, as of such date, not to exercise such option). On the Required Prepayment Date, the Borrower shall pay to the Agent the amount of the Waivable Mandatory Prepayment, which amount shall be applied (i) in an amount equal to that portion of the Waivable Mandatory Prepayment payable to those Lenders that have elected not to exercise such option, to prepay the Term Loans of such Lenders (which prepayment shall be applied in accordance with Section 2.9(a)), and (ii) to the extent of any excess, to the Borrower for working capital and general corporate purposes.

(c) At any time an Application Event has occurred and is continuing, all payments shall be applied pursuant to Section 9.2. Nothing contained herein shall modify the provisions of the Fee Letter or Section 9.1(c) regarding the requirement that all prepayments be accompanied by accrued interest and fees and premiums (including the Yield Maintenance Premium and the Prepayment Premium) on the principal amount being prepaid to the date of such prepayment, or any requirement otherwise contained herein to pay all other amounts as the same become due and payable.

2.10 Use of Proceeds of Loans. The proceeds of the Term Loan A made on the Effective Date shall be used by the Borrower to repay in full the Existing Indebtedness, for general working capital purposes of the Borrower and to pay fees and expenses related to this Agreement. The proceeds of the Term Loan B made after the Effective Date shall be applied by the Borrower and its Subsidiaries for working capital and general corporate purposes of the Borrower (primarily for the funding of purchases of Inventory to support the Borrower's growth strategy), but including without limitation, Investments permitted under Section 7.6 and to pay fees and expenses related to this Agreement.

2.11 Incremental Facilities.

(a) Subject to Section 2.11(b), the Borrower may by written notice to Agent elect to request the establishment of one or more Incremental Term Loan commitments (the "**Incremental Term Loan Commitments**"), in an aggregate amount of up to $70,000,000. Each such notice shall specify the date (an "**Increased Amount Date**") on which the Borrower proposes that the Incremental Term Loan Commitments shall be effective, which shall be a date not less than 30 days after the date on which such notice is delivered to the Agent. The opportunity to commit to provide all or a portion of the Incremental Term Loan Commitment shall be offered by the Borrower to any Eligible Incremental Lenders. To the extent any Eligible Incremental Lenders have provided a commitment to provide such Incremental Term Loan Commitment, the Borrower shall provide a copy of such commitment letter to the Agent for distribution to the existing Lenders and offer the existing Lenders the opportunity to provide such Incremental Term Loan Commitment on the same terms as set forth in such commitment letter (the date the Agent receives such commitment letter, the "**Notice Date**"). If the existing Lenders have not agreed in writing to provide such Incremental Term Loan Commitment within 15 days of the Notice Date, then the Eligible Incremental Lenders may provide the Incremental Term Loan Commitment on the terms of such commitment letter and subject to this Section 2.11. Any existing Lender approached to provide all or a portion of such Incremental Term Loan Commitments may elect or decline, in its sole discretion, to provide such Incremental Term Loan Commitment.

(b) Such Incremental Term Loan Commitments shall become effective, as of such Increased Amount Date, subject to the satisfaction of each of the following conditions:

(i) the Lenders have funded 100% of the aggregate amount of the Term Loan B Commitments of the Lenders;

(ii) the Agent has obtained the commitment of one or more Incremental Term Loan Lenders to provide the applicable Incremental Term Loan and any such Incremental Term Loan Lenders, the Borrower and the Agent have signed an amendment to this Agreement pursuant to which such Incremental Term Loan Lenders agree to make, subject to the terms of this Agreement, a term loan to the Borrower (an "**Incremental Term Loan**") in an amount equal to its Incremental Term Loan Commitment and to otherwise evidence such Incremental Term Loan, in form and substance reasonably satisfactory to the Agent (each, a "**Joinder Agreement**");

(iii) no Default or Event of Default shall exist on such Increased Amount Date;

(iv) the representations and warranties of the Credit Parties contained in this Agreement and the other Loan Documents shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations or warranties that already are qualified or modified as to "materiality" or "Material Adverse Effect" in the text thereof, which representations and warranties shall be true and correct in all respects subject to such qualification) as of such Increased Amount Date to the same extent as though made on and as of that date (both before and immediately after giving effect to such Loan), except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations or warranties that already are qualified or modified as to "materiality" or "Material Adverse Effect" in the text thereof, which representations and warranties shall be true and correct in all respects subject to such qualification) on and as of such earlier date; and

(v) the Borrower shall have reached agreement with the lenders making the Incremental Term Loan (the "**Incremental Term Loan Lenders**") with respect to the interest margins applicable to such Incremental Term Loan (which interest margins may be higher than, equal to, or lower than the interest margins applicable to the Term Loan set forth in this Agreement immediately prior to the date of the making of such Incremental Term Loan, as applicable) and shall have communicated the amount of such interest margins to the Agent. Anything to the contrary contained herein notwithstanding, if the all in yield (including interest margins, interest floors, original issue discount, closing fees or other similar yield related discounts based on an assumed four-year to life maturity, but excluding any arrangement, underwriting or similar fees that are not shared with all of the Lenders or prospective lenders) (the "**All In Yield**") that is to be applicable to such Incremental Term Loan is 50 basis points or more higher than the All In Yield applicable to the Term Loans hereunder immediately prior to the applicable Increased Amount Date (the amount by which the interest margins are higher, the "Excess"), then the All In Yield applicable to each applicable Class of Term Loans immediately prior to the Increased Amount Date shall be increased by the amount of the Excess minus 50 basis points, effective on the applicable Increased Amount Date, and without the necessity of any action by any party hereto.

(c) The Incremental Term Loan Lender shall make an Incremental Term Loan subject to the satisfaction of each of the following conditions:

(i) each of the conditions set forth in Section 4.2 shall have been satisfied on the applicable Credit Date; and

(ii) any such Incremental Term Loan shall be in an aggregate amount of at least $20,000,000 and integral multiples of $1,000,000 above such amount (except, in each case, such minimum amount and integral multiples amount shall not apply when the Borrower uses all of the Incremental Term Loan Commitments available at such time).

(d) On any Increased Amount Date on which any Incremental Term Loan Commitments of any tranche are effective, subject to the satisfaction of the foregoing terms and conditions, each Incremental Term Loan Lender shall become a Lender hereunder with respect to the Incremental Term Loan Commitment and the Incremental Term Loans made pursuant thereto. Any Incremental Term Loans made on an Increased Amount Date shall be designated a separate Class for all purposes of this Agreement.

(e) The terms and provisions of the Incremental Term Loans and Incremental Term Loan Commitments shall be, except as otherwise set forth herein or in a Joinder Agreement, identical to the Term Loan immediately prior to the making of such Incremental Term Loan. Each such Joinder Agreement may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of Agent, to effect the provision of this Section 2.11. All Incremental Term Loans shall be secured on a *pari passu* basis with the Term Loans, shall not be secured by a Lien on any assets of the Borrower or any Guarantor not constituting Collateral and shall not be guaranteed by any person other than the Guarantors.

3. [INTENTIONALLY OMITTED].

4. CONDITIONS.

The obligations of the Lenders to make Loans pursuant to this Agreement are subject to the following conditions:

4.1 Conditions of Term Loan A. The obligations of the Lenders to make Term Loan A pursuant to this Agreement on the Effective Date are subject to the following conditions:

(a) Notes, this Agreement and the other Loan Documents; Warrant Documents. The Borrower shall have executed and delivered to the Agent for the account of each Lender requesting Notes, the Notes; the Borrower shall have executed and delivered this Agreement; and the Borrower and each Guarantor shall have executed and delivered the other Loan Documents (other than the Loan Documents permitted to be delivered after the Effective Date pursuant to Section 4.3) to which the Borrower or such Guarantor is required to be a party (including all schedules and other documents to be delivered pursuant hereto); and such Notes (if any), this Agreement and the other Loan Documents shall be in full force and effect in accordance with the terms of the Disbursement Letter. The Borrower shall have executed and delivered the Warrant Documents.

(b) Corporate Authority. The Agent shall have received, with a counterpart thereof for each Lender, from the Borrower and each Guarantor, a certificate of its Secretary, Assistant Secretary or Chief Operating Officer, dated as of the Effective Date, as to:

(i) corporate resolutions (or the equivalent) of the Borrower and each Guarantor authorizing the transactions contemplated by this Agreement and the other Loan Documents, approving this Agreement and the other Loan Documents and the Warrant Documents, in each case to which the Borrower and each such Guarantor is party, and authorizing the execution and delivery of this Agreement and the other Loan Documents and the Warrant Documents, and in the case of the Borrower, authorizing the execution and delivery of requests for Loans hereunder,

(ii) the incumbency and signature of the officers or other authorized persons of the Borrower and each Guarantor executing any Loan Document and the Warrant Documents and in the case of the Borrower, the officers who are authorized to execute any Requests for Loan,

(iii) a certificate of good standing or continued existence (or the equivalent thereof) from the state of its incorporation or formation, and from every state or other jurisdiction where the Borrower and each Guarantor is qualified to do business (but only to the extent the failure to be so qualified could reasonably be expected to result in a Material Adverse Effect), which jurisdictions are listed on Schedule 4.1(b) attached hereto, and

(iv) copies of such articles of incorporation and bylaws or other constitutional documents of the Borrower and each Guarantor, as in effect on the Effective Date.

(c) Collateral Documents, Guaranties and other Loan Documents. The Agent shall have received the following documents, each in form and substance satisfactory to the Agent and fully executed by each party thereto:

(i) The following Collateral Documents, each in form and substance acceptable to the Agent and fully executed by each party thereto and dated as of the Effective Date:

(A) the Security Agreement, executed and delivered by the Borrower and each Guarantor; and

(B) the Specified Subordination Agreement, executed and delivered by the parties thereto.

(ii) (A) Certified copies of uniform commercial code requests for information, or a similar search report certified by a party acceptable to the Agent, dated a date reasonably prior to the Effective Date, listing all effective financing statements in the jurisdiction noted on Schedule 4.1(c)(ii) which name the Borrower or any Guarantor (under their present names or under any previous names used within five (5) years prior to the Effective Date) as debtors, together with (x) copies of such financing statements, and (y) authorized Uniform Commercial Code (Form UCC-3) termination statements, if any, necessary to release all Liens and other rights of any Person in any Collateral described in the Collateral Documents previously granted by any Person (other than Liens permitted by Section 7.2 of this Agreement) and (B) intellectual property search reports results from the United States Patent and Trademark Office and the United States Copyright Office for the Borrower and each Guarantor dated a date reasonably prior to the Effective Date.

(iii) Any documents (including, without limitation, financing statements, amendments to financing statements and assignments of financing statements, stock powers executed in blank and any endorsements) requested by the Agent and reasonably required to be provided in connection with the Collateral Documents to create, in favor of the Agent (for and on behalf of the Lenders), a perfected security interest in the Collateral thereunder shall have been filed, registered or recorded, or shall have been delivered to the Agent in proper form for filing, registration or recordation.

(d) Insurance. The Agent shall have received evidence reasonably satisfactory to it that the Borrower and Guarantors have obtained the insurance policies required by Section 6.5 hereof and that such insurance policies are in full force and effect (subject to Section 4.3(c) with respect to required endorsements).

(e) Compliance with Certain Documents and Agreements. The Borrower and each Guarantor shall have each performed and complied in all material respects with all agreements and conditions contained in this Agreement and the other Loan Documents, to the extent required to be performed or complied with by the Borrower and each such Guarantor. No Person (other than the Agent and Lenders) party to this Agreement or any other Loan Document shall be in material default in the

performance or compliance with any of the terms or provisions of this Agreement or the other Loan Documents or shall be in material default in the performance or compliance with any of the material terms or material provisions of any Material Contract, in each case to which such Person is a party.

(f) Opinions of Counsel. The Borrower and Guarantors shall have furnished to the Agent and the Lenders opinions of counsel to the Borrower and Guarantors, including opinions of local counsel to the extent deemed necessary by the Agent, in each case dated the Effective Date and covering such matters (including the Warrant Documents) as reasonably required by and otherwise reasonably satisfactory in form and substance to the Agent and each of the Lenders.

(g) Payment of Fees. The Borrower shall have paid to the Agent all fees, costs or expenses due and outstanding to the Agent or the Lenders as of the Effective Date (including reasonable fees, disbursements and other charges of counsel to the Agent payable under Section 12.4(a) hereof), in each case to the extent invoiced at least one Business Day prior to the Effective Date.

(h) Financial Statements. The Borrower shall have delivered to the Lenders and the Agent, in form and substance satisfactory to the Agent: (a) audited financial statements of the Borrower for the Fiscal Year ended January 28, 2017, and presented in accordance with GAAP, (b) unaudited financial statements of the Borrower for the Fiscal Year ended February 3, 2018, (c) unaudited financial statements of the Borrower for the Fiscal Quarter ended May 5, 2018 (collectively, the "**Financial Statements**") and (d) monthly, quarterly and annual projections of the Borrower through January 28, 2023 in form reasonably acceptable to the Agent.

(i) [Intentionally Omitted]

(j) Employment Agreements. The Agent shall have received copies of all employment agreements of each executive of the Borrower which shall remain in effect following the Effective Date as set forth on Schedule 5.17 hereto, the terms of which are reasonably acceptable to the Agent and the Majority Lenders.

(k) Material Contracts. The Agent shall have received copies of all Material Contracts described on Schedule 5.18 hereto.

(l) Governmental and Other Approvals. The Agent shall have received copies of all authorizations, consents, approvals, licenses, qualifications or formal exemptions, filings, declarations and registrations with, any court, governmental agency or regulatory authority or any securities exchange or any other person or party (whether or not governmental) received by the Borrower or any Guarantor in connection with the transactions contemplated by the Loan Documents to occur on the Effective Date.

(m) Closing Certificate. The Agent shall have received, with a signed counterpart for each Lender, a certificate of a Responsible Officer of the Borrower dated the Effective Date, stating that to the best of his or her respective knowledge after due inquiry, (i) the conditions set forth in Sections 4.2(b) and 4.2(c) have been satisfied; and (ii) since January 28, 2017, no Material Adverse Effect has occurred.

(n) Solvency Certificate. The Agent shall have received a certificate of the chief financial officer of the Borrower, certifying that the Borrower is Solvent (after giving effect to the Term Loan A made on the Effective Date).

(o) [Intentionally Omitted]

(p) [Intentionally Omitted].

(q) Existing Indebtedness. On the Effective Date, the Borrower shall have (i) repaid in full all Existing Indebtedness, (ii) terminated any commitments to lend or make other extensions of credit thereunder, and (iii) delivered to the Agent all documents or instruments necessary to release all Liens securing Existing Indebtedness or other obligations of the Credit Parties thereunder being repaid on the Effective Date.

4.2 Conditions to all Loans. The obligations of each Lender to make Loans (including the Term Loan A) shall be subject to the continuing conditions that:

(a) the Agent shall have received a fully executed Request for Loan;

(b) at the time of and after giving effect to the making of such Loan and the application of the proceeds thereof, no Default or Event of Default has occurred and is continuing or would result from the making of the Loan to be made; and

(c) as of such Credit Date, the representations and warranties of the Credit Parties contained in this Agreement and the other Loan Documents shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations or warranties that already are qualified or modified as to "materiality" or "Material Adverse Effect" in the text thereof, which representations and warranties shall be true and correct in all respects subject to such qualification) as of the date of the making of such Loan to the same extent as though made on and as of that date (both before and immediately after giving effect to such Loan), except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations or warranties that already are qualified or modified as to "materiality" or "Material Adverse Effect" in the text thereof, which representations and warranties shall be true and correct in all respects subject to such qualification) on and as of such earlier date.

4.3 Conditions Subsequent to Effectiveness. As an accommodation to the Credit Parties, the Agent and the Lenders have agreed to execute this Agreement and to make the Term Loan A on the Effective Date notwithstanding the failure by the Credit Parties to satisfy the conditions set forth below on or before the Effective Date. In consideration of such accommodation, the Credit Parties agree that, in addition to all other terms, conditions and provisions set forth in this Agreement and the other Loan Documents, the Credit Parties shall satisfy each of the conditions subsequent set forth below on or before the date applicable thereto (it being understood that (i) the failure by the Credit Parties to perform or cause to be performed any such condition subsequent on or before the date applicable thereto shall constitute an Event of Default and (ii) to the extent that the existence of any such condition subsequent would otherwise cause any representation, warranty or covenant in this Agreement or any other Loan Document to be breached, the Majority Lenders hereby waive such breach for the period from the Effective Date until the date on which such condition subsequent is required to be fulfilled pursuant to this Section 4.3):

(a) not later than the date that is 45 days after the Effective Date (or such longer time as the Agent shall agree in writing), the Agent shall have received all Account Control Agreements that, in the reasonable judgment of the Agent, are required for the Borrower and the Guarantors to comply with the Loan Documents, each duly executed by, in addition to the Borrower or Guarantor, as applicable, the applicable financial institution, the Senior Agent and the Agent;

(b) the Borrower shall use commercially reasonable efforts to deliver to the Agent a Collateral Access Agreement with respect to each location in which the Senior Agent has such agreement within 60 days after the Effective Date (or such longer time as the Agent shall agree in writing); and

(c) not later than the date that is 10 Business Days after the Effective Date (or such longer time as the Agent shall agree in writing), the Agent shall have received endorsements (i) naming the Agent as additional insured or lenders loss payee under the Credit Parties' insurance policies; and (ii) to the extent available to the Borrower after its use of commercially reasonable efforts, providing that such policies may be terminated or canceled (by the insurer or the insured thereunder) only upon 30 days' prior written notice to the Agent and each such named insured or loss payee (or 10 days' prior written notice in the event of a cancellation due to a failure to pay premiums).

5. REPRESENTATIONS AND WARRANTIES.

The Borrower represents and warrants to the Agent and the Lenders as follows:

5.1 Corporate Authority. Each Credit Party is a corporation (or other business entity) duly organized and existing in good standing under the laws of the state or jurisdiction of its incorporation or formation, as applicable, and each Credit Party is duly qualified and authorized to do business as a foreign corporation in each jurisdiction where the character of its assets or the nature of its activities makes such qualification and authorization necessary except where failure to be so qualified or be in good standing could not reasonably be expected to have a Material Adverse Effect. Each Credit Party has all requisite corporate, limited liability or partnership power (as applicable) and authority to own all its property (whether real, personal, tangible or intangible or of any kind whatsoever) and to carry on its business.

5.2 Due Authorization. Execution, delivery and performance of this Agreement, and the other Loan Documents, to which each Credit Party is party, and the issuance of the Notes by the Borrower (if requested) (i) are within such Person's corporate, limited liability or partnership power (as applicable), (ii) have been duly authorized by all necessary action, (iii) are not in contravention of any Requirement of Law applicable to such Credit Party or the terms of such Credit Party's organizational documents, any Material Contract or the Senior Loan Documents or (iv) do not and will not result in or require the creation of any Lien (other than pursuant to any Loan Document or Senior Loan Document) upon or with respect to any of its properties.

5.3 Good Title; Leases; Assets; No Liens.

(a) Each Credit Party, to the extent applicable, has good and valid title (or, in the case of real property, good and marketable title) to all assets owned by it, subject only to the Liens permitted under Section 7.2 hereof, and each Credit Party has a valid leasehold or interest as a lessee or a licensee in all of its leased real property;

(b) Schedule 5.3(b) hereto identifies all of the real property owned or leased, as lessee thereunder, by the Borrower or any Guarantor on the Tenth Amendment Effective Date, including all warehouse or bailee locations;

(c) The Credit Parties will collectively own or collectively have a valid leasehold interest in all assets that were owned or leased (as lessee) by the Credit Parties immediately prior to the Tenth Amendment Effective Date to the extent that such assets are necessary for the continued operation of the Credit Parties' businesses in substantially the manner as such businesses were operated immediately prior to the Tenth Amendment Effective Date;

(d) Each Credit Party owns or has a valid leasehold interest in all real property necessary for its continued operations and, to the best knowledge of the Borrower, no material condemnation, eminent domain or expropriation action has been commenced or threatened against any such owned or leased real property;

(e) There are no Liens on and no financing statements on file with respect to any of the assets owned by the Credit Parties, except for the Liens permitted pursuant to Section 7.2 of this Agreement and any financing statements relating thereto; and

(f) No Credit Party that is not the Borrower or a Guarantor holds or owns any assets that are material to the business of the Borrower and its Subsidiaries nor any Intellectual Property (unless held by Rent the Runway Limited in the ordinary course of business for use in fulfilling its obligations to Borrower in a manner substantially consistent with the Intercompany License Agreement as of the Sixth Amendment Effective Date).

5.4 Taxes. (i) All Tax returns and other reports required by applicable Requirements of Law to be filed by any Credit Party have been timely filed (taking into account any extensions granted by the applicable Governmental Authority) and (ii) all Taxes imposed upon any Credit Party or any property of any Credit Party which have become due and payable on or prior to the Tenth Amendment Effective Date have been paid, except (A) unpaid Taxes in an aggregate amount at any one time not in excess of $1,000,000, (B) unpaid sales Taxes that are due and payable in the ordinary course of business and are not delinquent and (C) Taxes contested in good faith by proper proceedings which stay the imposition of any Lien resulting from the non-payment thereof and with respect to which adequate reserves have been set aside for the payment thereof in accordance with GAAP on the Financial Statements.

5.5 No Defaults. No Credit Party is in default under or with respect to any agreement, instrument or undertaking to which is a party or by which it or any of its property is bound which would cause or would reasonably be expected to cause a Material Adverse Effect.

5.6 Enforceability of Agreement and Loan Documents. This Agreement and each of the other Loan Documents to which any Credit Party is a party (including without limitation, each Request for Loan), have each been duly executed and delivered by its duly authorized officers and constitute the valid and binding obligations of such Credit Party, enforceable against such Credit Party in accordance with their respective terms, except as enforcement thereof may be limited by applicable bankruptcy, reorganization, insolvency, fraudulent conveyance, moratorium or similar laws affecting the enforcement of creditor's rights, generally and by general principles of equity (regardless of whether enforcement is considered in a proceeding in law or equity).

5.7 Compliance with Laws. (a) Except as disclosed on Schedule 5.7, each Credit Party has complied with all applicable federal, state and local laws, ordinances, codes, rules, regulations and guidelines (including consent decrees and administrative orders) including but not limited to Hazardous Material Laws, and is in compliance with any Requirement of Law, except to the extent that failure to comply therewith could not reasonably be expected to have a Material Adverse Effect; and (b) neither the extension of credit made pursuant to this Agreement or the use of the proceeds thereof by the Credit Parties will violate any Anti-Terrorism Laws, including the United States Foreign Corrupt Practices Act of 1977, the Trading with the Enemy Act, as amended, or any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto, or The United and Strengthening America by providing appropriate Tools Required to Intercept and Obstruct Terrorism ("USA Patriot Act") Act of 2001, Public Law 10756, October 26, 2001 or Executive Order 13224 of September 23, 2001 issued by the President of the United States (66 Fed. Reg. 49049 (2001)).

5.8 Non-contravention. The execution, delivery and performance of this Agreement and the other Loan Documents (including each Request for Loan) to which each Credit Party is a party are not in contravention of the terms of any indenture, agreement or undertaking to which such Credit Party is a party

or by which it or its properties are bound where such violation could reasonably be expected to have a Material Adverse Effect.

5.9 Litigation. Except as set forth on Schedule 5.9 hereto, there is no suit, action, proceeding, including, without limitation, any bankruptcy proceeding or governmental investigation pending against or to the knowledge of the Borrower, threatened in writing against any Credit Party (other than any suit, action or proceeding in which a Credit Party is the plaintiff and in which no counterclaim or cross-claim against such Credit Party has been filed), or any judgment, decree, injunction, rule, or order of any court, government, department, commission, agency, instrumentality or arbitrator outstanding against any Credit Party, nor is any Credit Party in violation of any applicable order, injunction, decree or requirement of any governmental body or court which (i) could in any of the foregoing events reasonably be expected to have a Material Adverse Effect or (ii) relates to this Agreement or any other Loan Document or any transaction contemplated hereby or thereby.

5.10 Consents, Approvals and Filings, Etc. Except as set forth on Schedule 5.10 hereto, (a) no authorization, consent, approval, license, qualification or formal exemption from, nor any filing, declaration or registration with, any court, governmental agency or regulatory authority or any securities exchange or any other Person (whether or not governmental) is required in connection with the execution, delivery and performance: (i) by any Credit Party of this Agreement and any of the other Loan Documents to which such Credit Party is a party or (ii) by the Credit Parties of the grant of Liens granted, conveyed or otherwise established (or to be granted, conveyed or otherwise established) by or under this Agreement or the other Loan Documents, as applicable, and (b) no material authorization, consent, approval, license, qualification or formal exemption from, nor any filing, declaration or registration with, any court, governmental agency or regulatory authority or any securities exchange or any other Person (whether or not governmental) is otherwise necessary to the operation of its business, except in each case for (x) such matters which have been previously obtained, and (y) such filings to be made concurrently herewith or promptly following the Effective Date as are required by the Collateral Documents to perfect Liens in favor of the Agent. All such authorizations, consents, approvals, licenses, qualifications, exemptions, filings, declarations and registrations which have previously been obtained or made, as the case may be, are in full force and effect and, to the best knowledge of the Borrower, are not the subject of any attack or threatened attack (in each case in any material respect) by appeal or direct proceeding or otherwise.

5.11 Agreements Affecting Financial Condition. No Credit Party is party to any agreement or instrument or subject to any charter or other corporate restriction which could reasonably be expected to have a Material Adverse Effect.

5.12 No Investment Company or Margin Stock. No Credit Party is an "investment company" within the meaning of the Investment Company Act of 1940, as amended. No Credit Party is engaged principally, or as one of its important activities, directly or indirectly, in the business of extending credit for the purpose of purchasing or carrying margin stock. None of the proceeds of any of the Loans will be used by any Credit Party to purchase or carry margin stock. Terms for which meanings are provided in Regulation U of the Board of Governors of the Federal Reserve System or any regulations substituted therefore, as from time to time in effect, are used in this paragraph with such meanings.

5.13 ERISA. No ERISA Event or Foreign Benefit Event has occurred and, to the knowledge of the Borrower, no ERISA Event or Foreign Benefit Event is reasonably expected to occur, except as would not reasonably be expected to have a Material Adverse Effect. Each Pension Plan and Foreign Plan is being maintained and funded in accordance with its terms and is in compliance with the requirements of the Internal Revenue Code and ERISA and other Requirements of Law, except as would not reasonably be expected to have a Material Adverse Effect.

5.14 Conditions Affecting Business or Properties. Neither the respective businesses nor the properties of any Credit Party is affected by any fire, explosion, accident, strike, lockout or other dispute, drought, storm, hail, earthquake, embargo, Act of God, or other casualty which could reasonably be expected to have a Material Adverse Effect.

5.15 Environmental and Safety Matters. Except as set forth in Schedules 5.9, 5.10 and 5.15:

(a) all facilities and property owned or leased by the Credit Parties are in compliance with all Hazardous Material Laws, except to the extent that any non-compliance could not reasonably be expected to result in a Material Adverse Effect;

(b) to the best knowledge of the Borrower, except as could not reasonably be expected to result in a Material Adverse Effect, there have been no unresolved and outstanding past, and there are no pending or threatened:

(i) claims, complaints, notices or requests for information received by any Credit Party with respect to any alleged violation of any Hazardous Material Law, or

(ii) written complaints, notices or inquiries to any Credit Party regarding potential liability of any Credit Parties under any Hazardous Material Law; and

(c) to the best knowledge of the Borrower, no conditions exist at, on or under any property now or previously owned or leased by any Credit Party, in each case which, with the passage of time, or the giving of notice or both, are or would be reasonably likely to give rise to liability under any Hazardous Material Law or create a significant adverse effect on the value of the property, except to the extent that such condition or liability could not reasonably be expected to result in a Material Adverse Effect.

5.16 Subsidiaries. Except as disclosed on Schedule 5.16 hereto as of the Tenth Amendment Effective Date, and thereafter, except as disclosed to the Agent in writing from time to time, no Credit Party has any Subsidiaries.

5.17 [Reserved].

5.18 Material Contracts. Schedule 5.18 attached hereto is an accurate and complete list of all Material Contracts in effect on or as of the Tenth Amendment Effective Date to which any Credit Party is a party or is bound. Each such Material Contract is in full force and effect and is binding upon and enforceable against each Credit Party that is a party thereto and, to the best knowledge of such Credit Party, all other parties thereto in accordance with its terms.

5.19 Insurance. Each Credit Party maintains all insurance required by Section 6.5.

5.20 Capital Structure. Schedule 5.20 attached hereto sets forth all issued and outstanding Equity Interests of each Credit Party (other than the Borrower), including the number of authorized, issued and outstanding Equity Interests of each Credit Party, the par value of such Equity Interests and the holders of such Equity Interests, all on and as of the Tenth Amendment Effective Date. All issued and outstanding Equity Interests of each Credit Party are duly authorized and validly issued, fully paid, nonassessable, free and clear of all Liens (in the case of Liens on the Equity Interests of any Credit Party (other than the Borrower), except for Liens in favor of (i) the Agent or (ii) the Senior Agent under the Senior Loan Documents) and such Equity Interests were issued in compliance with all applicable state, federal and foreign laws concerning the issuance of securities. Except as disclosed on Schedule 5.20, there are no

preemptive or other outstanding rights, options, warrants, conversion rights or similar agreements or understandings for the purchase or acquisition from any Credit Party, of any Equity Interests of any Credit Party.

5.21 Accuracy of Information.

(a) The audited financial statements for the fiscal year ended January 28, 2017, furnished to the Agent and the Lenders prior to the Effective Date fairly present in all material respects the financial condition of the Borrower and its respective Subsidiaries and the results of their operations for the periods covered thereby, and have been prepared in accordance with GAAP. The projections and the other pro forma financial information delivered to the Agent prior to the Effective Date are based upon good faith estimates and assumptions believed by management of the Borrower to be accurate and reasonable at the time made, it being recognized by the Lenders that such financial information as it relates to future events is not to be viewed as fact and that actual results during the period or periods covered by such financial information may differ from the projected results set forth therein.

(b) Since January 28, 2017, no Material Adverse Effect has occurred.

(c) To the best knowledge of the Credit Parties, as of the Tenth Amendment Effective Date, (i) the Credit Parties do not have any material contingent obligations (including any liability for taxes) not disclosed by or reserved against in the opening balance sheet to be delivered hereunder and (ii) there are no unrealized or anticipated losses from any present commitment of the Credit Parties which contingent obligations and losses in the aggregate could reasonably be expected to have a Material Adverse Effect.

5.22 Solvency. After giving effect to the consummation of the transactions contemplated by this Agreement and other Loan Documents and before and after giving effect to each Loan, the Credit Parties, taken as a whole, will be Solvent. After giving effect to the consummation of the transactions contemplated by the Ninth Amendment, the Credit Parties, taken as a whole, are Solvent. This Agreement is being executed and delivered by the Borrower to the Agent and the Lenders in good faith and in exchange for fair, equivalent consideration. The Credit Parties do not contemplate filing a petition in bankruptcy or for an arrangement or reorganization under the Bankruptcy Code or any similar law of any jurisdiction now or hereafter in effect relating to any Credit Party, nor does any Credit Party have any knowledge of any threatened bankruptcy or insolvency proceedings against a Credit Party.

5.23 Employee Matters. There are no strikes, slowdowns, work stoppages, unfair labor practice complaints, grievances, arbitration proceedings or controversies pending or, to the best knowledge of the Borrower, threatened in writing against any Credit Party by any employees of any Credit Party, other than non-material employee grievances or controversies arising in the ordinary course of business and other grievances or controversies which could not reasonably be expected to have a Material Adverse Effect. Set forth on Schedule 5.23 are all union contracts or agreements to which any Credit Party is party as of the Tenth Amendment Effective Date and the related expiration dates of each such contract.

5.24 Disclosure. Each Credit Party has disclosed to the Agent and the Lenders all agreements, instruments and corporate or other restrictions to which it is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. Neither this Agreement nor any other Loan Document, certificate, written information or report furnished or to be furnished by or on behalf of a Credit Party to the Agent or any Lender in connection with any of the transactions contemplated hereby or thereby, contains a misstatement of material fact, or omits to state a material fact required to be stated in order to make the statements contained herein or therein, taken as a whole, not materially misleading in the light of the circumstances under which such statements were made. There is no fact, other than information known to the public generally, known to any Credit Party after

diligent inquiry, that could reasonably be expect to have a Material Adverse Effect that has not expressly been disclosed to the Agent in writing.

5.25 Corporate Documents and Corporate Existence. As to the Borrower and any Guarantor, (a) it is an organization as described on Schedule 1.1 hereto and has provided the Agent and the Lenders with complete and correct copies of its articles of incorporation, by-laws and all other applicable charter and other organizational documents, and, if applicable, a good standing certificate and (b) its correct legal name, business address, type of organization and jurisdiction of organization, tax identification number and other relevant identification numbers are set forth on Schedule 1.1 hereto.

5.26 Anti-Money Laundering/Anti-Terrorism. Each Credit Party represents and warrants that (i) no Covered Entity (in the case of clauses (b) and (c) of the definition of "Covered Entity," to the knowledge of the Credit Parties) (A) is a Sanctioned Person; (B), either in its own right or through any third party, (1) has any of its assets in a Sanctioned Country or in the possession, custody or control of a Sanctioned Person; (2) does business in or with, or derives any of its income from investments in or transactions with, any Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law; or (3) engages in any dealings or transactions prohibited by, any Anti-Terrorism Laws.

5.27 EEA Financial Institution. Neither the Borrower nor any Guarantor is an EEA Financial Institution.

5.28 Intellectual Property.

(a) To the best of the Borrower's knowledge, the Credit Parties own or have rights to use the Intellectual Property necessary for the conduct of their businesses. To the best of the Borrower's knowledge, each of the Copyrights, Trademarks and Patents (in each case, as defined in the Security Agreement) owned by the Borrower is valid and enforceable, and no part of such Intellectual Property has been judged invalid or unenforceable, in whole or in part, and no claim has been made to the Borrower that any part of such Intellectual Property violates the rights of any third party except to the extent such claim could not reasonably be expected to cause a Material Adverse Effect.

(b) The Credit Parties and any Person acting for or on behalf of the Credit Parties have complied with all Data Security Requirements, except such non-compliance that could not reasonably be expected to result in a Material Adverse Effect.

5.29 Inbound Licenses. Except as disclosed on Schedule 5.29, the Borrower is not a party to, nor is it bound by, any material inbound license or other material agreement the failure, breach, or termination of which could reasonably be expected to cause a Material Adverse Effect, or that prohibits or otherwise restricts the Borrower from granting a security interest in the Borrower's interest in such license or any other property.

5.30 Use of Proceeds. The proceeds of the Loans shall be used in accordance with Section 2.10.

5.31 Security Documents. The Security Agreement creates in favor of the Agent, for the benefit of itself and the Lenders, a legal, valid, continuing and enforceable security interest in the Collateral, the enforceability of which is subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

6. AFFIRMATIVE COVENANTS.

The Borrower covenants and agrees, so long as any Lender has any commitment to extend credit hereunder, or any of the Indebtedness (including any Yield Maintenance Premium or Prepayment Premium) remains outstanding and unpaid, that it will, and, as applicable, it will cause each of its Subsidiaries to:

6.1 Financial Statements. Furnish to the Agent, in form and detail satisfactory to the Agent, with sufficient copies for each Lender, the following documents:

(a) within one hundred twenty (120) days after the end of each Fiscal Year, a copy of the audited Consolidated financial statements of the Borrower and its Consolidated Subsidiaries and the related audited Consolidated statements of income, stockholders equity, and cash flows of the Borrower and its Consolidated Subsidiaries for such Fiscal Year, setting forth in each case in comparative form the figures for the previous Fiscal Year, certified, in the case of the audited Consolidated financial statements and audited Consolidated statements of income as being fairly stated in all material respects by an independent accounting firm reasonably acceptable to the Agent, it being understood that any nationally recognized certified public accounting firm is satisfactory to the Agent, which report and opinion shall not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit other than any such qualification or exception that is solely with respect to, or resulting solely from, (x) an upcoming maturity date under this Agreement or the Senior Credit Agreement occurring within one year from the time such report is delivered or (y) any inability to satisfy the financial covenants set forth in the Senior Credit Agreement;

(b) within forty-five (45) days after the end of each Fiscal Quarter (including the last Fiscal Quarter of each Fiscal Year which, for such Fiscal Quarter, shall be a Borrower prepared draft subject to standard audit adjustments), (i) the Borrower prepared unaudited Consolidated balance sheets of the Borrower and its Consolidated Subsidiaries as at the end of such Fiscal Quarter and the related unaudited statements of income and cash flows (and, upon the request of the Agent, if an Event of Default has occurred and is continuing, stockholders equity) of the Borrower and its Consolidated Subsidiaries for the portion of the Fiscal Year through the end of such Fiscal Quarter, setting forth in each case in comparative form the figures for the corresponding periods in the previous Fiscal Year, and (ii) a report reflecting compliance with Section 7.16 (with reasonably detailed supporting information), in each case, certified by a Responsible Officer of the Borrower as being fairly stated in all material respects; and

(c) within thirty (30) days after the end of each month (or such later date as the Agent agrees in its sole discretion), (including the last month of each Fiscal Quarter and each Fiscal Year, which, for such months, shall be a Borrower prepared draft subject to standard audit adjustments), commencing with the first full month occurring after the Effective Date, the Borrower prepared unaudited Consolidated balance sheets of the Borrower and its Consolidated Subsidiaries as at the end of such month and the related unaudited statements of income and cash flows (and, upon the request of the Agent, if an Event of Default has occurred and is continuing, stockholders equity) of the Borrower and its Consolidated Subsidiaries for the portion of the Fiscal Year through the end of such Fiscal Month, setting forth in each case in comparative form the figures for the corresponding periods in the previous Fiscal Year, and certified by a Responsible Officer of the Borrower as being fairly stated in all material respects;

all such financial statements to be complete and correct in all material respects and to be prepared in reasonable detail and in accordance with GAAP consistently applied, throughout the periods reflected therein and with prior periods (except as approved by a Responsible Officer of the Borrower and disclosed therein), provided however that (i) the Consolidating financial statements delivered pursuant to clause (a) hereof, (ii) all the financial statements delivered pursuant to clause (b) hereof will not be required to include footnotes and will be subject to change as a result of audit and year-end adjustments and (iii) all the financial

statements delivered pursuant to clause (c) hereof will not be required to include exhibits and will be subject to change as a result of audit, quarterly and/or year-end adjustments.

Notwithstanding the foregoing, the obligations in Section 6.1(a) and Section 6.1(b) may be satisfied with respect to financial information of the Borrower and its Consolidated Subsidiaries by furnishing Form 10-K or 10-Q of the Borrower, as applicable, filed with the SEC; provided that to the extent such information is in lieu of information required to be provided under Section 6.1(a), such materials are accompanied by a report and opinion of the Borrower's auditor or any other independent accounting firm reasonably acceptable to the Agent, it being understood that any nationally recognized certified public accounting firm is satisfactory to the Agent, which report and opinion shall not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit other than any such qualification or exception that is solely with respect to, or resulting solely from, (x) an upcoming maturity date under this Agreement or the Senior Credit Agreement occurring within one year from the time such report is delivered or (y) any inability to satisfy the financial covenants set forth in the Senior Credit Agreement.

6.2 Certificates; Other Information. Furnish to the Agent, in form and detail acceptable to the Agent, with sufficient copies for each Lender, the following documents:

(a) Promptly upon receipt thereof, copies of all significant reports submitted by the Credit Parties' firm(s) of certified public accountants in connection with each annual, interim or special audit or review of any type of the financial statements or related internal control systems of the Credit Parties made by such accountants, including any comment letter submitted by such accountants to management in connection with their services;

(b) Any financial reports, statements, press releases, other material information or written notices delivered to the Senior Agent, the Senior Lenders or the holders of the Subordinated Debt pursuant to any Senior Loan Documents or any applicable Subordinated Debt Documents (to the extent not otherwise required hereunder), as and when delivered to such Persons (including, without limitation, any compliance certificate (or similar report) delivered pursuant to the Senior Credit Agreement);

(c) Within sixty (60) days after the end of such Fiscal Year, projections for the Credit Parties for the Fiscal Year then in progress, with the projections presented on a quarterly basis, including a balance sheet, as at the end of each relevant period and for the period commencing at the beginning of the Fiscal Year and ending on the last day of such relevant period, such projections approved by the Borrower's board of directors and certified by a Responsible Officer of the Borrower as being believed to be reasonable estimates and assumptions taking into account all facts and information known by a Responsible Officer of the Borrower;

(d) Simultaneously with the delivery of the financial statements of the Credit Parties required by Section 6.1, if, as a result of any change in accounting principles and policies from those used in the preparation of the Financial Statements, the Consolidated financial statements of the Borrower delivered pursuant to Section 6.1 will differ from the Consolidated financial statements that would have been delivered pursuant to such Section had no such change in accounting principles and policies been made, then, together with the first delivery of such financial statements after such change, one or more statements of reconciliation for all such prior financial statements in form and substance satisfactory to the Agent;

(e) Any additional information as required by any Loan Document, and such additional schedules, certificates and reports respecting all or any of the Collateral, the items or amounts received by the Credit Parties in full or partial payment thereof, and any goods (the sale or lease of which

shall have given rise to any of the Collateral) possession of which has been obtained by the Credit Parties, all to such extent as the Agent may reasonably request from time to time, any such schedule, certificate or report to be certified as true and correct in all material respects by a Responsible Officer of the applicable Credit Party and shall be in such form and detail as the Agent may reasonably specify;

(f) Promptly upon the Agent's request, a report of the cash account balances of the Credit Parties, confirming the Credit Parties' compliance with the covenant set forth in Section 7.14; and

(g) Such additional financial and/or other information as the Agent or any Lender may from time to time reasonably request, promptly following such request.

6.3 Payment of Taxes and Other Obligations.

(a) Pay in full before delinquency or before the expiration of any extension period, all Taxes imposed upon any Credit Party or any property of any Credit Party, except (i) unpaid Taxes in an aggregate amount at any one time not in excess of $1,000,000, and (ii) Taxes contested in good faith by proper proceedings which stay the imposition of any Lien resulting from the non-payment thereof and with respect to which adequate reserves have been set aside for the payment thereof in accordance with GAAP.

(b) Pay, discharge or otherwise satisfy, at or before maturity or before they become delinquent, as the case may be, all of its material obligations (other than obligations described in clause (a) above) of whatever nature, including without limitation all assessments, governmental charges, claims for labor, supplies, rent or other obligations, except where the amount or validity thereof is currently being appropriately contested in good faith and reserves in conformity with GAAP with respect thereto have been provided on the books of the Credit Parties.

6.4 Conduct of Business and Maintenance of Existence; Compliance with Laws.

(a) Continue to engage in their respective business and operations substantially as conducted immediately prior to the Effective Date, except as otherwise permitted pursuant to Section 7.4 or as may be agreed by the Agent from time to time in its reasonable discretion;

(b) Preserve, renew and keep in full force and effect its existence and maintain its qualifications to do business in each jurisdiction where such qualifications are necessary for its operations, except as otherwise permitted pursuant to Section 7.4;

(c) Take all action it deems necessary in its reasonable business judgment to maintain all rights, privileges, licenses and franchises, and protect all algorithms, Software and customer lists, in each case as are necessary for the normal conduct of its business except where the failure to so maintain such rights, privileges or franchises or so protect such algorithms, Software and customer lists could not, either singly or in the aggregate, reasonably be expected to have a Material Adverse Effect. If, despite the restrictions contained in Section 7.3 and subject to the exceptions for Rent the Runway Limited set forth therein, any Subsidiary of the Borrower that is not the Borrower or a Guarantor holds, acquires, exclusively licenses or develops material algorithms, material customer lists, or material Software, the Borrower shall promptly cause (i) such Subsidiary to transfer such material algorithms, material customer lists, or material Software and any rights thereto to the Borrower or a Guarantor and (ii) grant a perfected security interest in any such material algorithms, material customer lists, or material Software in accordance with the requirements set forth in the Loan Documents and, provided that if Borrower or a Guarantor complies with the foregoing sentence, such holding, acquisition, exclusive license or development shall not constitute a breach of this Section 6.4;

(d) Preserve or renew all of its Intellectual Property, except to the extent such Intellectual Property is no longer used or useful to the business of the Credit Parties, based on Credit Parties' reasonable business judgment;

(e) Comply with all Contractual Obligations and Requirements of Law, except to the extent that failure to comply therewith could not, either singly or in the aggregate, reasonably be expected to have a Material Adverse Effect; and

(f) (i) Continue to be a Person whose property or interests in property is not blocked or subject to blocking pursuant to Section 1 of Executive Order 13224 of September 23, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit or Support Terrorism (66 Fed. Reg. 49079 (2001)) (the "**Order**"), (ii) not engage in the transactions prohibited by Section 2 of that Order or become associated with Persons such that a violation of Section 2 of the Order would arise, and (iii) not become a Person on the list of Specially Designated Nationals and Blocked Persons, or (iv) otherwise not become subject to the limitation of any OFAC regulation or executive order.

6.5 Maintenance of Property; Insurance. (a) Keep all material property it deems, in its reasonable business judgment, useful and necessary in its business in working order (ordinary wear and tear excepted); (b) maintain insurance coverage with financially sound and reputable insurance companies on physical assets and against other business risks in such amounts and of such types as are customarily carried by companies similar in size and nature (including without limitation casualty and public liability and property damage insurance), and in the event of acquisition of additional property, real or personal, or of the incurrence of additional risks of any nature, increase such insurance coverage in such manner and to such extent as prudent business judgment and present practice or any applicable Requirements of Law would dictate; (c) in the case of all insurance policies covering any Collateral, such insurance policies shall provide that the loss payable thereunder shall be payable to the applicable Credit Party, and to the Agent (as mortgagee, or, in the case of personal property interests, lender loss payee) as their respective interests may appear; (d) in the case of all public liability insurance policies, such policies shall list the Agent as an additional insured, as the Agent may reasonably request; and (e) if requested by the Agent, certificates evidencing such policies, including all endorsements thereto, to be deposited with the Agent, such certificates being in form and substance reasonably acceptable to the Agent (which policies shall provide that it shall not be canceled, modified or not renewed (i) by reason of nonpayment of premium except upon not less than ten (10) days' prior written notice thereof by insurer to the Agent (giving the Agent the right to cure defaults in the payment of premiums) or (ii) for any other reason except upon not less than thirty (30) days' prior written notice thereof by the insurer to the Agent. If any Credit Party fails to maintain such insurance, the Agent may arrange for such insurance, but at the Borrower's expense and without any responsibility on the Agent's part for obtaining the insurance, the solvency of the insurance companies, the adequacy of the coverage, or the collection of claims. Upon the occurrence and during the continuance of an Event of Default, subject to the terms of the Specified Subordination Agreement, the Agent shall have the sole right, in the name of the Lenders or any Credit Party, to file claims under any insurance policies, to receive, receipt and give acquittance for any payments that may be payable thereunder, and to execute any and all endorsements, receipts, releases, assignments, reassignments or other documents that may be necessary to effect the collection, compromise or settlement of any claims under any such insurance policies.

6.6 Inspection of Property; Books and Records, Discussions. Permit the Agent and each Lender, through their authorized attorneys, accountants and representatives (i) at all reasonable times during normal business hours, upon the request of the Agent or such Lender, to examine each Credit Party's books, accounts, records, ledgers and assets and properties, (ii) during normal business hours and at their own risk, to enter onto the real property owned or leased by any Credit Party to conduct inspections, investigations or other reviews of such real property, and (iii) at reasonable times during normal business hours and at

reasonable intervals, to visit all of the Credit Parties' offices, discuss each Credit Party's respective financial matters with their respective officers, as applicable, and, by this provision, the Borrower authorizes, and will cause each of its respective Subsidiaries to authorize, its independent certified or chartered public accountants to discuss the finances and affairs of any Credit Party and examine any of such Credit Party's books, reports or records held by such accountants; provided, however, when an Event of Default exists, the Agent and each Lender, through their authorized attorneys, accountants and representatives, may do any of the foregoing at the expense of the Credit Parties at any time during normal business hours and without advance notice.

6.7 Notices. Give written notice to the Agent of:

(a) as soon as possible, and in any event within 2 Business Days after the occurrence thereof, the occurrence of any Default or Event of Default of which any Credit Party has knowledge or the occurrence of any Reportable Compliance Event;

(b) promptly, any (i) litigation or proceeding existing at any time between any Credit Party and any Governmental Authority or other third party, or any investigation of any Credit Party conducted by any Governmental Authority, which in any case if adversely determined would have a Material Adverse Effect together with all documents and information furnished to such Governmental Authority in connection thereof (to the extent such disclosure is not prohibited by any Requirements of Law) or (ii) Material Adverse Effect on the financial condition of any Credit Party since the date of the last audited financial statements delivered pursuant to Section 6.1(a) hereto;

(c) the occurrence of any event which any Credit Party believes could reasonably be expected to have a Material Adverse Effect, promptly, but in any event within 5 Business Days, after concluding that such event could reasonably be expected to have such a Material Adverse Effect;

(d) promptly, but in any event within 5 Business Days, after becoming aware thereof, the taking by the Internal Revenue Service or any state, local or foreign taxing jurisdiction of a written tax position (or any such tax position taken by any Credit Party in a filing with the Internal Revenue Service or any state, local or foreign taxing jurisdiction) which could reasonably be expected to have a Material Adverse Effect, setting forth the details of such position and the financial impact thereof;

(e) (i) all jurisdictions in which the Borrower or any Guarantor proposes to become qualified after the Effective Date to transact business, (ii) the acquisition or creation of any new Subsidiaries, (iii) any material change after the Effective Date in the authorized and issued Equity Interests of any Credit Party or any other material amendment to any Credit Party's charter, by-laws or other organizational documents, such notice, in each case, to identify the applicable jurisdictions, capital structures or amendments as applicable, provided that such notice shall be given not less than ten (10) Business Days prior to the proposed effectiveness of such changes, acquisition or creation, as the case may be (or such shorter period to which the Agent may consent);

(f) material notices that any Credit Party executes or receives in connection with any Material Contract, as soon as possible and in any event within 5 Business Days after execution, receipt or delivery thereof, together with copies thereof;

(g) not less than fifteen (15) Business Days (or such other shorter period to which the Agent may agree) prior to the proposed effective date thereof (or to the extent the Borrower requests any such modification less than fifteen (15) Business Days prior to the proposed effective date thereof, upon receipt thereof), (i) any proposed amendments, restatements or other modifications to any Senior Loan

Document or (ii) any material proposed amendments, restatements or other modifications to any Subordinated Debt Documents; and

(h) any default or event of default by any Person under any Senior Loan Document or any Subordinated Debt Document, concurrently with delivery or promptly, but in any event within 5 Business Days, after receipt (as the case may be) of any notice of default or event of default under the applicable document, as the case may be.

Each notice pursuant to this Section shall be accompanied by a statement of a Responsible Officer of the Borrower setting forth details of the occurrence referred to therein and, in the case of notices referred to in clauses (a), (b), (c), (d) and (h) hereof stating what action the applicable Credit Party has taken or proposes to take with respect thereto.

Notwithstanding the foregoing, the obligations in this Section may be satisfied by disclosure in public filings of the Borrower filed with the SEC.

6.8 Hazardous Material Laws.

(a) Use and operate all of its business, facilities and properties in material compliance with all applicable Hazardous Material Laws, keep all material required permits, approvals, certificates, licenses and other authorizations required under such Hazardous Material Laws in effect and remain in compliance therewith, and handle all Hazardous Materials in material compliance with all applicable Hazardous Material Laws;

(b) (i) Promptly notify the Agent and provide copies upon receipt of all written claims, complaints, notices or inquiries received by any Credit Party relating to its facilities and properties or compliance with Hazardous Material Laws which, if adversely determined, could reasonably be expected to have a Material Adverse Effect and (ii) promptly cure and have dismissed with prejudice to the reasonable satisfaction of the Agent and the Majority Lenders any material actions and proceedings relating to compliance with, or liability under, Hazardous Material Laws to which any Credit Party is named a party, other than such actions or proceedings being contested in good faith and with the establishment of reasonable reserves;

(c) To the extent necessary to comply with Hazardous Material Laws, remediate or monitor contamination arising from a release or disposal of Hazardous Material, or undertake corrective action to address any noncompliance with or liability under Hazardous Material Laws, in each case which solely, or together with other releases, instances of noncompliance, liability or disposals of Hazardous Materials could reasonably be expected to have a Material Adverse Effect; and

(d) Provide such information and certifications which the Agent or any Lender may reasonably request from time to time to evidence compliance with this Section 6.8.

6.9 Board Observation Rights. At the Agent's election, which shall be made for each Fiscal Quarter by providing written notice thereof to the Borrower at least thirty (30) days prior to the beginning of such Fiscal Quarter (or such shorter period agreed by the Borrower), the Agent shall be entitled to designate one observer (the "**Board Observer**") to attend in person (or, only in the case of BOD Meetings that other board members or observers are permitted to attend by telephone, by telephone) any regular or special meeting (a "**BOD Meeting**") of the board of directors of the Borrower (or any relevant committees thereof), except that the Board Observer shall not be entitled to vote on matters presented to or discussed by the board of directors (or any relevant committee thereof) of the Borrower at any such meetings. For any Fiscal Quarter for which the Agent shall have made such election, the Board Observer shall be timely notified of the time and place of any BOD Meetings and will be given written notice of all proposed actions

to be taken by the board of directors (or any relevant committee thereof) of the Borrower at such meeting as if the Board Observer were a member thereof; provided, that, notwithstanding anything to the contrary contained in this Section 6.9, the Board Observer may be excluded from meetings (or a portion thereof) and materials provided to the Board Observer in connection with such meetings may be redacted to the extent that the board of directors of the Borrower (or any relevant committees thereof) reasonably determines that such exclusion or redaction is necessary (a) to preserve attorney-client privilege or (b) to avoid a conflict of interest between the interests of the Borrower or any of its Subsidiaries, as applicable, and those of the Agent or any Lender; provided, further, that such exclusion or redaction shall be limited to the portion of such meeting or materials that is the basis for such exclusion or redaction and shall not extend to any portion of such meeting or materials that does not involve or pertain to such exclusion or redaction. Such notice shall describe in reasonable detail the nature and substance of the matters to be discussed and/or voted upon at such meeting (or the proposed actions to be taken by written consent without a meeting). In the event the Board Observer is excluded from any meeting or portion thereof or is delivered any redacted information or materials related thereto, the Borrower shall promptly provide to the Board Observer a general description, which shall be true and correct in all material respects, of the matters discussed during such meeting or portion thereof at which the Board Observer was excluded and any such redacted information or materials; provided that such description may exclude any information to the extent that the Borrower reasonably determines that such exclusion is necessary (i) to preserve attorney-client privilege or (ii) to avoid a conflict of interest between the interests of the Borrower or any of its Subsidiaries, as applicable, and those of the Agent or any Lender. Subject to the first proviso in the second sentence of this Section, the Board Observer shall have the right to receive all information provided to the members of the board of directors or any similar group performing an executive oversight or similar function (or any relevant committee thereof) of the Borrower in anticipation of or at such meeting (regular or special and whether telephonic or otherwise), in addition to copies of the records of the proceedings or minutes of such meeting, when provided to the members, and the Board Observer shall keep such materials and information confidential in accordance with Section 12.10. The Board Observer shall be identified by the Agent and consented to by the Borrower (such consent not to unreasonably delayed or withheld) (it being acknowledged and agreed by the Borrower that Soyoun Ahn and Nicolas Debetencourt are approved to be a Board Observer). The Borrower shall reimburse the Board Observer for all reasonable out-of-pocket costs and expenses incurred in connection with its participation in any such BOD Meeting.

6.10 Governmental and Other Approvals. Apply for, obtain and/or maintain in effect, as applicable, all authorizations, consents, approvals, licenses, qualifications, exemptions, filings, declarations and registrations (whether with any court, governmental agency, regulatory authority, securities exchange or otherwise) which are necessary or reasonably requested by the Agent in connection with the execution, delivery and performance by any Credit Party of, as applicable, this Agreement, the other Loan Documents, the Senior Loan Documents, the Subordinated Debt Documents, or any other documents or instruments to be executed and/or delivered by any Credit Party, as applicable in connection therewith or herewith, except where the failure to so apply for, obtain or maintain could not reasonably be expected to have a Material Adverse Effect.

6.11 Compliance with ERISA; ERISA Notices.

(a) Comply in all respects with all requirements imposed by ERISA and the Internal Revenue Code and other Requirements of Law, including, but not limited to, the minimum funding requirements for any Pension Plan (other than a Multiemployer Plan), and to prevent any occurrence of an ERISA Event or Foreign Benefit Event, except to the extent that failure to comply therewith could not, either singly or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) Promptly notify the Agent in writing if any ERISA Event or Foreign Benefit Event occurs, or is reasonably expected to occur, to the extent that such ERISA Event or Foreign Benefit Event could reasonably be expected to have a Material Adverse Effect.

6.12 Defense of Collateral. Defend the Collateral from any Liens other than Liens permitted by Section 7.2.

6.13 Future Subsidiaries; Additional Collateral.

(a) With respect to each Person which becomes a (i) Domestic Subsidiary of the Borrower (directly or indirectly) subsequent to the Effective Date, whether by Permitted Acquisition or otherwise, cause such new Domestic Subsidiary or (ii) Foreign Subsidiary (including any CFC) of the Borrower (directly or indirectly) subsequent to the Effective Date, whether by Permitted Acquisition or otherwise, unless the Agent, acting in consultation with the Borrower, reasonably determines in good faith that the cost, burden, difficulty and/or consequence of obtaining a guaranty or security interest with respect thereto outweigh the benefit to the Lenders after conducting due diligence on such Foreign Subsidiary, cause such new Foreign Subsidiary, to execute and deliver to the Agent, for and on behalf of itself and each of the Lenders (unless waived by the Agent) the below items set forth in clauses (i)-(iii); provided, that no CFC or CFC Holding Company shall be required to complete the items set forth in clauses (a)(i)-(iii) below if completing such requirements would reasonably be expected to result in material tax liabilities or material adverse tax consequences as jointly determined in good faith by the Borrower and the Agent:

(i) within thirty (30) days after the date such Person becomes a Subsidiary (or such longer time period as the Agent may determine, without any requirement for Lender consent), a Guaranty, or in the event that a Guaranty already exists, a joinder agreement to the Guaranty whereby such Subsidiary becomes obligated as a Guarantor under the Guaranty;

(ii) within thirty (30) days after the date such Person becomes a Subsidiary (or such longer time period as the Agent may determine, without any requirement for Lender consent), a joinder agreement to the Security Agreement whereby such Subsidiary grants a Lien over its assets (other than Equity Interests which should be governed by (b) of this Section 6.13) as set forth in the Security Agreement, and such Subsidiary shall take such additional actions as may be necessary to ensure a valid perfected Lien over such assets of such Subsidiary, subject only to the other Liens permitted pursuant to Section 7.2 of this Agreement; and

(iii) within the time period specified in and to the extent required under clause (c) of this Section 6.13, a Mortgage, Collateral Access Agreements and/or other documents required to be delivered in connection therewith;

(b) With respect to the Equity Interests of each Person which becomes (whether by Permitted Acquisition or otherwise) (i) a Domestic Subsidiary or a Foreign Subsidiary which becomes (or is required to become) a Guarantor subsequent to the Effective Date, cause the Borrower or the Guarantor that holds such Equity Interests to execute and deliver such Pledge Agreements, and take such actions as may be necessary to ensure a valid perfected Lien over one hundred percent (100%) of the Equity Interests of such Subsidiary held by the Borrower or such Guarantor, such Pledge Agreements to be executed and delivered (unless waived in writing by the Agent) within thirty (30) days after the date such Person becomes a Subsidiary (or such longer time period as the Agent may determine, without any requirement for Lender consent); provided that with respect to any CFC Holding Company that is not required to become a Guarantor, there shall be a valid perfected Lien over sixty-five percent (65%) (or more than sixty-five percent (65%) unless such greater percentage would reasonably be expected to cause any material adverse tax consequences to the Borrower as jointly determined in good faith by the Borrower and the Agent) of

the voting Equity Interest and one hundred percent (100%) of the non-voting Equity Interest of such CFC Holding Company; and (ii) a Foreign Subsidiary subsequent to the Effective Date and is not required to become a Guarantor, the Equity Interests of which is held directly by the Borrower or a Guarantor, cause the Borrower or such Guarantor that holds such Equity Interests to execute and deliver such Pledge Agreements and take such actions as may be necessary to ensure a valid perfected Lien over sixty-five percent (65%) (or more than sixty-five percent (65%) unless such greater percentage would reasonably be expected to cause any material adverse tax consequences to the Borrower as jointly determined in good faith by the Borrower and the Agent) of the voting Equity Interest and one hundred percent (100%) of the non-voting Equity Interests of such Foreign Subsidiary, such Pledge Agreements to be executed and delivered (unless waived in writing by the Agent) within thirty (30) days after the date such Person becomes a Foreign Subsidiary (or such longer time period as the Agent may determine, without any requirement for Lender consent); and

(c) (i) With respect to the acquisition of a fee interest in real property by the Borrower or any Guarantor after the Effective Date (whether by Permitted Acquisition or otherwise), not later than sixty (60) days after the acquisition is consummated (or such longer time period as the Agent may determine, without any requirement for Lender consent), the Borrower or such Guarantor shall execute or cause to be executed (unless waived in writing by the Agent), a Mortgage (or an amendment to an existing mortgage, where appropriate) covering such real property, together with such additional real estate documentation, environmental reports, title policies and surveys as may be reasonably required by the Agent; (ii) with respect to the acquisition of any leasehold interest in real property by the Borrower or any Guarantor after the Effective Date (whether by Permitted Acquisition or otherwise) at which the Borrower or such Guarantor maintains its headquarters location, not later than forty-five (45) days after the acquisition is consummated (or such longer time period as the Agent may determine, without any requirement for Lender consent), the Borrower or such Guarantor shall deliver to the Agent a copy of the applicable lease agreement and shall use commercially reasonably efforts to execute or cause to be executed, unless otherwise waived in writing by the Agent, a Collateral Access Agreement in form and substance reasonably acceptable to the Agent together with such other documentation as may be reasonably required by the Agent; and (iii) with respect to the acquisition of any other leasehold interest in real property by the Borrower or any Guarantor after the Effective Date (whether by Permitted Acquisition or otherwise) at which the Borrower or such Guarantor holds or stores Collateral with an aggregate net book value in excess of $2,500,000 at each such location, not later than sixty (60) days after the date on which Collateral in excess of such threshold amount is located on the location subject to such lease (or such longer time period as the Agent may determine, without any requirement for Lender consent), the Borrower or such Guarantor shall deliver to the Agent a copy of the applicable lease agreement and shall use commercially reasonable efforts to execute or cause to be executed, unless otherwise waived by the Agent, a Collateral Access Agreement in form and substance reasonably acceptable to the Agent, together with such other documentation as may be reasonably required by the Agent;

in each case in form reasonably satisfactory to the Agent, in its reasonable discretion, together with such supporting documentation, including without limitation corporate authority items, certificates and opinions of counsel, as reasonably required by the Agent. Upon the Agent's request, the Borrower and the Guarantors shall take, or cause to be taken, such additional steps as are necessary or advisable under applicable law to perfect and ensure the validity and priority of the Liens granted under this Section 6.13.

6.14 Accounts. All deposit accounts and securities accounts of the Borrower and the Guarantors (other than the Permitted Account, Excluded Accounts and other deposit accounts and/or securities accounts that the Agent shall agree in its sole discretion) shall be subject to Account Control Agreements. The Borrower and the Guarantors shall take all other steps necessary, or in the opinion of the Agent, desirable to ensure that the Agent has a perfected security interest in such account. Notwithstanding the foregoing, the Borrower shall be permitted to maintain the Permitted Account without delivering the

documentation required under this Section 6.14 with respect to such Permitted Account, so long as no Event of Default has occurred and is continuing and the aggregate balance in the Permitted Account does not exceed Three Hundred Thousand Dollars ($300,000) at any time. The Borrower and the Guarantors shall deposit, or cause to be deposited promptly, and in any event no later than the next Business Day after the date of receipt thereof, all proceeds in respect of any Collateral and all other amounts received by the Borrower and the Guarantors into an account of the Borrower or Guarantors. Subject to Section 6.19(f), the Borrower and the Guarantors shall not maintain cash or other amounts in any deposit account or securities account, unless the Agent shall have received an Account Control Agreement in respect of each such account (other than the Permitted Account and the Excluded Accounts). Subject to the terms of the Specified Subordination Agreement, if an Event of Default has occurred and is continuing, all amounts received in such accounts shall, if so directed by the Agent, be wired each Business Day into the Agent's Account.

6.15 Use of Proceeds. Use the Loans in accordance with Section 2.10. The Borrower shall not use any portion of the proceeds of any such advances for the purpose of purchasing or carrying any "margin stock" (as defined in Regulation U of the Board of Governors of the Federal Reserve System) in any manner which violates the provisions of Regulation T, U or X of said Board of Governors or for any other purpose in violation of any applicable statute or regulation and not use the Loans to fund any operations in, finance any investments or activities in, or, make any payments to, a Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law or in any other manner that would result in a violation of Sanctions by any Person.

6.16 Intellectual Property. Except as could not reasonably be expected to have a Material Adverse Effect, the Borrower shall (i) protect, defend and maintain the validity and enforceability of the material Trademarks, Patents, Copyrights and Trade Secrets owned by the Borrower, (ii) use commercially reasonable efforts to detect infringements of the Trademarks, Patents and Copyrights or misappropriation of Trade Secrets owned by the Borrower and promptly advise the Agent in writing of material infringements or misappropriations detected and (iii) not allow any material Intellectual Property owned by the Borrower to be abandoned, forfeited or dedicated to the public without the written consent of the Agent, which shall not be unreasonably withheld. If, despite the restrictions contained in Section 7.3 and subject to the exceptions for Rent the Runway Limited set forth therein, any Subsidiary of the Borrower that is not the Borrower or a Guarantor holds, acquires, exclusively licenses or develops material Intellectual Property, the Borrower shall promptly cause (i) such Subsidiary to transfer such material Intellectual Property and any rights thereto to the Borrower or a Guarantor and (ii) grant a perfected security interest in any such Intellectual Property in accordance with the requirements set forth in the Loan Documents.

6.17 Consent of Inbound Licensors. Promptly after entering into or becoming bound by any inbound license or agreement (other than over-the-counter software that is commercially available to the public), the failure, breach or termination of which could reasonably be expected to cause a Material Adverse Effect, the Borrower shall provide written notice to the Agent of the material terms of such license or agreement with a description of its likely impact on the Borrower's business or financial condition. The Borrower shall, in good faith, take such actions as the Agent may reasonably request to obtain the consent of, or waiver by, any person whose consent or waiver is necessary for (a) the Borrower's interest in such licenses or contract rights to be deemed Collateral and for the Agent to have, for the benefit of the Lenders, a security interest in it that might otherwise be restricted by the terms of the applicable license or agreement, whether now existing or entered into in the future (in each case, only to the extent they constitute Collateral), and (b) the Agent to have the ability in the event of a liquidation of any Collateral to dispose of such Collateral in accordance with the Agent's rights and remedies under this Agreement and the other Loan Documents, provided, however, that the failure to obtain any such consent or waiver shall not constitute an Event of Default under this Agreement.

6.18 Anti-Terrorism. Not permit (i) any Covered Entity (in the case of clauses (b) and (c) of the definition of "Covered Entity," to the knowledge of the Credit Parties) to become a Sanctioned Person, (ii) any Covered Entity (in the case of clauses (b) and (c) of the definition of "Covered Entity," to the knowledge of the Credit Parties), either in its own right or through any third party, to (A) have any of its assets in a Sanctioned Country or in the possession, custody or control of a Sanctioned Person in violation of any Anti-Terrorism Law; (B) do business in or with, or derive any of its income from investments in or transactions with, any Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law; (C) engage in any dealings or transactions prohibited by any Anti-Terrorism Law; or (D) use the Loans to fund any operations in, finance any investments or activities in, or, make any payments to, a Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law, (iii) the funds used to repay the Indebtedness will not be derived from any unlawful activity, and (iv) shall cause each Covered Entity (in the case of clauses (b) and (c) of the definition of "Covered Entity," to the knowledge of the Credit Parties) to comply with all Anti-Terrorism Laws.

6.19 Further Assurances and Information.

(a) Take such actions as the Agent or Majority Lenders may from time to time reasonably request to establish and maintain perfected security interests in and Liens on all of the Collateral, subject only to those Liens permitted under Section 7.2 hereof, including executing and delivering such additional pledges, assignments, mortgages, lien instruments or other security instruments covering any or all of the Borrower's and the Guarantors' assets as the Agent may reasonably require, such documentation to be in form and substance reasonably acceptable to the Agent, and prepared at the expense of the Borrower.

(b) Execute and deliver or cause to be executed and delivered to the Agent within a reasonable time following the Agent's request, and at the expense of the Borrower, such other documents or instruments as the Agent may reasonably require to effectuate more fully the purposes of this Agreement or the other Loan Documents.

(c) Provide the Agent and the Lenders with any other information required by Section 326 of the USA Patriot Act or necessary for the Agent and the Lenders to verify the identity of any Credit Party as required by Section 326 of the USA Patriot Act.

(d) To the extent that the Agent, in its sole discretion, consents in writing to the formation or other existence of a direct parent entity of the Borrower, cause such parent entity to become a Guarantor and a party hereunder and the other Loan Documents, grant a security interest in all of the assets of such entity, including a pledge of 100% of the Equity Interests of the Borrower, and amend, restate, amend and restate, supplement or otherwise modify this Agreement and any other Loan Document to give effect to the foregoing, including causing such direct parent entity to be subject to, among other things, the representations, affirmative covenants, negative covenants (including, without limitation, a passive holding covenant, a restriction on granting Liens on any Equity Interests of the Borrower and a restriction prohibiting the "round-tripping" of cash equity contributions to any equity holders) and events of default hereunder.

(e) No later than forty-five (45) days after the Sixth Amendment Effective Date (or such longer time as the Agent may agree in writing), the Agent shall have received (in accordance with and subject to Section 6.13(b) hereof) pledge documents governed by Irish law, in form and substance reasonably satisfactory to the Agent, and take all other steps as may be required by Irish law to perfect a Lien on sixty-five percent (65%) (or such greater percentage that, due to a change in applicable law after the Effective Date, (A) would not reasonably be expected to cause the undistributed earnings of such Foreign Subsidiary as determined for United States federal income tax purposes to be treated as a deemed

dividend to such Foreign Subsidiary's United States parent and (B) would not reasonably be expected to cause any material adverse tax consequences as determined by the Borrower and the Agent) of the voting Equity Interests and one hundred percent (100%) of the non-voting Equity Interests of Rent the Runway Limited with all costs and expenses of the Agent borne by the Agent and of the Borrower borne by the Borrower.

(f) Not later than the date that is 60 days after the Sixth Amendment Effective Date (or such longer time as the Agent may agree in writing), the Agent shall have received all additional Account Control Agreements that, in the reasonable judgment of the Agent and the Majority Lenders, are required for the Borrower and the Guarantors to comply with the Loan Documents, each duly executed by, in addition to the Borrower or Guarantor, as applicable, the applicable financial institution, the Senior Agent and the Agent.

(g) No later than forty-five (45) days after the Seventh Amendment Effective Date (or such longer time as the Agent may agree in writing), (i) the Agent shall have received (A) pledge documents governed by Irish law, in form and substance reasonably satisfactory to the Agent and (B) original share certificates and transfer powers executed in blank (or the equivalent thereof) representing one hundred percent (100%) of the voting Equity Interests and one-hundred percent (100%) of the non-voting Equity Interests of Rent the Runway Limited and (ii) the Borrower shall have taken all other steps as may be required by Irish law to perfect the Agent's Lien on one hundred percent (100%) of the voting Equity Interests and one hundred percent (100%) of the non-voting Equity Interests of Rent the Runway Limited.

6.20 Refinancing Offer Right.

(a) The Borrower shall first offer the Lenders the opportunity to refinance the Obligations (or amend this Agreement if it has the effect of refinancing the Obligations) in full, and the Lenders shall have twenty (20) Business Days (or such longer period as mutually agreed by the Borrower in its sole discretion) after the date of receipt of such offer to either agree to such refinancing and provide a binding letter of intent or similar documentation to provide such financing (or such other documentation acceptable to the Borrower) or decline (and shall be deemed to have declined to provide such refinancing to the extent the Lenders do not deliver such letter of intent or similar documentation within such period of twenty (20) Business Days (or such longer period as agreed by the Borrower in its sole discretion)). If the Lenders decline to participate in such refinancing, the Borrower may then offer such opportunity to provide such refinancing to any other Person on terms and conditions no better, taken as a whole, to such Person than the terms and conditions offered to the Lenders. Any communication, notice or other documentation provided by or to the Borrower in respect of such refinancing pursuant to the provisions set forth in this Section 6.20 shall be concurrently delivered to the Agent and the Lenders under this Agreement.

7. NEGATIVE COVENANTS.

The Borrower covenants and agrees that, so long as any Lender has any commitment to extend credit hereunder, or any of the Indebtedness (including any Yield Maintenance Premium or Prepayment Premium) remains outstanding and unpaid, it will not, and, as applicable, it will not permit any of its Subsidiaries to:

7.1 Limitation on Debt. Create, incur, assume or suffer to exist any Debt, except:

(a) Indebtedness of any Credit Party to the Agent or any Lender;

(b) any Debt existing on the Sixth Amendment Effective Date and set forth in Schedule 7.1 attached hereto and any Permitted Refinancing Debt in respect of such Debt;

(c) any Debt of the Borrower or any of its Subsidiaries incurred to finance the acquisition of fixed or capital assets, or any Permitted Refinancing Debt thereof, whether pursuant to a loan or a Capitalized Lease provided that both at the time of and immediately after giving effect to the incurrence thereof (i) no Event of Default shall have occurred and be continuing, (ii) other than in the case of a refinancing, such Debt is incurred within 180 days of the acquisition thereof and (iii) the aggregate principal amount of all such Debt at any one time outstanding (including, without limitation, any Debt of the type described in this clause (c) which is set forth on Schedule 7.1 hereto) shall not exceed $30,000,000;

(d) the Debt of the Credit Parties under the Senior Loan Documents in the aggregate principal amount not to exceed $30,000,000 so long as such Debt and all other obligations of the Credit Parties in connection therewith are subject to the Specified Subordination Agreement;

(e) Subordinated Debt;

(f) Debt under any Hedging Transactions, provided that such transaction is entered into for risk management purposes and not for speculative purposes;

(g) Debt arising from judgments or decrees not deemed to be a Default or Event of Default under Section 8.1(g);

(h) Debt owing to a Person that is a Credit Party, but only to the extent permitted under Section 7.6(d) or 7.6(m);

(i) Debt incurred in respect of credit cards, credit card processing services, debit cards, stored value cards, purchase cards (including so-called "procurement cards" or "P-cards") or other similar cash management services, in each case, incurred in the ordinary course of business;

(j) reimbursement obligations with respect to Cash Secured L/Cs; provided, that the aggregate face amount of all Cash Secured L/Cs shall not exceed $18,000,000 at any time; and

(k) additional Debt not otherwise permitted under this Section 7.1, provided that both at the time of and immediately after giving effect to the incurrence thereof (i) no Event of Default shall have occurred and be continuing or result therefrom and (ii) the aggregate amount of all such Debt shall not exceed $7,500,000 at any one time outstanding.

7.2 Limitation on Liens. Create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired or sign or file or suffer to exist under the UCC or any similar Law or statute of any jurisdiction a financing statement that names any Credit Party as debtor; sign or suffer to exist any security agreement authorizing any Person thereunder to file such financing statement; sell any of its property or assets subject to an understanding or agreement (contingent or otherwise) to repurchase such property or assets with recourse to it or any of its Subsidiaries; or assign or otherwise transfer any accounts or other rights to receive income, except for:

(a) Permitted Liens;

(b) Liens securing Debt permitted by Section 7.1(c), provided that (i) such Liens are created only upon fixed or capital assets acquired by the applicable Credit Party after the date of this Agreement (including without limitation by virtue of a loan or a Capitalized Lease), (ii) any such Lien is created solely for the purpose of securing indebtedness representing or incurred to finance the cost of the acquisition of the item of property subject thereto, (iii) the principal amount of the Debt secured by any such Lien shall at no time exceed 100% of the sum of the purchase price or cost of the applicable property,

equipment or improvements and the related costs and charges imposed by the vendors thereof and (iv) the Lien does not cover any property other than the fixed or capital asset acquired; provided, however, that no such Lien shall be created over any owned real property of any Credit Party for which the Agent has received a Mortgage or for which such Credit Party is required to execute a Mortgage pursuant to the terms of this Agreement;

(c) Liens created pursuant to the Loan Documents;

(d) Liens on the Collateral securing the Senior Debt permitted by Section 7.1(d) so long as such Liens and all obligations of the Credit Parties in connection therewith are subject to the Specified Subordination Agreement;

(e) other Liens, existing on the Sixth Amendment Effective Date and set forth on Schedule 7.2; provided, that any such Lien shall only secure the Debt that it secures on the Sixth Amendment Effective Date and any Permitted Refinancing Debt in respect thereof;

(f) cash collateral and cash on deposit in deposit accounts securing the Cash Secured L/Cs constituting Debt permitted by Section 7.1(j) (each, an "**Excluded L/C Account**"); provided, that the aggregate amount of such cash collateral and cash in Excluded L/C Accounts does not exceed 105% of the face amount of the Cash Secured L/Cs; and

(g) other Liens which do not secure Indebtedness for borrowed money or letters of credit and as to which the aggregate amount of the obligations secured thereby does not exceed $2,500,000, so long as both at the time of and immediately after giving effect to the incurrence thereof no Event of Default shall have occurred and be continuing or result therefrom.

Regardless of the provisions of this Section 7.2, no Lien (except for those Liens (i) for the benefit of the Agent and the Lenders or (ii) for the benefit of the Senior Lenders under the Senior Loan Documents) over the Equity Interests owned by any Credit Party shall be permitted under the terms of this Agreement.

7.3 Transfers of Assets. (a) Hold, acquire, develop, own or possess any assets that are material to the business of the Borrower and its Subsidiaries, including material Intellectual Property, material algorithms, material customer lists, material Software source code (or portions thereof) and, other than in the ordinary course, other material Software, unless held, acquired, developed, owned or possessed by the Borrower or a Guarantor (or developed or, with respect to material algorithms, material customer lists, material Software source code (or portions thereof) and other material Software, held or possessed by Rent the Runway Limited in the ordinary course of business for use in fulfilling its obligations to Borrower in a manner substantially consistent with the Intercompany License Agreement as of the Sixth Amendment Effective Date) or (b) subject to Section 7.4(j), transfer, contribute, exclusively license, or otherwise dispose, directly or indirectly, in any transaction or series of transactions, any assets that are material to the business of the Borrower and its Subsidiaries, including (i) material Intellectual Property or rights thereto and any licenses that are necessary to conduct the business of the Borrower and its Subsidiaries, to any other Subsidiary that is not the Borrower or a Guarantor and (ii) material algorithms, material customer lists, material Software source code (or portions thereof) and, other than in the ordinary course, other material Software other than such algorithms, customer lists, Software source codes or other Software transferred, contributed, exclusively licensed or otherwise disposed of to Rent the Runway Limited in the ordinary course of business for use in fulfilling its obligations to Borrower in a manner substantially consistent with the Intercompany License Agreement as of the Sixth Amendment Effective Date.

7.4 Limitation on Mergers, Dissolution or Sale of Assets. Merge, dissolve, liquidate or consolidate with or into another Person (or agree to do any of the foregoing) or make any Asset Sale or enter into any agreement to make any Asset Sale except:

(a) Inventory leased or sold in the ordinary course of business;

(b) obsolete, damaged, uneconomic or worn out machinery, equipment or Units, or machinery, equipment or Units no longer used or useful in the conduct of the applicable Credit Party's business (including write-offs of any such assets); provided that the fair market value of such equipment not financed by the Agent or a Lender shall not exceed $2,500,000 in any Fiscal Year (it being understood and agreed for the avoidance of doubt that any write-off of assets shall not count toward such cap);

(c) Permitted Acquisitions;

(d) mergers or consolidations of any Subsidiary of the Borrower with or into the Borrower or any Guarantor so long as the Borrower or such Guarantor shall be the continuing or surviving entity; provided that at the time of each such merger or consolidation, both before and after giving effect thereto, no Event of Default shall have occurred and be continuing or result from such merger or consolidation;

(e) any Subsidiary of the Borrower may liquidate or dissolve into the Borrower or a Guarantor if the Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Borrower, so long as no Event of Default has occurred and is continuing or would result therefrom;

(f) sales or transfers, including without limitation upon voluntary liquidation from any Guarantor to the Borrower or to another Guarantor, provided that the Borrower or Guarantor takes such actions as the Agent may reasonably request to ensure the perfection and priority of the Liens in favor of the Lenders over such transferred assets;

(g) (i) Asset Sales (exclusive of asset sales permitted pursuant to all other subsections of this Section 7.4) in which the sales price is at least equal to the fair market value of the assets sold and the consideration received is cash or cash equivalents or Debt of any Credit Party being assumed by the purchaser, provided, that (A) the aggregate amount of such Asset Sales does not exceed $100,000 in any Fiscal Year, (B) the assets being sold do not consist of any Equity Interests of any Subsidiary of the Borrower, and (C) no Default or Event of Default has occurred and is continuing at the time of each such sale (both before and after giving effect to such Asset Sale), and (ii) other Asset Sales approved in writing by the Majority Lenders in their sole discretion so long as the Net Cash Proceeds of such Asset Sale described in this clause (ii) are paid to the Agent for the benefit of the Agent and the Lenders pursuant to the terms of Section 2.8(a);

(h) the use, sale or disposition of Permitted Investments and other cash or cash equivalents in the ordinary course of business;

(i) charitable donations of cash or Units (valued using the net book value) not to exceed $2,000,000 in the aggregate in any Fiscal Year; provided that charitable donations of cash may not exceed $750,000 in any Fiscal Year;

(j) (x) non-exclusive licenses and similar non-exclusive arrangements for the use of property (including Intellectual Property, rights in or to algorithms, rights in or to Software (including any portions of source code therein) and rights in or to customer lists) of the Borrower or its Subsidiaries in the ordinary course of business, and (y) exclusive licenses and similar arrangements for use of the Intellectual Property, rights in or to algorithms, rights in or to Software (including any portions of source code therein) or rights in or to customer lists of the Borrower or its Subsidiaries which exclusivity is limited in geographic scope and does not apply within the United States, provided, in each case of this clause (y), that (i) such licenses or similar arrangements do not, in the Borrower's reasonable business judgment, materially

interfere with, restrict, or limit the conduct of the business of the Borrower and its Subsidiaries, taken as a whole and (ii) the terms of any material exclusive licenses or similar material arrangements concerning any material property (including material Intellectual Property, rights in or to material algorithms, rights in or to material Software (including any portions of source code therein) and rights in or to material customer lists) shall be on arms' length terms with third parties and subject to the review and consent of the Agent (such consent not to be unreasonably withheld, conditioned or delayed); provided that the Agent shall be deemed to have consented to any such material exclusive license or similar material arrangement unless it shall object thereto by written notice to the Borrower within ten (10) Business Days after having received written notice thereof;

(k) dispositions of machinery or equipment to the extent that such machinery or equipment is exchanged for credit against the purchase price of similar replacement machinery or equipment;

(l) dispositions of owned or leased vehicles in the ordinary course of business; and

(m) dispositions of assets (other than Intellectual Property, algorithms, Software (including portions of source code therein) or customer lists) that are not permitted by any other provision of this Section; provided that (i) the aggregate fair value of all assets disposed of in reliance on this clause shall not exceed $1,000,000 during any Fiscal Year and (ii) all dispositions made in reliance on this clause shall be made for fair value and at least 75% cash or cash equivalents consideration;

provided, that, in the event of an Asset Sale (other than a non-exclusive license) of Intellectual Property used or useful in connection with the Collateral, the purchaser, assignee or other transferee thereof agrees in writing to be bound by a non-exclusive royalty-free worldwide license of such Intellectual Property in favor of the Agent for use in connection with the exercise of the rights and remedies of the Credit Parties, which license shall be in form and substance reasonably satisfactory to the Agent, and *provided further* that in the case of an Asset Sale of Intellectual Property licensed by the Borrower or one of its Subsidiaries from a third party, the transferee thereof shall be required to provide such a license only to the extent to which the applicable license gives it a right to do so. Asset Sales of Intellectual Property (including, without limitation, algorithms, customer lists, Software source code (or portions thereof) or other Software) shall be subject to Section 7.3 in addition to this Section 7.4; provided that, transfers of such Intellectual Property to Rent the Runway Limited that are permitted under Section 7.3 shall be permitted under this Section 7.4.

The Lenders hereby consent and agree to the release by the Agent of any and all Liens on the property sold or otherwise disposed of in compliance with this Section 7.4.

7.5 Restricted Payments. Declare or make, directly or indirectly, (x) any distributions, dividend, payment or other distribution of assets, properties, cash, rights, obligations or securities (collectively, "**Distributions**") on account of any of its Equity Interests, as applicable, or (y) any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, defeasance, acquisition, cancellation or termination of any such Equity Interest, or on account of any return of capital to its stockholders, partners or members (or the equivalent of any thereof), or any option, warrant or other right to acquire any such dividend or other distribution or payment (collectively, "**Purchases**"), or incur any obligation (contingent or otherwise) to do any of the foregoing, except that (subject to Section 7.3):

(a) each Credit Party may pay cash Distributions to the Borrower or a Guarantor;

(b) each Credit Party may declare and make Distributions payable in the Equity Interests of such Credit Party, provided that the issuance of such Equity Interests does not otherwise violate

the terms of this Agreement and no Default or Event of Default has occurred and is continuing at the time of making such Distribution or would result from the making of such Distribution;

(c) the Borrower may Purchase the stock of current and former employees or directors pursuant to stock repurchase agreements as long as (i) no Default or Event of Default exists prior to such Purchase or would exist after giving effect to such Purchase and (ii) the aggregate amount of any Distributions made in connection with such Purchases does not exceed $4,000,000 in any Fiscal Year;

(d) the Borrower may Purchase the stock of current and former employees pursuant to stock repurchase agreements by the cancellation of indebtedness owed by such former employees, regardless of whether an Event of Default exists;

(e) the Borrower may Purchase shares of its Equity Interests or warrant or options to acquire any such Equity Interests from its stockholders consistent with the requirement of existing equity agreements of the Borrower to the extent the consideration paid in respect thereof is paid solely in Equity Interests of the Borrower; and

(f) other Distributions and/or Purchases in an aggregate amount not to exceed $2,000,000 in any Fiscal Year so long as no Default or Event of Default has occurred and is continuing both before and after making such Distribution or Purchase, as applicable, or would result therefrom.

Notwithstanding anything to the contrary contained herein, in the event Borrower or any other Credit Party receives proceeds from an equity contribution or the issuance of Equity Interests and such proceeds are used to satisfy a financial test, liquidity test or other similar test under this Agreement, the Senior Credit Agreement or otherwise, such proceeds shall not be permitted to used make a Distribution and/or Purchase pursuant to this Section 7.5.

7.6 Limitation on Investments, Loans and Advances. Make or allow to remain outstanding any Investment (whether such investment shall be of the character of investment in shares of stock, evidences of indebtedness or other securities or otherwise) in, or any loans or advances to, any Person other than (subject to Section 7.3):

(a) Permitted Investments;

(b) Investments existing on the Third Amendment Effective Date and listed on Schedule 7.6 hereto but not any increase in the amount thereof as set forth in such Schedule or any other modification of the terms thereof;

(c) Accounts receivable created in the ordinary course of business;

(d) intercompany loans or intercompany Investments made by any Credit Party to or in any Guarantor, the Borrower or any other Credit Party; provided that, in the case of any intercompany loans or intercompany Investments made by (i) a Credit Party that is not the Borrower or a Guarantor, such Credit Party is party to an intercompany subordination agreement, in form and substance reasonably satisfactory to the Agent, or (ii) the Borrower or a Guarantor to or in a Credit Party that is not the Borrower or a Guarantor, the aggregate amount outstanding in respect thereof shall not exceed $250,000 in any Fiscal Year; and provided further that in each case, no Default or Event of Default shall have occurred and be continuing at the time of making such intercompany loan or intercompany Investment or result from such intercompany loan or intercompany Investment being made and that any intercompany loans shall be evidenced by and funded under an Intercompany Note pledged to the Agent under the appropriate Collateral Documents;

(e) Investments in respect of Hedging Transactions provided that such transaction is entered into for risk management purposes and not for speculative purposes;

(f) So long as no Event of Default has occurred and is continuing, temporary advances to employees to cover incidental expenses to be incurred in the ordinary course of business, in an aggregate outstanding amount not to exceed $50,000 in the aggregate at any time outstanding;

(g) Investments (including debt obligations) received in connection with the bankruptcy or reorganization of customers or suppliers and in settlement of delinquent obligations of, and other disputes with, customers or suppliers arising in the ordinary course of the Borrower's business;

(h) Investments consisting of deposit accounts and securities accounts in which the Agent, on behalf of itself and the Lenders, has a perfected security interest;

(i) Investments accepted in connection with transfers or dispositions of property that are otherwise permitted under 7.4(g)(i);

(j) Investments consisting of loans to employees, officers or directors relating to the purchase of equity securities of the Borrower or its Subsidiaries pursuant to employee stock purchase plan agreements approved by the Borrower's board of directors and any related tax liabilities so long as the cash portion does not exceed $500,000 in the aggregate in any Fiscal Year, provided that no Event of Default has occurred, is continuing or would exist after giving effect to the loan;

(k) Permitted Acquisitions;

(l) Investments constituting notes receivable of, or prepaid royalties and other credit extensions, to customers and suppliers who are not Affiliates, in the ordinary course of business, provided that this clause (l) shall not apply to Investments by the Borrower in any Subsidiary;

(m) to the extent constituting Investments, Investments permitted under Section 7.4(d), 7.4(e) or 7.4(f); and

(n) so long as no Default or Event of Default has occurred and is continuing or would result therefrom, any other Investments in an aggregate amount not to exceed $5,000,000 in the aggregate at any time outstanding; provided, however, that no more than $2,500,000 in the aggregate at any time outstanding may be used for Investments by the Borrower or any Guarantor in any Subsidiary that is not a Guarantor;

provided, that, in the event of an Investment made using Intellectual Property used or useful in connection with the Collateral (other than a non-exclusive license), the assignee or other transferee thereof agrees in writing to be bound by a non-exclusive royalty-free worldwide license of such Intellectual Property in favor of the Agent for use in connection with the exercise of the rights and remedies of the Agent and the Lenders, which license shall be in form and substance reasonably satisfactory to the Agent.

In valuing any Investments for the purpose of applying the limitations set forth in this Section 7.6 (except as otherwise expressly provided herein), such Investment shall be taken at the original cost thereof, without allowance for any subsequent write-offs or appreciation or depreciation, but less any amount repaid or recovered on account of capital or principal.

7.7 Transactions with Affiliates. Except as set forth on Schedule 7.7, enter into any transaction, including, without limitation, any purchase, sale, lease or exchange of property or the rendering

of any service, with any Affiliates of the Credit Parties except: (a) transactions among the Borrower or Guarantors; (b) transactions permitted under this Agreement; (c) transactions in the ordinary course of a Credit Party's business and upon fair and reasonable terms (x) no less favorable to such Credit Party than it would obtain in a comparable arm's length transaction from unrelated third parties and (y) that are fully disclosed to the Agent in writing prior to the consummation thereof, if they involve one or more payments by any Credit Party in excess of $100,000 for any single transaction or series of related transactions; and (d) issuances of Equity Interests or Subordinated Debt.

7.8 Sale-Leaseback Transactions. Enter into any arrangement with any Person providing for the leasing by a Credit Party of real or personal property which has been or is to be sold or transferred by such Credit Party to such Person or to any other Person to whom funds have been or are to be advanced by such Person on the security of such property or rental obligations of such Credit Party, as the case may be, provided that if, at the time that a Credit Party acquires fixed or capital assets, such Credit Party intends to sell to and then lease any such assets with an aggregate value in excess of $500,000 from another Person pursuant to a financing arrangement that would be permitted under Section 7.1(c), such transaction will not constitute a violation of this Section 7.8 so long as (i) such transaction is consummated within one hundred eighty (180) days following the acquisition of such assets and (ii) the Borrower provides a written notice of such transaction to the Agent at least 10 Business Days prior to the date on which such asset is leased to such Person.

7.9 Limitations on Other Restrictions. Except for this Agreement, any other Loan Document or the Senior Loan Documents, enter into any agreement, document or instrument which would (i) restrict the ability of any Subsidiary of the Borrower to pay or make dividends or distributions in cash or kind to the Borrower or any Guarantor, to make loans, advances or other payments of whatever nature to any Credit Party, or to make transfers or distributions of all or any part of its assets to any Credit Party; or (ii) restrict or prevent any Credit Party from granting the Agent on behalf of Lenders Liens upon, security interests in and pledges of their respective assets, except to the extent such restrictions exist in documents creating Liens permitted by Section 7.2(b) hereunder.

7.10 Prepayment of Subordinated Debt. Make any prepayment (whether optional or mandatory), repurchase, redemption, defeasance or any other payment in respect of any Subordinated Debt, provided, however, that the applicable Credit Party may make certain payments in respect of Subordinated Debt to the extent permitted by the applicable Subordination Agreement.

7.11 Amendment of Senior Loan Documents and Subordinated Debt Documents. Amend, modify or otherwise alter (or suffer to be amended, modified or altered) (a) any Senior Loan Document except in a manner not prohibited by the terms of the Specified Subordination Agreement or (b) any Subordinated Debt Documents except as permitted in the applicable Subordinated Debt Documents and Subordination Agreements, or if no such restrictions exist in the applicable Subordinated Debt Documents or Subordination Agreements, without the prior written consent of the Agent.

7.12 Modification of Certain Agreements. Make, permit or consent to any amendment, supplement or other modification to the constitutional documents of any Credit Party, any Material Contract (other than the Senior Loan Documents) or the Intercompany License Agreement except to the extent that any such amendment, supplement or modification (i) does not violate the terms and conditions of this Agreement or any of the other Loan Documents, (ii) does not materially adversely affect the interest of the Lenders as creditors and/or secured parties under any Loan Document, (iii) could not reasonably be expected to have a Material Adverse Effect and (iv) with respect to the Intercompany License Agreement, does not amend, supplement or otherwise modify the fees in excess of Costs (as defined in the Intercompany License Agreement as of the Sixth Amendment Effective Date) payable thereunder in excess of 105% of the fees historically paid thereunder as of the Sixth Amendment Effective Date.

7.13 Fiscal Year. Permit the Fiscal Year of any Credit Party to end on a day other than January 31, except as may be agreed to by the Agent from time to time in its reasonable discretion.

7.14 Liquidity. Permit Liquidity at any time to be less than $30,000,000.

7.15 Divisions. Notwithstanding anything herein or any other Loan Document to the contrary, no Credit Party that is a limited liability company may divide itself into two or more limited liability companies (pursuant to a "plan of division" as contemplated under the Delaware Limited Liability Company Act or otherwise) without the prior written consent of the Agent, and in the event that any Credit Party that is a limited liability company divides itself into two or more limited liability companies (with or without the prior consent of the Agent as required above), any limited liability companies formed as a result of such division shall be required to comply with the obligations set forth in Section 6.13 and the other further assurances obligations set forth in the Loan Documents and become a Guarantor under this Agreement and the other Loan Documents.

7.16 Expenditures.

(a) Inventory CapEx.

(i) Subject to Section 7.16(e), the aggregate amount of Inventory CapEx for the Inventory CapEx Test Period ending on (x) July 31, 2024 shall not exceed $25,500,000 and (y) January 31, 2025 shall not exceed $25,500,000.

(ii) Subject to Section 7.16(e), the aggregate amount of Inventory CapEx for any Inventory CapEx Test Period ending on any Inventory Test Date occurring after January 31, 2025 shall not exceed an amount to be mutually agreed by the Agent and the Borrower in accordance with Section 7.16(d).

(iii) The maximum amount of Inventory CapEx for any Inventory CapEx Test Period as set forth in Section 7.16(a)(i) or 7.16(a)(ii) shall be referred to herein as the "**Inventory CapEx Cap**".

(b) Fixed Operating Expenditures.

(i) Subject to Section 7.16(e), the aggregate amount of Fixed Operating Expenditures for (x) the FOE Test Period ending July 31, 2024 shall not exceed $50,000,000, (y) the FOE Test Period ending October 31, 2024 shall not exceed $50,000,000, and (z) the FOE Test Period ending January 31, 2025 shall not exceed $50,000,000.

(ii) Subject to Section 7.16(e), the aggregate amount of Fixed Operating Expenditures for any FOE Test Period ending on any FOE Test Date occurring after January 31, 2025 shall not exceed an amount to be mutually agreed by the Agent and the Borrower in accordance with Section 7.16(d).

(iii) The maximum amount of Fixed Operating Expenditures for any FOE Test Period as set forth in Section 7.16(b)(i) or 7.16(b)(ii) shall be referred to herein as the "**FOE Cap**".

(iv) The aggregate amount of Specified Exclusions excluded from calculation of Fixed Operating Expenditures shall not exceed $10,000,000 in any Fiscal Year.

(c) Marketing Spend.

(i) Subject to Section 7.16(e), the aggregate amount of Marketing Spend for each Marketing Spend Test Period ending April 30, 2024, July 31, 2024, October 31, 2024 and January 31, 2025 shall not exceed $7,500,000.

(ii) Subject to Section 7.16(e), the aggregate amount of Marketing Spend for any Marketing Spend Test Period ending after January 31, 2025 shall not exceed an amount to be mutually agreed by the Agent and the Borrower in accordance with Section 7.16(d).

(iii) The maximum amount of Marketing Spend for any Marketing Spend Test Period as set forth in Section 7.16(c)(i) or 7.16(c)(ii) shall be referred to herein as the "**Marketing Spend Cap**".

(d) For any Fiscal Year ending after January 31, 2025 (each a "**Subsequent Fiscal Year**"), the Borrower shall deliver to the Agent an initial draft of the budget setting forth Inventory CapEx, Fixed Operating Expenditures and Marketing Spend for (x) each Inventory CapEx Test Period, FOE Test Period and Marketing Spend Test Period, as applicable, during such Subsequent Fiscal Year and (y) such Subsequent Fiscal Year in the aggregate, in each case, no later than January 15 of the Fiscal Year immediately preceding such Subsequent Fiscal Year. The maximum amount of Inventory CapEx, Fixed Operating Expenditures and Marketing Spend for (x) each Inventory CapEx Test Period, FOE Test Period and Marketing Spend Test Period, as applicable, during such Subsequent Fiscal Year and (y) such Subsequent Fiscal Year in the aggregate (the maximum aggregate amount of Inventory CapEx, Fixed Operating Expenditures and Marketing Spend for any Subsequent Fiscal Year as so agreed, each an "**Aggregate Yearly Cap**"), in each case, shall be determined by no later than March 31 of such Subsequent Fiscal Year (or, solely with respect to the Subsequent Fiscal Year ending on January 31, 2026, by no later than August 29, 2025).

(e) With respect to any Specified Expenditure during any Fiscal Year, the Specified Expenditures Cap applicable to any Specified Expenditures Test Period ending during such Fiscal Year (the "**Applicable Test Period**") may be increased (x) by the amount equal to the unused portion, if any, of the Specified Expenditures Cap applicable to such Specified Expenditure with respect to any Specified Expenditures Test Period ended during such Fiscal Year but prior to the Applicable Test Period and (y) by an amount equal to any amount allowed to be made in the immediately succeeding Specified Expenditures Test Period (so long as such immediately succeeding Specified Expenditure Test Period ends on or prior to the end of such Fiscal Year) with respect to such Specified Expenditures but in no event exceeding 10% of such amount allowed to be made in the immediately succeeding Specified Expenditures Test Period with respect to such Specified Expenditures.

(f) Notwithstanding any of the foregoing:

(i) (A) the aggregate amount of Inventory CapEx for the Fiscal Year ending January 31, 2025 shall not exceed $51,000,000, (B) the aggregate amount of Fixed Operating Expenditures for the Fiscal Year ending January 31, 2025 shall not exceed $100,000,000 and (C) the aggregate amount of Marketing Spend for the Fiscal Year ending January 31, 2025 shall not exceed $30,000,000;

(ii) the aggregate amount of Inventory CapEx, Fixed Operating Expenditures and Marketing Spend for any Subsequent Fiscal Year shall not exceed the Aggregate Yearly Cap applicable to such Specified Expenditure; and

(iii) it is understood and agreed that in no event shall any caps set forth in this Section 7.16 be deemed to be exceeded solely as a result of Inventory CapEx, Fixed Operating Expenditures and/or Marketing Spend consisting of non-cash charges.

8. DEFAULTS.

8.1 Events of Default. The occurrence of any of the following events shall constitute an Event of Default hereunder:

(a) non-payment when due of the principal or interest on the Indebtedness;

(b) non-payment of any Fees or other amounts (including any the Yield Maintenance Premium or Prepayment Premium) due and owing by the Borrower under this Agreement or by any Credit Party under any of the other Loan Documents to which it is a party, other than as set forth in subsection (a) above, within three (3) Business Days after the same is due and payable;

(c) default in the observance or performance of any of the conditions, covenants or agreements of the Borrower set forth in Sections 6.1, 6.2, 6.4(b) (solely with respect to maintenance of the Borrower's existence), 6.4(e), 6.5, 6.6, 6.7, 6.9, 6.13, 6.14, 6.15, 6.16, 6.17, 6.18, 6.19, 6.20 or Article 7 in its entirety or Sections 4.5(a), 4.7(a) or 4.8(b)(i) of the Security Agreement;

(d) default in the observance or performance of any of the other conditions, covenants or agreements set forth in this Agreement or any of the other Loan Documents by any Credit Party and continuance thereof for a period of twenty (20) consecutive days after the earlier of (i) the date that a Responsible Officer of the Borrower or such other Credit Party becomes aware of the same or (ii) the date on which notice shall have been given to the Borrower or any other Credit Party from the Agent;

(e) any representation or warranty made by any Credit Party herein, any other Loan Document or in any certificate, instrument or other document submitted pursuant hereto or thereto proves untrue or misleading in any material adverse respect (or in any respect if such representation or warranty is qualified or modified as to materiality or "Material Adverse Effect" in the text thereof) when made;

(f) (i) default by any Credit Party in the payment of any Debt, whether under a direct obligation or guaranty (other than Indebtedness and the Senior Debt) of any Credit Party in excess of One Million Dollars ($1,000,000) (or the equivalent thereof in any currency other than Dollars) individually or in the aggregate when due and continuance thereof beyond any applicable period of cure or (ii) failure to comply with the terms of any other obligation of any Credit Party with respect to any Debt (other than Indebtedness and the Senior Debt) in excess of One Million Dollars ($1,000,000) (or the equivalent thereof in any currency other than Dollars) individually or in the aggregate, which continues beyond any applicable period of cure and which would permit the holder or holders thereto to accelerate such other Debt, or require the prepayment, repurchase, redemption or defeasance of such indebtedness;

(g) the rendering of any judgment (not covered by adequate insurance from a solvent carrier which is defending such action without reservation of rights) for the payment of money in excess of the sum of One Million Dollars ($1,000,000) (or the equivalent thereof in any currency other than Dollars) individually or in the aggregate against any Credit Party, and (i) enforcement proceedings shall have been commenced by any creditor upon any such judgment or (ii) there shall be a period of thirty (30) consecutive days after entry thereof during which (A) a stay of enforcement thereof is not in effect or (B) the same is not vacated, discharged, stayed or bonded pending appeal;

(h) the occurrence of any ERISA Event or Foreign Benefit Event that could reasonably be expected to result in a Material Adverse Effect;

(i) except as expressly permitted under this Agreement, any Credit Party shall be dissolved (other than a dissolution of a Subsidiary of the Borrower which is not a Guarantor or the

Borrower) or liquidated (or any judgment, order or decree therefor shall be entered); or if a creditors' committee shall have been appointed for the business of any Credit Party; or if any Credit Party shall have made a general assignment for the benefit of creditors or shall have been adjudicated bankrupt and if not an adjudication based on a filing by a Credit Party, it shall not have been dismissed within forty five (45) days, or shall have filed a voluntary petition in bankruptcy or for reorganization or to effect a plan or arrangement with creditors or shall fail to pay its debts generally as such debts become due in the ordinary course of business (except as contested in good faith and for which adequate reserves are made in such party's financial statements in accordance with GAAP); or shall file an answer to a creditor's petition or other petition filed against it, admitting the material allegations thereof for an adjudication in bankruptcy or for reorganization; or shall have applied for or permitted the appointment of a receiver or trustee or custodian for any of its property or assets; or such receiver, trustee or custodian shall have been appointed for any of its property or assets (otherwise than upon application or consent of a Credit Party) and shall not have been removed within forty five (45) days; or if an order shall be entered approving any petition for reorganization of any Credit Party and shall not have been reversed or dismissed within forty five (45) days;

(j) a Change of Control shall have occurred;

(k) the validity, binding effect or enforceability of any subordination provisions relating to any Subordinated Debt shall be contested by any Person party thereto (other than any Lender or the Agent), or such subordination provisions shall fail to be enforceable by the Agent and the Lenders in accordance with the terms thereof, or the Indebtedness shall for any reason not have the priority contemplated by this Agreement or such subordination provisions;

(l) (i) any Loan Document shall at any time for any reason cease to be in full force and effect (other than in accordance with the terms thereof or hereof), (ii) the validity, binding effect or enforceability thereof shall be contested by any party thereto (other than any Lender or the Agent), (iii) any Person (other than in accordance with the terms thereof or hereof) shall deny that it has any or further liability or obligation under any Loan Document, (iv) any such Loan Document shall be terminated (other than in accordance with the terms thereof), invalidated, revoked or set aside or in any way cease to give or provide to the Lenders and the Agent the benefits purported to be created thereby, (v) any Loan Document purporting to grant a Lien to secure any Indebtedness shall for any reason, at any time after the delivery of such Loan Document, fail to create a valid and enforceable Lien on any Collateral purported to be covered thereby or (vi) such Lien shall fail to cease to be a perfected Lien with the priority required in the relevant Loan Document;

(m) default or failure to perform in any of the Senior Loan Documents and continuance thereof beyond any applicable period of grace or cure; provided that, an Event of Default shall only occur under this clause (m) if, as a result of a default or failure to perform in any of the Senior Loan Documents, the Senior Debt is accelerated or otherwise becomes due and payable prior to the stated maturity therein;

(n) except as otherwise expressly permitted hereunder, any action by the Credit Parties, taken as a whole, to suspend the operation of their business in the ordinary course, liquidate all or a material portion of their assets, or employ an agent or other third party to conduct a program of closings, liquidations or "Going-Out-Of-Business" sales of any material portion of their business; and

(o) any uninsured loss to any material portion of the Collateral.

8.2 Exercise of Remedies. If an Event of Default has occurred and is continuing hereunder: (a) [reserved]; (b) the Agent may, and shall, upon being directed to do so by the Majority Lenders, declare the entire unpaid principal Indebtedness, including the Notes, and any accrued and unpaid interest or other amounts (including the Yield Maintenance Premium and the Prepayment Premium), immediately due and

payable, without presentment, notice or demand, all of which are hereby expressly waived by the Borrower; (c) upon the occurrence of any Event of Default specified in Section 8.1(i) and notwithstanding the lack of any declaration by the Agent under preceding clause (b), the entire unpaid principal Indebtedness and any accrued and unpaid interest or other amounts (including the Yield Maintenance Premium and the Prepayment Premium) shall become automatically and immediately due and payable, and the Commitments shall be automatically and immediately terminated; and (d) the Agent may, and shall, upon being directed to do so by the Majority Lenders or the Lenders, as applicable (subject to the terms hereof), exercise any remedy permitted by this Agreement, the other Loan Documents or law.

8.3 Rights Cumulative. No delay or failure of the Agent and/or Lenders in exercising any right, power or privilege hereunder shall affect such right, power or privilege, nor shall any single or partial exercise thereof preclude any further exercise thereof, or the exercise of any other power, right or privilege. The rights of the Agent and Lenders under this Agreement are cumulative and not exclusive of any right or remedies which Lenders would otherwise have.

8.4 Waiver by the Borrower of Certain Laws. To the extent permitted by applicable law, the Borrower hereby agrees to waive, and does hereby absolutely and irrevocably waive and relinquish the benefit and advantage of any valuation, stay, appraisement, extension or redemption laws now existing or which may hereafter exist, which, but for this provision, might be applicable to any sale made under the judgment, order or decree of any court, on any claim for interest on the Notes, or any security interest or mortgage contemplated by or granted under or in connection with this Agreement. These waivers have been voluntarily given, with full knowledge of the consequences thereof.

8.5 Waiver of Defaults. No Event of Default shall be waived by the Lenders except in a writing signed by an officer of the Agent in accordance with Section 12.9 hereof. No single or partial exercise of any right, power or privilege hereunder, nor any delay in the exercise thereof, shall preclude other or further exercise of their rights by the Agent or the Lenders. No waiver of any Event of Default shall extend to any other or further Event of Default. No forbearance on the part of the Agent or the Lenders in enforcing any of their rights shall constitute a waiver of any of their rights. The Borrower expressly agrees that this Section may not be waived or modified by the Lenders or the Agent by course of performance, estoppel or otherwise.

8.6 Set Off. Upon the occurrence and during the continuance of any Event of Default, each Lender may at any time and from time to time, without notice to the Borrower but subject to the provisions of Section 9.3 hereof (any requirement for such notice being expressly waived by the Borrower), setoff and apply against any and all of the obligations of the Borrower now or hereafter existing under this Agreement, whether owing to such Lender, any Affiliate of such Lender or any other Lender or the Agent, any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Lender to or for the credit or the account of the Borrower and any property of the Borrower from time to time in possession of such Lender, irrespective of whether or not such deposits held or indebtedness owing by such Lender may be contingent and unmatured and regardless of whether any Collateral then held by the Agent or any Lender is adequate to cover the Indebtedness (including any Yield Maintenance Premium or Prepayment Premium). Promptly following any such setoff, such Lender shall give written notice to the Agent and the Borrower of the occurrence thereof; provided that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Agent for further application in accordance with the provisions of Section 9.4 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held for the benefit of the Agent and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Agent a statement describing in reasonable detail the Indebtedness owing to such Defaulting Lender as to which it exercised such right of setoff. The Borrower hereby grants to the Lenders and the Agent a lien on and security interest in all such deposits, indebtedness and property as collateral security for the payment

and performance of all of the obligations of the Borrower under this Agreement. The rights of each Lender under this Section 8.6 are in addition to the other rights and remedies (including, without limitation, other rights of setoff) which such Lender may have.

9. PAYMENTS, RECOVERIES AND COLLECTIONS.

9.1 Payment Procedure.

(a) All payments to be made by the Borrower shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise provided herein, all payments made by the Borrower of principal, interest or fees hereunder shall be made without setoff or counterclaim on the date specified for payment under this Agreement and must be received by the Agent not later than 12:00 p.m. (New York time) (or such later time on such date as agreed to by Agent) on the date such payment is required or intended to be made in Dollars in immediately available funds to the Agent's Account. The Agent shall deem any payment by or on behalf of the Borrower hereunder that is not made in same day funds prior to 12:00 p.m. (New York time) to be a non-conforming payment. Any such payment shall not be deemed to have been received by the Agent until the later of (i) the time such funds become available funds, and (ii) the applicable next Business Day. The Agent shall give prompt telephonic notice to the Borrower and each applicable Lender (confirmed in writing) if any payment is non-conforming. Any non-conforming payment may constitute or become a Default or Event of Default in accordance with the terms of Section 8.1(a) or 8.1(b), as applicable. Interest shall continue to accrue on any principal as to which a non-conforming payment is made until such funds become available funds (but in no event less than the period from the date of such payment to the next succeeding applicable Business Day) at the default interest rate determined pursuant to Section 2.6(d) from the date such amount was due and payable until the date such amount is paid in full.

(b) The Lenders and the Borrower hereby authorize the Agent to, and the Agent may, from time to time, charge the Loan Account with any amount due and payable by the Borrower under any Loan Document. Any amount charged to the Loan Account shall be deemed Indebtedness hereunder.

(c) All payments in respect of the principal amount of any Loan shall be accompanied by payment of accrued interest on the principal amount being repaid or prepaid, together with any fees or premiums (including the Yield Maintenance Premium and the Prepayment Premium) and all other amounts payable with respect to the principal amount being repaid or prepaid.

(d) The Agent shall promptly distribute to each Lender at such account or address as such Lender shall indicate in writing, such Lender's applicable Pro Rata Share of all payments and prepayments of principal and interest due hereunder, together with all other amounts due with respect thereto, including, without limitation, all fees payable with respect thereto, to the extent received by the Agent.

(e) Whenever any payment to be made hereunder shall otherwise be due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in computing interest, if any, in connection with such payment.

9.2 Application of Payments. (a) At any time an Application Event has occurred and is continuing, or the maturity of the Indebtedness shall have been accelerated pursuant to Section 8.2, all payments or proceeds received by the Agent hereunder or under any other Loan Document in respect of any of the Indebtedness, including, but not limited to all proceeds received by the Agent in respect of any sale, any collection from, or other realization upon all or any part of the Collateral, shall be applied in full or in part as follows:

first, ratably to pay the Indebtedness in respect of any fees (other than the Yield Maintenance Premium and the Prepayment Premium), expense reimbursements, indemnities and other amounts then due and payable to the Agent until paid in full;

second, ratably to pay the Indebtedness in respect of any fees (other than the Yield Maintenance Premium and the Prepayment Premium), expense reimbursements, and indemnities then due and payable to the Lenders until paid in full;

third, ratably to pay interest then due and payable in respect of the Loans;

fourth, ratably to pay principal of the Term Loan A and Term Loan B until paid in full;

fifth, ratably to pay principal of the Incremental Term Loans, if any (in the order of the Credit Dates of the Incremental Term Loans), until paid in full;

sixth, ratably to pay the Indebtedness in respect of the Yield Maintenance Premium and the Prepayment Premium then due and payable to the Lenders until paid in full;

seventh, to the ratable payment of all other Indebtedness then due and payable until paid in full; and

eighth, all remaining amounts to the Borrower or such other Person entitled thereto under applicable law.

(b) For purposes of Section 9.2, "paid in full" means payment in cash of all amounts owing under the Loan Documents according to the terms thereof, including loan fees, service fees, professional fees, interest (and specifically including interest accrued after the commencement of any Insolvency Proceeding), default interest, interest on interest, and expense reimbursements, whether or not the same would be or is allowed or disallowed in whole or in part in any Insolvency Proceeding.

In the event of a direct conflict between the priority provisions of Section 9.2 and other provisions contained in any other Loan Document, it is the intention of the parties hereto that both such priority provisions in such documents shall be read together and construed, to the fullest extent possible, to be in concert with each other. In the event of any actual, irreconcilable conflict that cannot be resolved as aforesaid, the terms and provisions of Section 9.2 shall control and govern.

9.3 Ratable Sharing. Lenders hereby agree among themselves that if any of them shall, whether by voluntary payment (other than a voluntary prepayment of Loans made and applied in accordance with the terms hereof), through the exercise of any right of set off or banker's lien, by counterclaim or cross action or by the enforcement of any right under the Loan Documents or otherwise, or as adequate protection of a deposit treated as cash collateral under the Bankruptcy Code, receive payment in respect of fees and other amounts then due and owing to such Lender hereunder or under the other Loan Documents (collectively, the "**Aggregate Amounts Due**" to such Lender) which is greater than the proportion received by any other Lender in respect of the Aggregate Amounts Due to such other Lender having Loans of the same Class, then the Lender receiving such proportionately greater payment shall (a) notify the Agent and each other Lender in writing of the receipt of such payment and (b) apply a portion of such payment to purchase participations (which it shall be deemed to have purchased from each seller of a participation simultaneously upon the receipt by such seller of its portion of such payment) in the Aggregate Amounts Due to the other Lenders so that all such recoveries of Aggregate Amounts Due shall be shared by all

Lenders having Loans of the same Class in proportion to the Aggregate Amounts Due to them; provided, if all or part of such proportionately greater payment received by such purchasing Lender is thereafter recovered from such Lender upon the bankruptcy or reorganization of the Borrower or otherwise, those purchases shall be rescinded and the purchase prices paid for such participations shall be returned to such purchasing Lender ratably to the extent of such recovery, but without interest. The Borrower expressly consents to the foregoing arrangement and agrees that any holder of a participation so purchased may exercise any and all rights of banker's lien, set off or counterclaim with respect to any and all monies owing by the Borrower to that holder with respect thereto as fully as if that holder were owed the amount of the participation held by that holder.

9.4 Treatment of a Defaulting Lender.

(a) The obligation of any Lender to make any Loan hereunder shall not be affected by the failure of any other Lender to make any Loan under this Agreement, and no Lender shall have any liability to the Borrower or any of its Subsidiaries, the Agent, any other Lender, or any other Person for another Lender's failure to make any loan or Loan hereunder.

(b) If any Lender shall become a Defaulting Lender, then such Defaulting Lender's right to vote in respect of any amendment, consent or waiver of the terms of this Agreement or such other Loan Documents, or to direct or approve any action or inaction by the Agent shall be subject to the restrictions set forth in Section 12.9.

(c) Any payment of principal, interest, fees or other amounts received by the Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article 9 or otherwise) or received by the Agent from a Defaulting Lender pursuant to Section 8.6 shall be applied at such time or times as may be determined by the Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Agent hereunder; *second*, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Agent; *third*, if so determined by the Agent and the Borrower, to be held in a deposit account and released pro rata in order to satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement; *fourth*, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *fifth*, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *sixth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made at a time when the conditions set forth in Section 4.2 were satisfied or waived, such payment shall be applied solely to pay the Loans of all Non-Defaulting Lenders in accordance with their Pro Rata Shares prior to being applied to the payment of any Loans of such Defaulting Lender until such time as all Loans are held by the Lenders pro rata in accordance with their respective Pro Rata Shares.

10. YIELD PROTECTION; INCREASED COSTS; MARGIN ADJUSTMENTS; TAXES.

10.1 Capital Adequacy and Other Increased Costs. If any Change in Law affects or would affect the capital or liquidity requirements of a Lender or the Agent (or any corporation controlling such Lender or the Agent) (including as a result of the imposition of Taxes other than Indemnified Taxes, Taxes described in clauses (b) through (d) of the definition of Excluded Taxes or Other Connection Taxes imposed

on or measured by net income (however denominated) or that are franchise Taxes or branch profit Taxes) and such Lender or the Agent, as the case may be, determines that the amount of required capital is increased by, or based upon the existence of such Lender's or the Agent's obligations or Loans hereunder, the effect of such Change in Law is to result in such an increase, and such increase has the effect of reducing the rate of return on such Lender's or the Agent's (or such controlling corporation's) capital as a consequence of such obligations or Loans hereunder to a level below that which such Lender or the Agent (or such controlling corporation) could have achieved but for such circumstances (taking into consideration its policies with respect to capital adequacy or liquidity) by an amount deemed by such Lender or the Agent to be material, then the Agent or such Lender shall notify the Borrower, and thereafter the Borrower shall pay to such Lender or the Agent, as the case may be, within ten (10) Business Days of written demand therefor from such Lender or the Agent, additional amounts sufficient to compensate such Lender or the Agent (or such controlling corporation) for any such reduction which such Lender or the Agent determines to be allocable to the existence of such Lender's or the Agent's obligations or Loans hereunder. A statement setting forth the amount of such compensation, the methodology for the calculation and the calculation thereof which shall also be prepared in good faith and in reasonable detail by such Lender or the Agent, as the case may be, shall be submitted by such Lender or by the Agent to the Borrower, reasonably promptly after becoming aware of any event described in this Section 10.1 and shall be conclusively presumed to be correct, absent manifest error.

10.2 Right of Lenders to Fund through Branches and Affiliates. Each Lender may, if it so elects, fulfill its commitment as to any Loan hereunder by designating a branch or Affiliate of such Lender to make such Loan; provided that (a) such Lender shall remain solely responsible for the performances of its obligations hereunder and (b) no such designation shall result in any material increased costs to the Borrower or the Agent.

10.3 Delay in Requests. Failure or delay on the part of any Lender to demand compensation pursuant to the foregoing provisions of this Section 10.3 shall not constitute a waiver of such Lender's right to demand such compensation, provided that the Borrower shall not be required to compensate a Lender pursuant to Section 10.1, for any increased costs incurred or reductions suffered more than 180 days prior to the date that such Lender notifies the Borrower of the Change in Law (provided that this provision will not apply to any Change in Law of the type referred to in clauses (x), (y) or (z) of the definition thereof) giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180 day period referred to above shall be extended to include the period of retroactive effect thereof).

10.4 Taxes.

(a) Any and all payments by or on account of any obligation of any Credit Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Credit Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 10.4) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) Without duplication of Section 10.4(a), the Credit Parties shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Agent, timely reimburse it for the payment of, any Other Taxes.

(c) As soon as practicable after any payment of Taxes by any Credit Party to a Governmental Authority pursuant to this Section 10.4, such Credit Party shall deliver to the Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Agent.

(d) If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 10.4, (including by payment of additional amounts pursuant to this Section 10.4), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of additional amounts or indemnification paid under this Section 10.4 with respect to the Taxes giving rise to such refund), net of all reasonable out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (d) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (d), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (d) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(e) The Borrower shall indemnify each Recipient, within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 10.4) payable or paid by such Person or required to be withheld or deducted from a payment to such Person and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Agent) or by the Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(f) Each Lender shall severally indemnify the Agent (and in the case of (iii) below, the Borrower, but only with respect to Lenders that are assignees and participants), within ten (10) days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent the Borrower has not already indemnified the Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 12.7 hereof relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender (or assignee or participant, if applicable), in each case, that are payable or paid by the Agent or Borrower, as and if applicable, in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority; provided, however, that an indemnification of any amount to the Borrower by a Lender that is an assignee or participant, as applicable, shall be limited to (x) circumstances where the Borrower has properly complied with its obligation to withhold taxes and (y) Taxes that are required to be paid to the IRS on the basis that the exemption for

portfolio interest is inapplicable. A certificate as to the amount of such payment or liability delivered to any Lender by the Agent, accompanied by reasonable supporting documentation, shall be conclusive absent manifest error. Each Lender hereby authorizes the Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Agent to the Lender from any other source against any amount due to the Agent under this paragraph (f).

(g) For purposes of this Section 10.4, the term "applicable law" includes FATCA.

(h) Each party's obligations under this Section 10.4 shall survive the resignation or replacement of the Agent or any assignment of rights by, or the replacement of a Lender, the termination of Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

11. AGENT.

11.1 Appointment of the Agent. Each Lender and the holder of each Note (if issued) irrevocably appoints and authorizes the Agent to act on behalf of such Lender or holder under this Agreement and the other Loan Documents and to exercise such powers hereunder and thereunder as are specifically delegated to the Agent by the terms hereof and thereof, together with such powers as may be reasonably incidental thereto, including without limitation the power to execute or authorize the execution of financing or similar statements or notices, and other documents. In performing its functions and duties under this Agreement, the Agent shall act solely as a non-fiduciary agent of the Lenders and does not assume and shall not be deemed to have assumed any obligation towards or relationship of agency or trust with or for any Credit Party.

11.2 Agency for Perfection. Each Lender hereby appoints the Agent and each other Lender as agent and bailee for the purpose of perfection the security interests in and liens upon the Collateral in assets which, in accordance with Article 9 of the UCC, can be perfected only by possession or control (or where the security interest of a secured party with possession or control has priority over the security interest of another secured party) and the Agent and each Lender hereby acknowledges that it holds possession of or otherwise controls any such Collateral for the benefit of the Agent and the Lenders as secured party. Should any Lender obtain possession or control of any such Collateral, such Lender shall notify the Agent thereof in writing, and, promptly upon the Agent's request therefore shall deliver such Collateral to the Agent or in accordance with the Agent's instructions.

11.3 Scope of the Agent's Duties. The Agent shall have no duties or responsibilities except those expressly set forth herein, and shall not, by reason of this Agreement or otherwise, have a fiduciary relationship with any Lender (and no implied covenants or other obligations shall be read into this Agreement against the Agent). None of the Agent, its Affiliates nor any of their respective directors, officers, employees or agents shall be liable for any action taken or omitted to be taken by it or them under this Agreement or any document executed pursuant hereto, or in connection herewith or therewith: (i) with the consent or at the request of the Majority Lenders (or all of the Lenders for those acts requiring consent of all of the Lenders or such other number or percentage of Lenders as shall be necessary, or as the Agent shall believe in good faith shall be necessary, under the circumstances); or (ii) in the absence of its own gross negligence or willful misconduct, as determined by a court of competent jurisdiction by a final and non-appealable judgment; provided, that, no action taken or not taken by the Agent with the consent or at the request of the Majority Lenders (or all of the Lenders for those acts requiring consent of all of the Lenders or such other number or percentage of Lenders as shall be necessary, or as the Agent shall believe in good faith shall be necessary, under the circumstances) shall be considered gross negligence or willful misconduct of the Agent. None of the Agent, its Affiliates nor any of their respective directors, officers, employees or agents shall be responsible for or have any duties to ascertain, inquire into or verify (a) any recitals or warranties made by the Credit Parties or any Affiliate of the Credit Parties, or any officer thereof

contained herein or therein, (b) the effectiveness, enforceability, validity or due execution of this Agreement or any document executed pursuant hereto or any security thereunder, (c) the performance by the Credit Parties of their respective obligations hereunder or thereunder, or (d) the satisfaction of any condition hereunder or thereunder, including without limitation in connection with the making of any Loan. The Agent and its Affiliates shall be entitled to rely upon, and shall not incur any liability for relying upon, any certificate, notice, document or other communication (including any cable, telegraph, telex, facsimile transmission or oral communication) believed by it to be genuine and correct and to have been sent or given by or on behalf of a proper Person. The Agent may treat the payee of any Note as the holder thereof. The Agent may employ agents and may consult with legal counsel, independent public accountants and other experts selected by it and shall not be liable to any Person for the negligence or misconduct of any such Person (except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that the Agent acted with gross negligence or willful misconduct in the selection of such Person) or for any action taken or omitted to be taken by it in good faith in accordance with the advice of such counsel, accountants or experts.

11.4 Successor Agent.

(a) The Agent may resign as such at any time upon at least thirty (30) days prior notice to the Borrower and each of the Lenders. If the Agent at any time shall resign or if the office of the Agent shall become vacant for any other reason, Majority Lenders shall, by written instrument, appoint successor agent(s) ("**Successor Agent**") satisfactory to such Majority Lenders and, so long as no Event of Default has occurred and is continuing, to the Borrower (which approval shall not be unreasonably withheld or delayed); provided, however that any such successor Agent shall be a bank or a trust company or other financial institution which maintains an office in the United States, or a commercial bank organized under the laws of the United States or any state thereof, or any Affiliate of such bank or trust company or other financial institution which is engaged in the banking business, and shall have a combined capital and surplus of at least $500,000,000. Such Successor Agent shall thereupon become the Agent hereunder, as applicable, and the Agent shall deliver or cause to be delivered to any successor agent such documents of transfer and assignment as such Successor Agent may reasonably request. If a Successor Agent is not so appointed or does not accept such appointment before the resigning Agent's resignation becomes effective, the resigning Agent may, but shall be under no obligation to, appoint a temporary successor to act until such appointment by the Majority Lenders and, if applicable, the Borrower, is made and accepted, or if no such temporary successor is appointed as provided above by the resigning the Agent, the Majority Lenders shall thereafter perform all of the duties of the resigning the Agent hereunder until such appointment by the Majority Lenders and, if applicable, the Borrower, is made and accepted. Such Successor Agent shall succeed to all of the rights and obligations of the resigning Agent as if originally named. The resigning Agent shall duly assign, transfer and deliver to such Successor Agent all moneys at the time held by the resigning Agent hereunder after deducting therefrom its expenses for which it is entitled to be reimbursed hereunder. Upon such succession of any such Successor Agent, the resigning Agent shall be discharged from its duties and obligations, in its capacity as the Agent hereunder, and the provisions of this Article 11, Section 10.4(e)-(f) and Section 12.4 shall continue in effect for the benefit of the resigning Agent in respect of any actions taken or omitted to be taken by it while it was acting as the Agent.

(b) Notwithstanding anything herein to the contrary, Double Helix Pte Ltd may assign its rights and duties as the Agent hereunder to another Temasek Entity without the prior written consent of, or prior written notice to, the Borrower or the Lenders; provided that the Borrower and the Lenders may deem and treat such assigning Agent as the Agent for all purposes hereof, unless and until such assigning Agent provides written notice to the Borrower and the Lenders of such assignment. Upon such assignment such Temasek Entity shall succeed to and become vested with all rights, powers, privileges and duties as the Agent hereunder and under the other Loan Documents.

(c) The Agent may perform any and all of its duties and exercise its rights and powers under this Agreement or under any other Loan Document by or through any one or more additional individuals or institutions as separate trustee, co-trustee, collateral agent, sub-agent or co-agent ("Supplemental Agents") appointed by the Agent. The Agent and any such Supplemental Agents may perform any and all of its duties and exercise its rights and powers by or through their respective Affiliates. The exculpatory, indemnification and other provisions of this Agreement (including, without limitation, this Article 11, Section 10.4(e)-(f) and Section 12.4) shall apply to any of the Supplemental Agents of the Agent and shall apply to their respective activities in connection with its activities as the Agent. All of the rights, benefits and privileges (including the exculpatory and indemnification provisions) of this Agreement (including, without limitation, this Article 11, Section 10.4(e)-(f) and Section 12.4) shall apply to any such Supplemental Agent and to the Affiliates of any such Supplemental Agent, and shall apply to their respective activities as sub-agent as if such sub-agent and Affiliates were named herein. Notwithstanding anything herein to the contrary, with respect to each Supplemental Agent appointed by the Agent, (i) such Supplemental Agent shall be a third party beneficiary under this Agreement with respect to all such rights, benefits and privileges (including exculpatory and rights to indemnification) and shall have all of the rights, benefits and privileges of a third party beneficiary, including an independent right of action to enforce such rights, benefits and privileges (including exculpatory rights and rights to indemnification) directly, without the consent or joinder of any other Person, against any or all of the Borrower, the Guarantors and the Lenders, (ii) such rights, benefits and privileges (including exculpatory rights and rights to indemnification) shall not be modified or amended without the consent of such Supplemental Agent, and (iii) such Supplemental Agent shall only have obligations to the Agent, and not to the Borrower, Guarantor, Lender or any other Person and no Borrower, Guarantor, Lender or any other Person shall have the rights, directly or indirectly, as a third party beneficiary or otherwise, against such Supplemental Agent. The Agent shall not be responsible for the negligence or misconduct of any Supplemental Agent except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that the Agent acted with gross negligence or willful misconduct in the selection of such Supplemental Agent.

11.5 Credit Decisions. Each Lender acknowledges that it has, independently of the Agent and each other Lender and based on the financial statements of the Borrower and such other documents, information and investigations as it has deemed appropriate, made its own credit decision to extend credit hereunder from time to time. Each Lender also acknowledges that it will, independently of the Agent and each other Lender and based on such other documents, information and investigations as it shall deem appropriate at any time, continue to make its own credit decisions as to exercising or not exercising from time to time any rights and privileges available to it under this Agreement, any Loan Document or any other document executed pursuant hereto.

11.6 Authority of the Agent to Enforce This Agreement. Each Lender, subject to the terms and conditions of this Agreement, grants the Agent full power and authority as attorney-in-fact to institute and maintain actions, suits or proceedings for the collection and enforcement of any Indebtedness (including any Yield Maintenance Premium or Prepayment Premium) outstanding under this Agreement or any other Loan Document and to file such proofs of debt or other documents as may be necessary to have the claims of the Lenders allowed in any proceeding relative to any Credit Party, or their respective creditors or affecting their respective properties, and to take such other actions which the Agent considers to be necessary or desirable for the protection, collection and enforcement of the Notes, this Agreement or the other Loan Documents.

11.7 Indemnification of the Agent. The Lenders agree to indemnify the Agent, its Affiliates and their respective officers, partners, directors, trustees employees and agents (each, an "**Indemnitee Agent Party**") (to the extent not reimbursed by the Borrower, but without limiting any obligation of the Borrower to make such reimbursement), ratably according to their respective Pro Rata Shares (provided, that, if such indemnity payment is sought after the date on which the Loans have been paid in full, such determination

of such Pro Rata Shares shall be made as of the last date prior to which the Loans were paid in full), from and against any and all claims, damages, losses, liabilities, costs or expenses of any kind or nature whatsoever (including, without limitation, reasonable fees and expenses of in-house and outside counsel) which may be imposed on, incurred by, or asserted against any Indemnitee Agent Party in any way relating to or arising out of this Agreement, any of the other Loan Documents or the transactions contemplated hereby or any action taken or omitted by any Indemnitee Agent Party under this Agreement or any of the Loan Documents in all cases, whether or not caused by or arising, in whole or in part, out of the comparative, contributory, or sole negligence of such Indemnitee Agent Party; provided, however, that no Lender shall be liable for any portion of such claims, damages, losses, liabilities, costs or expenses resulting from such Indemnitee Agent Party's gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final, non-appealable order. Without limitation of the foregoing, each Lender agrees to reimburse the Indemnitee Agent Parties promptly upon demand for its ratable share of any reasonable out-of-pocket expenses (including, without limitation, reasonable fees and expenses of in-house and outside counsel) incurred by the Indemnitee Agent Parties in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement or any of the other Loan Documents, to the extent that the Indemnitee Agent Parties are not timely reimbursed for such expenses by the Borrower, but without limiting the obligation of the Borrower to make such reimbursement. Each Lender agrees to reimburse the Indemnitee Agent Parties promptly upon demand for its ratable share (provided, that, if such payment is sought after the date on which the Loans have been paid in full, such determination of such ratable share shall be made as of the last date prior to which the Loans were paid in full) of any amounts owing to the Indemnitee Agent Parties by the Lenders pursuant to this Section, provided that, if the Indemnitee Agent Parties are subsequently reimbursed by the Borrower for such amounts, they shall refund to the Lenders on a pro rata basis the amount of any excess reimbursement. If the indemnity furnished to the Indemnitee Agent Parties under this Section shall become impaired as determined in the Agent's reasonable judgment or the Agent shall elect in its sole discretion to have such indemnity confirmed by the Lenders (as to specific matters or otherwise), the Agent shall give notice thereof to each Lender and, until such additional indemnity is provided or such existing indemnity is confirmed, the Agent may cease, or not commence, to take any action. Any amounts paid by the Lenders hereunder to the Indemnitee Agent Parties shall be deemed to constitute part of the Indebtedness hereunder.

11.8 Knowledge of Default. It is expressly understood and agreed that the Agent shall be entitled to assume that no Default or Event of Default has occurred and is continuing, unless the officers of the Agent immediately responsible for matters concerning this Agreement shall have received a written notice from a Lender or the Borrower specifying such Default or Event of Default and conspicuously stating that such notice is a "notice of default". Upon receiving such a notice, the Agent shall promptly notify each Lender of such Default or Event of Default and provide each Lender with a copy of such notice and shall endeavor to provide such notice to the Lenders within three (3) Business Days (but without any liability whatsoever in the event of its failure to do so). The Agent shall also furnish the Lenders, promptly upon receipt, with copies of all other notices or other information required to be provided by the Borrower hereunder.

11.9 The Agent's Authorization; Action by Lenders. Except as otherwise expressly provided herein, whenever the Agent is authorized and empowered hereunder on behalf of the Lenders to give any approval or consent, or to make any request, or to take any other action on behalf of the Lenders (including without limitation the exercise of any right or remedy hereunder or under the other Loan Documents), the Agent shall be required to give such approval or consent, or to make such request or to take such other action only when so requested in writing by the Majority Lenders or the Lenders, as applicable hereunder, provided, however, that the Agent shall not be required to act or omit to act if, in the reasonable judgment of the Agent, such action or omission may expose the Agent to personal liability for which the Agent has not been satisfactorily indemnified hereunder or is contrary to this Agreement, any of the Loan Documents

or applicable law. Action that may be taken by the Majority Lenders, any other specified percentage of the Lenders or all of the Lenders, as the case may be (as provided for hereunder), may be taken (i) pursuant to a vote of the requisite percentages of the Lenders as required hereunder at a meeting (which may be held by telephone conference call), provided that the Agent exercises good faith, diligent efforts to give all of the Lenders reasonable advance notice of the meeting, or (ii) pursuant to the written consent of the requisite percentages of the Lenders as required hereunder, provided that all of the Lenders are given reasonable advance notice of the requests for such consent.

11.10 Enforcement Actions by the Agent. Except as otherwise expressly provided under this Agreement or in any of the other Loan Documents and subject to the terms hereof, the Agent will take such action, assert such rights and pursue such remedies under this Agreement and the other Loan Documents as the Majority Lenders or all of the Lenders, as the case may be (as provided for hereunder), shall direct; provided, however, that the Agent shall not be required to act or omit to act if, in the reasonable judgment of the Agent, such action or omission may expose the Agent to personal liability for which the Agent has not been satisfactorily indemnified hereunder or is contrary to this Agreement, any of the Loan Documents or applicable law. Anything contained in any of the Loan Documents to the contrary notwithstanding, the Borrower, the Agent and each Lender hereby agree (i) no Lender shall have any right individually to realize upon any of the Collateral under any Loan Document or to enforce any Guaranty, it being understood and agreed that all powers, rights and remedies under the Loan Documents may be exercised solely by the Agent for the benefit of the Lenders in accordance with the terms thereof, (ii) in the event of a foreclosure by the Agent on any of the Collateral pursuant to a public or private sale, the Agent or any Lender may be the purchaser of any or all of such Collateral at any such sale and (iii) the Agent, as agent for and representative of the Lenders (but not any Lender or Lenders in its or their respective individual capacities unless the Majority Lenders shall otherwise agree in writing) shall be entitled (either directly or through one or more acquisition vehicles) for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral to be sold (A) at any public or private sale, (B) at any sale conducted by the Agent under the provisions of the Uniform Commercial Code (including pursuant to Sections 9-610 or 9-620 of the Uniform Commercial Code), (C) at any sale or foreclosure conducted by the Agent (whether by judicial action or otherwise) in accordance with applicable law or (D) any sale conducted pursuant to the provisions of any Debtor Relief Law (including Section 363 of the Bankruptcy Code), to use and apply all or any of the Indebtedness (including any Yield Maintenance Premium or Prepayment Premium) as a credit on account of the purchase price for any Collateral payable by the Agent at such sale.

11.11 Collateral Matters.

(a) The Agent is authorized on behalf of all the Lenders, without the necessity of any notice to or further consent from the Lenders, from time to time to take any action with respect to any Collateral or the Collateral Documents which may be necessary to perfect and maintain a perfected security interest in and Liens upon the Collateral granted pursuant to the Loan Documents.

(b) The Lenders irrevocably authorize the Agent, in its reasonable discretion, to the full extent set forth in Section 12.9(d) hereof, at the sole cost and expense of the Borrower (1) to release or terminate any Lien granted to or held by the Agent upon any Collateral (a) upon termination of the Commitments and payment in full of all Indebtedness (including any Yield Maintenance Premium or Prepayment Premium) payable under this Agreement and under any other Loan Document; (b) constituting property (including, without limitation, Equity Interests in any Person) sold or to be sold or disposed of as part of or in connection with any disposition (whether by sale, by merger or by any other form of transaction and including the property of any Subsidiary that is disposed of as permitted hereby) permitted in accordance with the terms of this Agreement to a Person that is not the Borrower or a Guarantor, subject to Section 11.11(b)(3) below; (c) constituting property in which a Credit Party owned no interest at the time the Lien was granted or at any time thereafter; or (d) if approved, authorized or ratified in writing by the

Majority Lenders, or all the Lenders, as the case may be, as provided in Section 12.9; (2) to subordinate the Lien granted to or held by the Agent on any Collateral to any other holder of a Lien on such Collateral which is permitted by Section 7.2(b) hereto; and (3) if all of the Equity Interests held by the Credit Parties in any Person are sold or otherwise transferred to any transferee other than the Borrower, an Affiliate of the Borrower or a Subsidiary of the Borrower as part of or in connection with any disposition (whether by sale, by merger or by any other form of transaction) permitted in accordance with the terms of this Agreement, to release such Person from all of its obligations under the Loan Documents (including, without limitation, under any Guaranty). Upon request by the Agent at any time, the Lenders will confirm in writing the Agent's authority to release particular types or items of Collateral or subordinate its interest in particular types or items of property or to release any Guarantor from its obligations under the Guaranty pursuant to this Section 11.11(b), and the Agent shall be entitled to refrain from taking any such action until it receives such written confirmation from the Majority Lenders or Lenders (as applicable).

11.12 The Agent in its Individual Capacity. Double Helix Pte Ltd and its Affiliates, successors and assigns shall each have the same rights and powers hereunder as any other Lender and may exercise or refrain from exercising the same as though such Lender were not the Agent. Double Helix Pte Ltd and its Affiliates may (without having to account therefor to any Lender) accept deposits from, lend money to, and generally engage in any kind of banking, trust, financial advisory or other business with the Credit Parties as if such Lender were not acting as the Agent hereunder, and may accept fees and other consideration therefor without having to account for the same to the Lenders.

11.13 Specified Subordination Agreement and Subordination Agreements. Each Lender hereby irrevocably appoints, designates and authorizes Agent to enter into any subordination or intercreditor agreement pertaining to the Senior Debt or any Subordinated Debt, on its behalf and to take such action on its behalf under the provisions of any such agreement. Each Lender further agrees to be bound by the terms and conditions of each subordination or intercreditor agreement pertaining to the Senior Debt or any Subordinated Debt.

11.14 No Reliance on the Agent's Customer Identification Program.

(a) Each Lender acknowledges and agrees that neither such Lender, nor any of its Affiliates, participants or assignees, may rely on the Agent to carry out such Lender's, Affiliate's, participant's or assignee's customer identification program, or other obligations required or imposed under or pursuant to the USA Patriot Act or the regulations thereunder, including the regulations contained in 31 CFR 103.121 (as hereafter amended or replaced, the "**CIP Regulations**"), or any other Anti-Terrorism Law, including any programs involving any of the following items relating to or in connection with the Borrower or any of its Subsidiaries, any of their respective Affiliates or agents, the Loan Documents or the transactions hereunder: (i) any identify verification procedures, (ii) any record keeping, (iii) any comparisons with government lists, (iv) any customer notices or (v) any other procedures required under the CIP Regulations or such other laws.

(b) Each Lender or assignee or participant of a Lender that is not organized under the laws of the United States or a state thereof (and is not excepted from the certification requirement contained in Section 313 of the USA Patriot Act and the applicable regulations because it is both (i) an affiliate of a depository institution or foreign bank that maintains a physical presence in the United States or foreign country, and (ii) subject to supervision by a banking authority regulating such affiliated depository institution or foreign bank) shall deliver to the Agent the certification, or, if applicable, recertification, certifying that such Lender is not a "shell" and certifying to other matters as required by Section 313 of the USA Patriot Act and the applicable regulations: (x) within 10 days after the Effective Date, and (y) at such other times as are required under the USA Patriot Act.

12. MISCELLANEOUS.

12.1 [Reserved].

12.2 Consent to Jurisdiction. ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST ANY THE BORROWER OR ANY GUARANTOR ARISING OUT OF OR RELATING HERETO OR ANY OTHER LOAN DOCUMENT, OR ANY OF THE INDEBTEDNESS (INCLUDING ANY YIELD MAINTENANCE PREMIUM OR PREPAYMENT PREMIUM), MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE, COUNTY AND CITY OF NEW YORK. BY EXECUTING AND DELIVERING THIS AGREEMENT, THE BORROWER, FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, IRREVOCABLY (I) ACCEPTS GENERALLY AND UNCONDITIONALLY THE NON-EXCLUSIVE JURISDICTION AND VENUE OF SUCH COURTS; (II) WAIVES ANY DEFENSE OF FORUM NON CONVENIENS; (III) AGREES THAT SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE APPLICABLE CREDIT PARTY AT ITS ADDRESS PROVIDED IN ACCORDANCE WITH SECTION 12.5 IS SUFFICIENT TO CONFER PERSONAL JURISDICTION OVER THE APPLICABLE CREDIT PARTY IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT; AND (iv) AGREES THAT THE AGENT AND THE LENDERS RETAIN THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO BRING PROCEEDINGS AGAINST THE BORROWER OR ANY GUARANTOR IN THE COURTS OF ANY OTHER JURISDICTION.

12.3 Governing Law. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED IN THE STATE OF NEW YORK.

12.4 Closing Costs and Other Costs; Indemnification.

(a) Whether or not the transactions contemplated hereby shall be consummated, the Borrower shall pay or reimburse (a) the Agent, the Lenders and their respective Affiliates for payment of, on demand, all reasonable and documented costs and expenses incurred by the Agent, Lenders and their respective Affiliates in connection with the consummation and closing of the loans contemplated hereby, the administration or enforcement of this Agreement or the other Loan Documents (including the obtaining of legal advice regarding the rights and responsibilities of the parties hereto), any refinancing or restructuring of the Loans provided under this Agreement or the other Loan Documents or the negotiation, preparation, execution and administration of the Loan Documents and any consents, amendments, waivers or other modifications thereto and any other documents or matters requested by Borrower, including, by way of description and not limitation, reasonable outside attorney fees (which shall be limited to one outside counsel for the Agent and one outside counsel for the Lenders (absent a conflict of interest (in which case, each group of similarly situated and conflicted Lenders may engage and be reimbursed for an additional firm of outside counsel)) and if necessary, one local counsel in each relevant jurisdiction and such specialist counsel as the Agent may reasonably determine to be necessary and one local counsel in each relevant jurisdiction and such specialist counsel as the Lenders may reasonably determine to be necessary (the "**Legal Counsel Limitations**")) and advances, appraisal, auditing, consulting and accounting fees, costs and expenses of creating and perfecting Liens in favor of the Agent, for the benefit of Agent and the Lenders (including, without limitation, filing and recording fees and lien search fees), costs and expenses (including the fees, expenses and disbursements of any appraisers, consultants, advisors and agents retained by Agent and its counsel and Lenders and their counsel) in connection with the custody or preservation of any of the Collateral and required travel costs, and (b) the Agent and its Affiliates and each of the Lenders, as the case

may be, for all stamp and other taxes and duties payable or determined to be payable in connection with the execution, delivery, filing or recording of this Agreement and the other Loan Documents and the consummation of the transactions contemplated hereby, and any and all liabilities with respect to or resulting from any delay in paying or omitting to pay such taxes or duties. Furthermore, all reasonable costs and expenses, including without limitation attorney fees, incurred by the Agent, the Lenders and their respective Affiliates in revising, preserving, protecting, exercising or enforcing any of the Agent's and the Lenders' rights against the Borrower or any other Credit Party, or otherwise incurred by the Agent and its Affiliates and the Lenders in connection with any Event of Default or the enforcement of their rights and remedies hereunder (whether incurred through negotiations, legal proceedings or otherwise), including by way of description and not limitation, such charges incurred in connection with the sale of, collection from or other realization upon any of the Collateral, in connection with any refinancing or restructuring of the credit arrangements provided hereunder in the nature of a "workout" or pursuant to any court or bankruptcy proceedings or arising out of any claim or action by any person against the Agent, its Affiliates, or any Lender which would not have been asserted were it not for the Agent's or such Affiliate's or Lender's relationship with the Borrower hereunder or otherwise, shall also be paid by the Borrower.

(b) IN ADDITION TO THE PAYMENT OF EXPENSES PURSUANT TO SECTION 12.4(a), WHETHER OR NOT THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE CONSUMMATED, THE BORROWER AGREES TO DEFEND (SUBJECT TO THE LEGAL COUNSEL LIMITATIONS)), INDEMNIFY, PAY AND HOLD HARMLESS, AGENT AND EACH LENDER, THEIR RESPECTIVE AFFILIATES AND THEIR RESPECTIVE OFFICERS, PARTNERS, DIRECTORS, TRUSTEES, EMPLOYEES AND AGENTS OF AGENT AND EACH LENDER (EACH, AN "**INDEMNITEE**"), FROM AND AGAINST ANY AND ALL INDEMNIFIED LIABILITIES, **IN ALL CASES, WHETHER OR NOT CAUSED BY OR ARISING, IN WHOLE OR IN PART, OUT OF THE COMPARATIVE, CONTRIBUTORY, OR SOLE NEGLIGENCE OF SUCH INDEMNITEE**; PROVIDED, THE BORROWER SHALL NOT HAVE ANY OBLIGATION TO ANY INDEMNITEE HEREUNDER WITH RESPECT TO ANY INDEMNIFIED LIABILITIES TO THE EXTENT SUCH INDEMNIFIED LIABILITIES ARISE FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, AS DETERMINED BY A COURT OF COMPETENT JURISDICTION IN A FINAL, NON-APPEALABLE ORDER, OF THAT INDEMNITEE. TO THE EXTENT THAT THE UNDERTAKINGS TO DEFEND, INDEMNIFY, PAY AND HOLD HARMLESS SET FORTH IN THIS SECTION 12.4(b) MAY BE UNENFORCEABLE IN WHOLE OR IN PART BECAUSE THEY ARE VIOLATIVE OF ANY LAW OR PUBLIC POLICY, THE BORROWER SHALL CONTRIBUTE THE MAXIMUM PORTION THAT IT IS PERMITTED TO PAY AND SATISFY UNDER APPLICABLE LAW TO THE PAYMENT AND SATISFACTION OF ALL INDEMNIFIED LIABILITIES INCURRED BY INDEMNITEES OR ANY OF THEM.

(c) To the extent permitted by applicable law, the Borrower shall not assert, and the Borrower hereby waives, any claim against Lenders, Agent and their respective Affiliates, directors, employees, attorneys or agents, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) (whether or not the claim therefor is based on contract, tort or duty imposed by any applicable legal requirement) arising out of, in connection with, as a result of, or in any way related to, this Agreement or any Loan Document or any agreement or instrument contemplated hereby or thereby or referred to herein or therein, the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof or any act or omission or event occurring in connection therewith, and the Borrower hereby waives, releases and agrees not to sue upon any such claim or any such damages, whether or not accrued and whether or not known or suspected to exist in its favor.

12.5 Notices.

(a) Except as expressly provided otherwise in this Agreement (and except as provided in clause (b) below), all notices and other communications provided to any party hereto under this Agreement or any other Loan Document shall be in writing and shall be given by personal delivery, by mail, by reputable overnight courier or by facsimile and addressed or delivered to it at its address set forth on Annex II or at such other address as may be designated by such party in a notice to the other parties that complies as to delivery with the terms of this Section 12.5 or posted to an E-System set up by or at the direction of the Agent (as set forth below). Any notice, if personally delivered or if mailed and properly addressed with postage prepaid and sent by registered or certified mail, shall be deemed given when received or when delivery is refused; any notice, if given to a reputable overnight courier and properly addressed, shall be deemed given two (2) Business Days after the date on which it was sent, unless it is actually received sooner by the named addressee; and any notice, if transmitted by facsimile, shall be deemed given when received. The Agent may, but, except as specifically provided herein, shall not be required to, take any action on the basis of any notice given to it by telephone, but the giver of any such notice shall promptly confirm such notice in writing or by facsimile, and such notice will not be deemed to have been received until such confirmation is deemed received in accordance with the provisions of this Section set forth above. If such telephonic notice conflicts with any such confirmation, the terms of such confirmation shall control. Any notice given by the Agent or any Lender to the Borrower shall be deemed to be a notice to all of the Credit Parties.

(b) Notices and other communications provided to the Agent and the Lenders party hereto under this Agreement or any other Loan Document may be delivered or furnished by electronic communication (including email and Internet or intranet websites) pursuant to procedures approved by the Agent; provided that the foregoing shall not apply to notices to any Lender pursuant to Article 2 if such Lender has notified the Agent that it is incapable of receiving notices under such Section by electronic communication. The Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications (including email and any E-System) pursuant to procedures approved by it. Unless otherwise agreed to in a writing by and among the parties to a particular communication, (i) notices and other communications sent to an email address shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, return email, or other written acknowledgment) and (ii) notices and other communications posted to any E-System shall be deemed received upon the deemed receipt by the intended recipient at its email address as described in the foregoing clause (i) of notification that such notice or other communication is available and identifying the website address therefore; provided that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient.

12.6 Further Action. The Borrower, from time to time, upon written request of the Agent will make, execute, acknowledge and deliver or cause to be made, executed, acknowledged and delivered, all such further and additional instruments, and take all such further action as may reasonably be required to carry out the intent and purpose of this Agreement or the Loan Documents, and to provide for Loans under and payment of the Notes, according to the intent and purpose herein and therein expressed.

12.7 Successors and Assigns; Participations; Assignments.

(a) This Agreement shall be binding upon and shall inure to the benefit of the Borrower and the Lenders and their respective successors and assigns.

(b) The foregoing shall not authorize any assignment by the Borrower of its rights or duties hereunder, and, except as otherwise provided herein, no such assignment shall be made (or be effective) without the prior written approval of the Lenders.

(c) No Lenders may at any time assign or grant participations in such Lender's rights and obligations hereunder and under the other Loan Documents except (i) by way of assignment to any Eligible Assignee in accordance with clause (d) of this Section, (ii) by way of a participation in accordance with the provisions of clause (e) of this Section 12.7 or (iii) by way of a pledge or assignment or grant of a security interest subject to the restrictions of clause (g) of this Section 12.7 (and any other attempted assignment or transfer by any Lender shall be deemed to be null and void); provided, that, notwithstanding anything to the contrary contained in this Agreement, (a) the Agent shall not be responsible or have any liability for, or have any duty to ascertain, inquire into, monitor or enforce, compliance with the provisions hereof relating to an Eligible Assignee and (b) the Borrower and the Lenders acknowledge and agree that the Agent shall have no responsibility or obligation to determine whether any Lender or potential Lender is an Eligible Assignee and that the Agent shall have no liability with respect to any assignment or participation made to any Person which is not an Eligible Assignee.

(d) Each assignment by a Lender of all or any portion of its rights and obligations hereunder and under the other Loan Documents, shall be subject to the following terms and conditions:

(i) each such assignment shall be made on a pro rata basis with respect to each Class of Term Loans, and shall be in a minimum amount of the lesser of Five Million Dollars ($5,000,000) (or such lesser amount as may be agreed to by the Agent or as shall constitute the aggregate amount of the Term Loan A, Term Loan B or Incremental Term Loans of a particular tranche of the assigning Lender) with respect to the assignment of Term Loans; and

(ii) the parties to any assignment shall execute and deliver to the Agent an Assignment Agreement substantially (as determined by the Agent) in the form attached hereto as Exhibit B (with appropriate insertions acceptable to the Agent), together with a processing and recordation fee in the amount, if any, required as set forth in the Assignment Agreement, and any other documents as the Agent shall reasonably request from such assignee.

Until the Assignment Agreement becomes effective in accordance with its terms and is recorded in the Register maintained by the Agent under clause (h) of this Section 12.7, and the Agent has confirmed that the assignment satisfies the requirements of this Section 12.7, the Borrower and the Agent shall be entitled to continue to deal solely and directly with the assigning Lender in connection with the interest so assigned. From and after the effective date of each Assignment Agreement that satisfies the requirements of this Section 12.7, the assignee thereunder shall be deemed to be a party to this Agreement, such assignee shall have the rights and obligations of a Lender under this Agreement and the other Loan Documents (including without limitation the right to receive fees payable hereunder in respect of the period following such assignment) and the assigning Lender shall relinquish its rights and be released from its obligations under this Agreement and the other Loan Documents.

Upon request, the Borrower shall execute and deliver to the Agent, new Note(s) payable to the order of the assignee in an amount equal to the amount assigned to the assigning Lender pursuant to such Assignment Agreement, and with respect to the portion of the Indebtedness retained by the assigning Lender, to the extent applicable, new Note(s) payable to the order of the assigning Lender in an amount equal to the amount retained by such Lender hereunder. The Agent, the Lenders and the Borrower acknowledges and agrees that any such new Note(s) shall be given in renewal and replacement of the Notes issued to the assigning lender prior to such assignment and shall not effect or constitute a novation or discharge of the

Indebtedness evidenced by such prior Note, and each such new Note may contain a provision confirming such agreement.

(e) The Borrower and the Agent acknowledge that each of the Lenders may at any time and from time to time, subject to the terms and conditions hereof, grant participations in such Lender's rights and obligations hereunder (on a pro rata basis only) and under the other Loan Documents to any Person (other than a natural person or to the Borrower or any of the Borrower's Affiliates or Subsidiaries); provided that any participation permitted hereunder shall comply with all applicable laws and shall be subject to a participation agreement that incorporates the following restrictions:

(i) such Lender shall remain the holder of its Notes hereunder (if such Notes are issued), notwithstanding any such participation;

(ii) a participant shall not reassign or transfer, or grant any sub-participations in its participation interest hereunder or any part thereof;

(iii) such Lender shall retain the sole right and responsibility to enforce the obligations of the Credit Parties relating to the Notes and the other Loan Documents, including, without limitation, the right to proceed against any Guarantors, or cause the Agent to do so (subject to the terms and conditions hereof), and the right to approve any amendment, modification or waiver of any provision of this Agreement without the consent of the participant (unless such participant is an Affiliate of such Lender), except for those matters requiring the consent of each of the Lenders under Section 12.9(b) (provided that a participant may exercise approval rights over such matters only on an indirect basis, acting through such Lender and the Credit Parties, the Agent and the other Lenders may continue to deal directly with such Lender in connection with such Lender's rights and duties hereunder). Notwithstanding the foregoing, however, in the case of any participation granted by any Lender hereunder, the participant shall not have any rights under this Agreement or any of the other Loan Documents against the Agent, any other Lender or any Credit Party; provided, however that the participant may have rights against such Lender in respect of such participation as may be set forth in the applicable participation agreement and all amounts payable by the Borrower and Guarantors hereunder shall be determined as if such Lender had not sold such participation. Each such participant shall be entitled to the benefits of Article 10 of this Agreement to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to clause (d) of this Section, provided that no participant shall be entitled to receive any greater amount pursuant to such the provisions of Article 10 than the issuing Lender would have been entitled to receive in respect of the amount of the participation transferred by such issuing Lender to such participant had no such transfer occurred, except to the extent that such entitlement to receive any greater payment results from a Change in Law that occurs after the participant acquired the applicable participation, and each such participant shall also be entitled to the benefits of Section 8.6 hereof as though it were a Lender, provided that such participant agrees to be subject to Section 9.3 hereof as though it were a Lender; and

(iv) each participant shall provide the relevant tax form required under Section 12.12 to its participating Lender.

(f) Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each participant and the principal amounts (and stated interest) of each participant's interest in the Loans or other obligations under the Loan Documents (the "**Participant Register**"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any participant or any information relating to a participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form

under Section 5f.103-1(c) of the United States Treasury Regulations and Section 163(f), 871(h)(2) and 881(c)(2) of the Internal Revenue Code. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Agent (in its capacity as Agent) shall have no responsibility for maintaining a Participant Register.

(g) Any Lender may at any time pledge or assign or grant a security interest in all or any portion of its rights under this Agreement (including its Notes, if any) or any other Loan Document to secure obligations or indebtedness of such Lender, including any pledge or assignment or grant to secure obligations to a Federal Reserve Bank or other third party lender, without notice to or consent of the Borrower or the Agent; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledge or assignee for such Lender as a party hereto (except in connection with the exercise of remedies by such pledgee or assignee or grantee with respect to the obligations or indebtedness of such Lender).

(h) The Borrower hereby designates the Agent, and Agent agrees to serve, as the Borrower's non-fiduciary agent solely for purposes of this Section 12.7(h) to maintain at its principal office in the United States a copy of each Assignment Agreement delivered to it and a register (the "**Register**") for the recordation of the names and addresses of the Lenders and the principal amount of each type of Loan owing to each such Lender from time to time. The entries in the Register shall be conclusive evidence, absent manifest error, and the Borrower, the Agent, and the Lenders shall treat each Person whose name is recorded in the Register as the owner of the Loans recorded therein for all purposes of this Agreement. The Register shall be available for inspection by the Borrower or any Lender (but only with respect to any entry relating to the principal amounts owing to such Lender) upon reasonable notice to the Agent and a copy of such information shall be provided to any such party on their prior written request. The Agent shall give prompt written notice to the Borrower of the making of any entry in the Register or any change in such entry. This Section 12.7(h) shall be construed so that the Loans are at all times maintained in "registered form" within the meaning of Section 5f.103-1(c) of the United States Treasury Regulations and Sections 163(f), 871(h)(2) and 881(c)(2) of the Internal Revenue Code.

(i) The Borrower authorizes each Lender to disclose to any prospective assignee or participant which has satisfied the requirements hereunder, any and all financial information in such Lender's possession concerning the Credit Parties which has been delivered to such Lender pursuant to this Agreement, provided that each such prospective assignee or participant shall execute a confidentiality agreement consistent with the terms of Section 12.10 hereof or shall otherwise agree to be bound by the terms thereof.

(j) Nothing in this Agreement, the Notes or the other Loan Documents, expressed or implied, is intended to or shall confer on any Person other than the respective parties hereto and thereto and their successors and assignees and participants permitted hereunder and thereunder any benefit or any legal or equitable right, remedy or other claim under this Agreement, the Notes or the other Loan Documents.

12.8 Counterparts. This Agreement may be executed in several counterparts, and each executed copy shall constitute an original instrument, but such counterparts shall together constitute but one and the same instrument. The words "execution," "execute", "signed," "signature," and words of like import in or related to any document to be signed in connection with this Agreement and the transactions contemplated hereby shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided

for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that notwithstanding anything contained herein to the contrary the Agent is under no obligation to agree to accept electronic signatures in any form or in any format unless expressly agreed to by the Agent pursuant to procedures approved by it.

12.9 Amendment and Waiver.

(a) No amendment or waiver of any provision of this Agreement or any other Loan Document, nor consent to any departure by any Credit Party therefrom, shall in any event be effective unless the same shall be in writing and signed by the Agent and the Majority Lenders (or by the Agent at the written request of the Majority Lenders) (except with respect to the Fee Letter, which shall only require the consent of the parties thereto) or, if this Agreement expressly so requires with respect to the subject matter thereof, by all Lenders (and, with respect to any amendments to this Agreement or the other Loan Documents, by any Credit Party or the Guarantors that are signatories thereto), and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. All references in this Agreement to "Lenders" or "the Lenders" shall refer to all Lenders, unless expressly stated to refer to Majority Lenders (or the like).

(b) Notwithstanding anything to the contrary herein,

(i) no amendment, waiver or consent shall increase the stated amount of any Lender's commitment hereunder without such Lender's consent;

(ii) no amendment, waiver or consent shall, unless in writing and signed by the Lender or Lenders holding Indebtedness directly affected thereby, do any of the following:

(A) reduce the principal of, or interest (other than any waiver of any increase in the interest rate applicable to any Loan pursuant to Section 2.6(d)) on, any outstanding Indebtedness or any Fees or other amounts payable hereunder (including any Yield Maintenance Premium or Prepayment Premium),

(B) postpone any date fixed for any payment of principal of, or interest on, any outstanding Indebtedness or any Fees or other amounts payable hereunder (including any Yield Maintenance Premium or Prepayment Premium),

(C) change any of the provisions of this Section 12.9 or the definition of "Majority Lenders" or any other provision of any Loan Document specifying the number or percentage of Lenders required to waive, amend or modify any rights thereunder or make any determination or grant any consent thereunder; provided that changes to the definition of "Majority Lenders" may be made with the consent of only the Majority Lenders to include the Lenders holding any additional credit facilities that are added to this Agreement with the approval of the appropriate Lenders, and

(D) amend the definition of "Pro Rata Share";

(iii) no amendment, waiver or consent shall, unless in writing and signed by all Lenders, do any of the following:

(A) except as expressly permitted hereunder or under the Collateral Documents, release all or substantially all of the Collateral (provided that neither the Agent nor any Lender shall be prohibited thereby from proposing or participating in a consensual or nonconsensual debtor-in-

possession or similar financing), or release any material guaranty provided by any Person in favor of the Agent and the Lenders, provided however that the Agent shall be entitled, without notice to or any further action or consent of the Lenders, to release any Collateral which any Credit Party is permitted to sell, assign or otherwise transfer in compliance with this Agreement or the other Loan Documents (to a Person that is not the Borrower or a Guarantor) or release any guaranty to the extent expressly permitted by Section 11.11(b)(iii) of this Agreement,

(B) modify, directly or indirectly, Section 9.2, Section 9.3 hereof or any other provision herein or in the other Loan Documents receiving the pro rata treatment of Lenders in a manner that would alter the priorities set forth therein or the pro rata sharing of payments required thereby, or

(C) except as expressly permitted in Section 11.11(b)(2), subordinate the Indebtedness hereunder or the Liens granted hereunder or under the other Loan Documents, to any other Debt (other than the Senior Debt) or obligation or Lien (other than the Liens in favor of the Senior Agent under the Senior Loan Documents), as the case may be;

(iv) any amendment, waiver, or consent that will affect the rights or duties of the Agent under this Agreement or any other Loan Document, shall require the written concurrence of the Agent; and

(v) any amendment, waiver, consent or other modification to this Agreement to permit the formation or other existence of the direct parent entity of the Borrower shall require the written consent of the Agent in its sole discretion.

(c) Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove of any amendment, consent, waiver or any other modification to any Loan Document (and all amendments, consents, waivers and other modifications may be effected without the consent of the Defaulting Lenders), except that the foregoing shall not permit, in each case without such Defaulting Lender's consent, (i) an increase in such Defaulting Lender's stated commitment amounts, (ii) the waiver, forgiveness or reduction of the principal amount of any Indebtedness owing to such Defaulting Lender (unless all other Lenders affected thereby are treated similarly), (iii) the extension of the final maturity date(s) of such Defaulting Lenders' portion of any of the Indebtedness (including any Yield Maintenance Premium or Prepayment Premium) or the extension of any commitment to extend credit of such Defaulting Lender, or (iv) any other modification which requires the consent of all Lenders or the Lender(s) affected thereby which affects such Defaulting Lender more adversely than the other affected Lenders (other than a modification which results in a reduction of repayment of any amounts owing to such Defaulting Lender on a non pro-rata basis).

(d) The Agent shall, upon the written request of the Borrower, execute and deliver to the Credit Parties such documents as may be necessary to evidence (1) the release of any Lien granted to or held by the Agent upon any Collateral: (a) upon termination of the Commitments and payment in full of all Indebtedness (including any Yield Maintenance Premium or Prepayment Premium) payable under this Agreement and under any other Loan Document; (b) which constitutes property (including, without limitation, Equity Interests in any Person) sold or to be sold or disposed of as part of or in connection with any disposition (whether by sale, by merger or by any other form of transaction and including the property of any Subsidiary that is disposed of as permitted hereby) permitted in accordance with the terms of this Agreement to a Person that is not the Borrower or a Guarantor, subject to Section 12.9(d)(2) below; (c) which constitutes property in which a Credit Party owned no interest at the time the Lien was granted or at any time thereafter; or (d) if approved, authorized or ratified in writing by the Majority Lenders, or all the Lenders, as the case may be, as provided in this Section 12.9; or (2) the release of any Person from its

obligations under the Loan Documents (including without limitation the Guaranty) if all of the Equity Interests of such Person that were held by a Credit Party are sold or otherwise transferred to any transferee other than the Borrower, an Affiliate of the Borrower or a Subsidiary of the Borrower as part of or in connection with any disposition (whether by sale, by merger or by any other form of transaction) permitted in accordance with the terms of this Agreement; provided that (i) the Agent shall not be required to execute any such release or subordination agreement under clauses (1) or (2) above on terms which, in the Agent's opinion, would expose the Agent to liability or create any obligation or entail any consequence other than the release of such Liens without recourse or warranty or such release shall not in any manner discharge, affect or impair the Indebtedness (including any Yield Maintenance Premium or Prepayment Premium) or any Liens upon any Collateral retained by any Credit Party, including (without limitation) the proceeds of the sale or other disposition, all of which shall constitute and remain part of the Collateral.

(e) Notwithstanding anything to the contrary herein the Agent may, with the consent of the Borrower only, amend, modify or supplement this Agreement or any of the other Loan Documents to cure any ambiguity, omission, mistake, defect or inconsistency.

(f) Notwithstanding the foregoing, no amendment and restatement of this Agreement which is in all other respects approved by the Lenders in accordance with this Section 12.9 shall require the consent or approval of any Lender (i) which immediately after giving effect to such amendment and restatement, shall have no commitment or other obligation to maintain or extend credit under this Agreement (as so amended and restated) and (ii) which, substantially contemporaneously with the effectiveness of such amendment and restatement, shall have received payment in full of all Indebtedness (including any Yield Maintenance Premium or Prepayment Premium) owing to such Lender under the Loan Documents. From and after the effectiveness of any such amendment and restatement, any such Lender shall be deemed to no longer be a "Lender" hereunder or a party hereto, except that any such Lender shall retain the benefits of indemnification provisions hereof which, by the terms hereof would survive the termination of this Agreement.

12.10 Confidentiality. Each of Agent and Lender agrees that it will not disclose without the prior consent of the Borrower (other than to its Subsidiaries, another Lender, an Affiliate of a Lender or to its auditors, agents, advisors, directors, officers, employees, shareholders, counsel or representatives (or to other Persons authorized by a Lender or the Agent to organize, present or disseminate such information in connection with disclosures otherwise made in accordance with this Section 12.10)) any information with respect to the Credit Parties which is furnished pursuant to this Agreement or any of the other Loan Documents; provided that Agent and Lenders may disclose any such information (a) as has become generally available to the public or has been lawfully obtained by Agent or Lender from any third party under no duty of confidentiality to any Credit Party, (b) as may be required or appropriate in any report, statement or testimony submitted to, or in respect to any inquiry, by, any municipal, state or federal regulatory body having or claiming to have jurisdiction over Agent or Lender, including the Board of Governors of the Federal Reserve System of the United States, the Office of the Comptroller of the Currency or the Federal Deposit Insurance Corporation or similar organizations (whether in the United States or elsewhere) or their successors, (c) as may be required or appropriate in respect to any summons or subpoena or in connection with any litigation, (d) in order to comply with any law, order, regulation, ruling or other requirement of law applicable to such Lender, (e) to any prospective assignee or participant in accordance with Section 12.7(f) hereof, (f) disclosure to any rating agency when required by it, provided that, prior to any disclosure, such rating agency shall undertake in writing to preserve the confidentiality of any confidential information relating to the Credit Parties received by it from any of the Agent or any Lender, and (g) disclosures of such information to any investors, members and partners of any Agent, Lender or their Affiliates, provided that prior to any disclosure, such investor, member or partner is informed of the confidential nature of the information.

12.11 Substitution or Removal of Lenders. Anything contained herein to the contrary notwithstanding, in the event that: (a) (i) any Lender shall give notice to the Borrower that such Lender is entitled to receive payments under Section 10.1 or 10.4, (ii) the circumstances which entitle such Lender to receive such payments shall remain in effect, and (iii) such Lender shall fail to withdraw such notice within five Business Days after the Borrower's request for such withdrawal; or (b)(i) any Lender shall become a Defaulting Lender, and (ii) such Defaulting Lender shall fail to cure the default as a result of which it has become a Defaulting Lender within five Business Days after the Borrower's request that it cure such default; or (c) in connection with any proposed amendment, modification, termination, waiver or consent with respect to any of the provisions hereof as contemplated by Section 12.9(b), the consent of the Agent and the Majority Lenders shall have been obtained but the consent of one or more of such other Lenders whose consent is required shall not have been obtained (a "**Non-Consenting Lender**"); then, with respect to each such Lender (an "**Affected Lender**"), the Borrower or Agent may, by giving written notice to the Borrower and any Affected Lender of its election to do so, elect to cause such Affected Lender (and such Affected Lender hereby irrevocably agrees) to assign its outstanding Loans in full to one or more Eligible Assignees (each a "**Replacement Lender**") in accordance with the provisions of Section 12.7 and Affected Lender shall pay any fees payable thereunder in connection with such assignment; provided, (1) on the date of such assignment, the Replacement Lender shall pay to Affected Lender an amount equal to the sum of (A) an amount equal to the principal of, and all accrued interest on, all outstanding Loans of the Affected Lender and (B) an amount equal to all accrued, but theretofore unpaid fees owing to such Affected Lender pursuant to the Fee Letter; (2) on the date of such assignment, the Borrower shall pay any amounts payable to such Affected Lender pursuant to Section 10.1 or 10.4; and (3) in the event such Affected Lender is a Non-Consenting Lender, each Replacement Lender shall consent, at the time of such assignment, to each matter in respect of which such Affected Lender was a Non-Consenting Lender. Upon the prepayment of all amounts owing to any Affected Lender, such Affected Lender shall no longer constitute a "Lender" for purposes hereof; provided, any rights of such Affected Lender to indemnification hereunder shall survive as to such Affected Lender.

12.12 Withholding Taxes.

(a) (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Agent, at the time or times reasonably requested by the Borrower or the Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Agent as will enable the Borrower or the Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 12.12(a)(i)(A), (i)(B) and (i)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender. Notwithstanding anything in this Agreement to the contrary, (x) no Temasek Entity shall be required by this Section 12.12 to provide an IRS Form W-8EXP for the purpose of reducing or eliminating any withholding tax that may be imposed on any payments to any Temasek Entity made under the Loan Documents and (y) a failure to provide an IRS Form W-8EXP to the Borrower or the Agent shall not prevent any Temasek Entity from being in compliance with its obligations under this Section 12.12 for purposes of clause (c) of the definition of "Excluded Taxes".

Without limiting the generality of the foregoing:

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Agent on or about the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Agent), executed copies of IRS Form W-9 (or any successor form) certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Agent (in such number of copies as shall be requested by the recipient) on or about the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Agent), whichever of the following is applicable:

(i) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN or W-8BEN-E (or any successor form), as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or W-8BEN-E, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(ii) executed copies of IRS Form W-8ECI (or any successor form);

(iii) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Internal Revenue Code, (x) a certificate substantially in the form of Exhibit E-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, a "10 percent shareholder" of a Borrower within the meaning of Section 881(c)(3)(B) of the Internal Revenue Code, or a "controlled foreign corporation" related to the Borrower as described in Section 881(c)(3)(C) of the Internal Revenue Code (a "U.S. Tax Compliance Certificate") and (y) executed copies of IRS Form W-8BEN or W-8BEN-E; or

(iv) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY (or any successor form), accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit E-2 or Exhibit E-3, IRS Form W-9, and/or other certification documents from each beneficial owner and supplementary documentation as may be prescribed by applicable law, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit E-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Agent (in such number of copies as shall be requested by the recipient) on or about the date on which such Foreign Lender becomes a Lender

under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Agent), executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender or Agent under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender or Agent were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Internal Revenue Code, as applicable), such Lender or Agent shall deliver to the Borrower and the Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Internal Revenue Code) and such additional documentation reasonably requested by the Borrower or the Agent as may be necessary for the Borrower and the Agent to comply with their obligations under FATCA and to determine that such Lender or Agent has complied with such Lender's or Agent's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Agent in writing of its legal inability to do so.

(b) For purposes of this Section 12.12, the term "applicable law" includes FATCA.

12.13 WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING HEREUNDER OR UNDER ANY OF THE OTHER LOAN DOCUMENTS OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS LOAN TRANSACTION OR THE LENDER/BORROWER RELATIONSHIP THAT IS BEING ESTABLISHED. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH PARTY HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN ITS RELATED FUTURE DEALINGS. EACH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION 12.13 AND EXECUTED BY EACH OF THE PARTIES HERETO), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS HERETO OR ANY OF THE OTHER LOAN DOCUMENTS OR TO ANY OTHER DOCUMENTS OR AGREEMENTS

RELATING TO THE LOANS MADE HEREUNDER. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

12.14 USA Patriot Act Notice; Beneficial Ownership Certification. Pursuant to Section 326 of the USA Patriot Act, the Agent and the Lenders hereby notify the Credit Parties that if they or any of their Subsidiaries open an account, including any loan, deposit account, treasury management account, or other extension of credit with the Agent or any Lender, the Agent or the applicable Lender will request the applicable Person's name, tax identification number, business address and other information necessary to identify such Person (and may request such Person's organizational documents or other identifying documents) to the extent necessary for the Agent and the applicable Lender to comply with the USA Patriot Act. The Borrower shall also deliver, from time to time at the reasonable request of the Agent or any Lender, a completed certification regarding beneficial ownership to the extent required by 31 C.F.R. §1010.230, together with any other information required under such regulation.

12.15 Complete Agreement; Conflicts. This Agreement, the Notes (if issued), any Requests for Loan and the Loan Documents contain the entire agreement of the parties hereto, superseding all prior agreements, discussions and understandings relating to the subject matter hereof, and none of the parties shall be bound by anything not expressed in writing. In the event of any conflict between the terms of this Agreement and the other Loan Documents, this Agreement shall govern.

12.16 Severability. In case any one or more of the obligations of the Credit Parties under this Agreement, the Notes or any of the other Loan Documents shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining obligations of the Credit Parties shall not in any way be affected or impaired thereby, and such invalidity, illegality or unenforceability in one jurisdiction shall not affect the validity, legality or enforceability of the obligations of the Credit Parties under this Agreement, the Notes or any of the other Loan Documents in any other jurisdiction.

12.17 Table of Contents and Headings; Section References. The table of contents and the headings of the various subdivisions hereof are for convenience of reference only and shall in no way modify or affect any of the terms or provisions hereof and references herein to "sections," "subsections," "clauses," "paragraphs," "subparagraphs," "exhibits" and "schedules" shall be to sections, subsections, clauses, paragraphs, subparagraphs, exhibits and schedules, respectively, of this Agreement unless otherwise specifically provided herein or unless the context otherwise clearly indicates.

12.18 Construction of Certain Provisions. If any provision of this Agreement or any of the Loan Documents refers to any action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person, whether or not expressly specified in such provision.

12.19 Independence of Covenants. Each covenant hereunder shall be given independent effect (subject to any exceptions stated in such covenant) so that if a particular action or condition is not permitted by any such covenant (taking into account any such stated exception), the fact that it would be permitted by an exception to, or would be otherwise within the limitations of, another covenant shall not avoid the occurrence of a Default or an Event of Default.

12.20 Electronic Transmissions.

(a) Each of the Agent, the Credit Parties, the Lenders, and each of their Affiliates is authorized (but not required) to transmit, post or otherwise make or communicate, in its sole discretion, Electronic Transmissions in connection with any Loan Document and the transactions contemplated therein. The Borrower and each other Credit Party hereby acknowledges and agrees that the use of

Electronic Transmissions is not necessarily secure and that there are risks associated with such use, including risks of interception, disclosure and abuse and each indicates it assumes and accepts such risks by hereby authorizing the transmission of Electronic Transmissions.

(b) All uses of an E-System shall be governed by and subject to, in addition to Section 12.5 and this Section 12.20, separate terms and conditions posted or referenced in such E-System and related contractual obligations executed by the Agent, the Credit Parties and the Lenders in connection with the use of such E-System.

(c) All E-Systems and Electronic Transmissions shall be provided "as is" and "as available". None of the Agent or any of its Affiliates, nor the Borrower or any of its respective Affiliates warrants the accuracy, adequacy or completeness of any E-Systems or Electronic Transmission, and each disclaims all liability for errors or omissions therein. No warranty of any kind is made by the Agent or any of its Affiliates, or the Borrower or any of its respective Affiliates in connection with any E-Systems or Electronic Transmission, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects. The Agent, the Borrower and its Subsidiaries, and the Lenders agree that the Agent has no responsibility for maintaining or providing any equipment, software, services or any testing required in connection with any Electronic Transmission or otherwise required for any E-System. The Agent and the Lenders agree that the Borrower has no responsibility for maintaining or providing any equipment, software, services or any testing required in connection with any Electronic Transmission or otherwise required for any E-System.

12.21 Advertisements. The Agent and the Lenders, subject to the Borrower's consent not to be unreasonably withheld, delayed or conditioned, may issue news releases and publish "tombstone" advertisements and other announcements relating to this transaction in newspapers, trade journals and other appropriate media (which may include use of logos of one or more of the Credit Parties) (collectively, "**Trade Announcements**"). No Credit Party shall issue any Trade Announcement or disclose the name of Agent or any Lender except (i) disclosures required by applicable law, regulation, legal process or the rules of the Securities and Exchange Commission or (ii) with the prior approval of Agent and such Lender not to be unreasonably withheld, delayed or conditioned.

12.22 Reliance on and Survival of Provisions. All terms, covenants, agreements, representations and warranties of the Credit Parties to any of the Loan Documents made herein or in any of the Loan Documents or in any certificate, report, financial statement or other document furnished by or on behalf of any Credit Party in connection with this Agreement or any of the Loan Documents shall be deemed to have been relied upon by the Lenders, notwithstanding any investigation heretofore or hereafter made by any Lender or on such Lender's behalf, and those covenants and agreements of the Borrower and the Lenders, as applicable, set forth in Sections 8.3, 8.6, 9.3, 10.1, 10.4, 11.3, 11.7 and 12.4 hereof (together with any other indemnities of any Credit Party or Lender contained elsewhere in this Agreement or in any of the other Loan Documents) shall survive the repayment in full of the Indebtedness (including any Yield Maintenance Premium or Prepayment Premium) and the termination of this Agreement and the other Loan Documents, including any commitment to extend credit thereunder.

12.23 Interest. Notwithstanding any other provision herein, the aggregate interest rate charged or agreed to be paid with respect to any of the Indebtedness (including any Yield Maintenance Premium or Prepayment Premium), including all charges or fees in connection therewith deemed in the nature of interest under applicable law shall not exceed the Highest Lawful Rate. If the rate of interest (determined without regard to the preceding sentence) under this Agreement at any time exceeds the Highest Lawful Rate, the outstanding amount of the Loans made hereunder shall bear interest at the Highest Lawful Rate until the total amount of interest due hereunder equals the amount of interest which would have been due hereunder if the stated rates of interest set forth in this Agreement had at all times been in effect. In addition, if when

the Loans made hereunder are repaid in full the total interest due hereunder (taking into account the increase provided for above) is less than the total amount of interest which would have been due hereunder if the stated rates of interest set forth in this Agreement had at all times been in effect, then to the extent permitted by law, the Borrower shall pay to the Agent an amount equal to the difference between the amount of interest paid and the amount of interest which would have been paid if the Highest Lawful Rate had at all times been in effect. Notwithstanding the foregoing, it is the intention of Lenders and the Borrower to conform strictly to any applicable usury laws. Accordingly, if any Lender contracts for, charges, or receives any consideration which constitutes interest in excess of the Highest Lawful Rate, then any such excess shall be cancelled automatically and, if previously paid, shall at such Lender's option be applied to the outstanding amount of the Loans made hereunder or be refunded to the Borrower. In determining whether the interest contracted for, charged, or received by the Agent or a Lender exceeds the Highest Lawful Rate, such Person may, to the extent permitted by applicable law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest, throughout the contemplated term of the Indebtedness hereunder.

12.24 Acknowledgment and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

12.25 Specified Subordination Agreement. Notwithstanding anything herein to the contrary, the Indebtedness evidenced by this Agreement and the other Loan Documents and the exercise of any right or remedy by the Agent or the Lenders hereunder or thereunder are subject to the provisions of the Specified Subordination Agreement (to the extent such Specified Subordination Agreement is then in effect). In the event of any direct conflict between the terms of the Specified Subordination Agreement and any other Loan Document, the terms of the Specified Subordination Agreement (to the extent such Specified Subordination Agreement is then in effect) shall govern. Notwithstanding anything that may be contained herein to the contrary, all of the provisions of this Agreement and the other Loan Documents, including without limitation, the covenants of the Credit Parties contained herein and therein and all of the rights,

remedies and powers provided for herein and therein, are subject to the provisions of the Specified Subordination Agreement to the extent such Specified Subordination Agreement is then in effect (it being understood that any breach by any Credit Party of its obligations hereunder or thereunder shall nonetheless constitute a default (and to the extent provided herein or therein, an Event of Default) hereunder or thereunder, as applicable, notwithstanding the foregoing).

12.26 Tax Characterization. Notwithstanding any provision of this Agreement to the contrary, the parties hereto agree to treat the Loans advanced hereunder as indebtedness for U.S. federal income tax purposes and no party hereto shall take a contrary position on any tax return or otherwise, unless otherwise required due to a "final determination" within the meaning Section 1313(a) of the Code. Solely for Federal income tax purposes, the Borrower, on behalf of each Credit Party, and each Lender hereby agree that (i) each Loan made hereunder will, as of the Ninth Amendment Effective Date, be treated under Treasury Regulation Section 1.1273-2(h) as an investment unit consisting of the Loan and the Ninth Amendment Warrant issued to the holders with respect to such Loan; (ii) the Ninth Amendment is a "significant modification" of the Loans within the meaning of Treasury Regulation Section 1.1001-3; (iii) the fair market value of the Ninth Amendment Warrant as of the Ninth Amendment Effective Date is $6,560,000; and (iv) the Borrower and the Lenders will file all Federal income tax returns in a manner consistent with the foregoing allocations.

[Signature Pages Omitted]

Summary report: Litera Compare for Word 11.10.1.2 Document comparison done on 9/4/2025 10:37:51 AM	
Style name: All	
Intelligent Table Comparison: Active	
Original DMS: iw://dmsweb.ad.dpw.com/AMERICASACTIVE/100761010/1	
Modified DMS: iw://dmsweb.ad.dpw.com/AMERICASACTIVE/100761010/4	
Changes:	
Add	4
~~Delete~~	1
~~Move From~~	0
Move To	0
Table Insert	0
~~Table Delete~~	0
Table moves to	0
~~Table moves from~~	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	5

Rent the Runway, Inc.
Non-Employee Director Compensation Program

This Program has been adopted under the Company's 2021 Incentive Award Plan (or any successor plan, the "Plan") and is effective as of May 13, 2025.

Cash Compensation
Annual cash retainers will be paid in the following amounts:

Board Service
Each Non-Employee Director: $75,000

Committee Service

Finance Committee:	$75,000
Audit Committee Chair:	$25,000
Compensation Committee Chair	$15,000
Nominating and ESG Committee Chair:	$5,000

There are no additional fees for service as regular Committee members.

All annual cash retainers will be paid quarterly in arrears within 30 days following the end of the applicable fiscal quarter. The first payment under this Program shall be within 30 days of May 1, 2025 for the first fiscal quarter of 2024. If a Non-Employee Director does not serve as a Non-Employee Director or in a Committee Chair position for an entire fiscal quarter, the retainer shall be prorated for the portion of the fiscal quarter that the Non-Employee Director served in the relevant role(s).

Equity Compensation
Each Non-Employee Director who will continue to serve as a Non-Employee Director immediately following an annual meeting of the Company's stockholders (an "Annual Meeting") shall be granted an award of restricted stock units ("RSUs") (the "Annual RSU Award").

The Board shall determine the amount of the Annual RSU Award annually. In fiscal year 2025, each Non-Employee Director shall receive 1,685 RSUs for their Annual RSU Award.

The Annual RSU Award will be automatically granted on the date of the applicable Annual Meeting. Each Annual RSU Award will vest in full, and the underlying shares be issued, as of the earlier of (i) the first anniversary of the date of grant or (ii) immediately before the next Annual Meeting following the date of grant of the Annual RSU Award, subject to the Non-Employee Director continuing in service on the Board through such vesting date.

The vesting of an Annual RSU Award will cease upon a Non-Employee Director's termination of service on the Board.

Cash for RSU Elections

Cash for RSU elections are not available for fiscal year 2025 and may be reinstated in future years at the discretion of the Board.

Reimbursements

The Company will reimburse Non-Employee Directors for reasonable travel and other business expenses incurred in connection with their duties to the Company, in accordance with the Company's applicable expense reimbursement policies and procedures.

Change in Control

Upon a Change in Control (as defined in the Plan), all outstanding RSUs that are held by a Non-Employee Director shall become fully vested, irrespective of any other provisions of the Non-Employee Director's award agreement(s).

Miscellaneous

All applicable terms of the Plan apply to this Program. RSUs granted pursuant to this Program shall be granted under the Plan and subject to the terms set forth in the approved form of award agreement.

The cash and equity compensation described in this Program shall be paid automatically and without further action of the Board, unless a Non-Employee Director declines the receipt by written notice to the Company.

This Program may be amended, modified or terminated by the Board at any time in its sole discretion. The terms and conditions of this Program supersede any prior compensation arrangements for service as a Non-Employee Director.

* * * *

CERTIFICATION

I, Jennifer Y. Hyman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Rent the Runway, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 12, 2025

By: /s/ Jennifer Y. Hyman

Jennifer Y. Hyman
Chief Executive Officer

CERTIFICATION

I, Siddharth Thacker, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Rent the Runway, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 12, 2025

By: /s/ Siddharth Thacker

Siddharth Thacker
Chief Financial Officer

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

I, Jennifer Y. Hyman, the Chief Executive Officer of Rent the Runway, Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of Rent the Runway, Inc. for the quarterly period ended July 31, 2025, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Rent the Runway, Inc.

Date: September 12, 2025

By: /s/ Jennifer Y. Hyman
Jennifer Y. Hyman
Chief Executive Officer

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

I, Siddharth Thacker, the Chief Financial Officer of Rent the Runway, Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of Rent the Runway, Inc. for the quarterly period ended July 31, 2025, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Rent the Runway, Inc.

Date: September 12, 2025

By: /s/ Siddharth Thacker
Siddharth Thacker
Chief Financial Officer