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 September 30, 2026

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

Commission File Number 001-39312

Playboy, Inc.

(Exact name of Registrant as specified in its charter)

Delaware	**37-1958714**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

10960 Wilshire Blvd., Suite 2200
Los Angeles, California 90024
(Address of principal executive offices including zip code)
Registrant's telephone number, including area code: (310) 424-1800

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value $0.0001 per share	PLBY	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 number of shares of registrant's Common Stock outstanding as of October 30, 2026 was 117,285,934.

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PART I. FINANCIAL INFORMATION

Item 1. Unaudited Condensed Consolidated Financial Statements.

Playboy, Inc.
Condensed Consolidated Statements of Operations
(Unaudited)
(in thousands, except share and per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Net revenues	$ 31,714	$ 28,994	$ 93,168	$ 86,017
Costs and expenses:				
Cost of sales	(7,411)	(6,954)	(25,351)	(25,746)
Selling and administrative expenses	(21,164)	(20,434)	(64,154)	(68,197)
Impairments	—	(245)	—	(2,087)
Other operating income (expense), net	864	5	1,674	(764)
Total operating expenses	(27,711)	(27,628)	(87,831)	(96,794)
Operating income (loss)	4,003	1,366	5,337	(10,777)
Nonoperating (expense) income:				
Interest expense, net	(2,565)	(1,926)	(7,282)	(5,721)
Other income, net	628	460	2,155	1,662
Total nonoperating expense	(1,937)	(1,466)	(5,127)	(4,059)
Income (loss) before income taxes	2,066	(100)	210	(14,836)
(Expense) benefit from income taxes	(202)	560	(2,111)	(1,424)
Net income (loss)	1,864	460	(1,901)	(16,260)
Net income (loss) per share, basic and diluted	$ 0.02	$ —	$ (0.02)	$ (0.17)
Weighted-average shares outstanding, basic	105,243,744	102,503,857	111,459,543	96,558,050
Weighted-average shares outstanding, diluted	106,109,353	112,540,226	111,459,543	96,558,050

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

Playboy, Inc.

Condensed Consolidated Statements of Comprehensive Income (Loss)

(Unaudited)

(in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Net income (loss)	$ 1,864	$ 460	$ (1,901)	$ (16,260)
Other comprehensive (loss) income:				
Foreign currency translation adjustment	(189)	270	542	522
Comprehensive income (loss)	$ 1,675	$ 730	$ (1,359)	$ (15,738)

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

Playboy, Inc.
Condensed Consolidated Balance Sheets
(Unaudited)
(in thousands, except share and per share amounts)

	September 30, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 29,701	$ 37,801
Restricted cash	667	100
Receivables, net of $0.7 million of allowance for credit losses for each of September 30, 2026 and December 31, 2025	10,217	4,120
Inventory, net	11,504	12,934
Prepaid expenses and other current assets	9,959	7,425
Assets held for sale	—	3,088
Total current assets	62,048	65,468
Restricted cash	4,568	4,920
Property and equipment, net	4,216	4,227
Operating right-of-use assets	14,781	16,019
Goodwill	38,375	37,467
Other intangible assets, net	155,789	155,882
Contract assets, net of current portion	6,850	7,467
Other noncurrent assets	3,646	922
Total assets	$ 290,273	$ 292,372
Liabilities and Equity		
Current liabilities:		
Accounts payable	$ 11,506	$ 11,930
Deferred revenues, current portion	8,974	11,015
Long-term debt, current portion	18,333	1,524
Operating lease liabilities, current portion	6,643	7,406
Liability pursuant to a stock repurchase agreement	12,187	—
Other current liabilities and accrued expenses	32,853	31,919
Total current liabilities	90,496	63,794
Deferred revenues, net of current portion	12,405	14,252
Long-term debt, net of current portion	136,132	172,645
Deferred tax liabilities, net	6,412	6,418
Operating lease liabilities, net of current portion	14,387	14,770
Other noncurrent liabilities	2,383	2,326
Total liabilities	262,215	274,205
Commitments and contingencies (Note 13)		
Mezzanine equity:		
Redeemable noncontrolling interest	(208)	(208)
Stockholders' equity:		
Common stock, par value $0.0001 per share, 400,000,000 shares authorized; 125,241,836 shares issued and 117,277,869 shares outstanding as of September 30, 2026; 115,069,810 shares issued and 112,819,881 shares outstanding as of December 31, 2025	11	11
Treasury stock, at cost, 7,963,967 and 2,249,929 shares as of September 30, 2026 and December 31, 2025	(12,273)	(5,445)
Additional paid-in capital	774,718	757,441
Accumulated other comprehensive loss	(26,174)	(26,716)
Accumulated deficit	(708,817)	(706,916)
Total stockholders' equity	27,465	18,375
Noncontrolling interest	$ 801	$ —
Total equity	$ 28,266	$ 18,375
Total liabilities and equity	$ 290,273	$ 292,372

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

Playboy, Inc.

Condensed Consolidated Statements of Equity (Deficit)

(Unaudited; in thousands, except share amounts)

	Three Months Ended September 30, 2026								
	Common Stock								
	Shares	Amount	Treasury Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity	Noncontrolling Interest	Total Equity
Balance at June 30, 2026	118,353,343	$ 11	$ (9,273)	$ 767,983	$ (25,985)	$ (710,681)	$ 22,055	$ 801	$ 22,856
Shares issued in connection with equity incentive plans	1,148,974	—	—	—	—	—	—	—	—
Stock-based compensation expense and vesting of restricted stock units	—	—	—	2,210	—	—	2,210	—	2,210
Repurchase of shares pursuant to a stock repurchase agreement	(2,857,143)	—	(3,000)	2,999	—	—	(1)	—	(1)
Noncontrolling interest capital contribution	—	—	—	1,023	—	—	1,023	—	1,023
Release of indemnity holdback shares	249,116	—	—	297	—	—	297	—	297
Shares issued pursuant to a backstop agreement, net of fees	101,790	—	—	—	—	—	—	—	—
Sale of common stock, net	281,789	—	—	206	—	—	206	—	206
Other comprehensive loss	—	—	—	—	(189)	—	(189)	—	(189)
Net income	—	—	—	—	—	1,864	1,864	—	1,864
Balance at September 30, 2026	117,277,869	$ 11	$(12,273)	$ 774,718	$ (26,174)	$ (708,817)	$ 27,465	$ 801	$ 28,266

	Three Months Ended September 30, 2025								
	Mezzanine Equity	Stockholders' Equity (Deficit)							
	Series B Convertible Preferred Stock	Common Stock							
	Shares	Amount	Shares	Amount	Treasury Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Equity
Balance at June 30, 2025	21,000.00001	$ 19,130	94,665,825	$ 10	$ (5,445)	$ 725,881	$ (27,203)	$ (710,733)	$(17,490)
Shares issued in connection with equity incentive plans	—	—	442,500	—	—	—	—	—	—
Stock-based compensation expense and vesting of restricted stock units	—	—	—	—	—	1,149	—	—	1,149
Conversion of convertible preferred stock	(21,000.00001)	(19,577)	12,439,730	1	—	19,576	—	—	19,577
Preferred stock accretion	—	447	—	—	—	(447)	—	—	(447)
Sale of common stock	—	—	191,260	—	—	254	—	—	254
Other comprehensive income	—	—	—	—	—	—	270	—	270
Net income	—	—	—	—	—	—	—	460	460
Balance at September 30, 2025	—	$ —	107,739,315	$ 11	$ (5,445)	$ 746,413	$ (26,933)	$ (710,273)	$ 3,773

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

Playboy, Inc.

Condensed Consolidated Statements of Equity (Deficit)

(Unaudited; in thousands, except share amounts)

	Nine Months Ended September 30, 2026								
	Common Stock								
	Shares	Amount	Treasury Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity	Noncontrolling Interest	Total Equity
Balance at December 31, 2025	112,819,881	$ 11	$ (5,445)	$ 757,441	$ (26,716)	$ (706,916)	$ 18,375	$ —	$ 18,375
Shares issued in connection with equity incentive plans	6,154,337	—	—	—	—	—	—	—	—
Stock-based compensation expense and vesting of restricted stock units	—	—	—	5,878	—	—	5,878	—	5,878
Shares withheld for taxes in connection with vested restricted stock units	(952,133)	—	(1,828)	—	—	—	(1,828)	—	(1,828)
Repurchase of shares pursuant to a stock repurchase agreement	(4,761,905)	(1)	(5,000)	(12,019)	—	—	(17,020)	—	(17,020)
Sale of common stock, net	3,666,783	1	—	5,494	—	—	5,495	—	5,495
Issuance and sale of noncontrolling equity interest (Note 9)	—	—	—	14,202	—	—	14,202	801	15,003
Noncontrolling interest capital contribution	—	—	—	3,425	—	—	3,425	—	3,425
Release of indemnity holdback shares	249,116	—	—	297	—	—	297	—	297
Shares issued pursuant to a backstop agreement, net of fees	101,790	—	—	—	—	—	—	—	—
Other comprehensive income	—	—	—	—	542	—	542	—	542
Net loss	—	—	—	—	—	(1,901)	(1,901)	—	(1,901)
Balance at September 30, 2026	117,277,869	$ 11	$ (12,273)	$ 774,718	$ (26,174)	$ (708,817)	$ 27,465	$ 801	$ 28,266

	Nine Months Ended September 30, 2025								
	Mezzanine Equity	Stockholders' Equity (Deficit)							
	Series B Convertible Preferred Stock	Common Stock							
	Shares	Amount	Shares	Amount	Treasury Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Equity
Balance at December 31, 2024	28,000.00001	$ 23,861	89,861,035	$ 9	$ (5,445)	$ 718,797	$ (27,455)	$ (693,637)	$ (7,731)
Shares issued in connection with equity incentive plans	—	—	1,462,602	1	—	—	—	—	1
Stock-based compensation expense and vesting of restricted stock units	—	—	—	—	—	3,502	—	—	3,502
Conversion of convertible preferred stock	(28,000.00001)	(26,577)	16,224,418	1	—	26,576	—	—	26,577
Preferred stock accretion	—	2,716	—	—	—	(2,716)	—	—	(2,716)
Sale of common stock	—	—	191,260	—	—	254	—	—	254
Other	—	—	—	—	—	—	—	(376)	(376)
Other comprehensive income	—	—	—	—	—	—	522	—	522
Net loss	—	—	—	—	—	—	—	(16,260)	(16,260)
Balance at September 30, 2025	—	$ —	107,739,315	$ 11	$ (5,445)	$ 746,413	$ (26,933)	$ (710,273)	$ 3,773

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

Playboy, Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited; in thousands)

	Nine Months Ended September 30,	
	2026	**2025**
Cash Flows From Operating Activities		
Net loss	$ (1,901)	$ (16,260)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	2,381	2,329
Stock-based compensation	5,878	3,502
Amortization of debt premium, net and issuance costs	(4,498)	(7,015)
Accretion of interest on a stock repurchase liability	409	—
Impairments	—	2,087
Amortization of right-of-use assets	4,024	4,033
Capitalized paid-in-kind interest	—	7,235
Deferred income taxes	(5)	2,700
Unrealized foreign currency gain	(1,459)	(1,321)
Other, net	(224)	732
Changes in operating assets and liabilities:		
Receivables	(7,061)	2,894
Inventory	1,305	2,097
Prepaid expenses and other current assets	283	(3,121)
Contract assets	1,706	(244)
Accounts payable	(628)	(2,473)
Accrued agency fees and commissions	(64)	1,904
Deferred revenues	(3,914)	7,695
Operating lease liabilities	(5,569)	(5,040)
Other liabilities and accrued expenses	1,700	(2,439)
Other, net	112	(673)
Net cash used in operating activities	(7,525)	(1,378)
Cash Flows From Investing Activities		
Proceeds from initial closing of new China joint venture	15,003	—
Purchases of property and equipment and intangibles	(1,187)	(746)
Proceeds from sale of artwork	2	1,007
Net cash provided by investing activities	13,818	261
Cash Flows From Financing Activities		
Proceeds from sale of common stock, net	5,543	254
Payment of financing costs	(206)	—
Repayment of long-term debt	(15,000)	—
Noncontrolling interest capital contribution	2,402	—
Payment to repurchase shares pursuant to a stock repurchase agreement	(5,000)	—
Payment of tax withholding in connection with vested restricted stock units	(1,828)	—
Other	(183)	(351)
Net cash used in financing activities	(14,272)	(97)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	94	249
Net decrease in cash and cash equivalents and restricted cash	(7,885)	(965)
Balance, beginning of year	$ 42,821	$ 33,322
Balance, end of period	$ 34,936	$ 32,357
Cash and cash equivalents and restricted cash consist of:		
Cash and cash equivalents	$ 29,701	$ 27,463
Restricted cash	5,235	4,894
Total	$ 34,936	$ 32,357

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

Playboy, Inc.

Condensed Consolidated Statements of Cash Flows (Continued)

(Unaudited; in thousands)

Supplemental Disclosures				
Cash paid for income taxes, net of refunds	$	1,483	$	773
Cash paid for interest	$	7,868	$	8,801
Supplemental Disclosure of Non-Cash Activities				
Issuance of common stock in relation to the conversion of preferred stock	$	—	$	26,577
Preferred stock accretion to redemption value	$	—	$	2,716
Right-of-use assets in exchange for lease liabilities	$	4,719	$	2,786
Reduction in right-of-use assets in relation to a lease of a formerly disposed of business	$	—	$	870
Reduction in right-of-use assets due to lease termination	$	618	$	—
Noncontrolling interest capital contribution	$	1,023	$	—
Tenant improvement allowance receivable recognized as a reduction of right-of-use assets	$	1,639	$	—
Release of indemnity holdback shares	$	297	$	—
Shares issued pursuant to a backstop agreement	$	150	$	—
Liability recognized at inception pursuant to a stock repurchase agreement	$	14,779	$	—
Purchases of property and equipment and intangibles	$	946	$	—

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

Playboy, Inc.

Notes to Unaudited Condensed Consolidated Financial Statements

1. Basis of Presentation and Summary of Significant Accounting Policies

Description of Business

Playboy, Inc. (formerly known as PLBY Group, Inc. from February 10, 2021 through June 24, 2025, the "Company", "we", "our" or "us"), together with its subsidiaries through which it conducts business, is a global lifestyle, media and licensing company marketing the *Playboy* brand through a wide range of direct-to-consumer products, *Playboy* magazine, licensing initiatives, digital subscriptions and content, and online and location-based entertainment, in addition to the sale of direct-to-consumer products through its *Honey Birdette* brand.

Basis of Presentation

The interim condensed consolidated financial statements and accompanying notes were prepared in accordance with accounting principles generally accepted in the United States ("GAAP").

Principles of Consolidation

The interim condensed consolidated financial statements include the accounts of the Company, its majority-owned subsidiaries and a variable interest entity of which we are the primary beneficiary (see Note 9, Variable Interest Entity). Intercompany accounts and transactions have been eliminated in consolidation. The Company follows a monthly reporting calendar, with its fiscal year ending on December 31.

Unaudited Interim Condensed Consolidated Financial Statements

The interim condensed consolidated balance sheet as of September 30, 2026, and the interim condensed consolidated statements of operations, comprehensive income (loss), and equity for the three and nine months ended September 30, 2026 and 2025, as well as cash flows for the nine months ended September 30, 2026 and 2025 are unaudited. The unaudited interim condensed consolidated financial statements have been prepared on the same basis as the annual consolidated financial statements and reflect, in the opinion of management, all adjustments of a normal and recurring nature that are necessary for the fair statement of our financial position as of September 30, 2026, our results of operations for the three and nine months ended September 30, 2026 and 2025 and our cash flows for the nine months ended September 30, 2026 and 2025. The financial data and other financial information disclosed in these notes to the interim condensed consolidated financial statements related to the three and nine-month periods are also unaudited. The interim condensed consolidated results of operations for the nine months ended September 30, 2026 are not necessarily indicative of the results to be expected for the year ending December 31, 2026 or for any future annual or interim period. The interim condensed consolidated balance sheet as of December 31, 2025 included herein was derived from the audited financial statements as of that date. These interim condensed consolidated financial statements should be read in conjunction with our audited financial statements included in the Annual Report on Form 10-K as filed by us with the U.S. Securities and Exchange Commission (the "SEC") on March 16, 2026.

Reclassifications

Certain prior period amounts in the condensed consolidated statement of cash flows, Note 3, Revenue Recognition, and Note 18, Segments, have been reclassified to conform to the current period presentation. These reclassifications had no effect on previously reported consolidated net revenues, operating loss, net loss or stockholders' equity.

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

We regularly assess these estimates, including, but not limited to, valuation of our trademarks and trade names; valuation of our contingent consideration liabilities (fully settled in the third quarter of 2026); valuation of our income taxes; the adequacy of reserves associated with accounts receivable and inventory; unredeemed gift cards and store credits; licensing commission accruals; and assessment of the consolidation of any variable interest entities. We base these estimates on historical experience and on various other market-specific and relevant assumptions that we believe to be reasonable under the circumstances. Actual results could differ from these estimates and such differences could be material to the financial position and results of operations.

Concentrations of Business and Credit Risk

We maintain certain cash balances in excess of Federal Deposit Insurance Corporation insured limits. We periodically evaluate the credit worthiness of the financial institutions with which we maintain cash deposits. We have not experienced any losses in such accounts and do not believe that there is any material credit risk to our cash. Concentration of credit risk with respect to accounts receivable is limited due to the wide variety of customers to whom our products are sold and/or licensed, with the exception of the customers described in the table below.

The following table represents revenue from our customers exceeding 10% of our total revenue for the three and nine months ended September 30, 2026 and 2025:

	Three Months Ended September 30,		Nine Months Ended September 30,	
Customer	**2026**	**2025**	**2026**	**2025**
Customer A[(1)]	16 %	17 %	16 %	17 %

(1) Represents minimum guaranteed royalties from licensed digital operations of our Playboy Plus, Playboy TV (online and linear) and Playboy Club digital businesses to Byborg Enterprises SA ("Byborg") pursuant to a License & Management Agreement (the "LMA") we entered into with Byborg in the fourth quarter of 2024. Refer to Note 17, Related Party Transactions, within the notes to our audited consolidated financial statements set forth in our Annual Report on Form 10-K, filed with the SEC on March 16, 2026, for details regarding the LMA.

The following table presents customers whose receivables exceeded 10% of our total receivables as of September 30, 2026 and December 31, 2025:

Customer	**September 30, 2026**	**December 31, 2025**
Customer B	*	14%
Customer C	11%	12%
Customer D	*	12%
Customer E	44%	*

* Indicates receivables for the customer did not exceed 10% of our total receivables balance.

Receivables increased to $10.2 million as of September 30, 2026, from $4.1 million as of December 31, 2025, primarily due to minimum guaranteed royalty installments billed in 2026 by our China licensing business, which is operated through the New China JV (as defined in Note 9, Variable Interest Entity), that were outstanding as of September 30, 2026, including amounts billed to Customer E. Refer to Note 9, Variable Interest Entity, for additional information.

Restricted Cash

At September 30, 2026 and December 31, 2025, our restricted cash primarily related to a cash collateralized letter of credit we maintained in connection with the lease of our Los Angeles headquarters, a cash collateralized letter of credit in relation to the lease of office space in Miami Beach, and Honey Birdette's term deposit in relation to its Sydney office lease.

Liquidity Assessment

As our financial performance continues to improve, so does the overall health of the business. Our net revenues for the three and nine months ended September 30, 2026 increased by $2.7 million, or 9.4%, and $7.2 million, or 8.3%, respectively, compared with the corresponding periods of 2025. Operating income was $4.0 million and $5.3 million for the three and nine months ended September 30, 2026, respectively, compared with operating income of $1.4 million and an operating loss of $10.8 million for the three and nine months ended September 30, 2025, respectively. As of September 30, 2026, we had approximately $29.7 million in unrestricted cash and cash equivalents. We continue to expect our capital expenditures and working capital requirements in 2026 to be largely consistent with 2025.

As of September 30, 2026, we were in compliance with the covenants under our senior secured credit agreement (the "A&R Credit Agreement"). However, due to ongoing negative macroeconomic factors and their uncertain impacts on our business, results of operations and cash flows, we could experience material decreases to net revenues and operating cash flows and materially higher operating losses, and we could then experience difficulty remaining in compliance with such covenants. Refer to Note 8, Debt, for further details regarding the terms of our A&R Credit Agreement and the term loans thereunder.

The accompanying unaudited condensed consolidated financial statements are prepared in accordance with GAAP applicable to a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. Although consequences of ongoing macroeconomic uncertainty could adversely affect our liquidity and capital resources in the future, and cash requirements may fluctuate based on the timing and extent of many factors, such as those discussed above, we believe our existing sources of liquidity will be sufficient to meet our obligations as they become due under the A&R Credit Agreement and our other obligations for at least one year following the date of the filing of this Quarterly Report on Form 10-Q. We may seek additional equity or debt financing in the future to satisfy capital requirements, respond to adverse changes in our circumstances or unforeseen events, or fund growth opportunities. However, in the event that additional financing is required from third-party sources, we may not be able to raise it on acceptable terms or at all.

Advertising Costs

We expense advertising costs as incurred. Advertising expenses were $1.2 million for each of the three months ended September 30, 2026 and 2025, and $3.8 million and $3.4 million for the nine months ended September 30, 2026 and 2025, respectively.

Gift Card Liabilities

We account for gift cards sold to customers by recording a liability in other current liabilities and accrued expenses in our condensed consolidated balance sheets at the time of sale, which is recognized as revenue when redeemed or when we have determined the likelihood of redemption to be remote, which is referred to as gift card breakage. Depending on the jurisdiction in which we operate, gift cards sold to customers have expiration dates ranging from three to five years from the date of sale, or they do not expire and may be subject to escheatment rights. Our gift card liability totaled $1.5 million, $1.6 million and $1.7 million as of September 30, 2026, December 31, 2025 and December 31, 2024, respectively. Revenues recognized from unredeemed gift card beginning balances were immaterial for the nine months ended September 30, 2026 and 2025.

Variable Interest Entity

A variable interest entity ("VIE") is a legal entity that does not have sufficient equity at risk to finance its activities without additional subordinated financial support, or is structured such that its equity holders do not have power over the activities of the entity; have voting rights, as a group, that are not proportionate to their economic interests; or are not exposed to the residual losses or benefits of the entity. At the inception of a contractual agreement, we determine whether we hold a variable interest in a legal entity that is a VIE and whether we are the primary beneficiary of the VIE. The primary beneficiary has both the power to direct the activities of the VIE that most significantly impact the entity's economic performance and the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE. If we conclude we are the primary beneficiary of a VIE, we consolidate the accounts of that VIE. We regularly review and reconsider previous conclusions regarding whether we hold a variable interest in a potential VIE, the status of an entity as a VIE, and whether we are the primary beneficiary of a VIE.

Long-Lived Assets

The carrying amounts of long-lived assets, including property and equipment, stores, acquired definite-lived intangible assets and right-of-use operating lease assets are periodically reviewed for indicators of impairment whenever events or changes in circumstances indicate that the carrying value of these assets may not be recoverable or that the useful life is shorter than originally estimated. Refer to Note 2, Fair Value Measurements, for impairment charges recognized in the 2025 periods. There were no impairment charges of our long-lived assets during the three and nine months ended September 30, 2026.

In the second quarter of 2026, we decided to cease selling our artwork, which had been classified as held for sale since the fourth quarter of 2023. The artwork was reclassified to held and used at its carrying amount of $3.1 million and is included in other noncurrent assets as of September 30, 2026. The reclassification had no effect on our results of operations.

Comprehensive Income (Loss)

Comprehensive income (loss) consists of net income (loss) and other gains and losses affecting stockholders' equity that, under GAAP, are excluded from net income (loss). Our other comprehensive income (loss) represents foreign currency translation adjustments primarily attributable to Honey Birdette's operations. Refer to the Condensed Consolidated Statements of Comprehensive Income (Loss). Total foreign currency transaction gains, net were $0.6 million and $1.6 million for the three and nine months ended September 30, 2026, respectively. Total foreign currency transaction gains, net were $0.4 million and $1.3 million for the three and nine months ended September 30, 2025, respectively.

Recently Adopted Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. Under such ASU, public entities must annually disclose specific categories in the rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold (if the effect of those reconciling items is equal to or greater than five percent of the amount computed by multiplying pretax income or loss by the applicable statutory income tax rate). This ASU is effective for all entities that are subject to Topic 740, Income Taxes, for annual periods beginning after December 15, 2024, with early adoption permitted. We adopted this ASU on a retrospective basis as of December 31, 2025, and prior period income tax disclosures have been updated to conform to the new requirements. The adoption of this ASU did not have a material impact on our condensed consolidated financial statements; however, our income tax disclosures have been expanded. Refer to Note 15, Income Taxes, for further information.

In July 2025, the FASB issued ASU 2025-05, Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets, which provides a practical expedient that allows an entity, when estimating expected credit losses on current accounts receivable and current contract assets arising from transactions accounted for under Accounting Standards Codifications ("ASC") 606, to assume that current conditions as of the balance sheet date do not change for the remaining life of the assets. We adopted ASU 2025-05 on January 1, 2026 on a prospective basis and elected the practical expedient. The adoption of ASU 2025-05 has not had a material impact on our condensed consolidated financial statements.

Accounting Pronouncements Issued but Not Yet Adopted

In November 2024, the FASB issued ASU 2024-03, Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220-40), which requires entities to disaggregate any relevant expense caption presented on the face of the income statement within continuing operations into the following required natural expense categories, as applicable: (1) purchases of inventory, (2) employee compensation, (3) depreciation, (4) intangible asset amortization, and (5) depreciation, depletion, and amortization recognized as part of oil- and gas-producing activities or other depletion expenses. An entity's share of earnings or losses from investments accounted for under the equity method is not a relevant expense caption that requires disaggregation. Such ASU's amendments are effective for all public business entities for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. In January 2025, the FASB issued ASU 2025-01, which revises the effective date of ASU 2024-03 to clarify that all public business entities are required to adopt the guidance in annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027. Early adoption of ASU 2024-03 is permitted. We are currently evaluating the anticipated impact of this pronouncement on our disclosures and our condensed consolidated financial statements.

In September 2025, the FASB issued ASU 2025-06, Intangibles — Goodwill and Other — Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software. The ASU is intended to modernize and clarify the accounting for internal-use software, including updates to the capitalization guidance that removes references to project stages and replaces them with the concept of a probable-to-complete recognition threshold. ASU 2025-06 is effective for fiscal years beginning after December 15, 2027, and early adoption is permitted as of the beginning of an annual period. We are currently evaluating the anticipated impact of this pronouncement on our disclosures and our condensed consolidated financial statements.

In December 2025, the FASB issued ASU 2025-11, Interim Reporting (Topic 270), which is intended to improve the navigability of the required interim disclosures and clarifies when the guidance is applicable, as well as provides additional guidance on what disclosures should be provided in interim reporting periods. The ASU is effective for interim reporting periods within annual reporting periods beginning after December 15, 2027, and early adoption is permitted. We are currently evaluating the anticipated impact of this pronouncement on our disclosures and our condensed consolidated financial statements.

In December 2025, the FASB issued ASU 2025-12, Codification Improvements, which is intended to address suggestions received from stakeholders regarding ASC and makes other incremental improvements to GAAP. The update represents changes to the ASC that clarify, correct errors in, or make other improvements to a variety of topics that are intended to make it easier to understand and apply. ASU 2025-12 is effective for fiscal years beginning after December 15, 2026 and interim periods within those fiscal years. Entities will be required to apply the amendments to ASC 260 retrospectively. All other amendments may be applied prospectively or retrospectively. Early adoption is permitted. We are currently evaluating the anticipated impact of this pronouncement on our disclosures and our condensed consolidated financial statements.

2. Fair Value Measurements

For cash equivalents, receivables and certain other current assets and liabilities at September 30, 2026 and December 31, 2025, the carrying amounts approximate fair value due to their short-term nature.

For debt, based upon the terms of our senior secured credit facility, including amendments through 2026, we believe that the carrying amount of its principal, including capitalized paid-in-kind interest, at September 30, 2026 and December 31, 2025 approximates fair value, as our debt bears interest at variable rates that reprice to current market rates frequently, and such debt is classified within Level 2 of the fair value hierarchy. Refer to Note 8, Debt, for further information.

Liabilities Measured and Recorded at Fair Value on a Recurring Basis

As of September 30, 2026, we had no assets or liabilities measured at fair value on a recurring basis. As of December 31, 2025, our only such liability was the $0.6 million contingent consideration liability related to our 2021 acquisition of GlowUp Digital Inc. (“GlowUp”), which was classified as Level 3 in the fair value hierarchy.

The GlowUp contingent consideration liability represented the portion of the GlowUp purchase price that was held back to cover potential indemnification obligations of the sellers. In July 2026, the holdback was released in full, and the liability was settled through the release of 249,116 shares of our common stock and aggregate cash payments of $0.2 million.

The following table provides a roll-forward of the fair value of the liabilities categorized as Level 3 for the nine months ended September 30, 2026 (in thousands):

	Contingent Consideration
Balance at December 31, 2025	$ 618
Change in fair value	(165)
Settlement	(453)
Balance at September 30, 2026	$ —

Assets Measured and Recorded at Fair Value on a Nonrecurring Basis

In addition to liabilities that are recorded at fair value on a recurring basis, we record assets and liabilities at fair value on a nonrecurring basis. Generally, our non-financial instruments, which primarily consist of goodwill, intangible assets, right-of-use assets, and property and equipment, are not required to be measured at fair value on a recurring basis and are reported at carrying value. However, on a periodic basis, whenever events or changes in circumstances indicate that their carrying value may not be fully recoverable (and at least annually for goodwill and indefinite-lived intangible assets), non-financial instruments are assessed for impairment and, if applicable, written-down to and recorded at fair value, considering market participant assumptions.

During the nine months ended September 30, 2025, we recorded impairment charges of $1.5 million on our right-of-use assets related to our corporate leases and wrote off certain of our property and equipment items in the amount of $0.4 million as a result of our decision to sublease certain of our corporate office space. During the three and nine months ended September 30, 2025, we also recognized impairment charges of $0.2 million and $0.5 million, respectively, to write down our artwork, then classified as held for sale, to its fair value less costs to sell, measured using Level 2 inputs consisting of recent auction prices for similar works of art. There were no impairment charges on our long-lived and indefinite-lived assets during the three and nine months ended September 30, 2026.

3. Revenue Recognition

Contract Balances

Our contract assets relate to our trademark licensing revenue stream, which arrangements are typically long-term and non-cancelable. Contract assets are reclassified to accounts receivable when the right to bill becomes unconditional. Our contract liabilities consist of billings or payments received in advance of revenue recognition and are recognized as revenue when transfer of control to customers has occurred. Contract assets and contract liabilities are netted on a contract-by-contract basis. Contract liabilities are classified as deferred revenue in the condensed consolidated balance sheets as of September 30, 2026 and December 31, 2025.

The following table summarizes our contract assets and certain contract liabilities (in thousands):

	September 30, 2026	December 31, 2025	December 31, 2024
Accounts receivable	$ 10,217	$ 4,120	$ 7,271
Contract Balances:			
Contract assets, current portion	$ 1,693	$ 1,733	$ 1,531
Contract assets, net of current portion	6,850	7,467	7,848
Contract liabilities, current portion	(8,974)	(11,015)	(9,693)
Contract liabilities, net of current portion	(12,405)	(14,252)	(5,762)
Contract liabilities, net	$ (12,836)	$ (16,067)	$ (6,076)

The following tables provide a roll-forward of our contract liabilities, net (in thousands):

	Contract Liabilities, Net
Balance at December 31, 2025	$ (16,067)
Revenues recognized that were included in gross contract liabilities at December 31, 2025	35,657
Contract assets reclassified to accounts receivable in the nine months ended September 30, 2026	(31,481)
Cash received in advance and remained in net contract liabilities at September 30, 2026	(772)
Contract terminations in the nine months ended September 30, 2026	(173)
Balance at September 30, 2026	$ (12,836)

	Contract Liabilities, Net
Balance at December 31, 2024	$ (6,076)
Revenues recognized that were included in gross contract liabilities at December 31, 2024	21,332
Contract assets reclassified to accounts receivable in the nine months ended September 30, 2025	(13,195)
Cash received in advance and remained in net contract liabilities at September 30, 2025	(15,848)
Contract terminations in the nine months ended September 30, 2025	215
Balance at September 30, 2025	$ (13,572)

Future Performance Obligations

As of September 30, 2026, unrecognized revenue attributable to unsatisfied and partially unsatisfied performance obligations under our long-term contracts was $326.0 million, of which $324.0 million related to trademark licensing, including minimum guaranteed royalties from licensed digital operations per the LMA, $1.6 million pertained to December 31, 2024 deferred revenue balances from our legacy digital subscriptions and products operations and $0.4 million related to direct-to-consumer products.

Unrecognized revenue of the trademark licensing revenue stream is expected to be recognized over the next 14 years, of which 49% is expected to be recognized in the first five years. Such unrecognized revenue does not include variable consideration determined based on the customer's subsequent sale or usage. Unrecognized revenue of our prior digital subscriptions and products operations, which pertains to related deferred revenue balances as of December 31, 2024, will be recognized over the next four years, of which 62% is expected to be recognized in the first year.

Disaggregation of Revenue

The following table disaggregates revenue by type (in thousands):

	Three Months Ended September 30, 2026					Nine Months Ended September 30, 2026				
	Direct-to-Consumer	Licensing	Corporate	All Other	Total	Direct-to-Consumer	Licensing	Corporate	All Other	Total
Consumer products	$ 18,368	$ —	$ 131	$ —	$ 18,499	$ 56,702	$ —	$ 375	$ —	$ 57,077
Trademark licensing	—	12,635	—	—	12,635	—	34,736	—	—	34,736
Digital subscriptions and products	—	—	73	253	326	—	—	263	827	1,090
Events and sponsorships	—	—	7	—	7	—	—	18	—	18
Total net revenue from contracts with customers	18,368	12,635	211	253	31,467	56,702	34,736	656	827	92,921
Collaborative arrangement revenue	—	—	247	—	247	—	—	247	—	247
Total net revenues	$ 18,368	$ 12,635	$ 458	$ 253	$ 31,714	$ 56,702	$ 34,736	$ 903	$ 827	$ 93,168

	Three Months Ended September 30, 2025					Nine Months Ended September 30, 2025				
	Direct-to-Consumer	Licensing	Corporate	All Other	Total	Direct-to-Consumer	Licensing	Corporate	All Other	Total
Consumer products	$ 16,388	$ —	$ —	$ —	$ 16,388	$ 49,212	$ —	$ 43	$ —	$ 49,255
Trademark licensing	—	11,995	—	—	11,995	—	34,378	—	—	34,378
Digital subscriptions and products	—	—	93	513	606	—	—	212	1,947	2,159
Events and sponsorships	—	—	5	—	5	—	—	225	—	225
Total net revenues	$ 16,388	$ 11,995	$ 98	$ 513	$ 28,994	$ 49,212	$ 34,378	$ 480	$ 1,947	$ 86,017

The following table disaggregates revenue by point in time versus over time (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Point in time [1]	$ 18,753	$ 16,393	$ 57,342	$ 49,542
Over time	12,961	12,601	35,826	36,475
Total net revenues	$ 31,714	$ 28,994	$ 93,168	$ 86,017

[1] Includes $0.2 million of our share of net profit under a collaborative arrangement related to a paid voting initiative accounted for under ASC 808, Collaborative Arrangements, which is not revenue from contracts with customers.

4. Inventory, Net

As of September 30, 2026 and December 31, 2025, our inventory, net, was comprised of merchandise finished goods and is stated at the lower of cost (specific cost and first-in, first-out) and net realizable value. Reserves for slow-moving and obsolete inventory amounted to $3.7 million and $3.3 million as of September 30, 2026 and December 31, 2025, respectively.

5. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following (in thousands):

	September 30, 2026	December 31, 2025
Contract assets, current portion	$ 1,693	$ 1,733
Tenant improvement allowance[1]	1,639	—
Noncontrolling interest capital contribution[2]	1,023	—
Prepaid inventory and production costs	934	984
Prepaid insurance	245	1,406
Prepaid taxes	700	440
Prepaid software	246	308
Prepaid fees and commissions	95	327
Other	3,384	2,227
Total	$ 9,959	$ 7,425

[1] Represents a receivable for a tenant improvement allowance due from the landlord under a lease for our Miami Beach, Florida office space. Refer to Note 13, Commitments and Contingencies, for additional information.

[2] Contribution from UTG (as defined in Note 7) to fund a required distribution, received in October 2026. Refer to Note 9, Variable Interest Entity, for details.

6. Property and Equipment, Net

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

	September 30, 2026	December 31, 2025
Software[1]	$ 8,370	$ 7,636
Leasehold improvements	9,630	10,174
Equipment	3,827	3,660
Furniture and fixtures	34	28
Construction in progress	1,038	667
Total property and equipment, gross	22,899	22,165
Less: accumulated depreciation	(18,683)	(17,938)
Total	$ 4,216	$ 4,227

[1] The net book value of our software was $0.9 million and $0.5 million as of September 30, 2026 and December 31, 2025, respectively, and primarily related to certain portions of our *playboy.com* site.

The aggregate depreciation expense related to property and equipment, net was $0.4 million and $0.3 million for the three months ended September 30, 2026 and 2025, respectively, and $1.4 million and $1.2 million for the nine months ended September 30, 2026 and 2025, respectively.

7. Other Current Liabilities and Accrued Expenses

Other current liabilities and accrued expenses consisted of the following (in thousands):

	September 30, 2026	December 31, 2025
Taxes	$ 8,863	$ 10,196
Accrued interest	4,063	561
Accrued salaries, wages and employee benefits	4,233	5,372
Accrued agency fees and commissions	931	1,250
Payable to Byborg, net	3,522	2,786
Accrued creator fees	1,616	1,613
Inventory in transit	439	884
Outstanding gift cards and store credits	1,516	1,649
Brand support advance payment from UTG[(1)]	960	—
Other	6,710	7,608
Total	$ 32,853	$ 31,919

[(1)] Represents the unapplied portion of the advance payment received from UTG Brands Management Group Limited ("UTG") under the Brand Support Services Agreement ("BSSA"). Refer to Note 9, Variable Interest Entity, for details.

8. Debt

The following table sets forth our debt (in thousands):

	September 30, 2026	December 31, 2025
Term loan, due 2028	$ 128,861	$ 143,861
Plus: capitalized payment-in-kind interest	16,054	16,054
Total debt	144,915	159,915
Plus: unamortized debt premium, net	10,279	15,116
Less: unamortized debt issuance costs	(729)	(862)
Total debt, net of unamortized debt issuance costs and debt premium, net	154,465	174,169
Less: current portion of long-term debt	(18,333)	(1,524)
Total debt, net of current portion	$ 136,132	$ 172,645

Term Loan

Refer to Note 9, Debt, within the notes to our audited consolidated financial statements set forth in our Annual Report on Form 10-K, filed with the SEC on March 16, 2026, for details regarding our A&R Credit Agreement for periods prior to the third quarter of 2025.

On August 11, 2025, we entered into Amendment No. 5 to the A&R Credit Agreement (the "A&R Fifth Amendment"). The A&R Fifth Amendment revised the definition of Consolidated EBITDA in the A&R Credit Agreement to allow for $2.4 million of non-cash rent expense related to our Miami Beach office lease to be added back when calculating such Consolidated EBITDA for applicable periods. The other terms of the A&R Credit Agreement prior to the A&R Fifth Amendment remained substantively unchanged.

On November 10, 2025, we entered into Amendment No. 6 to the A&R Credit Agreement (the "A&R Sixth Amendment"). The A&R Sixth Amendment, among other things, (i) extended the maturity of the A&R Credit Agreement to May 25, 2028, (ii) provided that the cash interest rate would be reduced by 0.15% or 0.50% in the event of certain prepayments of $25.0 million and $50.0 million, respectively (neither of which occurred), and (iii) provided that upon the first such prepayment made on the terms and conditions set forth in the A&R Sixth Amendment, the total net leverage ratio would be set at 9.00:1.00 for the quarter ending June 30, 2026, and step down over time until the ratio reaches 7.25:1.00 for the quarter ending December 31, 2027 and any subsequent quarter. The other terms of the A&R Credit Agreement prior to the A&R Sixth Amendment remained substantively unchanged.

On February 9, 2026, we entered into Amendment No. 7 to the A&R Credit Agreement (the "A&R Seventh Amendment") to, substantially concurrently with the New China JV Initial Closing, amend the terms of the A&R Credit Agreement, to, among other things: (i) permit the New China JV transactions, (ii) permit the contribution of certain intellectual property from us to the New China JV at the second closing pursuant to the Purchase Agreement, and (iii) provide for additional representations, covenants, and mandatory prepayments of our loans under the A&R Credit Agreement (including the entire $45.0 million Purchase Price and an additional $6.666 million from us). Refer to Note 9, Variable Interest Entity, below for definitions of capitalized terms used in, but not defined in, this paragraph.

We performed an assessment of the A&R Seventh Amendment, on a lender-by-lender basis, and accounted for the transaction as a debt modification. As a result of the A&R Seventh Amendment, fees of $0.3 million were expensed as incurred and recorded in other income, net in our condensed consolidated statements of operations for the first quarter of 2026. Fees of $0.2 million paid to or on behalf of the lenders in connection with the A&R Seventh Amendment were recorded as a reduction of the unamortized debt premium and are being amortized as an adjustment to interest expense over the remaining term of the A&R Term Loans (as defined below).

Concurrently with entering into the Repurchase Agreement, defined and described in Note 10, Stockholders' Equity, we also entered into Amendment No. 8 to the A&R Credit Agreement (the "A&R Eighth Amendment") to obtain lender consent for the Repurchase Agreement and related transactions. Refer also to Note 17, Related Party Transactions, for additional details. The A&R Eighth Amendment did not modify the pricing, maturity, or financial covenants of the A&R Credit Agreement. Costs incurred in connection with the A&R Eighth Amendment were immaterial.

The stated interest rate of each of Tranche A and Tranche B of the term loans under the A&R Credit Agreement (the "A&R Term Loans") as of September 30, 2026 was 10.42%. The stated interest rate of each of Tranche A and Tranche B of the A&R Term Loans as of December 31, 2025 was 10.08%. The effective interest rate of Tranche A and Tranche B of the A&R Term Loans as of September 30, 2026 was 2.93% and 5.74%, respectively. The effective interest rate of Tranche A and Tranche B of the A&R Term Loans as of December 31, 2025 was 3.88% and 6.34%, respectively.

Beginning with the interest period that commenced on June 26, 2026, interest on the A&R Term Loans is payable quarterly in arrears pursuant to the terms of the A&R Credit Agreement. Accordingly, no interest was paid during the three months ended September 30, 2026, and accrued interest of $3.8 million for the period from June 26, 2026 through September 27, 2026 was paid in October 2026.

We were in compliance with applicable financial covenants under the terms of the A&R Credit Agreement and its amendments as of September 30, 2026 and December 31, 2025.

As of September 30, 2026, the entire $144.9 million principal amount of our A&R Term Loans is due at maturity on May 25, 2028, subject to $36.666 million of mandatory prepayments required under the A&R Seventh Amendment, consisting of $18.333 million upon the completion of each of the second and third closings of the New China JV, which are contingent on UTG's payment of the related Purchase Price (as defined in Note 9, Variable Interest Entity). As the second closing is required to occur on or before January 4, 2027, the related $18.333 million mandatory prepayment is classified as long-term debt, current portion, in our condensed consolidated balance sheet as of September 30, 2026.

9. Variable Interest Entity

On February 9, 2026, we entered into a share purchase agreement (the "Purchase Agreement") with UTG to form a new joint venture for the Playboy licensing business in China, Hong Kong and Macau (the "New China JV"), in which UTG will ultimately acquire a 50% interest for an aggregate purchase price of $45.0 million (the "Purchase Price"), payable across three closings. At the initial closing on March 20, 2026 (the "New China JV Initial Closing"), we received $15.0 million and UTG acquired a 16.67% interest in the New China JV, while we owned the remaining 83.33% as of the New China JV Initial Closing and at September 30, 2026. UTG will acquire additional interests for $15.0 million at each of the second and third closings, on or before January 4, 2027 and January 4, 2028, respectively. The Purchase Price proceeds are required to be applied to repay our senior secured debt, of which $15.0 million was repaid in the first quarter of 2026 (see Note 8, Debt). UTG operates the New China JV's licensing business.

The New China JV is required to pay us minimum distributions totaling $67.0 million through 2033 ($10.0 million in 2026, $9.0 million in 2027 and $8.0 million in each year from 2028 through 2033), in each case payable semi-annually. UTG is required to contribute to the New China JV any shortfall in funds available for such distributions from the New China JV itself (the "Noncontrolling Interest Capital Contribution"). Noncontrolling Interest Capital Contributions totaled $3.4 million for the nine months ended September 30, 2026, of which $2.4 million was received in April 2026 and $1.0 million was recognized in the third quarter of 2026 and received in October 2026. The $1.0 million receivable from UTG is included in prepaid expenses and other current assets as of September 30, 2026, with a corresponding increase in additional paid-in capital.

Brand Support Services Agreement (BSSA)

Under the BSSA, UTG pays us for brand support services up to $4.0 million in each of the first two contract years and $2.0 million in the third contract year. In the first quarter of 2026, UTG advanced the $4.0 million for the first contract year. We applied $1.3 million and $2.6 million of the advance against cost of sales, and $0.2 million and $0.4 million against selling and administrative expenses, for the three and nine months ended September 30, 2026, respectively. The unapplied $1.0 million is included in other current liabilities and accrued expenses as of September 30, 2026.

Consolidation and Noncontrolling Interest

The New China JV is a VIE of which we are the primary beneficiary, and we have consolidated it since the New China JV Initial Closing. We are the primary beneficiary because, through our majority ownership interest, we have the power to direct the activities that most significantly impact the New China JV's economic performance, and, through our 83.33% equity interest and our right to the minimum distributions, we have the obligation to absorb losses of, and the right to receive benefits from, the New China JV that could potentially be significant to it. Because UTG bears any shortfalls in the minimum distributions required to be paid to us from the New China JV, profits are not shared in proportion to ownership, and we attribute net income or loss to the noncontrolling interest using the hypothetical liquidation at book value method. No earnings will be allocated to the noncontrolling interest until we have received the $67.0 million of minimum distributions we are entitled to pursuant to the New China JV's governing agreements. Accordingly, no net income or loss was attributed to the noncontrolling interest, and no distributions were made to UTG, for the three and nine months ended September 30, 2026. The assets of the New China JV can be used only to settle its obligations, and its creditors have no recourse to our general credit.

The New China JV's assets and liabilities included in our condensed consolidated balance sheet as of September 30, 2026, after elimination of intercompany balances, were as follows (in thousands):

Assets		
Cash and cash equivalents	$	5,164
Receivables, net		7,359
Prepaid expenses and other current assets		2,316
Other		64
Total assets	$	14,903
Liabilities		
Deferred revenues, current portion	$	1,216
Other current liabilities and accrued expenses		4,179
Deferred revenues, net of current portion		1,194
Other		126
Total liabilities	$	6,715

The New China JV's net revenues and net income included in our condensed consolidated statements of operations were $4.4 million and $4.3 million for the three months ended September 30, 2026, respectively, and $7.4 million and $7.1 million for the period from the New China JV Initial Closing through September 30, 2026, respectively, all of which was attributable to the Company.

10. Stockholders' Equity

Common Stock

The holders of our common stock have one vote for each share of common stock. Common stockholders are entitled to dividends when, as, and if declared by our Board of Directors (the "Board"). As of September 30, 2026, no dividends had been declared by the Board.

On June 16, 2025, our stockholders authorized an increase in the number of authorized shares of common stock of the Company from 150,000,000 to 400,000,000. The increase in our authorized shares of common stock did not impact the number of our issued or outstanding shares of common stock. Our common stock reserved for future issuance consisted of the following as of the dates indicated:

	September 30, 2026	December 31, 2025
Shares available for grant under equity incentive plans	8,303,338	1,160,627
Options issued and outstanding under equity incentive plans	1,997,466	1,997,466
Unvested restricted stock units	7,331,789	4,121,525
Vested restricted stock units not yet settled	8,065	2,002,582
Maximum number of shares issuable to GlowUp sellers pursuant to acquisition indemnity holdback	—	249,116
Total common stock reserved for future issuance	17,640,658	9,531,316

On February 23, 2026, we increased the availability under our previously registered and announced at-the-market offering (the "ATM") to $200 million worth of our common stock. During the three months ended September 30, 2026, we sold a total of 281,789 shares under the ATM for net proceeds of $0.2 million. During the nine months ended September 30, 2026, we sold 3,666,783 shares of our common stock under the ATM for net proceeds of $5.5 million. As of September 30, 2026, we had $194.1 million of remaining capacity under the ATM.

Share Repurchase from Our Primary Lender and Its Affiliates

On June 18, 2026, we entered into a stock repurchase agreement (the "Repurchase Agreement") with certain sellers, all of whom are affiliates of Fortress Investment Group, to repurchase an aggregate of 16,589,531 shares of our common stock, for an aggregate purchase price of $17.4 million payable in four installments through December 31, 2026. During the nine months ended September 30, 2026, we repurchased 4,761,905 shares of common stock for $5.0 million in cash, consisting of 1,904,762 shares for $2.0 million on June 18, 2026 and 2,857,143 shares for $3.0 million on August 24, 2026. We are contractually obligated to settle the remaining installments in cash. Accordingly, a liability of $14.8 million was established at inception and presented as a liability pursuant to a stock repurchase agreement within current liabilities on our condensed consolidated balance sheet, with a corresponding reduction to additional paid-in capital, measured at the present value of the remaining amount payable. The liability is accreted to its settlement amount over the term of the Repurchase Agreement, with the accretion recognized as interest expense. Direct costs of $0.2 million, which were primarily legal fees incurred in connection with the stock repurchase, were recorded as a reduction to additional paid-in capital in our condensed consolidated balance sheet as of September 30, 2026.

We evaluated the Repurchase Agreement under ASC 480, Distinguishing Liabilities from Equity. The Repurchase Agreement is a freestanding financial instrument that obligates us to repurchase a fixed number of our own shares at a fixed price of $1.05 per share, with settlement required in cash. Accordingly, we classified the obligation to repurchase the shares remaining under the payment schedule as a liability in accordance with ASC 480-10-25-8, rather than as equity or as an off-balance-sheet commitment. Because both the amount payable and the settlement dates are fixed, the liability is measured at the present value of the amounts to be paid under the remaining installments and is subsequently accreted to its settlement amount through interest expense over the term of the agreement, using the interest rate implicit in the arrangement at inception, in accordance with ASC 480-10-35-3(a). The liability is not remeasured to fair value through earnings.

During the three months ended September 30, 2026, we repurchased 2,857,143 shares under the Repurchase Agreement for $3.0 million, which are held as treasury shares. Until purchased by us, the shares subject to the Repurchase Agreement remain owned by the sellers, who retain voting and dividend rights with respect to such shares.

In the event we do not satisfy the remaining repurchase obligations under the Repurchase Agreement, certain of our affiliated stockholders are obligated to satisfy such obligations pursuant to a backstop agreement. Under the Backstop Agreement, we pay the Backstop Purchasers (as such terms are defined in Note 17, Related Party Transactions) a fee equal to 5.0% of each installment that we fund ourselves, payable in shares of our common stock valued at $1.4736 per share. During the three months ended September 30, 2026, a backstop fee of $0.2 million was earned and settled through the issuance of 101,790 shares of common stock to the Backstop Purchasers.

Interest expense recognized in relation to the accretion of the repurchase liability under the Repurchase Agreement for the three and nine months ended September 30, 2026 was $0.4 million in each period. As of September 30, 2026, the carrying amount of the liability was $12.2 million, representing the present value of the remaining $12.4 million of contractually scheduled installment payments ($5.0 million due on or before November 1, 2026 and $7.4 million due on or before December 31, 2026) pursuant to the Repurchase Agreement. Refer to Note 17, Related Party Transactions, for additional information.

Subsequent to September 30, 2026, The Million S.a.r.l., one of the Backstop Purchasers, purchased directly from the sellers the shares comprising the installment due to be purchased by November 1, 2026 pursuant to the Repurchase Agreement. Refer to Note 19, Subsequent Events, for additional information.

11. Convertible Preferred Stock

The Company has authorized 5,000,000 shares of preferred stock, with a par value of $0.0001 per share. Of the 5,000,000 authorized preferred shares, 28,001 shares are designated as "Series B Convertible Preferred Stock".

On November 13, 2024, pursuant to an exchange agreement, we issued an aggregate of 28,000.00001 shares of the Series B Convertible Preferred Stock, as consideration in exchange for approximately $6.4 million of Tranche A A&R Term Loans and approximately $58.9 million of Tranche B A&R Term Loans under that certain A&R Credit Agreement. For a more detailed summary of the terms of the Series B Convertible Preferred Stock, refer to Note 12, Preferred Stock, within the notes to our audited consolidated financial statements set forth in our Annual Report on Form 10-K filed with the SEC on March 16, 2026.

On January 29, 2025, we completed the conversion of 7,000 shares of the 28,000.00001 outstanding shares of Series B Convertible Preferred Stock into 3,784,688 shares of our common stock, at a conversion price of $1.84956 per share (the "Conversion"), in accordance with the terms of the Series B Convertible Preferred Stock. As a result of the Conversion, we reduced the number of shares of Series B Convertible Preferred Stock outstanding to 21,000.00001 shares. Holders of the Series B Convertible Preferred Stock had their shares converted to common stock on a pro rata basis.

On August 22, 2025, we completed the conversion of all remaining 21,000.00001 outstanding shares of Series B Convertible Preferred Stock into 12,439,730 shares of our common stock, at a conversion price of $1.74448 per share (the "Second Conversion"), in accordance with the terms of the Series B Convertible Preferred Stock. As a result of the Second Conversion, we no longer had any shares of preferred stock outstanding.

12. Stock-Based Compensation

As of September 30, 2026, 28,844,301 shares of our common stock had been authorized for issuance under our 2021 Equity and Incentive Compensation Plan, as amended to include an increase of 10,000,000 shares approved by our stockholders on June 16, 2026, and 5,606,175 shares of our common stock were originally reserved for issuance under our 2018 Equity Incentive Plan.

Stock Option Activity

There was no stock option activity during the three and nine months ended September 30, 2026.

Restricted Stock Unit Activity

A summary of restricted stock unit ("RSU") activity under our equity incentive plans is as follows:

	Number of Awards	Weighted- Average Grant Date Fair Value per Share
Unvested and outstanding balance at December 31, 2025	4,121,525	$ 1.21
Granted	7,370,425	1.52
Vested	(4,159,820)	1.21
Forfeited	(341)	9.83
Unvested and outstanding balance at September 30, 2026	7,331,789	$ 1.52

The total fair value of RSUs that vested during the three months ended September 30, 2026 was approximately $1.1 million. There were no RSUs that vested during the three months ended September 30, 2025. The total fair value of RSUs that vested during the nine months ended September 30, 2026 and 2025 was approximately $6.3 million and $4.8 million, respectively. We had 8,065 and 1,846,766 outstanding and fully vested RSUs that remained unsettled at September 30, 2026 and 2025, respectively, all of which were subsequently settled in 2026 and 2025, respectively. As such, they were excluded from outstanding shares of common stock but were included in weighted-average shares outstanding for the calculation of net income (loss) per share for the three and nine months ended September 30, 2026 and 2025.

Performance Stock Unit Activity

There was no performance-based restricted stock unit ("PSU") activity under our equity incentive plans during the three and nine months ended September 30, 2026.

Stock-Based Compensation Expense

Stock-based compensation expense under our equity incentive plans during the three months ended September 30, 2026 and 2025 was $2.2 million and $1.1 million, respectively, and $5.9 million and $3.5 million during the nine months ended September 30, 2026 and 2025, respectively. All stock-based compensation expense was recorded in selling and administrative expenses in our condensed consolidated statements of operations for the three and nine months ended September 30, 2026 and 2025. At September 30, 2026, there was no unrecognized stock-based compensation expense related to unvested stock options or PSUs, as all previously unvested and outstanding stock options and PSUs were fully vested as of September 30, 2026. At September 30, 2026, total unrecognized compensation cost related to unvested RSUs was $7.1 million and is expected to be recognized over the remaining weighted-average service period of 1.0 year.

13. Commitments and Contingencies

Leases

Lease cost associated with operating leases for the three and nine months ended September 30, 2026 and 2025 is included in the table below. Finance leases and their related cost for the three and nine months ended September 30, 2026 and 2025, were immaterial.

On August 11, 2025, through our wholly owned subsidiary, Playboy Enterprises, Inc., we entered into an operating lease (the "Lease") with RK Rivani LLC (the "Landlord") for approximately 20,169 square feet of office space in Miami Beach, Florida.

In the second quarter of 2026, we amended the Lease to change the lease commencement date to January 1, 2027 and the expiration date to November 30, 2037. As we did not take possession of the office space as of September 30, 2026, it is not reflected in our condensed consolidated financial statements or in the tables below. The future undiscounted fixed non-cancelable payment obligation pertaining to the Lease is approximately $25.0 million.

On May 14, 2026, we entered into a new operating lease (the "Additional Lease") with the Landlord for the remainder of the same floor as the Lease, comprising approximately 5,696 square feet, which commenced on May 1, 2026 and expires on November 30, 2037, subject to two five-year renewal options. In addition to base rent under the Additional Lease, we are responsible for operating expenses and property taxes. In connection with the Additional Lease, the Landlord agreed to provide a tenant improvement allowance of $1.6 million, which reduced the right-of-use asset recognized upon commencement of the Additional Lease and was recorded as a receivable within prepaid expenses and other current assets on our condensed consolidated balance sheet as of September 30, 2026. Refer to Note 5, Prepaid Expenses and Other Current Assets, for additional information. The future undiscounted lease payments under the Additional Lease are approximately $6.9 million.

During the second quarter of 2026, we terminated certain operating leases for Honey Birdette retail stores prior to their contractual expiration dates and derecognized $0.6 million of right-of-use assets and the related operating lease liabilities. The resulting net loss, recognized in other income, net, was immaterial.

As of September 30, 2026 and December 31, 2025, the weighted-average remaining term of our operating leases was 4.9 years and 3.9 years, respectively, and the weighted-average discount rate used to estimate the net present value of the operating lease liabilities was 9.3% and 8.2%, respectively. Cash payments for amounts included in the measurement of operating lease liabilities were $2.3 million and $2.2 million for the three months ended September 30, 2026 and 2025, respectively, and $6.7 million and $6.3 million for the nine months ended September 30, 2026 and 2025, respectively. Right-of-use assets obtained in exchange for new operating lease liabilities were $1.3 million and $2.2 million during the three months ended September 30, 2026 and 2025, respectively. Right-of-use assets obtained in exchange for new operating lease liabilities were $4.7 million and $2.8 million for the nine months ended September 30, 2026 and 2025, respectively.

Net lease cost recognized in our condensed consolidated statements of operations is summarized in the table below (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Operating lease cost	$ 1,967	$ 1,738	$ 5,690	$ 5,379
Variable lease cost	440	424	1,266	1,258
Short-term lease cost	393	339	1,225	1,186
Sublease income	(541)	(539)	(1,618)	(1,129)
Total	$ 2,259	$ 1,962	$ 6,563	$ 6,694

Maturities of our operating lease liabilities as of September 30, 2026 were as follows (in thousands):

Remainder of 2026	$ 2,178
2027	7,051
2028	4,504
2029	3,919
2030	2,588
Thereafter	7,027
Total undiscounted lease payments	27,267
Less: imputed interest	(6,237)
Total operating lease liabilities	$ 21,030
Operating lease liabilities, current portion	$ 6,643
Operating lease liabilities, noncurrent portion	$ 14,387

Future annual minimum lease payments that are contractually due to us from our sublease arrangements as of September 30, 2026 were as follows (in thousands):

Remainder of 2026	553
2027	1,481
2028	429
2029	218
Total	$ 2,681

Legal Contingencies

From time to time, we may have certain contingent liabilities that arise in the ordinary course of our business activities. We accrue a liability for such matters when it is probable that future expenditures will be made and that such expenditures can be reasonably estimated. Significant judgment is required to determine both probability and the estimated amount.

AVS Case

In March 2020, our subsidiary Playboy Enterprises International, Inc. (together with its subsidiaries, "PEII") terminated its license agreement with a licensee, AVS Products, LLC ("AVS"), for AVS's failure to make required payments to PEII under the agreement, following notice of breach and an opportunity to cure. On February 6, 2021, PEII received a letter from counsel to AVS alleging that the termination of the contract was improper, and that PEII failed to meet its contractual obligations, preventing AVS from fulfilling its obligations under the license agreement.

On February 25, 2021, PEII brought suit against AVS in Los Angeles Superior Court to prevent further unauthorized sales of Playboy-branded products and for disgorgement of unlawfully obtained funds. On March 1, 2021, PEII also brought a claim in arbitration against AVS for outstanding and unpaid license fees. PEII and AVS subsequently agreed that the claims PEII brought in arbitration would be alleged in the Los Angeles Superior Court case instead, and on April 23, 2021, the parties entered into and filed a stipulation to that effect with the court. On May 18, 2021, AVS filed a demurrer, asking for the court to remove an individual defendant and dismiss PEII's request for a permanent injunction. On June 10, 2021, the court denied AVS's demurrer. AVS filed an opposition to PEII's motion for a preliminary injunction to enjoin AVS from continuing to sell or market Playboy-branded products on July 2, 2021, which the court denied on July 28, 2021.

On August 10, 2021, AVS filed a cross-complaint for breach of contract, breach of the implied covenant of good faith and fair dealing, quantum meruit and declaratory relief. As in its February 2021 letter, AVS alleges its license was wrongfully terminated and that PEII failed to approve AVS' marketing efforts in a manner that was either timely or that was commensurate with industry practice. AVS is seeking to be excused from having to perform its obligations as a licensee, payment of the value for services rendered by AVS to PEII outside of the license, and damages to be proven at trial. The court heard PEII's motion for summary judgment on June 6, 2023, and dismissed six out of 10 of AVS' causes of action. AVS' contract-related claims remain to be determined at trial, which is scheduled for March 8, 2027. In addition, PEII filed a complaint against Sunrise Brands based on their participation in AVS' misconduct, as well as their own direct misconduct. Both cases have been related together by the court and will be tried together, for both pretrial and trial purposes. While the AVS case is a material litigation, we are currently unable to estimate the range of reasonably possible loss, if any, related to this matter. We believe AVS' remaining claims and allegations are without merit, and we will defend this matter vigorously.

14. Severance Costs

Severance and related employee benefits costs incurred during the three and nine months ended September 30, 2026 were immaterial. Severance costs are recorded in selling and administrative expenses in our condensed consolidated statements of operations, and in other current liabilities and accrued expenses in our condensed consolidated balance sheets.

The following is a reconciliation of the beginning and ending severance costs balances recorded in other current liabilities and accrued expenses in our condensed consolidated balance sheets (in thousands):

	Employee Separation Costs
Balance at December 31, 2025	$ 272
Costs incurred and charged to expense	148
Costs paid or otherwise settled	(414)
Balance at September 30, 2026	$ 6

15. Income Taxes

For the three months ended September 30, 2026 and 2025, we had a provision for income taxes of $0.2 million and a benefit of $0.6 million, respectively, and an expense of $2.1 million and $1.4 million for the nine months ended September 30, 2026 and 2025, respectively. The effective tax rate for the three months ended September 30, 2026 and 2025 was 9.8% and 560.0%, respectively, and 1,005.2% and (9.6)% for the nine months ended September 30, 2026 and 2025, respectively. The effective tax rate for the three and nine months ended September 30, 2026 and 2025 differed from the U.S. statutory federal income tax rate of 21% primarily due to foreign withholding taxes and the release of the valuation allowance due to a reduction in net deferred tax liabilities of indefinite-lived intangibles.

The One Big Beautiful Bill Act of 2025 (the "2025 Tax Act"), enacted on July 4, 2025, made changes to U.S. corporate income taxes, including reinstating the option to claim the full amount of accelerated depreciation deductions on qualified property, with retroactive application beginning January 1, 2025, immediate expensing of domestic research and development costs, with retroactive application beginning January 1, 2025, and the calculation of the limitation for business interest using earnings before interest, taxes, depreciation and amortization, with retroactive application beginning January 1, 2025. We have evaluated such tax law changes to our consolidated financial position and results of operations for all applicable periods and concluded the 2025 Tax Act does not have a material impact on our condensed consolidated financial statements.

16. Net Income (Loss) Per Share

Basic and diluted net loss per share for the nine months ended September 30, 2026 and 2025 was $(0.02) and $(0.17), respectively, computed by dividing net loss by the weighted-average number of common shares outstanding, as the effect of potentially dilutive securities was anti-dilutive. The following table shows the computation of basic and diluted net income per common share for the three months ended September 30, 2026 (in thousands, except per share amounts):

	Three Months Ended September 30, 2026
Numerator:	
Net income	$ 1,864
Less: undistributed earnings allocated to shares subject to the Repurchase Agreement	213
Net income - basic and diluted	$ 1,651
Denominator:	
Weighted-average shares outstanding - basic	105,243,744
Effect of dilutive securities	865,609
Weighted-average shares outstanding - diluted	106,109,353
Net income per common share - basic and diluted	$ 0.02

Share Repurchase from Our Primary Lender and Its Affiliates

As discussed in Note 10, Stockholders' Equity, we determined that our obligation to repurchase shares under the Repurchase Agreement is a liability under ASC 480, Distinguishing Liabilities from Equity. In accordance with ASC 480-10-45-4, all 16,589,531 shares subject to the Repurchase Agreement, including shares not yet repurchased and settled, have been excluded, on a weighted basis, from the weighted-average number of common shares outstanding used to compute basic and diluted income (loss) per share for the three and nine months ended September 30, 2026. Because the holders of such shares retain dividend rights until such shares are repurchased, we allocated $0.2 million of undistributed earnings to them under the two-class method for the three months ended September 30, 2026. No portion of the net loss for the nine months ended September 30, 2026 was allocated to them, as they have no contractual obligation to share in our losses.

The following outstanding potentially dilutive shares have been excluded from the calculation of diluted net income (loss) per share due to their anti-dilutive effect:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Options	1,082,892	1,997,466	1,997,466	1,997,466
Unvested restricted stock units	1,908,154	4,110,792	7,331,789	4,110,792
Total	2,991,046	6,108,258	9,329,255	6,108,258

17. Related Party Transactions

Transactions with Byborg

On November 5, 2024, The Million S.a.r.l. (a subsidiary of Byborg) completed the purchase of 14,900,000 shares of our common stock and became a significant stockholder of the Company as of such date. Thus, both The Million S.a.r.l. and Byborg, as well as their affiliates, are considered related parties of the Company.

In addition, on December 14, 2024, we entered into the LMA with Byborg, pursuant to which Byborg agreed to license the operation of our Playboy Plus, Playboy TV (online and linear) and Playboy Club digital businesses and to license the right to use certain Playboy trademarks and other intellectual property for related businesses and certain other categories. The LMA has an initial term of 15 years, with the operations and license rights pursuant to the LMA having commenced as of January 1, 2025. Pursuant to the LMA, we receive minimum guaranteed royalties of $20 million per year of the term, which are paid in installments during each year. In addition, per the terms of the LMA, Byborg prepaid the minimum guaranteed amount for the second half of year 15 of the initial term of the LMA, which was received in the third quarter of 2025. We are also entitled to receive excess royalties from the businesses licensed to and operated by Byborg, on the terms and conditions set forth in the LMA. We recognized $5.0 million of minimum guaranteed royalties as licensing revenue pursuant to the LMA during each of the three months ended September 30, 2026 and 2025, and we recognized $15.0 million of minimum guaranteed royalties as licensing revenue pursuant to the LMA during each of the nine months ended September 30, 2026 and 2025.

As of September 30, 2026, the remittances payable to Byborg totaled $3.5 million. Remittances payable to Byborg pursuant to the LMA as of December 31, 2025 were $2.8 million, the majority of which was paid in the first quarter of 2026. Refer to Note 19, Related Party Transactions, within the notes to our audited consolidated financial statements set forth in our Annual Report on Form 10-K, filed with the SEC on March 16, 2026, for additional details regarding our transition services agreement with Byborg (the "TSA").

Transactions with Our Primary Lender and Its Affiliates

On January 29, 2025, we completed the conversion of 7,000 shares of the 28,000.00001 outstanding shares of our then-outstanding Series B Convertible Preferred Stock into 3,784,688 shares of our common stock, at a conversion price of $1.84956 per share in accordance with the terms of the Series B Convertible Preferred Stock. On August 22, 2025, we completed the conversion of all remaining 21,000.00001 outstanding shares of Series B Convertible Preferred Stock into 12,439,730 shares of our common stock, at a conversion price of $1.74448 per share, in accordance with the terms of the Series B Convertible Preferred Stock. As a result of such conversions, a total of 14,008,313 shares of common stock were issued to affiliates of our primary senior secured lender, and our primary senior secured lender and its affiliates became a related party of the Company. Refer to Note 11, Convertible Preferred Stock, for further information on our Series B Convertible Preferred Stock and its conversion resulting in the elimination of all outstanding shares of our Series B Convertible Preferred Stock as of August 22, 2025.

Total debt, net of unamortized debt issuance costs and debt premium, attributable to affiliates of our primary senior secured lender under the term loan described in Note 8, Debt, was $140.1 million and $158.0 million as of September 30, 2026 and December 31, 2025, respectively, of which $123.5 million and $156.6 million were classified as noncurrent as of September 30, 2026 and December 31, 2025, respectively. Accrued interest attributable to affiliates of our primary senior secured lender, which is included in other current liabilities and accrued expenses in our condensed consolidated balance sheets, was $3.6 million and $0.4 million as of September 30, 2026 and December 31, 2025, respectively. Beginning with the interest period that commenced on June 26, 2026, interest on the A&R Term Loans is payable quarterly in arrears, and the accrued interest as of September 30, 2026 was paid in October 2026.

The interest expense attributable to affiliates of our primary senior secured lender for the three and nine months ended September 30, 2026 was $2.0 million and $6.3 million, respectively. The interest expense recorded as attributable to affiliates of our primary senior secured lender for the period from August 22, 2025 (the date of the Second Conversion), when such affiliates became related parties, through September 30, 2025 was $0.7 million.

On June 18, 2026, we entered into the Repurchase Agreement with certain affiliates of our primary lender, pursuant to which we agreed to repurchase an aggregate of 16,589,531 shares of our common stock for an aggregate purchase price of $17.4 million, payable in four installments through December 31, 2026. During the nine months ended September 30, 2026, we repurchased 4,761,905 shares of common stock for $5.0 million in cash.

We are contractually obligated to settle the remaining installments in cash. Accordingly, a liability of $14.8 million was established at inception and is presented as a liability pursuant to a stock repurchase agreement on our condensed consolidated balance sheets, with a corresponding reduction to additional paid-in capital, measured at the present value of the remaining amount payable. As of September 30, 2026, the liability for the remaining installment obligations was $12.2 million, representing the present value of the remaining payments. We also incurred $0.2 million of legal fees in connection with the Repurchase Agreement, which were recorded as a reduction of additional paid-in capital in our condensed consolidated balance sheet as of September 30, 2026. Following completion of transactions contemplated by the Repurchase Agreement, the affiliates of our primary lender that are party to the Repurchase Agreement will cease being significant holders of our common stock. Refer to Note 10, Stockholders' Equity, for further information about the Repurchase Agreement.

Transactions with Significant Stockholders / Director Affiliates

In connection with the Repurchase Agreement, on June 18, 2026, we entered into a backstop agreement (the "Backstop Agreement") with Rizvi Master LLC, an affiliate of Rizvi Traverse Management, LLC and our director Suhail Rizvi, and The Million S.a.r.l., an affiliate of Byborg and our director György Gattyán (collectively, the "Backstop Purchasers"). Each of these parties is a significant stockholder of the Company, holding greater than 10% of our outstanding common stock, and each is an affiliate of a member of the Board. Accordingly, the Backstop Agreement constitutes a related party transaction.

Under the Backstop Agreement, the Backstop Purchasers are obligated, on a several and pro rata basis according to their respective percentage obligations (55.4946% for Rizvi Master LLC and 44.5054% for The Million S.a.r.l.), to purchase directly from the sellers, on the same terms and at the same fixed price of $1.05 per share, any shares that we do not purchase under the scheduled installments of the Repurchase Agreement. The backstop commitment excludes the $2.0 million installment paid by us at the initial closing under the Repurchase Agreement and terminates upon the earlier of satisfaction of the commitment, termination of the Repurchase Agreement, or twelve months from the date of the Backstop Agreement. Each Backstop Purchaser's participation is subject to a beneficial ownership cap of 29.99% of our outstanding common stock. As consideration for the backstop commitment, we are obligated to pay the Backstop Purchasers a fee equal to 5.0% of the committed amount that is not used to purchase shares, payable in shares of common stock (valued based on the volume-weighted average price for the five trading days preceding the date of the Backstop Agreement) or, if such share settlement would cause a backstop purchaser to exceed the ownership cap, in cash. We have concluded that the backstop fee represents a direct and incremental cost of reacquiring our own shares and is accrued as a reduction to additional paid-in capital as the related shares are repurchased. During the three months ended September 30, 2026, a backstop fee of $0.2 million was earned and settled through the issuance of 101,790 shares of common stock to the Backstop Purchasers pursuant to the Backstop Agreement.

On October 26, 2026, the Backstop Agreement was amended to permit The Million S.a.r.l. to purchase directly from the sellers all 4,761,905 shares comprising the installment due on or before November 1, 2026, which it did. Refer to Note 19, Subsequent Events, for additional information.

Transactions with UTG

UTG is considered a related party of the Company as the noncontrolling interest holder in the New China JV, which is a consolidated variable interest entity of the Company, and as the operator of all aspects of our Playboy licensing business in China, Hong Kong and Macau. Refer to Note 9, Variable Interest Entity, for additional details.

18. Segments

As of September 30, 2026, we had two reportable segments: Direct-to-Consumer and Licensing. The Direct-to-Consumer segment derives revenue from sales of consumer products sold directly to customers online or at brick-and-mortar stores through our lingerie business, Honey Birdette, with 48 stores in three countries as of September 30, 2026. The Licensing segment derives revenue from trademark licenses for third-party consumer products and location-based entertainment businesses, minimum guaranteed royalties from licensing certain intellectual property and the operation of our Playboy Plus, Playboy TV (online and linear) and Playboy Club digital businesses to Byborg pursuant to the LMA.

The "All Other" column for the three and nine months ended September 30, 2026 includes amortization of deferred revenue balances related to the previously reported digital subscriptions and content operations that existed as of December 31, 2024 (prior to the LMA effective date of January 1, 2025), which will be recognized over the next four years.

The "All Other" column for the three and nine months ended September 30, 2025 includes amortization of deferred revenue balances related to our previously reported digital subscriptions and content operations that existed as of December 31, 2024 (prior to the LMA effective date of January 1, 2025), and the write-off of certain previously capitalized content expenses and transition expenses incurred pursuant to the TSA during the nine months ended September 30, 2025.

Revenues and expenses associated with *Playboy* magazine, sales of access to our *iPlayboy* archives, events and sponsorships and revenue from paid voting for a contest in the third quarter of 2026 pursuant to a collaborative arrangement were not allocated to segments for the three and nine months ended September 30, 2026 and 2025, and were instead presented in our corporate revenue and expense allocations as activities associated with brand marketing and awareness.

Our Chief Executive Officer is our Chief Operating Decision Maker ("CODM"). Segment information is presented in the same manner that our CODM reviews the operating results in assessing performance and allocating resources. Consolidated operating income (loss) is the measure of segment operating profit (loss) most consistent with GAAP that is regularly reviewed by our CODM. Total asset information is not included in the tables below as it is not provided to and reviewed by our CODM. The "All Other" operations are no longer reviewed by our CODM due to their transition into a licensing model pursuant to the LMA. The "Corporate" line item in the tables below includes operating revenues and expenses that are not allocated to the reportable segments presented to our CODM. These revenues are associated with brand marketing and awareness, and include payments from subscribers for access to our *iPlayboy* archives, revenues from *Playboy* magazine, events and sponsorships and revenue from paid voting for a contest pursuant to a collaborative arrangement in the third quarter of 2026. Corporate expenses include legal, human resources, information technology and facilities, accounting/finance and brand marketing costs, as well as expenses associated with *Playboy* magazine, events and sponsorships. The accounting policies of the reportable segments are the same as those described in Note 1, Basis of Presentation and Summary of Significant Accounting Policies.

The following table sets forth financial information by reportable segment and attributable to corporate and certain other activities (in thousands):

	Three Months Ended September 30,									
	2026					2025				
	Direct-to-Consumer	Licensing	Corporate	All Other	Total	Direct-to-Consumer	Licensing	Corporate	All Other	Total
Net revenues	$ 18,368	$ 12,635	$ 458	$ 253	$ 31,714	$ 16,388	$ 11,995	$ 98	$ 513	$ 28,994
Cost of sales[1]	(6,952)	(459)	—	—	(7,411)	(6,428)	(525)	—	(1)	(6,954)
Gross profit	11,416	12,176	458	253	24,303	9,960	11,470	98	512	22,040
Personnel	(5,099)	(369)	(5,630)	—	(11,098)	(4,561)	(996)	(3,740)	—	(9,297)
Rent	(1,893)	—	(368)	—	(2,261)	(1,759)	—	(126)	—	(1,885)
Marketing	(1,804)	—	(70)	—	(1,874)	(1,352)	(106)	(287)	—	(1,745)
Other segment items[2]	(1,964)	(933)	(2,170)	—	(5,067)	(2,509)	(2,663)	(2,575)	—	(7,747)
Operating income (loss)	656	10,874	(7,780)	253	4,003	(221)	7,705	(6,630)	512	1,366
Interest expense, net					(2,565)					(1,926)
Other income, net					628					460
Income (loss) before income taxes					$ 2,066					$ (100)

[1] Direct-to-consumer cost of sales includes an immaterial amount of personnel and rent for the three months ended September 30, 2026 and 2025.

[2] Includes intercompany expense allocations from our corporate segment to our direct-to-consumer segment of $1.0 million and $0.9 million for the three months ended September 30, 2026 and 2025, respectively, which eliminate in consolidation.

	Nine Months Ended September 30,									
	2026					2025				
	Direct-to-Consumer	Licensing	Corporate	All Other	Total	Direct-to-Consumer	Licensing	Corporate	All Other[3]	Total
Net revenues	$ 56,702	$ 34,736	$ 903	$ 827	$ 93,168	$ 49,212	$ 34,378	$ 480	$ 1,947	$ 86,017
Cost of sales [1]	(21,813)	(2,425)	(1,113)	—	(25,351)	(20,170)	(3,624)	—	(1,952)	(25,746)
Gross profit	34,889	32,311	(210)	827	67,817	29,042	30,754	480	(5)	60,271
Personnel	(14,697)	(1,060)	(15,403)	—	(31,160)	(13,714)	(2,780)	(14,276)	(3,308)	(34,078)
Rent	(5,584)	—	(864)	—	(6,448)	(5,180)	(12)	(1,245)	—	(6,437)
Marketing	(5,261)	(26)	(390)	—	(5,677)	(4,150)	(135)	(894)	(34)	(5,213)
Transaction expenses	—	—	(3,364)	—	(3,364)	—	—	—	—	—
Other segment items [2]	(7,109)	(2,877)	(5,845)	—	(15,831)	(7,499)	(5,613)	(10,981)	(1,227)	(25,320)
Operating income (loss)	2,238	28,348	(26,076)	827	5,337	(1,501)	22,214	(26,916)	(4,574)	(10,777)
Interest expense, net					(7,282)					(5,721)
Other income, net					2,155					1,662
Income (loss) before income taxes					$ 210					$ (14,836)

[1] Direct-to-consumer cost of sales includes an immaterial amount of personnel and rent for the nine months ended September 30, 2026 and 2025.

[2] Includes intercompany expense allocations from our corporate segment to our direct-to-consumer segment of $3.1 million and $2.7 million for the nine months ended September 30, 2026 and 2025, respectively, which eliminate in consolidation.

[3] For the nine months ended September 30, 2025, transition expenses associated with the digital businesses licensed to Byborg, which we are responsible for during the transition period pursuant to the TSA, reached the $5.0 million threshold, with $1.7 million recorded as cost of sales and $3.3 million recorded as selling and administrative expenses in the condensed consolidated statements of operations for the nine months ended September 30, 2025.

Other segment items for the three and nine months ended September 30, 2026 and 2025 were primarily comprised of the following:

Direct-to-Consumer: outside consulting and legal fees, as well as technology and equipment expenses.

Licensing: expenses that were attributable to our former China joint venture (for the 2025 period only), outside consulting expenses and legal fees.

Corporate: outside consulting expenses, audit, tax, and legal fees, information technology and software costs, insurance expense, as well as net changes in the fair value of contingent consideration and other miscellaneous corporate operating costs.

Prior year comparative periods also include non-cash impairment charges of $0.2 million on our artwork held for sale during the three months ended September 30, 2025, and $2.1 million on our artwork held for sale and our right-of-use assets related to our corporate leases during the nine months ended September 30, 2025, which did not recur in 2026.

All Other: these only apply to the 2025 period and included outside consulting expenses, as well as technology and equipment expense.

Geographic Information

Revenue by geography is based on where the customer is located. The following table sets forth revenue by geographic area (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Net revenues:				
United States	$ 9,596	$ 9,267	$ 30,062	$ 28,087
Australia	7,731	6,901	22,860	20,379
Luxembourg	5,000	5,000	15,000	15,000
China	4,356	3,125	10,386	9,501
United Kingdom	3,067	2,754	9,416	8,344
Other	1,964	1,947	5,444	4,706
Total	$ 31,714	$ 28,994	$ 93,168	$ 86,017

19. Subsequent Events

Backstop Agreement Amendment

Subsequent to September 30, 2026, we notified the Backstop Purchasers that they would be required to purchase the $5.0 million installment of shares due to be purchased on or before November 1, 2026 (the "Third Tranche") pursuant to the Repurchase Agreement. On October 26, 2026, the Backstop Agreement was amended to allow The Million S.a.r.l., an affiliate of Byborg and our director György Gattyán, to purchase all 4,761,905 shares of common stock comprising the Third Tranche directly from the sellers under the Repurchase Agreement, at the fixed price of $1.05 per share in satisfaction of such installment. Because these shares were purchased by The Million S.a.r.l. rather than by us, we did not disburse cash or reacquire or retire any such shares in connection with the Third Tranche, and no backstop fee was earned or paid to the Backstop Purchasers with respect to their commitments under the Backstop Agreement (as amended). We remain obligated to purchase the final installment of shares for repurchase under the Repurchase Agreement on or before December 31, 2026. The Third Tranche transactions did not affect our measurement of our stock repurchase liability as of September 30, 2026. Refer to Note 10, Stockholders' Equity, and Note 17, Related Party Transactions, for additional information.

Entry into a Property Purchase and Sale Agreement

On November 2, 2026, Playboy MB JV LLC (the "Buyer"), a Delaware limited liability company and an indirect, wholly owned subsidiary of the Company, entered into a Purchase and Sale Agreement (the "PSA") with Freehand Indian Creek LLC (the "Seller"). Pursuant to the PSA, the Buyer has agreed to acquire from the Seller (the "Acquisition") property currently operated as a hotel in Miami Beach, Florida (the "Property").

The purchase price for the Property is $12.5 million, subject to customary prorations and adjustments (the "Acquisition Price"). Pursuant to the PSA, the Buyer delivered a deposit of $1.25 million (the "Deposit") upon execution of the PSA, and the balance of the Acquisition Price is payable at closing of the Acquisition. Except as otherwise expressly provided in the PSA, the Deposit is generally non-refundable to the Buyer, and it will be credited against the Acquisition Price at closing. Closing of the Acquisition is scheduled to occur by December 15, 2026.

The Company's senior secured lenders and administrative agent under its senior secured credit facility provided their written consent to the Company's payment of the Deposit on behalf of the Buyer. Prior to the closing of the Acquisition, the Company expects to enter into an amendment of its senior secured credit facility with the lenders and administrative agent thereunder in connection with the Acquisition.

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

You should read the following discussion of our financial condition and results of operations in conjunction with our unaudited interim condensed consolidated financial statements as of and for the three and nine months ended September 30, 2026 and 2025 and the related notes thereto included in Part I, Item 1 of this Quarterly Report on Form 10-Q, our audited consolidated financial statements as of and for the years ended December 31, 2025 and 2024 and the related notes thereto included in our Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission (the "SEC") on March 16, 2026. This discussion contains forward-looking statements that involve risks and uncertainties and that are not historical facts, including statements about our beliefs and expectations. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those discussed below and particularly under the headings "Risk Factors", "Business" and "Cautionary Note Regarding Forward-Looking Statements" contained in our Annual Report on Form 10-K filed with the SEC on March 16, 2026. As used herein, "we", "us", "our", and the "Company" refer to Playboy, Inc. and its subsidiaries.

Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains statements that are forward-looking and as such are not historical facts. These statements are based on the expectations and beliefs of the management of the Company in light of historical results and trends, current conditions and potential future developments, and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those anticipated in these forward-looking statements. These forward-looking statements include all statements other than historical fact, including, without limitation, statements regarding the financial position, capital structure, dividends, indebtedness, business strategy and plans and objectives of management for future operations of the Company. These statements constitute projections, forecasts and forward-looking statements, and are not guarantees of performance. Such statements can be identified by the fact that they do not relate strictly to historical or current facts. When used in this Quarterly Report on Form 10-Q, words such as "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "may", "might", "plan", "possible", "potential", "predict", "project", "should", "strive", "would" and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. When we discuss our strategies or plans, we are making projections, forecasts or forward-looking statements. Such statements are based on the beliefs of, as well as assumptions made by and information currently available to, our management.

The forward-looking statements contained in this Quarterly Report on Form 10-Q are based on current expectations and beliefs concerning future developments and their potential effects on our business. There can be no assurance that future developments affecting us will be those that we anticipated. These forward-looking statements involve significant risks and uncertainties that could cause the actual results to differ materially from those discussed in the forward-looking statements. Factors that may cause such differences include, but are not limited to: (1) the inability to maintain the listing of the Company's shares of common stock on Nasdaq; (2) the risk that the Company's completed or proposed transactions disrupt the Company's current plans and/or operations, including the risk that the Company does not complete any such proposed transactions or achieve the expected benefits from any transactions; (3) the ability to recognize the anticipated benefits of corporate transactions, commercial collaborations, cost reduction initiatives and proposed transactions, which may be affected by, among other things, competition, the ability of the Company to grow and manage growth profitably, and the Company's ability to retain its key employees; (4) costs related to being a public company, corporate transactions, commercial collaborations and proposed transactions; (5) changes in applicable laws or regulations; (6) the possibility that the Company may be adversely affected by global hostilities, supply chain delays, inflation, interest rates, tariffs, foreign currency exchange rates or other economic, business, and/or competitive factors; (7) risks relating to the uncertainty of the projected financial information of the Company, including changes in the Company's estimates of cash flows and the fair value of certain of its intangible assets, including goodwill; (8) risks related to the organic and inorganic growth of the Company's businesses, and the timing of expected business milestones; (9) changing demand or shopping patterns for the Company's products and services; (10) failure of licensees, suppliers or other third-parties to fulfill their obligations to the Company; (11) the Company's high concentration of licensing revenue from a small number of licensees; (12) the Company's ability to comply with the terms of its indebtedness and other obligations; (13) changes in financing markets or the inability of the Company to obtain financing on attractive terms; and (14) other risks and uncertainties indicated in this Quarterly Report on Form 10-Q, including those under "Part II—Item 1A. Risk Factors", and in "Part I—Item 1A. Risk Factors" in our most recent Annual Report on Form 10-K. Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. We caution that the foregoing list of factors is not exclusive, and readers should not place undue reliance upon any forward-looking statements.

Forward-looking statements included in this Quarterly Report on Form 10-Q speak only as of the date of this Quarterly Report on Form 10-Q or any earlier date specified for such statements. We do not undertake any obligation to update or revise any forward-looking statements to reflect any change in our expectations or any change in events, conditions, or circumstances on which any such statement is based, except as may be required under applicable securities laws. All subsequent written or oral forward-looking statements attributable to us or persons acting on our behalf are qualified in their entirety by this Cautionary Note Regarding Forward-Looking Statements.

Business Overview

We are a global lifestyle, media and licensing company built on the Playboy brand—one of the world's most recognizable and enduring consumer brands, with Playboy-branded products and content available in over 100 countries. We pursue a capital-light business model in which the Playboy brand serves as the foundation for three brand-powered activities, licensing, media and experiences, and hospitality, which is further complemented by Honey Birdette, our premium direct-to-consumer lingerie business, which operates as a separate direct-to-consumer growth engine. We report our operations in two reportable segments: Direct-to-Consumer and Licensing. Our Direct-to-Consumer segment derives revenue from consumer products sold directly to consumers by Honey Birdette online and through its brick-and-mortar stores, with 48 stores in three countries as of September 30, 2026. Our Licensing segment derives revenue from trademark licenses for third-party consumer products across various apparel and accessories categories, as well as hospitality, digital gaming and location-based entertainment. Effective January 1, 2025, we license our adult businesses, including Playboy Club, Playboy Plus, and Playboy TV digital assets to Byborg Enterprises SA ("Byborg") pursuant to a License & Management Agreement (the "LMA"). We continue to directly publish editorial and Playmate content in support of our brand and licensing, media and experiences activities.

Key Factors and Trends Affecting Our Business

We believe that our performance and future success depend on several factors that present significant opportunities for us but also pose risks and challenges, including those discussed below and referenced in this Quarterly Report on Form 10-Q under "Part II—Item 1A. Risk Factors", and in "Part I—Item 1A. Risk Factors" in our most recent Annual Report on Form 10-K.

Pursuing a More Capital-Light Business Model

We continue to pursue a commercial strategy that relies on a more capital-light business model focused on revenue streams with higher margin, lower working capital requirements and higher growth potential. We are doing this by leveraging our flagship Playboy brand to attract best-in-class operators. We also use our licensing business as a marketing tool and brand builder, including through high profile collaborations and our large-scale strategic partnerships.

In the fourth quarter of 2024, we entered into the LMA with Byborg to license intellectual property and select Playboy digital assets for $300.0 million in minimum guaranteed payments over the initial 15-year term of the license, which began January 1, 2025.

After having stabilized Playboy's China business in 2024 and 2025, in the fourth quarter of 2025, we transitioned our joint venture for the Playboy business in China into a more typical licensing structure, with an affiliate of our former China joint venture partner becoming our licensing agent in China. On February 9, 2026, we terminated such licensing agent in preparation for the New China JV (defined below). Also on February 9, 2026, we entered into a share purchase agreement (the "Purchase Agreement") with UTG Brands Management Group Limited ("UTG") for a new joint venture for the Playboy business in China, Hong Kong and Macau (the "New China JV"), in which UTG is to ultimately own a 50% interest and operate Playboy's China licensing business. The initial closing pursuant to the Purchase Agreement (the "New China JV Initial Closing") occurred, and the New China JV was established, on March 20, 2026. As of the New China JV Initial Closing and September 30, 2026, we owned 83.33% of the New China JV and UTG owned 16.67%. While we retain majority control of the New China JV, UTG manages all operational aspects of Playboy's licensing business in China, Hong Kong and Macau.

We are in the early stages of building out our media and experiences areas of focus. During the second quarter of 2026, we published *Playboy* magazine's spring 2026 issue, featuring Karol G as a cover star, and introduced a new subscription offering across our print and digital content. In the third quarter of 2026, we featured Cara Delevingne as an additional cover star, continuing our magazine relaunch effort. We are also investing in expanding our social media reach to drive brand engagement, and are planning consumer-facing events designed to bring the Playboy brand to life. Subscriptions and sponsorships represent net new revenue lines for the Company, and we believe these initiatives, together with the integration of licensing and sponsorship opportunities, will support commercial growth and our ability to expand into new licensing verticals and brand categories over time.

We expect our licensing business in China to continue to represent a material part of our overall business. Our licensing revenues from China as a percentage of our total revenues were 14% and 11% for the three months ended September 30, 2026 and 2025, respectively, and 11% for each of the nine months ended September 30, 2026 and 2025.

We are focused on strategically expanding our Playboy licensing business into new categories and territories with high quality strategic partners and supporting them with brand marketing in the form of content, experiences and editorial works, including through our *Playboy* magazine.

For our Honey Birdette business, we intend to focus on the U.S. market, where the brand's stores, on average, generate more revenue and better margins, and generally have customers who tend to spend more and are less price sensitive.

Recent Trade Developments

We continue to monitor ongoing changes in U.S. trade policies, including increasing tariffs on imports, in some cases significantly, and changes to existing international trade agreements. These actions have prompted retaliatory tariffs and other measures by a number of countries. Starting in the second quarter of 2025, the U.S. and certain other countries have taken actions to modify the timing, rates and/or other aspects of certain of these tariffs. However, some of the new tariffs remain in effect, including tariffs between the U.S. and China, where we source the manufacturing of our Honey Birdette products and where many of our licensees source their products. While the impact of such trade policies on our business remains uncertain, we continue to closely monitor such matters and potential impacts, including increased production costs and higher pricing to our customers, either of which could negatively affect our business, results of operations and financial condition. Certain of these tariffs were imposed under the International Emergency Economic Powers Act ("IEEPA"). In February 2026, the U.S. Supreme Court issued a decision that the tariffs imposed under IEEPA were not authorized under such statute, and U.S. Customs and Border Protection has since established a process for claiming refunds of tariffs paid under IEEPA. In the second quarter of 2026, we recognized a determinable claim for $1.1 million of such refunds as a reduction of cost of sales, substantially all of which was collected in July 2026. We have also submitted claims for additional IEEPA tariffs paid. Such additional claims remain subject to ongoing legal, regulatory, and administrative developments, and the timing, amount, and availability of any further refunds remain uncertain. Accordingly, we have not recognized any additional receivable or reduction of cost of sales relating to such claims because realization is not assured.

Seasonality of Our Consumer Product Sales

While we receive revenue throughout the year, our Honey Birdette direct-to-consumer business has experienced, and may continue to experience, seasonality. Historical seasonality of revenues may be subject to change as increasing pressure from competition and economic conditions impact our licensees and consumers. The further transition of our business to a capital-light business model may further impact the seasonality of our business in the future.

How We Assess the Performance of Our Business

In assessing the performance of our business, we consider a variety of performance and financial measures. The key indicators of the financial condition and operating performance of the business are revenues, salaries and benefits, and selling and administrative expenses. To help assess performance with these key indicators, we use Adjusted EBITDA as a financial measure not prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). We believe this non-GAAP measure provides useful information to investors and expanded insight to measure revenue and cost performance as a supplement to the GAAP consolidated financial statements. See the "*EBITDA and Adjusted EBITDA*" section below for reconciliations of Adjusted EBITDA to net income (loss), the closest GAAP measure.

Components of Results of Operations

Revenues

We generate revenue from sales of consumer products sold through our Honey Birdette retail stores or online directly to customers, trademark licenses for third-party consumer products and online and location-based entertainment businesses, and licensing the operation of our digital subscriptions and content businesses, which were previously owned and operated by us, to Byborg pursuant to the LMA. We also generate revenue from sales of *Playboy* magazine and related subscriptions and, beginning in 2026, from paid voting contests under collaborative arrangements.

Consumer Products

Revenue from sales of online apparel and accessories is recognized upon delivery of the goods to the customer. Revenue from sales of apparel at our retail stores is recognized at the time of transaction. Revenue is recognized net of incentives and estimated returns. We periodically offer promotional incentives to customers, which include basket promotional code discounts and other credits, which are recorded as a reduction of revenue.

Licensing

We license trademarks under multi-year arrangements to consumer products and online and location-based entertainment businesses. Typically, the initial contract term ranges from one to 15 years. Renewals are separately negotiated through amendments. Under these arrangements, we generally receive an annual non-refundable minimum guarantee that is recoupable against a sales-based royalty generated during the license year. Earned royalties received in excess of the minimum guarantee ("Excess Royalties") are typically payable quarterly. We recognize revenue for the total minimum guarantee specified in the agreement on a straight-line basis over the term of the agreement and recognize Excess Royalties only when the annual minimum guarantee is exceeded. Generally, Excess Royalties are recognized when they are earned. In the event that the collection of any royalty becomes materially uncertain or unlikely, we recognize revenue from our licensees up to the cash we have received. We also license the operation of our Playboy Plus, Playboy TV (online and linear) and Playboy Club digital businesses, which were previously owned and operated by us, to Byborg pursuant to the LMA.

Cost of Sales

Cost of sales primarily consists of merchandise costs, warehousing and fulfillment costs, agency and commission fees, website expenses, marketplace traffic acquisition costs, transition expenses per the transition services agreement with Byborg (the "TSA") (commencing January 1, 2025 through June 30, 2025), credit card processing fees, personnel costs, costs associated with branding activities, including the magazine, net of brand expense reimbursement pursuant to the terms of a Brand Support Services Agreement with UTG (the "BSSA"), customer shipping and handling expenses, fulfillment activity costs and freight-in expenses.

S***elling and Administrative Expenses***

Selling and administrative expenses primarily consist of corporate office and retail store occupancy costs, personnel costs, including stock-based compensation, transition expenses per the TSA (commencing January 1, 2025 through June 30, 2025), brand marketing costs, and contractor fees for accounting/finance, legal, human resources, information technology and other administrative functions, general marketing and promotional activities and insurance.

Impairments

Impairments consist of impairment charges recognized during the 2025 periods on our artwork held for sale and on right-of-use assets related to our corporate leases.

Other Operating Income (Expense), Net

Other operating income (expense), net consists primarily of gains and losses on the disposal of assets and other miscellaneous items.

Nonoperating (Expense) Income

Interest Expense, Net

Interest expense, net consists of interest on our long-term debt and the amortization of deferred financing costs and debt premium/discount.

Other Income (Expense), Net

Other income (expense), net consists primarily of other miscellaneous nonoperating items, such as nonrecurring transaction fees, foreign exchange realized and unrealized transaction gains or losses, early termination gains, bank charges and interest income.

(Expense) Benefit from Income Taxes

(Expense) benefit from income taxes consists of an estimate for U.S. federal, state, and foreign income taxes based on enacted rates, as adjusted for allowable credits, deductions, uncertain tax positions, changes in deferred tax assets and liabilities, and changes in the tax law. Due to cumulative losses, we maintain a valuation allowance against our definite-lived U.S. federal and state deferred tax assets, as well as our Australia and U.K. deferred tax assets.

Results of Operations

Comparison of the Three Months Ended September 30, 2026 and 2025

The following table summarizes key components of our results of operations for the periods indicated (in thousands, except percentages):

	Three Months Ended September 30,			
	2026	2025	$ Change	% Change
Net revenues	$ 31,714	$ 28,994	$ 2,720	9 %
Costs and expenses:				
Cost of sales	(7,411)	(6,954)	(457)	7 %
Selling and administrative expenses	(21,164)	(20,434)	(730)	4 %
Impairments	—	(245)	245	(100)%
Other operating income (expense), net	864	5	859	over 500%
Total operating expenses	(27,711)	(27,628)	(83)	— %
Operating income	4,003	1,366	2,637	193 %
Nonoperating (expense) income:				
Interest expense, net	(2,565)	(1,926)	(639)	33 %
Other income, net	628	460	168	37 %
Total nonoperating expense	(1,937)	(1,466)	(471)	32 %
Income (loss) before income taxes	2,066	(100)	2,166	*
(Expense) benefit from income taxes	(202)	560	(762)	*
Net income	$ 1,864	$ 460	$ 1,404	305 %

* Not meaningful.

The following table sets forth our condensed consolidated statements of operations data expressed as a percentage of total revenue for the periods indicated:

	Three Months Ended September 30,	
	2026	2025
Net revenues	100%	100%
Costs and expenses:		
Cost of sales	(23)	(24)
Selling and administrative expenses	(67)	(70)
Impairments	—	(1)
Other operating income (expense), net	3	—
Total operating expenses	(87)	(95)
Operating income	13	5
Nonoperating (expense) income:		
Interest expense, net	(8)	(7)
Other income, net	2	2
Total nonoperating expense	(6)	(5)
Income (loss) before income taxes	7	—
(Expense) benefit from income taxes	(1)	2
Net income	6	2

Net Revenues

The following table sets forth net revenues by reportable segment (in thousands):

	Three Months Ended September 30,			
	2026	**2025**	**$ Change**	**% Change**
Direct-to-consumer	$ 18,368	$ 16,388	$ 1,980	12 %
Licensing	12,635	11,995	640	5 %
Corporate	458	98	360	367 %
All Other	253	513	(260)	(51)%
Total	$ 31,714	$ 28,994	$ 2,720	9 %

Direct-to-Consumer

The increase in direct-to-consumer net revenues, compared to the prior year comparative period, was primarily driven by continued strong performance of Honey Birdette products, reflecting full price sales, particularly e-commerce sales in the United States, and retail sales in Australia.

Licensing

The increase in licensing net revenues, compared to the prior year comparative period, was primarily due to $1.2 million of higher royalty revenues from our licensing business in China, Hong Kong and Macau, driven by three new licensing agreements in China, partially offset by lower royalty revenues from other licensees in the rest of the world, driven largely by licensee audit payments in the prior year comparative period that did not recur in the current period.

Corporate

The increase in corporate revenues for the three months ended September 30, 2026, as compared to the prior year comparative period, was primarily driven by $0.2 million of revenue from paid voting contests pursuant to a collaborative arrangement and sales of the summer and fall 2026 issues of *Playboy* magazine.

All Other

The decrease in all other net revenues, compared to the prior year comparative period, was primarily due to lower amortization of deferred revenue balances that existed as of December 31, 2024 (prior to the LMA effective date of January 1, 2025) that pertain to our previously reported digital subscriptions and content operations.

Cost of Sales and Gross Margin

The following table sets forth cost of sales and gross margin by reportable segment (in thousands):

	Three Months Ended September 30,			
	2026	2025	$ Change	% Change
Cost of sales:				
Direct-to-consumer	$ (6,952)	$ (6,428)	$ (524)	8 %
Licensing	(459)	(525)	66	(13)%
Corporate	—	—	—	— %
All Other	—	(1)	1	(100)%
Total	$ (7,411)	$ (6,954)	$ (457)	7 %
Direct-to-consumer gross profit	$ 11,416	$ 9,960	$ 1,456	15 %
Direct-to-consumer gross margin	62 %	61 %		
Licensing gross profit	$ 12,176	$ 11,470	$ 706	6 %
Licensing gross margin	96 %	96 %		
Corporate gross profit	$ 458	$ 98	$ 360	367 %
Corporate gross margin	100 %	100 %		
All Other gross profit	$ 253	$ 512	$ (259)	(51)%
All Other gross margin	100 %	100 %		
Total gross profit	$ 24,303	$ 22,040	$ 2,263	10 %
Total gross margin	77 %	76 %		

Direct-to-Consumer

The increase in direct-to-consumer cost of sales, compared to the prior year comparative period, was primarily due to a $0.2 million increase in Honey Birdette's product, shipping and fulfillment costs driven by higher revenues and $0.2 million of inventory reserve reversal in the prior year comparative period that did not recur in the current period. The increase in gross profit and gross margin reflects continued revenue growth outpacing the increase in product, shipping and fulfillment costs.

Licensing

The decrease in licensing cost of sales, compared to the prior year comparative period, was primarily due to a $0.1 million reduction in licensing commissions expenses. Licensing gross margin remained consistent at 96%.

Corporate

Corporate cost of sales for the three months ended September 30, 2026, which primarily related to the summer and fall 2026 issues of *Playboy* magazine and our revamped magazine subscription model launched in the second quarter of 2026, was fully offset by $1.3 million of brand expense reimbursement applied against the cost of sales, representing a portion of the $4.0 million advance received from UTG under the BSSA. As a result, corporate gross margin was 100% for the three months ended September 30, 2026. In the prior year comparative period, corporate revenues related primarily to payments from sales of access to our iPlayboy archives and carried a de minimis cost of sales.

All Other

All other costs of sales for the three months ended September 30, 2026 and 2025 were immaterial, as our digital subscriptions and content operations were licensed to Byborg pursuant to the LMA, effective as of January 1, 2025.

Selling and Administrative Expenses

The increase in selling and administrative expenses for the three months ended September 30, 2026, as compared to the prior year comparative period, was primarily due to higher payroll and payroll-related expenses of $1.1 million, including severance, and higher stock-based compensation expense of $1.1 million due to new grants made in 2026, partially offset by a $1.7 million decrease in legal expenses for ongoing litigations.

Impairments

The decrease in impairments for the three months ended September 30, 2026, as compared to the prior year comparative period, was due to the non-recurrence of $0.2 million of impairment charges on our artwork held for sale recognized in the third quarter of 2025.

Other Operating Income (Expense), Net

The increase in other operating income (expense), net for the three months ended September 30, 2026, as compared to the prior year comparative period, was primarily due to a $0.9 million release of a U.S. sales tax reserve recognized in the third quarter of 2026.

Nonoperating (Expense) Income

Interest Expense, Net

The increase in interest expense, net for the three months ended September 30, 2026, as compared to the prior year comparative period, was primarily due to $0.9 million of lower amortization of debt premium, net, and $0.4 million of interest expense accreted on our liability under the stock repurchase agreement with certain sellers, all of whom are affiliates of Fortress Investment Group (the "Repurchase Agreement"), partially offset by $0.6 million of lower interest expense on our borrowings, reflecting senior secured debt repaid with proceeds from the New China JV transaction.

Other Income, Net

The increase in other income, net for the three months ended September 30, 2026, as compared to the prior year comparative period, was primarily due to higher net unrealized gains related to foreign currency transactions.

(Expense) Benefit from Income Taxes

The change from benefit from income taxes to tax expense for the three months ended September 30, 2026, compared to the prior year comparative period, was primarily driven by the tax impact from pretax book loss to pretax book income and the change in valuation allowance due to the reduction in net indefinite-lived deferred tax liabilities in the three months ended September 30, 2026.

Comparison of the Nine Months Ended September 30, 2026 and 2025

The following table summarizes key components of our results of operations for the periods indicated (in thousands, except percentages):

	Nine Months Ended September 30,			
	2026	**2025**	**$ Change**	**% Change**
Net revenues	$ 93,168	$ 86,017	$ 7,151	8 %
Costs and expenses:				
Cost of sales	(25,351)	(25,746)	395	(2)%
Selling and administrative expenses	(64,154)	(68,197)	4,043	(6)%
Impairments	—	(2,087)	2,087	(100)%
Other operating income (expense), net	1,674	(764)	2,438	*
Total operating expenses	(87,831)	(96,794)	8,963	(9)%
Operating income (loss)	5,337	(10,777)	16,114	*
Nonoperating (expense) income:				
Interest expense, net	(7,282)	(5,721)	(1,561)	27 %
Other income, net	2,155	1,662	493	30 %
Total nonoperating expense	(5,127)	(4,059)	(1,068)	26 %
Income (loss) before income taxes	210	(14,836)	15,046	*
Expense from income taxes	(2,111)	(1,424)	(687)	48 %
Net loss	(1,901)	(16,260)	14,359	(88)%

* Not meaningful.

The following table sets forth our condensed consolidated statements of operations data expressed as a percentage of total revenue for the periods indicated:

	Nine Months Ended September 30,	
	2026	**2025**
Net revenues	100 %	100 %
Costs and expenses:		
Cost of sales	(27)	(30)
Selling and administrative expenses	(69)	(79)
Impairments	—	(2)
Other operating income (expense), net	2	(1)
Total operating expenses	(94)	(112)
Operating income (loss)	6	(12)
Nonoperating (expense) income:		
Interest expense, net	(8)	(7)
Other income, net	2	2
Total nonoperating expense	(6)	(5)
Income (loss) before income taxes	—	(17)
Expense from income taxes	(2)	(2)
Net loss	(2)	(19)

Net Revenues

The following table sets forth net revenues by reportable segment (in thousands):

	Nine Months Ended September 30,			
	2026	2025	$ Change	% Change
Direct-to-consumer	$ 56,702	$ 49,212	$ 7,490	15 %
Licensing	34,736	34,378	358	1 %
Corporate	903	480	423	88 %
All Other	827	1,947	(1,120)	(58)%
Total	$ 93,168	$ 86,017	$ 7,151	8 %

Direct-to-Consumer

The increase in direct-to-consumer net revenues, compared to the prior year comparative period, was primarily due to continued strong performance of full price Honey Birdette products, particularly e-commerce sales in the United States and United Kingdom, as well as retail sales in Australia.

Licensing

The increase in licensing net revenues, compared to the prior year comparative period, was primarily due to $0.9 million of higher royalty revenues from our licensing business in China, Hong Kong and Macau, driven by three new licensing agreements in China in the third quarter of 2026, partially offset by lower royalty revenues from other licensees in the rest of the world, driven largely by licensee audit payments in the prior year comparative period that did not recur in the current period, as well as the expiration of a small number of licensing agreements.

Corporate

Corporate revenues for the nine months ended September 30, 2026 increased $0.4 million compared to the prior year comparative period. The composition shifted toward magazine sales and subscriptions, with the release of the spring 2026 issue of *Playboy* magazine in April 2026, the summer 2026 issue in July 2026 and the fall 2026 issue in September 2026, and away from sponsorship events that occurred in the prior year comparative period, as a result of changes in brand strategy. Corporate revenues for the nine months ended September 30, 2026 also included $0.2 million of revenue from paid voting contests in the third quarter of 2026 pursuant to a collaborative arrangement.

All Other

The decrease in all other net revenues, compared to the prior year comparative period, was primarily due to lower amortization of deferred revenue balances that existed as of December 31, 2024 (prior to the LMA effective date of January 1, 2025) that pertain to our previously reported digital subscriptions and content operations.

Cost of Sales and Gross Margin

The following table sets forth cost of sales and gross margin by reportable segment (in thousands):

	Nine Months Ended September 30,			
	2026	2025	$ Change	% Change
Cost of sales:				
Direct-to-consumer	$ (21,813)	$ (20,170)	$ (1,643)	8%
Licensing	(2,425)	(3,624)	1,199	(33)%
Corporate	(1,113)	—	(1,113)	*
All Other	—	(1,952)	1,952	(100)%
Total	$ (25,351)	$ (25,746)	$ 395	(2)%
Direct-to-consumer gross profit	$ 34,889	$ 29,042	$ 5,847	20 %
Direct-to-consumer gross margin	62 %	59 %		
Licensing gross profit	$ 32,311	$ 30,754	$ 1,557	5%
Licensing gross margin	93 %	89 %		
Corporate gross profit	$ (210)	$ 480	$ (690)	*
Corporate gross margin	(23)%	100 %		
All Other gross profit	$ 827	$ (5)	$ 832	*
All Other gross margin	100 %	— %		
Total gross profit	$ 67,817	$ 60,271	$ 7,546	13%
Total gross margin	73 %	70 %		

* Not meaningful.

Direct-to-Consumer

The increase in direct-to-consumer cost of sales, compared to the prior year comparative period, was primarily due to $1.6 million of higher Honey Birdette product, shipping and fulfillment costs associated with Honey Birdette's revenue growth and a $1.2 million increase in inventory reserves and related write-offs (of which approximately $0.7 million was recognized in the first quarter of 2026) as Honey Birdette increased its inventory balance in preparation for revenue growth, partially offset by $1.1 million of tariff refunds recognized in the second quarter of 2026. Gross margin improved to 62%, as higher full price product sales outpaced the increase in inventory reserves.

Licensing

The decrease in licensing cost of sales and corresponding increase in gross margin, compared to the prior year comparative period, was primarily due to the non-recurrence of a one-time $2.4 million commission settlement recognized in the second quarter of 2025, partially offset by a $0.9 million commission payment and a $0.3 million agency-termination payment to our former China licensing agent recognized in the first quarter of 2026.

Corporate

The increase in corporate cost of sales and the corresponding decrease in gross margin, compared to the prior year comparative period, primarily related to the spring, summer and fall 2026 issues of *Playboy* magazine and implementation of a revamped magazine subscription model launched in the second quarter of 2026. As the magazine is in an early relaunch phase, its production costs currently exceed its revenues, resulting in a negative gross margin. Corporate cost of sales for the nine months ended September 30, 2026 was partially offset by $2.6 million of brand expense reimbursement applied against cost of sales during the nine months ended September 30, 2026, representing a portion of the $4.0 million advance received from UTG under the BSSA.

All Other

The decrease in all other cost of sales, compared to the comparable prior year period, was primarily related to the licensing of our digital subscriptions and content operations to Byborg pursuant to the LMA, effective as of January 1, 2025, and the inclusion of transition expenses incurred pursuant to the TSA during the nine months ended September 30, 2025, which did not recur in 2026.

Selling and Administrative Expenses

The decrease in selling and administrative expenses for the nine months ended September 30, 2026, compared to the prior year comparative period, was primarily due to lower payroll and payroll-related expenses of $4.6 million, including severance, mainly due to the transition of our digital operations into a licensing model during the prior year comparative period, lower professional and other outside services of $1.1 million, lower China operating costs of $1.4 million, excluding legal costs, and lower legal expenses of $2.2 million, partially offset by $2.9 million of transaction expenses related to the formation of the New China JV and a $2.4 million increase in stock-based compensation expense due to new grant issuances in 2026.

Impairments

The decrease in impairments for the nine months ended September 30, 2026, as compared to the prior year comparative period, was primarily due to the non-recurrence of prior-year impairment charges recognized on our artwork held for sale of $0.5 million and on our right-of-use assets related to our corporate leases of $1.5 million.

Other Operating Income (Expense), Net

The change from other operating expense, net in the prior year comparative period to other operating income, net was primarily due to a $0.9 million release of an aged value-added tax (VAT) provision recognized in the first quarter of 2026, a $0.9 million release of a U.S. sales tax reserve recognized in the third quarter of 2026 and $0.7 million of lower net losses on the disposal and write-off of certain fixed assets for the nine months ended September 30, 2026. Other operating expense, net in the prior year comparative period was attributable to the write-off of certain property and equipment items in the second quarter of 2025 in connection with our decision to sublease certain of our office space and a loss on the sale of certain artwork in the first quarter of 2025.

Nonoperating (Expense) Income

Interest Expense, Net

The increase in interest expense, net for the nine months ended September 30, 2026, as compared to the prior year comparative period, was primarily due to $2.5 million of lower amortization of debt premium and discount, net, and $0.4 million of interest expense accreted on our liability under the Repurchase Agreement, partially offset by $1.4 million of lower interest expense on our senior secured debt, reflecting senior secured debt repaid with proceeds from the New China JV transaction.

Other Income, Net

The increase in other income, net for the nine months ended September 30, 2026, as compared to the prior year comparative period, was primarily due to $0.5 million we received to vacate a leased store space early in the first quarter of 2026 and higher net gains on foreign currency transactions.

Expense from Income Taxes

The increase in expense from income taxes for the nine months ended September 30, 2026, as compared to the prior year comparative period, was primarily driven by the change in valuation allowance due to a reduction in net indefinite-lived deferred tax liabilities in the nine months ended September 30, 2026.

Non-GAAP Financial Measures

In addition to our results determined in accordance with GAAP, we believe the following non-GAAP measure is useful in evaluating our operational performance. We use the following non-GAAP financial information to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that non-GAAP financial information, when taken collectively, may be helpful to investors in assessing our operating performance.

EBITDA and Adjusted EBITDA

"EBITDA" is defined as net income or loss before interest, income tax expense or benefit, and depreciation and amortization. "Adjusted EBITDA" is defined as EBITDA adjusted for stock-based compensation and other special items determined by management. Adjusted EBITDA is intended as a supplemental measure of our performance that is neither required by, nor presented in accordance with, GAAP. We believe that the use of EBITDA and Adjusted EBITDA provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing our financial measures with those of comparable companies, which may present similar non-GAAP financial measures to investors. However, investors should be aware that when evaluating EBITDA and Adjusted EBITDA, we may incur future expenses similar to those excluded when calculating these measures. In addition, our presentation of these measures should not be construed as an inference that our future results will be unaffected by unusual or nonrecurring items. Our computation of Adjusted EBITDA may not be comparable to other similarly titled measures computed by other companies, because not all companies may calculate Adjusted EBITDA in the same fashion.

In addition to adjusting for non-cash stock-based compensation, non-cash charges for the fair value remeasurements of certain liabilities, non-recurring non-cash impairments and asset write-downs, we typically adjust for certain other items, such as nonrecurring special projects, including related consulting expenses, transition expenses, settlements, nonrecurring gain or loss on the sale of assets, expenses associated with financing activities, and reorganization and severance expenses that result from the elimination or rightsizing of specific business activities or operations.

Because of these limitations, EBITDA and Adjusted EBITDA should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. We compensate for these limitations by relying primarily on our GAAP results and using EBITDA and Adjusted EBITDA on a supplemental basis. Investors should review the reconciliation of net income (loss) to EBITDA and Adjusted EBITDA below and not rely on any single financial measure to evaluate our business.

The following table reconciles net income (loss) to EBITDA and Adjusted EBITDA (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Net income (loss)	$ 1,864	$ 460	$ (1,901)	$ (16,260)
Adjusted for:				
Interest expense, net	2,565	1,926	7,282	5,721
Expense (benefit) from income taxes	202	(560)	2,111	1,424
Depreciation and amortization	729	747	2,381	2,329
EBITDA	5,360	2,573	9,873	(6,786)
Adjusted for:				
Stock-based compensation	2,210	1,149	5,878	3,502
Transaction expenses	—	—	3,364	—
Licensing commissions settlement	—	—	—	2,400
Transition expenses	—	—	—	5,000
Severance	77	116	148	2,709
Impairments	—	245	—	2,087
Adjustments	277	(18)	644	1,001
Adjusted EBITDA	$ 7,924	$ 4,065	$ 19,907	$ 9,913

- Transaction expenses for the nine months ended September 30, 2026 represent $2.9 million related to the formation of the New China JV, termination expenses of $0.3 million related to our former China joint venture arrangements, and expenses related to the A&R Sixth Amendment, A&R Seventh Amendment and A&R Eighth Amendment (each as defined below).

- Licensing commissions settlement for the nine months ended September 30, 2025 represents a one-time settlement amount of $2.4 million to pay current and future commissions to a licensing agent, which was paid by the end of 2025.

- Transition expenses for the nine months ended September 30, 2025 represent costs associated with the digital operations licensed to Byborg, solely during the transition period pursuant to the TSA.
- Severance expenses for the three and nine months ended September 30, 2025 were primarily due to the reduction of headcount related to the transition of our digital subscriptions and content operations into a licensing model.
- Impairments for the three months ended September 30, 2025 related to impairment charges on our artwork held for sale and did not recur in the third quarter of 2026.
- Impairments for the nine months ended September 30, 2025 related to impairment charges on our artwork held for sale and our right-of-use assets related to our corporate leases and did not recur in 2026.
- Adjustments for the three and nine months ended September 30, 2026 and 2025 were primarily related to losses on asset disposals and the non-cash fair value change related to the remeasurement of a contingent consideration liability for our 2021 acquisition of GlowUp Digital Inc., which was settled in the third quarter of 2026, loss on the sale of artwork (2025 comparative year-to-date period only), contract asset write-downs, consulting, advisory and other costs relating to corporate transactions, and other miscellaneous items.

Non-GAAP Segment Information

Our Chief Executive Officer is our Chief Operating Decision Maker ("CODM"). Segment information is presented in the same manner that our CODM reviews the operating results in assessing performance and allocating resources. Total asset information is not included in the tables below as it is not provided to and reviewed by our CODM. The "All Other" columns relate to the previously identified operating and reportable segment, Digital Subscriptions and Content, which was eliminated upon its transition into a licensing model under the LMA. The "Corporate" column in the tables below includes certain operating revenues associated with *Playboy* magazine, events and sponsorships and expenses that are not allocated to the reportable segments presented to our CODM. Such expenses include legal, human resources, information technology and facilities, accounting/finance and brand marketing costs. Expenses associated with *Playboy* magazine, events and sponsorships are included in brand marketing costs. The accounting policies of the reportable segments are the same as those described in Note 1, Basis of Presentation and Summary of Significant Accounting Policies, of the Notes to our Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

"Adjusted Operating Income (Loss)" is defined as operating income or loss adjusted for stock-based compensation and other special items determined by management. Adjusted Operating Income (Loss) is intended as a supplemental measure of our performance that is neither required by, nor presented in accordance with, GAAP. We believe that the use of adjusted operating income (loss) provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing our financial measures with those of comparable companies, which may present similar non-GAAP financial measures to investors. However, investors should be aware that when evaluating adjusted operating income (loss), we may incur future expenses similar to those excluded when calculating these measures. In addition, our presentation of these measures should not be construed as an inference that our future results will be unaffected by unusual or nonrecurring items. Our computation of adjusted operating income (loss) may not be comparable to other similarly titled measures computed by other companies, because not all companies may calculate adjusted operating income (loss) in the same fashion.

In addition to adjusting for non-cash stock-based compensation, non-cash charges for the fair value remeasurements of certain liabilities, nonrecurring non-cash impairments and asset write-downs, we typically adjust for nonrecurring special projects, including for related consultant expenses, nonrecurring gain on the sale of assets, expenses associated with financing activities, and reorganization and severance expenses that result from the elimination or rightsizing of specific business activities or operations.

Because of the limitations described above, adjusted operating income (loss) should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. We compensate for these limitations by relying primarily on our GAAP results and using adjusted operating income (loss) on a supplemental basis. Investors should review the reconciliation of operating income (loss) to adjusted operating income (loss) below and not rely on any single financial measure to evaluate our business.

Comparison of the Three Months Ended September 30, 2026 and 2025

The following table reconciles Operating Income (Loss) to Adjusted Operating Income (Loss) by reportable segment (in thousands):

	Three Months Ended September 30, 2026				
	Direct-to-Consumer	Licensing	Corporate	All Other	Total
Operating income (loss)	$ 656	$ 10,874	$ (7,780)	$ 253	$ 4,003
Adjusted for:					
Depreciation and amortization	606	—	123	—	729
Severance	44	—	33	—	77
Stock-based compensation	—	—	2,210	—	2,210
Adjustments	991	198	(912)	—	277
Adjusted operating income (loss)	$ 2,297	$ 11,072	$ (6,326)	$ 253	$ 7,296

	Three Months Ended September 30, 2025				
	Direct-to-Consumer	Licensing	Corporate	All Other	Total
Operating (loss) income	$ (221)	$ 7,705	$ (6,630)	$ 512	$ 1,366
Adjusted for:					
Depreciation and amortization	600	—	147	—	747
Severance	23	147	(54)	—	116
Stock-based compensation	—	—	1,149	—	1,149
Impairments	—	—	245	—	245
Adjustments	846	—	(864)	—	(18)
Adjusted operating income (loss)	$ 1,248	$ 7,852	$ (6,007)	$ 512	$ 3,605

Refer to “Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures” for descriptions of the adjustments to reconcile net income (loss) to Adjusted EBITDA, certain of which adjustments are listed in the table above and the descriptions used for the reconciliation of net income (loss) to Adjusted EBITDA are also applicable for the table above.

Direct-to-Consumer

Net Revenues and Gross Margin: Refer to “Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations” for a discussion of changes in net revenues and gross profit in our Direct-to-Consumer segment from 2025 to 2026.

Operating Income (Loss): The change from operating loss to operating income, compared to the prior year comparative period, was primarily due to a $1.5 million increase in gross profit driven by Honey Birdette’s revenue growth and a $0.9 million non-recurring release of a U.S. sales tax reserve, partly offset by a $1.4 million increase in selling and administrative expenses related to the segment, primarily payroll and sales and marketing costs.

Adjusted Operating Income: The increase in adjusted operating income, compared to the prior year comparative period, was primarily due to the change in operating income (loss) discussed above. “Adjustments” for the three months ended September 30, 2026 and 2025 relate to intercompany expense allocations from our corporate segment to our direct-to-consumer segment, which eliminate in consolidation.

Licensing

Net Revenues and Gross Margin: Refer to “Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations” for a discussion of changes in net revenues and gross profit in our Licensing segment from 2025 to 2026.

Operating Income: The increase in operating income, compared to the prior year comparative period, was primarily due to lower selling and administrative expenses of $2.5 million, primarily driven by $1.9 million of lower legal costs and $0.4 million of lower China licensing operating costs (staffing and general and administrative expenses), and a $0.7 million increase in licensing gross profit, driven by higher royalty revenues from our licensing business in China, Hong Kong and Macau as described in "*Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations*".

Adjusted Operating Income: The increase in adjusted operating income, compared to the prior year comparative period, was primarily due to the increase in operating income discussed above.

Corporate

Net Revenues and Gross Margin: Refer to "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations" for a discussion of changes from 2025 to 2026 in net revenues and gross profit classified as Corporate.

Operating Loss: The increase in operating loss, compared to the prior year comparative period, was primarily due to a $1.1 million increase in stock-based compensation due to new grant issuances and $0.8 million of higher payroll and payroll-related expenses, partially offset by higher corporate revenues of $0.4 million and the non-recurrence of $0.2 million of impairment charges on our artwork held for sale recognized in the third quarter of 2025.

Adjusted Operating Loss: The increase in adjusted operating loss, compared to the prior year comparative period, was primarily due to the change in operating loss discussed above. "Adjustments" for the three months ended September 30, 2026 and 2025 primarily relate to intercompany expense allocations from our corporate segment to our direct-to-consumer segment, which eliminate in consolidation.

All Other

Net Revenues and Gross Margin: Refer to "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations" for a discussion of changes from 2025 to 2026 in net revenues and gross profit classified as All Other.

Operating Income: The decrease in operating income, compared to the prior year comparative period, was primarily due to lower amortization of deferred revenue balances that existed as of December 31, 2024 (prior to the LMA effective date of January 1, 2025) that pertain to our previously reported digital subscriptions and content operations.

Adjusted Operating Income: The decrease in adjusted operating income, compared to the prior year comparative period, was due to the decrease in operating income discussed above.

Comparison of the Nine Months Ended September 30, 2026 and 2025

The following table reconciles Operating Income (Loss) to Adjusted Operating Income (Loss) by reportable segment (in thousands):

	Nine Months Ended September 30, 2026				
	Direct-to-Consumer	Licensing	Corporate	All Other	Total
Operating income (loss)	$ 2,238	$ 28,348	$ (26,076)	$ 827	$ 5,337
Adjusted for:					
Depreciation and amortization	1,987	—	394	—	2,381
Transaction expenses	—	—	3,364	—	3,364
Severance	97	—	51	—	148
Stock-based compensation	—	—	5,878	—	5,878
Adjustments	3,557	578	(3,491)	—	644
Adjusted operating income (loss)	$ 7,879	$ 28,926	$ (19,880)	$ 827	$ 17,752

	Nine Months Ended September 30, 2025				
	Direct-to-Consumer	Licensing	Corporate	All Other	Total
Operating (loss) income	$ (1,501)	$ 22,214	$ (26,916)	$ (4,574)	$ (10,777)
Adjusted for:					
Depreciation and amortization	1,765	—	564	—	2,329
Licensing commissions settlement	—	2,400	—	—	2,400
Transition expenses	—	—	—	5,000	5,000
Severance	75	147	1,299	1,188	2,709
Stock-based compensation	—	—	3,502	—	3,502
Impairments	—	—	2,087	—	2,087
Adjustments	2,674	—	(1,673)	—	1,001
Adjusted operating income (loss)	$ 3,013	$ 24,761	$ (21,137)	$ 1,614	$ 8,251

Refer to “Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures” for descriptions of the adjustments to reconcile net income (loss) to Adjusted EBITDA, certain of which adjustments are listed in the table above and the descriptions used for the reconciliation of net income (loss) to Adjusted EBITDA are also applicable for the table above.

Direct-to-Consumer

Net Revenues and Gross Margin: Refer to “Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations” for a discussion of changes in net revenues and gross profit in our Direct-to-Consumer segment from 2025 to 2026.

Operating Income (Loss): Operating income improved by $3.7 million, from an operating loss of $1.5 million in the prior year comparative period, to operating income of $2.2 million, primarily due to a $5.8 million increase in gross profit, reflecting strong sales of full price Honey Birdette products and improved gross margin, and $1.7 million of releases of an aged VAT provision and a U.S. sales tax reserve, partially offset by a $3.8 million increase in selling and administrative expenses related to the segment, primarily payroll, sales and marketing and store operating costs.

Adjusted Operating Income: The increase in adjusted operating income, compared to the prior year comparative period, was primarily due to the change in operating income (loss) discussed above. “Adjustments” for the nine months ended September 30, 2026 and 2025 primarily relate to intercompany expense allocations from our corporate segment to our direct-to-consumer segment, which eliminate in consolidation.

Licensing

Net Revenues and Gross Margin: Refer to "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations" for a discussion of changes in net revenues and gross profit in our Licensing segment from 2025 to 2026.

Operating Income: The increase in operating income, compared to the prior year comparative period, was primarily due to a $1.6 million increase in licensing gross profit, reflecting lower licensing commission expense in cost of sales following the formation of the New China JV (the prior year comparative period included a one-time $2.4 million commission settlement) and higher royalty revenues from our licensing business in China, Hong Kong and Macau, and a $4.6 million decrease in selling and administrative expenses allocated to the segment. The lower selling and administrative expenses were primarily attributable to $2.7 million of lower legal costs and $1.4 million of lower China operating costs, excluding legal costs, following the formation of the New China JV.

Adjusted Operating Income: The increase in adjusted operating income, compared to the prior year comparative period, was primarily due to the increase in operating income discussed above. "Adjustments" for the nine months ended September 30, 2026 primarily related to a $0.3 million agency-termination payment to our former China licensing agent in the first quarter of 2026 and contract asset write-downs. Additional adjustments to licensing operating income for the nine months ended September 30, 2025 primarily related to a one-time settlement amount of $2.4 million to pay current and future commissions to a licensing agent, which was paid in full by the end of 2025.

Corporate

Net Revenues and Gross Margin: Refer to "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations" for a discussion of changes in net revenues and gross profit for Corporate from 2025 to 2026.

Operating Loss: The decrease in corporate operating loss, compared to the prior year comparative period, was primarily due to the non-recurrence of $2.1 million of prior-year impairment charges and $0.8 million of prior-year asset-disposal losses, and lower selling and administrative expenses, including lower severance and payroll related expenses of $1.2 million, and lower professional and outside services of $0.7 million, as well as higher corporate revenues of $0.4 million, $0.4 million of higher intercompany cost allocations to other segments, which eliminate in consolidation, and a $0.8 million release of a sales and use tax reserve recognized in the second quarter of 2026. These improvements were partially offset by $2.9 million of transaction expenses recognized in the nine months ended September 30, 2026 related to the formation of the New China JV, a $2.4 million increase in stock-based compensation from new grants, $0.7 million of higher legal costs, and a $1.1 million increase in cost of sales related to the spring, summer and fall 2026 issues of *Playboy* magazine and a revamped magazine subscription model launched in the second quarter of 2026 (net of a $2.6 million brand-expense reimbursement from UTG applied against cost of sales under the BSSA).

Adjusted Operating Loss: The decrease in adjusted operating loss, compared to the prior year comparative period, was primarily due to a $0.8 million release of a sales and use tax reserve recognized in the second quarter of 2026, lower professional and outside services of $0.7 million and higher corporate revenues of $0.4 million, partly offset by a $1.1 million increase in cost of sales related to the spring, summer and fall 2026 issues of *Playboy* magazine and a revamped magazine subscription model launched in the second quarter of 2026 (net of a $2.6 million brand-expense reimbursement from UTG applied against cost of sales under the BSSA) and $0.7 million of higher legal costs. "Adjustments" for the nine months ended September 30, 2026 and 2025 primarily relate to intercompany expense allocations from our corporate segment to our direct-to-consumer segment, which eliminate in consolidation.

All Other

Net Revenues and Gross Margin: Refer to "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations" for a discussion of changes from 2025 to 2026 in net revenues and gross profit classified as All Other.

Operating Income (Loss): The change from operating loss in the prior year comparative period to operating income was due to the transition of our digital operations into a licensing model pursuant to the LMA and inclusion of related severance costs as well as $5.0 million of transition expenses pursuant to the TSA in the prior year comparative period, partly offset by lower amortization of deferred revenue balances that existed as of December 31, 2024 (prior to the LMA effective date of January 1, 2025) that pertain to our previously reported digital subscriptions and content operations.

Adjusted Operating Income: The decrease in adjusted operating income, compared to the prior year comparative period, was due to lower amortization of deferred revenue balances that existed as of December 31, 2024 (prior to the LMA effective date of January 1, 2025) that pertain to our previously reported digital subscriptions and content operations.

Liquidity and Capital Resources

Sources of Liquidity

Our sources of liquidity are cash generated from operating activities, which primarily includes cash derived from revenue generating activities, from financing activities, including proceeds from our issuance of debt, and proceeds from stock offerings (as described further below), and from investing activities. As of September 30, 2026, our principal source of liquidity was cash in the amount of $29.7 million, which is primarily held in operating and deposit accounts.

During the three months ended September 30, 2026, we sold shares of our common stock pursuant to our previously registered and announced at-the-market ("ATM") offering, selling a total of 281,789 shares for net proceeds of $0.2 million. During the nine months ended September 30, 2026, we sold 3,666,783 shares of our common stock under the ATM for net proceeds of $5.5 million. As of September 30, 2026, we had $194.1 million of remaining capacity under the ATM.

Pursuant to the LMA entered into in December 2024, Byborg agreed to operate our Playboy Plus, Playboy TV (online and linear) and Playboy Club digital businesses and to license the right to use certain Playboy trademarks and other intellectual property for related businesses and certain other categories. Pursuant to the LMA, Byborg was also granted exclusive rights to use Playboy trademarks for certain new adult content services and digital products to be developed. The LMA has an initial term of 15 years, with the operations and license rights pursuant to the LMA commencing as of January 1, 2025, and the possibility for up to nine renewal terms of 10 years each, subject to the terms and conditions set forth in the LMA. Pursuant to the LMA, starting in 2025, we began receiving minimum guaranteed royalties of $20.0 million per year of the term, which royalties are paid in installments during each year of the LMA's term. In addition, Byborg prepaid the minimum guaranteed amount for the second half of year 15 of the initial term of the LMA. We are also entitled to receive Excess Royalties from the businesses licensed and operated by Byborg, on the terms and conditions set forth in the LMA.

In connection with the New China JV, UTG paid us $15.0 million at the New China JV Initial Closing and is obligated to pay $15.0 million at each of the second and third closings, on or before January 4, 2027 and January 4, 2028, respectively. Such Purchase Price proceeds are required to be applied as mandatory prepayments of our A&R Term Loans (see "Debt" below) and, therefore, will not be available to fund our operations. We are also entitled to minimum distributions from the New China JV totaling $67.0 million through 2033, of which $10.0 million related to 2026 have been paid and $57.0 million remains to be paid, including $9.0 million in 2027. We expect to deconsolidate the New China JV upon the third closing. For additional information, refer to Note 9, Variable Interest Entity, of the Notes to our Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

On November 2, 2026, Playboy MB JV LLC (the "Buyer"), a Delaware limited liability company and an indirect, wholly owned subsidiary of the Company, entered into a Purchase and Sale Agreement (the "PSA") with Freehand Indian Creek LLC (the "Seller"). Pursuant to the PSA, the Buyer has agreed to acquire from the Seller (the "Acquisition") property currently operated as a hotel in Miami Beach, Florida (the "Property"). The Company intends to redevelop the Property as a member-only private club.

The purchase price for the Property is $12.5 million, subject to customary prorations and adjustments (the "Acquisition Price"). Pursuant to the PSA, the Buyer delivered a deposit of $1.25 million (the "Deposit") upon execution of the PSA, and the balance of the Acquisition Price is payable at closing of the Acquisition. The Deposit will be credited against the Acquisition Price at closing. While we have committed to using a total of approximately $5 million of cash from our balance sheet in connection with the Acquisition, we expect to recoup it from the sale of memberships to the member-only private club in the future.

Since going public in 2021, we have incurred significant operating and net losses. However, during the three and nine months ended September 30, 2026, our business performance continued to improve and we generated operating income of $4.0 million and $5.3 million, respectively. We continue to expect our capital expenditures and working capital requirements in 2026 to be largely consistent with 2025.

Although consequences of ongoing macroeconomic uncertainty could adversely affect our liquidity and capital resources in the future, and cash requirements may fluctuate based on the timing and extent of many factors, such as those discussed above, we believe our existing sources of liquidity will be sufficient to meet our obligations as they become due under the A&R Credit Agreement (as defined below) and our other obligations for at least one year following the date of the filing of this Quarterly Report on Form 10-Q. We may seek additional equity or debt financing in the future to satisfy capital requirements, respond to adverse changes in our circumstances or unforeseen events, or fund growth opportunities. However, in the event that additional financing is required from third-party sources, we may not be able to raise it on acceptable terms or at all.

Debt

On August 11, 2025, we entered into Amendment No. 5 (the "A&R Fifth Amendment") to our amended and restated senior secured credit agreement (the "A&R Credit Agreement"). The A&R Fifth Amendment revised the definition of Consolidated EBITDA in the A&R Credit Agreement to allow for $2.4 million of non-cash rent expense related to our Miami Beach office lease to be added back when calculating such Consolidated EBITDA for applicable periods.

On November 10, 2025, we entered into Amendment No. 6 to the A&R Credit Agreement (the "A&R Sixth Amendment"). The A&R Sixth Amendment, among other things, (i) extended the maturity of the A&R Credit Agreement to May 25, 2028, (ii) provided that the cash interest rate would be reduced by 0.15% or 0.50% in the event of certain prepayments of $25.0 million and $50.0 million, respectively (neither of which occurred), and (iii) provided that upon the first such prepayment made on the terms and conditions set forth in the A&R Sixth Amendment, the total net leverage ratio would be set at 9.00:1.00 for the quarter ending June 30, 2026, and step down over time until the ratio reaches 7.25:1.00 for the quarter ending December 31, 2027 and any subsequent quarter. The other terms of the A&R Credit Agreement prior to the A&R Sixth Amendment remained substantively unchanged.

On February 9, 2026, we entered into Amendment No. 7 to the A&R Credit Agreement ("A&R Seventh Amendment") to, substantially concurrently with the New China JV Initial Closing, amend the terms of the A&R Credit Agreement, to, among other things: (i) permit the New China JV transactions, (ii) permit the contribution of certain intellectual property from us to the New China JV at the second closing pursuant to the Purchase Agreement, and (iii) provide for additional representations, covenants, and mandatory prepayments related to the New China JV transaction (including the entire $45.0 million purchase price under the Purchase Agreement and an additional $6.7 million directly from us). Of such mandatory prepayments, $15.0 million was paid at the New China JV Initial Closing, and $18.333 million that is required to be paid to our lenders upon the second New China JV closing, which is to occur on or before January 4, 2027, is classified as long-term debt, current portion, as of September 30, 2026.

We performed an assessment of the A&R Seventh Amendment, on a lender-by-lender basis, and accounted for the transaction as a debt modification. As a result of the A&R Seventh Amendment, fees of $0.3 million were expensed as incurred and recorded in other income, net in our condensed consolidated statement of operations for the nine months ended September 30, 2026. Fees of $0.2 million paid to or on behalf of the lenders in connection with the A&R Seventh Amendment were recorded as a reduction of the unamortized debt premium and are being amortized as an adjustment to interest expense over the remaining term of the A&R Term Loans (as defined below).

Concurrently with the Repurchase Agreement, defined and described in Note 10, Stockholders' Equity, we entered into Amendment No. 8 to the A&R Credit Agreement (the "A&R Eighth Amendment") to obtain lender consent for the Repurchase Agreement and related backstop transactions. Refer to Note 17, Related Party Transactions, for additional details. The A&R Eighth Amendment did not modify the pricing, maturity, or financial covenants of the A&R Credit Agreement. Costs incurred in connection with the A&R Eighth Amendment were immaterial.

The stated interest rate of each of Tranche A and Tranche B of the term loans under the A&R Credit Agreement (the "A&R Term Loans") as of September 30, 2026 was 10.42%. The stated interest rate of each of Tranche A and Tranche B of the A&R Term Loans as of December 31, 2025 was 10.08%. The effective interest rate of Tranche A and Tranche B of the A&R Term Loans as of September 30, 2026 was 2.93% and 5.74%, respectively. The effective interest rate of Tranche A and Tranche B of the A&R Term Loans as of December 31, 2025 was 3.88% and 6.34%, respectively.

We were in compliance with applicable financial covenants under the terms of the A&R Credit Agreement and its amendments as of September 30, 2026 and December 31, 2025.

Leases

Our principal lease commitments are for office space and operations under several noncancelable operating leases with contractual terms expiring through 2037. Some of these leases contain renewal options and rent escalations. As of September 30, 2026 and December 31, 2025, our operating lease liabilities were $21.0 million and $22.2 million, respectively, with $6.6 million and $7.4 million due in the next 12 months, respectively. We also have certain finance lease obligations; however, those are not material to our liquidity or capital resources.

On August 11, 2025, through our wholly owned subsidiary, Playboy Enterprises, Inc., we entered into an operating lease (the "Lease") with RK Rivani LLC (the "Landlord") for approximately 20,169 square feet of office space in Miami Beach, Florida.

In the second quarter of 2026, we amended the Lease to change the lease commencement date to January 1, 2027 and the expiration date to November 30, 2037. As we did not take possession of the office space as of September 30, 2026, it is not reflected in our condensed consolidated financial statements or in the tables below. The future undiscounted fixed non-cancelable payment obligation pertaining to the Lease is approximately $25.0 million.

On May 14, 2026, we entered into a new operating lease (the "Additional Lease") with the Landlord for the remainder of the same floor as the Lease, comprising an additional approximately 5,696 square feet, which commenced on May 1, 2026 and expires on November 30, 2037, subject to two five-year renewal options. In addition to base rent under the Additional Lease, we are responsible for operating expenses and property taxes. During the nine months ended September 30, 2026, we recognized right-of-use assets of approximately $1.6 million in exchange for the related operating lease liability. The future undiscounted lease payments under the Additional Lease are approximately $6.9 million.

For further information on our lease obligations, refer to Note 13, Commitments and Contingencies, of the Notes to our Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Cash Flows

The following table summarizes our cash flows for the periods indicated (in thousands):

	Nine Months Ended September 30,		
	2026	2025	$ Change
Net cash (used in) provided by:			
Operating activities	$ (7,525)	$ (1,378)	$ (6,147)
Investing activities	13,818	261	13,557
Financing activities	(14,272)	(97)	(14,175)

Cash Flows from Operating Activities

The increase in net cash used in operating activities for the nine months ended September 30, 2026, compared to the prior year comparative period, was primarily due to a $12.7 million decrease in cash flows from changes in operating assets and liabilities and a $7.8 million decrease in non-cash reconciling items, partially offset by a $14.4 million decrease in net loss.

The decrease in cash flows from changes in operating assets and liabilities was primarily driven by deferred revenues and receivables, which reduced cash flows by $11.6 million and $10.0 million, respectively. Deferred revenues decreased by $3.9 million in the nine months ended September 30, 2026, compared with an increase of $7.7 million in the prior year comparative period. The prior year comparative period included $15.0 million of billings under the LMA in advance of revenue recognition, including a $20.0 million invoice issued in July 2025. In contrast, billings in the nine months ended September 30, 2026 equaled the $15.0 million of revenue recognized. The effect of these billings was partially offset by $3.4 million of lower deferred revenue drawdowns in our other businesses, primarily China licensing. Receivables increased in the nine months ended September 30, 2026, using $7.1 million of cash, primarily reflecting billings to our China licensees in excess of collections, compared with $2.9 million of cash provided from the collection of legacy receivables in the prior year comparative period. Inventory provided $1.3 million of cash, compared with $2.1 million in the prior year comparative period, as Honey Birdette built inventory ahead of anticipated revenue growth. Reserves for slow-moving and obsolete inventory increased to $3.7 million as of September 30, 2026 from $3.3 million as of December 31, 2025.

The decrease in cash flows from changes in operating assets and liabilities was partially offset by other liabilities and accrued expenses, which provided $1.7 million of cash compared with $2.4 million used in the prior year comparative period, representing a $4.1 million increase in cash flows. The 2026 amount primarily reflected a $3.5 million increase in accrued interest, as interest on our senior debt for the third quarter of 2026 was paid in October 2026 following the change to quarterly interest payments, and $1.8 million of accrued foreign withholding taxes, partially offset by the release of $1.7 million of sales tax reserves. Cash flows from prepaid expenses and other current assets, contract assets, and accounts payable also increased by $3.4 million, $2.0 million and $1.8 million, respectively, reflecting the timing of vendor payments.

The decrease in non-cash reconciling items was primarily due to the non-recurrence of $7.2 million of capitalized paid-in-kind interest and a $2.7 million decrease in deferred income taxes. Such decrease also reflected a $2.1 million decrease in impairment charges, as the prior year comparative period included $1.5 million of impairment charges on right-of-use assets related to our corporate leases and impairment charges of $0.5 million on artwork held for sale. Such decreases were partially offset by a $2.5 million decrease in the net amortization of debt premium and issuance costs due to the A&R Seventh Amendment, as well as a $2.4 million increase in stock-based compensation expense due to new grants made in 2026.

Cash Flows from Investing Activities

The increase in net cash provided by investing activities for the nine months ended September 30, 2026, compared to the prior year comparative period, was primarily due to $15.0 million in purchase price proceeds received in connection with the initial closing of our New China JV transaction in the first quarter of 2026. The increase in net cash from investing activities was partially offset by $1.0 million of proceeds from the sale of our artwork in the prior year comparative period that did not recur in 2026.

Cash Flows from Financing Activities

The increase in net cash used in financing activities for the nine months ended September 30, 2026, compared to the prior year comparative period, was primarily due to a $15.0 million repayment of long-term debt in connection with the initial closing of the New China JV transaction. The increase in net cash used in financing activities was also due to $5.0 million of payments to repurchase shares of our common stock pursuant to the Repurchase Agreement during the nine months ended September 30, 2026 and $1.8 million of tax withholding paid in connection with vested restricted stock units in the first quarter of 2026. The increase in net cash used in financing activities was partially offset by $5.5 million of net proceeds from the issuance of shares of our common stock under the ATM and a $2.4 million noncontrolling interest capital contribution received from UTG.

Contractual Obligations

Other than the remaining $12.4 million contractual obligation under the Repurchase Agreement entered into on June 18, 2026 (see Note 10, Stockholders' Equity, and Note 17, Related Party Transactions), of which the $5.0 million installment due on or before November 1, 2026 was satisfied by The Million S.a.r.l. subsequent to September 30, 2026 (see Note 19, Subsequent Events), and the $18.333 million mandatory prepayment of our A&R Term Loans required upon the second closing of the New China JV on or before January 4, 2027 (see "Debt" above), there were no material changes to our contractual obligations for the nine months ended September 30, 2026 from December 31, 2025, as disclosed in our audited consolidated financial statements included in our Annual Report on Form 10-K filed on March 16, 2026.

Critical Accounting Estimates

Our interim condensed consolidated financial statements have been prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the condensed consolidated financial statements, as well as the reported expenses incurred during the reporting periods. Estimates and judgments used in the preparation of our interim condensed consolidated financial statements are, by their nature, uncertain and unpredictable, and depend upon, among other things, many factors outside of our control, such as demand for our products, inflation, foreign currency exchange rates, economic conditions and other current and future events, such as the impact of public health crises and epidemics and global hostilities. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

During the nine months ended September 30, 2026, there were no material changes to our critical accounting policies or in the methodology used for estimates from those described in "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report on Form 10-K filed with the SEC on March 16, 2026.

Recent Accounting Pronouncements

Refer to Note 1, Basis of Presentation and Summary of Significant Accounting Policies, of the Notes to our Condensed Consolidated Financial Statements, included in Part I, Item 1 of this Quarterly Report on Form 10-Q for more information about recent accounting pronouncements, the timing of their adoption, and our assessment, to the extent we have made one, of their potential impact on our financial condition and results of operations.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to a variety of market and other risks, including the effects of changes in interest rates, inflation, and foreign currency exchange rates, as well as risks to the availability of funding sources, hazard events, and specific asset risks.

Interest Rate Risk

The market risk inherent in our financial instruments and our financial position represents the potential loss arising from adverse changes in interest rates. As of September 30, 2026 and December 31, 2025, we had cash of $29.7 million and $37.8 million, respectively, primarily held in interest-bearing deposit accounts for which the fair market value would be affected by changes in the general level of U.S. interest rates. As of September 30, 2026 and December 31, 2025, we had restricted cash of $5.2 million and $5.0 million, respectively, of which $4.1 million was held in interest-bearing deposit accounts. However, an immediate 10% change in interest rates would not have a material effect on the fair market value of our cash and restricted cash and cash equivalents.

In order to maintain liquidity and fund business operations, our long-term A&R Term Loans are subject to a variable interest rate based on prime, federal funds, or the secured overnight financing rates. The nature and amount of our long-term debt can be expected to vary as a result of future business requirements, market conditions, and other factors. We may elect to enter into interest rate swap contracts to reduce the impact associated with interest rate fluctuations, but as of September 30, 2026, we have not entered into any such contracts.

As of September 30, 2026 and December 31, 2025, we had outstanding debt obligations of $144.9 million and $159.9 million, respectively, which accrued interest at a rate of 10.42% for Tranche A and Tranche B A&R Term Loans as of September 30, 2026. Based on the balance outstanding under our A&R Term Loans at September 30, 2026, we estimate that a 0.5% or 1% increase or decrease in underlying interest rates would increase or decrease annual interest expense by $0.7 million or $1.4 million, respectively, in any given fiscal year. See also our "Risk Factors—Risks Related to Our Business and Industry—*Our variable rate debt subjects us to interest rate risk that could cause our debt service obligations to increase significantly.*" included in Item 1A of our Annual Report on Form 10-K filed on March 16, 2026.

Foreign Currency Risk

We transact business in various foreign currencies and have significant international revenues, as well as costs denominated in foreign currencies other than the U.S. dollar, primarily the Australian dollar and Chinese renminbi. Accordingly, changes in exchange rates, and in particular a strengthening of the U.S. dollar, have in the past, and may in the future, negatively affect our revenue and other operating results as expressed in U.S. dollars. For the three months ended September 30, 2026 and 2025, we derived approximately 70% and 68%, respectively, of our revenue from international customers, out of which 47% and 44%, respectively, was denominated in foreign currency. For the nine months ended September 30, 2026 and 2025, we derived approximately 68% and 67%, respectively, of our revenue from international customers, out of which 45% and 44%, respectively, was denominated in foreign currency. We expect the percentage of revenue derived from outside the United States to increase in future periods as we continue to expand globally. Revenue and related expenses generated from our international operations (other than most international licenses) are denominated in the functional currencies of the corresponding country. The functional currency of our subsidiaries that either operate in or support these markets is generally the same as the corresponding local currency. The majority of our international licenses are denominated in U.S. dollars. The results of operations of, and certain of our intercompany balances associated with, our international operations are exposed to foreign exchange rate fluctuations. Upon consolidation, as exchange rates vary, our revenue and other operating results may differ materially from expectations, and we may record significant gains or losses on the remeasurement of intercompany balances. We do not have an active foreign exchange hedging program.

There are numerous factors impacting the amount by which our financial results are affected by foreign currency translation and transaction gains and losses resulting from changes in currency exchange rates, including, but not limited to, the volume of foreign currency-denominated transactions in a given period. Foreign currency transaction exposure from a 10% movement of currency exchange rates would have a material impact on our results, assuming no foreign currency hedging. For the three and nine months ended September 30, 2026, we recorded a foreign currency translation loss of $0.2 million and a foreign currency translation gain of $0.5 million, respectively, in other comprehensive income (loss), primarily reflecting the weakening of the Australian dollar against the U.S. dollar during the third quarter of 2026 and its net strengthening over the nine months ended September 30, 2026.

Inflation Risk

Inflationary factors such as increases in the cost of our product and overhead costs may adversely affect our operating results. Although we do not believe that inflation has had a material impact on our financial position or results of operations in recent periods, a high rate of inflation in the future may have an adverse effect on our ability to maintain or improve current levels of revenue, gross margin and selling and administrative expenses, or the ability of our customers to make discretionary purchases of our goods and services. See our "Risk Factors—Risks Related to Our Business and Industry—*Our business depends on consumer purchases of discretionary goods and content, which can be negatively impacted during an economic downturn or periods of inflation. This could materially impact our sales, profitability and financial condition,*" included in Item 1A of our Annual Report on Form 10-K filed on March 16, 2026.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation and supervision of our Chief Executive Officer and our Chief Financial Officer, has evaluated 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) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this Quarterly Report on Form 10-Q, our disclosure controls and procedures were not effective.

We have been actively remediating our material weaknesses with the guidance of a global accounting and consulting firm, and the results of those efforts are reflected in this disclosure. Our material weaknesses will not be considered fully remediated until the applicable controls have operated for a sufficient period of time and our management concludes, following testing, that such controls are operating effectively. We intend to reach that conclusion as expeditiously as possible.

Management has identified the following areas where material weaknesses in its internal control over financial reporting existed and where the Company has achieved demonstrable remediation progress:

Control Environment, Risk Assessment, and Monitoring

We continue to strengthen our entity-level controls across the control environment, risk assessment procedures, and monitoring functions. Building on the remediation efforts implemented in prior periods, we have continued to enhance our organizational structure, accountability, internal controls capabilities, and oversight mechanisms designed to prevent or detect material misstatements to our condensed consolidated financial statements. We have also continued to strengthen our risk identification, assessment, and monitoring processes and the supporting framework used to evaluate whether the components of internal control are present and function effectively.

Control Activities and Information and Communication

We continue to strengthen the design, implementation, documentation, and operation of controls in the areas for which material weaknesses were identified, including the following:

- We continue to strengthen the design, implementation, and operation of general information technology controls across program change management, user access, and segregation of duties for systems supporting our internal control processes. We also continue to enhance technology-enabled processes and the reliability of information technology-derived data used in the performance of business process and management review controls.

- We continue to enhance and mature our accounting policies, procedures, and controls across our key business processes to support timely, complete, and accurate financial accounting, reporting, and disclosures. These efforts have included further strengthening the design, documentation, and execution of business process controls and corporate-level oversight controls, including the precision of management review activities.

- We continue to enhance management review controls over complex accounting areas and disclosures, including asset impairments, revenue contracts, income tax, stock-based compensation, leases, debt amendments, and other complex accounting matters. As part of these efforts, we are evaluating and implementing opportunities to further standardize and automate the preparation, aggregation, and analysis of information used in the performance of management review controls, while maintaining appropriate management oversight and review.

- We continue to strengthen controls over the existence, accuracy, completeness, valuation and cutoff of inventory and to enhance the documentation and execution of controls in this area.

The material weaknesses described above did not result in any material misstatement of our condensed consolidated financial statements for the periods presented.

Remediation Efforts

We continue to advance our remediation program by strengthening the structural and foundational elements of our internal control over financial reporting and enhancing the design, documentation, and execution of controls across our information technology and business processes. Our efforts have increasingly focused on establishing a sustainable control environment, strengthening management review controls, and generating and retaining sufficient evidence to support management's assessment of control effectiveness.

Our ongoing internal control remediation efforts include the following:

- We continue to strengthen our internal controls function and accounting resources responsible for overseeing risk assessment procedures, monitoring internal controls, and advancing remedial actions.
- We continue to formalize and enhance our accounting and information technology policies, including policies and procedures relating to security, change management, user access, and segregation of duties controls, to support a more robust and sustainable control framework.
- We continue to work with an outside firm to review our processes, procedures, systems, and controls and to assist management in enhancing control design, implementation, documentation, and testing.

In addition to the progress we have achieved above, we are continuing to advance the following activities:

- Enhancing and formalizing our accounting, business operations, and information technology policies, procedures, and controls to support complete, accurate, and timely financial accounting, reporting, and disclosures.
- Strengthening general information technology controls over our accounting and operating systems and the reliability of information produced and maintained by those systems and used in the performance of business process controls.
- Enhancing controls addressing the completeness and accuracy of underlying data and information used in the performance of controls over accounting transactions and disclosures.
- Further enhancing management review controls, including the precision of review, evidence of procedures performed, and the use of standardized and automated processes to support the preparation and analysis of information subject to management review.
- Developing and executing monitoring activities to assess the design and operating effectiveness of controls over financial reporting and identifying changes to control design or execution where appropriate.

Our remediation program reflects our continued commitment to building and maintaining a sustainable and effective internal control environment. We have made progress in establishing the structural and foundational elements of our internal control framework and continue to mature the related information technology and business process controls. While continued operation, validation, and testing over sustained financial reporting cycles remain necessary to fully demonstrate remediation, we remain committed to the continuous improvement of our internal control over financial reporting.

Changes in Internal Control over Financial Reporting

As described above, we are in the process of implementing changes to our internal control over financial reporting to remediate the material weaknesses described herein. Other than the ongoing remediation efforts described above, there were no changes in our internal control over financial reporting during the quarter ended September 30, 2026.

Limitations on Effectiveness of Controls and Procedures

The effectiveness of any system of internal control over financial reporting, including ours, is subject to inherent limitations, including the exercise of judgment in designing, implementing, operating, and evaluating the controls and procedures, and the inability to eliminate misconduct completely. Accordingly, any system of internal control over financial reporting, including ours, no matter how well designed and operated, can only provide reasonable, not absolute, assurances. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. We intend to continue to monitor and upgrade our internal controls as necessary or appropriate for our business, but there can be no assurance that such improvements will be sufficient to provide us with effective internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

We are party to pending litigation and claims in connection with the ordinary course of our business. We make provisions for estimated losses to be incurred in such litigation and claims, including legal costs, and we believe such provisions are adequate. Refer to Note 13, Commitments and Contingencies—Legal Contingencies, of the Notes to our Condensed Consolidated Financial Statements, included in Part I, Item 1 of this Quarterly Report on Form 10-Q for a summary of material legal proceedings, in addition to Part I, Item 3, "Legal Proceedings" of our Annual Report on Form 10-K filed with the SEC on March 16, 2026.

Item 1A. Risk Factors.

In addition to the other information set forth in this Quarterly Report on Form 10-Q, please carefully consider the risk factors described under the heading "Part I – Item 1A. Risk Factors" in our most recent Annual Report on Form 10-K for the fiscal year ended December 31, 2025. Such risks described are not the only risks facing us. Additional risks and uncertainties not currently known to us, or that our management currently deems to be immaterial, also may adversely affect our business, financial condition and/or operating results. There have been no material changes to the risk factors since their disclosure in our most recent Annual Report on Form 10-K.

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

Repurchases of Equity Securities

The table below provides information regarding the share repurchases made by the Company during the three months ended September 30, 2026. All repurchased shares became treasury shares of the Company.

Month of Third Quarter of 2026	Total Number of Shares Purchased	Average Price Paid Per Share[1]	Total Number of Shares Purchased As Part of Publicly Announced Plans or Programs[2]	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs[3]
July 1 through July 31	—	—	—	—
August 1 through August 31	2,857,143	1.05	2,857,143	12,419,007
September 1 through September 30	—	—	—	—
Total for Quarter	**2,857,143**	**$ 1.05**	**2,857,143**	**12,419,007**

(1) Excludes any transaction fees or expenses paid in connection with the repurchase of the shares.

(2) On June 18, 2026 (the "Effective Date"), we entered into a stock repurchase agreement with the sellers that are party thereto (such agreement, the "Repurchase Agreement"). The Repurchase Agreement and related matters were publicly disclosed, on June 22, 2026, in a Current Report on Form 8-K we filed with the SEC. Under the terms of the Repurchase Agreement, we will purchase a total of 16,589,531 shares of our common stock, representing 100% of Company common stock beneficially owned by the sellers as of the Effective Date, at a price of $1.05 per share, for a total purchase price of $17,419,007.55.

(3) Amounts represent the approximate maximum dollar value of shares that may yet be purchased under the Repurchase Agreement as of the end of the applicable period.

Recent Sales of Unregistered Securities

In July 2026, pursuant to the terms of the 2021 merger agreement for the acquisition of GlowUp Digital Inc. (the "GlowUp Agreement"), we released an aggregate of 249,116 shares of our common stock (based on a price of $23.4624 per share, per the terms of the GlowUp Agreement) to the holders of the former GlowUp Digital, Inc.'s equity securities that were accredited investors, which shares were a portion of the acquisition consideration that we held back to cover potential indemnification obligations of such investors. As no indemnification obligations were required to be covered by such holdback, the entirety of the holdback was released. The issuance of such shares was exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended, for transactions not involving a public offering, as such issuance was pursuant to a private placement to accredited investors. No additional transaction proceeds were paid to us in connection with the release of the acquisition consideration holdback.

On September 1, 2026, pursuant to the terms of the Backstop Agreement, we issued an aggregate of 101,790 shares of our common stock (at a price of $1.4736 per share, per the terms of the Backstop Agreement) to the Backstop Purchasers, each of which is an accredited investor. Such shares represented the backstop commitment fee payable to the Backstop Purchasers in connection with the repurchase of certain shares of our common stock pursuant to the Repurchase Agreement in August 2026. The issuance of such shares was exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended, for transactions not involving a public offering, as such issuance was pursuant to a private placement to accredited investors. No transaction proceeds were paid to us in connection with the issuance of the backstop fee shares.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Entry into a Property Purchase and Sale Agreement and Proposed Related Joint Venture

On November 2, 2026, Playboy MB JV LLC (the "Buyer"), a Delaware limited liability company and an indirect, wholly owned subsidiary of the Company, entered into a Purchase and Sale Agreement (the "PSA") with Freehand Indian Creek LLC (the "Seller"). Pursuant to the PSA, the Buyer has agreed to acquire from the Seller (the "Acquisition") property currently operated as a hotel in Miami Beach, Florida (the "Property"). The Company intends to redevelop the Property as a member-only private club.

The purchase price for the Property is $12,500,000, subject to customary prorations and adjustments (the "Acquisition Price"). Pursuant to the PSA, the Buyer delivered a deposit of $1,250,000 (the "Deposit") upon execution of the PSA, and the balance of the Acquisition Price is payable at closing of the Acquisition. Except as otherwise expressly provided in the PSA, the Deposit is generally non-refundable to the Buyer, and it will be credited against the Acquisition Price at closing. The Buyer's obligations for the Acquisition are not conditioned on obtaining financing. Closing of the Acquisition is scheduled to occur by December 15, 2026.

The PSA contains customary, limited representations, warranties and covenants. The Seller's representations and warranties survive closing until December 31, 2026. The obligations of each party to close are subject to the performance in all material respects by the other party of its obligations and the accuracy in all material respects of the other party's representations and warranties as of closing. The Seller's post-closing liability is subject to an aggregate cap equal to 1% of the Acquisition Price. If the Buyer defaults or otherwise fails to close (other than as a result of the Seller's default or a permitted termination), the Seller's sole remedy is to terminate the PSA and retain the Deposit as liquidated damages, subject to certain surviving obligations. If the Seller defaults, the Buyer may either terminate and receive a refund of the Deposit plus reimbursement of documented out-of-pocket costs, up to $150,000, or seek specific performance.

In connection with the PSA, the Company, through its wholly owned subsidiaries, has also entered into a non-binding term sheet (the "Term Sheet") regarding a proposed joint venture (the "JV") to acquire, develop and operate the Property, and which joint venture would be established through the Buyer with third-party investors at or before closing of the Acquisition. Except for certain limited provisions, including payment of the Deposit, the Term Sheet is non-binding, and there can be no assurance that a definitive joint venture or financing agreements will be entered into on the terms contemplated in the Term Sheet of the PSA, or at all.

The Company's senior secured lenders and administrative agent under its senior secured credit facility provided their written consent to the Company's payment of the Deposit on behalf of the Buyer. Prior to the closing of the Acquisition, the Company expects to enter into an amendment of its senior secured credit facility with the lenders and administrative agent thereunder in connection with the Acquisition and JV.

The foregoing description of the PSA does not purport to be complete and is qualified in its entirety by reference to the full text of the PSA, a copy of which is filed as Exhibit 10.2 to this Quarterly Report on Form 10-Q and is incorporated herein by reference. The PSA has been included to provide investors with information regarding its terms and is not intended to provide any other factual information about the Company, the Buyer or the Seller. The representations, warranties and covenants contained in the PSA were made solely for purposes of the PSA and as of specific dates, were solely for the benefit of the parties thereto, may be subject to limitations agreed upon by the parties (including qualification by disclosures made for the purpose of allocating contractual risk rather than establishing matters as facts), and may be subject to standards of materiality that differ from those applicable to investors. Investors should not rely on the representations, warranties and covenants or any description thereof as characterizations of the actual state of facts or condition of the Company, the Buyer, the Seller or the Property.

Forward-Looking Statements

This Part II, Item 5 of this Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding the anticipated closing of the Acquisition, the proposed joint venture and related financing, and the intended redevelopment and use of the Property. These statements are based on current expectations and are subject to risks and uncertainties, including the risk that the Acquisition does not close on the anticipated timeline or at all, that the Deposit is forfeited, that definitive joint venture or financing agreements are not entered into, and the other risks described in the Company's filings with the SEC, including its most recent Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q. The Company undertakes no obligation to update any forward-looking statement, except as required by law.

No Rule 10b5-1 Trading Plans or Changes to Director Nomination Procedures

No Rule 10b5-1 plans or non-Rule 10b5-1 trading arrangements were adopted, modified or terminated by officers or directors of the Company, nor were there any material changes to the procedures by which security holders may recommend nominees to the Company's board of directors, during the quarter ended September 30, 2026.

Item 6. Exhibits.

Exhibit No.	Description
3.1	Second Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K filed with the SEC on February 16, 2021)
3.2	Certificate of Amendment to the Second Amended and Restated Certificate of Incorporation of Playboy, Inc. (incorporated by reference to Exhibit 3.1 of the Company's Form 8-K filed with the SEC on June 25, 2025)
3.3	Certificate of Designation of the Series B Convertible Preferred Stock (incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K filed with the SEC on November 14, 2024)
3.4	Second Amended and Restated Bylaws of Playboy, Inc. (incorporated by reference to Exhibit 3.2 of Playboy's Form 8-K filed with the SEC on June 25, 2025)
10.1	Amendment No. 1 to Backstop Agreement, dated October 26, 2026, by and among the Company, The Million S.a.r.l. and Rizvi Master LLC (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed with the SEC on October 28, 2026)
10.2*^	Purchase and Sale Agreement, dated as of November 2, 2026, by and between Freehand Indian Creek LLC and Playboy MB JV LLC
31.1*	Certification of the Principal Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) promulgated pursuant to the Securities Exchange Act of 1934, as amended
31.2*	Certification of the Principal Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) promulgated pursuant to the Securities Exchange Act of 1934, as amended
32.1**	Certification of the Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Certification of the Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101	The following financial information from Playboy, Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2026 are formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) Condensed Consolidated Statements of Operations, (ii) Condensed Consolidated Statements of Comprehensive Income (Loss), (iii) Condensed Consolidated Balance Sheets, (iv) Condensed Consolidated Statements of Equity (Deficit), (v) Condensed Consolidated Statements of Cash Flows, and (vi) related notes (submitted electronically with this Quarterly Report on Form 10-Q)
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 (submitted electronically with this Quarterly Report on Form 10-Q)
101.SCH	Inline XBRL Taxonomy Extension Schema Document (submitted electronically with this Quarterly Report on Form 10-Q)
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document (submitted electronically with this Quarterly Report on Form 10-Q)
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document (submitted electronically with this Quarterly Report on Form 10-Q)
101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document (submitted electronically with this Quarterly Report on Form 10-Q)
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document (submitted electronically with this Quarterly Report on Form 10-Q)
104	Cover Page Interactive Data File, formatted in Inline XBRL and contained in Exhibit 101

* Filed herewith.

^ Schedules and exhibits to this agreement have been omitted pursuant to Item 601(b)(2) of Regulation S-K. A copy of any omitted schedule and/or exhibit will be furnished to the SEC upon request. Certain confidential portions (indicated by brackets and asterisks) have been omitted from this exhibit pursuant to Item 601(b)(10) of Regulation S-K. The Company agrees to furnish to the SEC a copy of any omitted portions of the exhibit upon request.

** This certification is being furnished solely to accompany this quarterly report pursuant to 18 U.S.C. § 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of Playboy, Inc., whether made before or after the date hereof, regardless of any general incorporation language in such filing.

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.

Playboy, Inc.

Date: November 5, 2026

By: */s/ Ben Kohn*
Name: Ben Kohn
Title: Chief Executive Officer and President
(principal executive officer)

Date: November 5, 2026

By: */s/ Marc Crossman*
Name: Marc Crossman
Title: Chief Financial Officer and
Chief Operating Officer
(principal financial officer and principal accounting officer)

Exhibit 10.2

PURCHASE AND SALE AGREEMENT

This **PURCHASE AND SALE AGREEMENT** (this "**Agreement**") is made as of November 2, 2026 (the "**Effective Date**"), among **FREEHAND INDIAN CREEK LLC**, f/k/a Sydell Indian Creek LLC, a Delaware limited liability company ("**Seller**"), and **PLAYBOY MB JV LLC**, a Delaware limited liability company ("**Purchaser**").

Recitals

WHEREAS, Seller is the owner and holder of the fee simple estate in and to that certain plot, piece or parcel of land described on Schedule 1, together with all easement rights appurtenant thereto, which land contains the hotel facility located at 2701, 2727 and 2731 Indian Creek Drive, 233 27th Street and 230 28th Street, Miami Beach, FL 33140, commonly known as the Freehand Miami (the "**Hotel**"); and

WHEREAS, Seller desires to convey to Purchaser its interest in the Property (as such term is defined in this Agreement), in exchange for the mutual covenants set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser hereby agree as follows:

Article I DEFINITIONS

Section 1.1 Definitions. The following terms, when used in this Agreement, shall have the meanings set forth in this Section 1.1.

"**Accounts Receivable**" means all amounts which Seller is entitled to receive from the operation of the Hotel as of the Apportionment Time which are not paid as of such Apportionment Time including charges for the use or occupancy of any guest, conference or banquet rooms or other facilities at the Hotel, any restaurant, bar or banquet services, spa and health club, or any other goods or services provided by or on behalf of Seller at the Hotel, including the Guest Ledger.

"**Affiliate**" means, with respect to the Person in question, any other Person that, directly or indirectly, controls, is controlled by or is under common control with, such Person. For the purposes of this definition, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of the Person in question, whether by the ownership of voting securities, contract or otherwise.

"**Agreement**" has the meaning set forth in the Preamble.

"**Agreement Information**" has the meaning set forth in Section 8.1.

"**Applicable Law**" means all statutes, laws, common law, rules, regulations, ordinances, codes or other legal requirements of any Governmental Authority or similar quasi-governmental agencies or entities, and any judgment, injunction, order, directive, decree or other judicial or regulatory requirement of any court or Governmental Authority of competent jurisdiction affecting or relating to the Person or property in question.

"**Apportionment Time**" has the meaning set forth in Section 12.2.

"**Assumed Liabilities**" has the meaning set forth in Section 2.3.

"**Assumed Service Contracts**" has the meaning set forth in Section 4.4.

"**Bill of Sale**" has the meaning set forth in Section 11.3(d).

"**Bookings**" has the meaning set forth in Section 2.1(h).

"**Business Day**" means any day other than Saturday, Sunday, federal holiday, or state holiday in New York or the state in which the Property is located.

"**Closing**" has the meaning set forth in Section 11.1.

"**Closing Date**" has the meaning set forth in Section 11.1.

"**Closing Documents**" has the meaning set forth in Section 11.2.

"**Closing Escrow**" has the meaning set forth in Section 11.2.

"**Code**" means the Internal Revenue Code of 1986, as amended from time to time, and any regulations, rulings and guidance issued by the Internal Revenue Service.

"**Confidential Information**" has the meaning set forth in Section 8.1.

"**Data Site**" means data site located at the following web address: [***].

"**Deposit**" has the meaning set forth in Section 3.2(a).

"**Effective Date**" has the meaning set forth in the Preamble.

"**Employees**" means all employees of Manager, who are employed full-time or part-time and who are assigned on a regular basis in whole or in part to physically work at the Hotel at the time in question, including, for the avoidance of doubt, any such employees who may be on layoff or a leave of absence.

"**Environmental Claims**" means all claims for reimbursement or remediation expense, contribution, personal injury, property damage or damage to natural resources made by any Governmental Authority or other Person arising from or in connection with the presence or release of any Hazardous Substances over, on, in or under the Real Property and/or the Land, or the violation of any Environmental Laws with respect to the Hotel.

"**Environmental Laws**" means Applicable Laws regulating or relating to any Hazardous Substances including, without limitation, (i) the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq., (ii) the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., (iii) the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., (iv) the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., (v) the Clean Water Act, 33 U.S.C. § 1251 et seq., (vi) the Clean Air Act, 42 U.S.C. § 7401 et seq., (vii) the Hazardous Materials Transportation Act, 49 U.S.C. § 5101 et seq., (viii) the Safe Drinking Water Act, 42 U.S.C. § 300f et seq., (ix) the Oil Pollution Act of 1990, 33 U.S.C. § 2701 et seq., (x) the Emergency Planning and Community Right-To-Know Act of 1986, 42 U.S.C. § 11001 et seq., (xi) the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq.

(to the extent it regulates exposure to Hazardous Substances), and similar state and local Applicable Law, as amended from time to time, and all regulations, rules and guidance issued pursuant thereto.

"**Environmental Liabilities**" means all liabilities or obligations of any kind or nature imposed on the Person in question pursuant to any Environmental Laws, including, without limitation, any (i) obligations to manage, control, contain, remove, remedy, respond to, clean up or abate any actual or potential release of Hazardous Substances or other pollution or contamination of any water, soil, sediment, air or other environmental media, whether or not located on the Real Property and/or the Land, and whether or not arising from the operations or activities with respect to the Hotel, and (ii) liabilities or obligations with respect to the manufacture, generation, formulation, processing, use, treatment, handling, storage, disposal, distribution or transportation of any Hazardous Substances.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended.

"**Escrow Agent**" has the meaning set forth in Section 3.2(a).

"**Excluded Property**" has the meaning set forth in Section 2.2.

"**Existing Leases**" means [***].

"**FF&E**" has the meaning set forth in Section 2.1(c).

"**Governmental Authority**" means any federal, state or local government or other political subdivision thereof, including, without limitation, any agency or entity exercising executive, legislative, judicial, regulatory or administrative governmental powers or functions, in each case to the extent the same has jurisdiction over the Person or property in question.

"**Guest Ledgers**" mean all charges accrued to the open accounts of any guests or customers at the Hotel as of the Apportionment Time for the use and occupancy of any guest, conference or banquet rooms or other facilities at the Hotel, any restaurant, bar or banquet services, spa or health club, or any other goods or services provided by or on behalf of Seller at the Hotel.

"**Hazardous Substances**" means any hazardous or toxic substances, materials or waste, whether solid, semisolid, liquid or gaseous, including, without limitation, asbestos, polychlorinated biphenyls, petroleum or petroleum by-products (excluding any substances of kinds and amounts ordinarily used or stored in similar properties for purposes of cleaning or other maintenance or operations and otherwise in compliance with all Environmental Laws), and any other material or substance which is defined as a "hazardous substance", "hazardous waste", "toxic waste" or "toxic substance" under any Environmental Laws.

"**Hotel**" has the meaning set forth in the Recitals.

"**Hotel Taxes**" has the meaning set forth in the definition of "Taxes."

"**Improvements**" has the meaning set forth in Section 2.1(b).

"**Intangible Property**" has the meaning set forth in Section 2.1(g).

"**Knowledge**" means with respect to Purchaser, the actual knowledge of Christopher A. Riley and Bernhard L. Kohn III, and expressly excluding the knowledge of any other shareholder, trustee, partner, member, director, officer, manager, employee, agent or representative of Purchaser or any of its Affiliates. Notwithstanding anything contained herein to the contrary, Purchaser shall be deemed to have knowledge of any fact, circumstance or information if this Agreement (including all exhibits and schedules hereto), Seller's Materials or any third-party reports obtained by Purchaser or its representatives in connection with the transaction contemplated by this Agreement discloses such fact or circumstance or contains information contrary to or inconsistent with any representation or warranty of Seller contained herein.

"**Land**" means that certain parcel of land described on Schedule 1 annexed hereto.

"**Licenses and Permits**" has the meaning set forth in Section 2.1(e).

"**Liquor Licenses**" has the meaning set forth in Section 8.7.

"**Lists**" has the meaning set forth in Section 5.1(e).

"**Losses**" means, with respect to the Person in question, any actual liability, damage (but expressly excluding any special, exemplary, consequential and/or punitive damages, unless any such special, exemplary, consequential and/or punitive damages are actually paid to a third party), loss, cost or expense, including, without limitation, reasonable attorneys' fees and expenses and court costs, incurred by such Person.

"**Management Agreement**" means that certain Management Agreement dated as of May 14, 2026, between Seller and Manager, as amended and assigned.

"**Manager**" means [***].

"**OFAC**" has the meaning set forth in Section 5.1(e).

"**Official Records**" has the meaning set forth in Section 17.2.

"**Order**" has the meaning set forth in Section 5.1(e).

"**Ordinary Course of Business**" means, with respect to the Hotel, the ordinary course of business consistent with Seller's past custom and practice for the operation of the Hotel.

"**Party**" or "**Parties**" shall mean Seller and Purchaser, individually or collectively, as the context may require.

"**Person**" means any natural person, corporation, general or limited partnership, limited liability company, association, joint venture, trust, estate, Governmental Authority or other legal entity, in each case whether in its own or a representative capacity.

"**Personal Property**" has the meaning set forth in Section 2.1(g).

"**Property**" has the meaning set forth in Section 2.1.

"Proprietary Property" has the meaning set forth in Section 2.2(b).

"**Purchase Price**" means Twelve Million Five Hundred Thousand and 00/100 Dollars ($12,500,000.00).

"**Purchaser**" has the meaning set forth in the Preamble.

"**Purchaser's Representatives**" has the meaning set forth in Section 4.1.

"**Real Property**" has the meaning set forth in Section 2.1(b).

"**Reimbursable Amounts**" has the meaning set forth in Section 15.2.

"**Sales Taxes**" has the meaning set forth in the definition of "Taxes."

"**Seller**" has the meaning set forth in the Preamble.

"**Seller Express Representations**" has the meaning set forth in Section 5.4(a).

"**Seller Indemnitees**" means Seller and its Affiliates, and each of their respective shareholders, members, partners, trustees, beneficiaries, directors, officers, employees, attorneys, accountants, consultants, and agents, and the successors, assigns, legal representatives, heirs, devisees and donees of each of the foregoing.

"**Seller Related Parties**" has the meaning set forth in Section 4.3.

"**Seller's Materials**" means the documents or materials provided or made available by Seller to Purchaser prior to the Closing Date on the Data Site.

"**Settlement Statement**" has the meaning set forth in Section 12.1(a).

"**Service Contracts**" has the meaning set forth in Section 4.4.

"**Supplies**" has the meaning set forth in Section 2.1(f).

"**Taxes**" means any federal, state, local or foreign, real property, personal property, sales or use (such sales or use taxes being referred to herein, as "**Sales Taxes**"), room, occupancy, ad valorem or similar taxes (such room, occupancy, ad valorem or similar taxes being referred to herein as "**Hotel Taxes**"), assessments, levies, charges or fees imposed by any Governmental Authority with respect to the ownership of the Property or operation of the Hotel, including any interest, penalty or fine with respect thereto, but expressly excluding any (i) federal, state, local or foreign income, capital gain, gross receipts, capital stock, franchise, profits, estate, gift or generation skipping tax, or (ii) transfer, documentary stamp, recording or similar tax, levy, charge or fee incurred with respect to the transaction described in this Agreement.

"**Title Company**" means Fidelity National Title Insurance Company, through its issuing agent designated by Purchaser, or such other national title insurance company as Purchaser may designate.

"**Title Policy**" has the meaning set forth in Section 9.1.

Article II DESCRIPTION OF THE PROPERTY; EXCLUDED PROPERTY

Section 2.1 **Description of the Property**. Subject to the terms and provisions set forth in this Agreement, at the Closing, Seller shall sell convey, transfer, assign and deliver to Purchaser, all of Seller's right, title and interest, if any, in and to the property and assets set forth in this Section 2.1, but expressly excluding the Excluded Property (collectively, the "**Property**"):

(a) Land. The Land;

(b) Improvements. All buildings, structures and improvements located on or affixed to the Land and all fixtures on the Land, which constitute real property under Applicable Law (the "**Improvements**"; the Land and the Improvements are referred to collectively herein as the "**Real Property**");

(c) FF&E. All fixtures (other than those which constitute Improvements), furniture, furnishings, equipment, machinery, building systems, vehicles, appliances, computer hardware, art work, security systems, key cards (together with all devices for coding and monogramming such key cards) and other items of tangible personal property which are located on the Land and used in the operation of the Hotel, other than such items that are leased by Seller (collectively, the "**FF&E**");

(d) Assumed Service Contracts. All rights, title and interest of Seller in and to any and all Assumed Service Contracts which Purchaser elects to assume in accordance with Section 4.4;

(e) Licenses and Permits. Subject to Section 8.7, all licenses, permits, consents, authorizations, approvals, registrations and certificates of any Governmental Authority held by Seller and used in connection with the construction, ownership, occupancy or operation of the Improvements (collectively, the "**Licenses and Permits**"), together with any deposits made by Seller thereunder, to the extent such Licenses and Permits and deposits are transferable without material cost or liability to Seller;

(f) Supplies. All china, glassware and silverware, linens, towels, engineering, maintenance, cleaning and housekeeping supplies, matches and ashtrays, soap and other toiletries, stationary, hotel services directories and other printed materials, food and beverages located at the Hotel including located in the guest rooms, and all other similar supplies and materials which are located at the Hotel, or ordered by Seller for future use at the Hotel as of the Closing (the "**Supplies**");

(g) Intangible Property. All of the following owned by, issued to or licensed to Seller and used in connection with the construction, ownership, occupancy or operation of the Improvements, to the extent of Seller's rights and interests therein and to the extent such rights and interests are transferable: (i) any assignable existing warranties and guaranties for the benefit of Seller in connection with the Property; (ii) the goodwill associated with the Hotel (but not with any Excluded Marks or other Excluded Property); (iii) the plans and specifications for the Improvements; (iv) any website content (but not any website) exclusively relating to the Hotel other than proprietary property of Manager in which Seller does not have any ownership right or interest pursuant to the terms of the Management Agreement; (v) all books and records relating to the Property that are owned or maintained by Seller (if any), other than the Proprietary Property; (vi) customer information and customer contact lists for guests, patrons and groups patronizing the Hotel; and (vii) direct dial telephone numbers for the Hotel (collectively, the "**Intangible Property**", and together with the FF&E, Licenses and Permits, and Supplies, collectively, the "**Personal Property**"); and

(h) Bookings. All bookings and reservations for guest, conference and banquet rooms or other facilities at the Hotel (the "**Bookings**") as of the Closing, together with all deposits held by Seller with respect thereto.

Section 2.2 **Excluded Property**. Notwithstanding anything to the contrary in Section 2.1, the property, assets, rights and interests set forth in this Section 2.2 (the "**Excluded Property**") are excluded from the Property:

(a) Cash. Except for deposits expressly included in Section 2.1, all cash on hand or on deposit in any house bank, financial institution, operating account or other account maintained in connection with the ownership or operation of the Hotel, including, without limitation, any reserve accounts established for the Hotel pursuant to the Management Agreement;

(b) Proprietary Property. Financial records and all books, records or files (whether in a printed or electronic format) of Seller or its Affiliates (excluding the books and records of the Property and records otherwise relating to liabilities assumed by Purchaser pursuant to this Agreement) and all documents and other materials which (i) are legally privileged or constitute attorney work product, (ii) are subject to an Applicable Law or a confidentiality agreement prohibiting their disclosure by any of Seller and/or its Affiliates, or (iii) constitute confidential internal assessments, reports, studies, memoranda, notes or other correspondence prepared by or on behalf of any officer or employee of any of Seller and/or its Affiliates, including, without limitation, all (A) internal financial analyses, appraisals, tax returns, financial statements, (B) corporate or other entity governance records, (C) Employee personnel files, and (D) any work papers, memoranda, analysis, correspondence and similar documents and materials prepared by or for any of Seller and/or its Affiliates in connection with the transaction described in this Agreement (the foregoing are hereinafter collectively referred to as the "**Proprietary Property**");

(c) Third-Party Property. Any fixtures or personal property (located at the Property or otherwise used for Hotel services) owned by (i) the lessor under any equipment leases, (ii) the supplier or vendor under any Service Contracts or Licenses and Permits, (iii) any Employees, (iv) any guests or customers of the Hotel, (v) Manager, or (vi) any Person other than Seller;

(d) Management Agreements. Any management agreement currently in place with respect to the Property or any portion thereof, including, without limitation, the Management Agreement;

(e) Deposits. All tax deposits, utility deposits and other deposits held by parties other than Seller, unless Seller receives a credit therefor under the terms of this Agreement;

(f) Escrows. Any tax, insurance, FF&E, capital improvement, working capital and/or other escrows, impounds, accounts or reserves held by any third party, unless Seller receives a credit therefor under the terms of this Agreement;

(g) Causes of Action. Any rights held by Seller to receive or recover property, debt, or damages on a cause of action whether pending or not and whether arising in contract, tort, or otherwise, including rights to indemnification, damages for breach of warranty, claims under any insurance policies maintained by or on behalf of Seller, or any other event or circumstance, judgments, settlements, and proceeds from judgments and settlements, but only to the extent relating to the Property during Seller's period of ownership; and

(h) Marks. Any trademarks, trade names, service marks, symbols, logos, building names, and domain names used in the operation or ownership of the Property or any part thereof, including without limitation, the federal and Florida trademark registrations for the name "Freehand" and "Freehand Miami" and the <freehandhotels.com> domain name (collectively, the "**Excluded Marks**").

Section 2.3 **Assumed Liabilities**. At Closing, Purchaser or its permitted designee shall assume (hereafter collectively referred to as the "**Assumed Liabilities**") all liabilities with respect to (a) the Property and Taxes, but only to the extent first arising on or after the Closing Date; (b) the Property and Taxes disclosed in writing to Purchaser and expressly assumed by

Purchaser or against which Purchaser has expressly agreed to indemnify, release or assume responsibility against any Seller Indemnitees under any provision in this Agreement; (c) guests and customers at the Property, but only to the extent first arising on or after the Closing Date; and (d) any claim for liability, penalties, personal injury or property damage to a Person which is based on any event which occurred (or failed to occur, in the case of a payment obligation) at the Property or in connection with the Hotel after the Closing Date, including as a result of any acts or omissions of Purchaser in connection with its ownership or operation of the Hotel after the Closing Date. Notwithstanding anything contained herein to the contrary, for the avoidance of doubt, in no event shall the Assumed Liabilities include any Sales Taxes or Hotel Taxes owed by Seller during its period of ownership of the Hotel. This Section 2.3 shall survive the Closing.

Section 2.4 **Allocation of Purchase Price.** Seller hereby agrees that not more than [***] of the Purchase Price shall be allocated to the Land and the Improvements, and that the balance of the Purchase Price shall be allocated between FF&E and other tangible personal property and Intangible Property as set forth in Purchaser's proposed allocation delivered pursuant to this Section 2.4. Subject to the foregoing, Purchaser and Seller shall use reasonable efforts to agree upon the allocation of the Purchase Price among (i) land, (ii) buildings and other improvements, (iii) FF&E and other tangible personal property, and (iv) Intangible Property no later than ten (10) days prior to Closing. Purchaser agrees to provide Seller with its written proposed allocation of the Purchase Price no later than twenty (20) days prior to Closing, which allocation to FF&E and other tangible personal property shall be supported by a report prepared by an independent third-party appraiser or valuation consultant selected by Purchaser; provided that Purchaser may, at its election by written notice to Seller prior to Closing, revise its allocation, and the revised allocation shall remain subject to the requirements of this Section 2.4. Seller shall accept or object to Purchaser's proposed allocation (and any revision thereof) by written notice to Purchaser within five (5) Business Days after receipt thereof, failing which Seller shall be deemed to have accepted the same solely for the purposes set forth herein, and any objection shall be limited to whether such allocation is supported by such report. Any allocation so accepted or deemed accepted shall be set forth, by category totals only, in the Settlement Statement, and shall be binding on the Parties solely for purposes of Florida documentary stamp tax and Sales Taxes. Should Purchaser and Seller be unable to timely agree upon such allocation, then Purchaser and Seller shall be entitled to separately allocate the Purchase Price for their own account. In furtherance of the foregoing, in the event Purchaser and Seller cannot agree on allocations, Purchaser's allocations will be used to calculate the documentary stamp tax or for any other public filing. Purchaser shall indemnify and hold Seller harmless from penalties, fines and interest arising from a challenge by a Governmental Authority to Purchaser's allocation, and any Sales Taxes imposed on the allocations to tangible or intangible personal property, but excluding any transfer tax underpayment (provided that Seller's liability for any such payment shall be exclusively payable from, and subject to all limitations upon, the Seller Escrow Holdback). Purchaser shall have the right, at its cost, to control the defense, contest and settlement thereof and to pay any amount asserted directly to such Governmental Authority; and Seller shall reasonably cooperate therewith and shall not settle or concede any such matter without Purchaser's prior written consent. This indemnity shall survive Closing. For the avoidance of doubt, the allocation of the Purchase Price contemplated by this Section 2.4 shall be governed by the confidentiality provisions set forth in Section 8.1.

Section 2.5 **Insurance Proceeds**. Notwithstanding Section 2.2(g), Purchaser shall be entitled to insurance proceeds received by Seller under claims Seller elects to pursue relating to pre-Closing liabilities not included in the Assumed Liabilities, to the extent necessary to satisfy or reimburse Purchaser for such liabilities and related defense costs, without duplication. Seller shall promptly remit such proceeds to Purchaser or apply them for Purchaser's benefit. Seller shall have no obligation to pursue any insurance claim. This Section 2.5 shall survive Closing.

Article III PURCHASE PRICE; PAYMENT

Section 3.1 **Purchase Price**. The purchase price for the Property is the Purchase Price.

Section 3.2 **Payment of Purchase Price**. Purchaser shall pay the Purchase Price as follows:

(a) The sum of One Million Two Hundred Fifty Thousand and 00/100 Dollars ($1,250,000.00) (together with any interest earned thereon, collectively, the "**Deposit**") on or before November 2, 2026, by wire transfer of immediately available U.S. federal funds to the Title Company, acting through its issuing agent designated by Purchaser (in such capacity, the "**Escrow Agent**"), in accordance with the wire instructions set forth on Exhibit C, subject to collection, or by wire transfer of immediately available federal funds. If Purchaser fails to deliver the Deposit within the time period provided for in this Section 3.2(a), Seller may terminate this Agreement immediately upon written notice to Purchaser, in which event this Agreement shall be deemed canceled and of no further force or effect, and neither Party shall have any further rights or liabilities against or to the other in respect thereof except pursuant to the provisions of this Agreement which are expressly provided to survive the termination hereof. The Deposit shall be nonrefundable to Purchaser (but shall remain in escrow pending the Closing), except as otherwise expressly set forth herein.

(b) The balance of the Purchase Price, after calculating the adjustments and prorations as set forth in this Agreement shall be paid to Seller on the Closing Date, simultaneously with the delivery of the Deed, by wire transfer of immediately available U.S. federal funds to an account at such bank or banks as shall be designated by Seller.

Article IV ACCESS

Section 4.1 Purchaser's Access. Subject to the provisions of Section 4.2, Purchaser and its agents, employees, consultants, inspectors, appraisers, engineers, and contractors (collectively "**Purchaser's Representatives**") shall have the right, through Closing, upon the advance notice required pursuant to Section 4.2(b), to enter upon and pass through the Property during normal business hours, in a manner not to interfere with normal business operations, to examine and inspect the same. Upon Purchaser's reasonable request and to the extent not already provided to Purchaser, Seller shall use commercially reasonable efforts to promptly provide or make available for inspection information related to the Property set forth on Schedule 4.1 to the extent such items are in Seller's possession or reasonable control and are not subject to confidentiality restrictions imposed by law or third-party agreements, provided that Seller shall have no obligation to provide Purchaser with any Proprietary Property or to create, compile or generate any new documents, reports or information that do not already exist in the Ordinary Course of Business. Seller makes no representations or warranties whatsoever regarding the accuracy, completeness or sufficiency of Seller's Materials, all of which are provided "AS IS" for informational purposes only, and Purchaser acknowledges that it shall rely solely on its own independent investigation and due diligence. For the avoidance of doubt, Purchaser's rights of access and inspection under this Article IV are granted solely as a matter of convenience to permit Purchaser to familiarize itself with the Property, and do not constitute a due diligence period or a condition to, or contingency of, Purchaser's obligations under this Agreement.

Section 4.2 Purchaser's Right to Inspect.

(a) In conducting any inspection of the Property or otherwise accessing the Property prior to Closing, Purchaser shall at all times comply with all Applicable Laws, and neither Purchaser nor any of Purchaser's Representatives shall: (i) contact or have any discussions with any other Person regarding the Property; (ii) report or submit any results or data from its due diligence to any Person unless required by Applicable Law; (iii) interfere with the business of Seller or Manager conducted at the Property or disturb the use or occupancy of any occupant of the Property other than, in each case, to a *de minimis* extent; or (iv) damage the Property.

(b) Purchaser shall schedule and coordinate all inspections of the Property or other access thereto with Seller and shall give Seller at least two (2) Business Days' prior notice thereof. Seller shall be entitled to have a representative, environmental consultant and/or contractor present at all times during each such inspection or other access and to take split samples of any soil, groundwater, sediment or building material samples. Purchaser shall be responsible, at its sole cost and expense, for obtaining any governmental permits, approvals, or authorizations needed to complete the sampling. Purchaser agrees to pay to Seller promptly upon demand the cost of repairing and restoring any damage or disturbance that Purchaser or Purchaser's Representatives shall cause to the Property but not for any liabilities from the mere discovery of any preexisting conditions at the Property, including hazardous substances on, or defects to, the Property, but only to the extent not generated, exacerbated, or otherwise affected by, through or under Purchaser or Purchaser's Representatives. All inspection fees, appraisal fees, engineering fees and other costs and expenses of any kind incurred by Purchaser or Purchaser's Representatives relating to such inspection and its other access shall be at the sole expense of Purchaser.

(c) In the event that the Closing hereunder shall not occur for any reason whatsoever, Purchaser shall promptly, at no cost to Seller: (i) return to Seller copies of all of Seller's Materials delivered by Seller to Purchaser or shall destroy all copies and abstracts thereof, and (ii) deliver to Seller, without representation or warranty, the originals of all tests, reports and inspections of the Property made and conducted by Purchaser or Purchaser's Representatives or for Purchaser's benefit. Purchaser and Purchaser's Representatives shall not be permitted to conduct borings of the Property or drilling in or on the Property (including soil, groundwater or sediment sampling) or any other invasive testing without the prior written consent of Seller, which consent may be withheld in the sole discretion of the Seller; provided, however, that Purchaser may, upon notice under Section 4.2(b) and with Seller's consent not to be unreasonably withheld, conditioned or delayed, conduct limited bulk sampling of building materials for asbestos-containing materials and lead-based paint by a Florida-licensed asbestos consultant in areas not occupied by guests (and Purchaser shall pay to Seller promptly upon demand the actual cost of repairing and restoring any damage caused thereby).

(d) Purchaser shall keep the Property free from any liens arising out of any work performed, materials furnished or obligations incurred by or on behalf of Purchaser or Purchaser's Representatives with respect to any inspection or testing of the Property by Purchaser and Purchaser's Representatives.

(e) Purchaser's obligations under Section 4.2(a)-(d) shall survive the termination of this Agreement.

(f) Prior to conducting any physical inspection or testing at the Property, Purchaser shall obtain, and during the period of such inspection or testing shall maintain, at its expense, commercial general liability insurance, including a contractual liability endorsement, and personal injury liability coverage, with Seller and its managing agent, if any, as additional insureds, from an insurer reasonably acceptable to Seller, which insurance policies must have limits for [***] in the aggregate. Prior to making any entry upon the Property, Purchaser shall furnish to Seller a certificate of insurance evidencing the foregoing coverages.

Section 4.3 **Seller Indemnification.** Purchaser agrees to indemnify and hold Seller and its disclosed or undisclosed, direct and indirect shareholders, officers, directors, trustees, partners, principals, members, employees, agents, affiliates, representatives, consultants, accountants, contractors, and attorneys or other advisors, and any successors or assigns of the foregoing (collectively with Seller, the "**Seller Related Parties**") harmless from and against any and all losses, costs, damages, liens, claims, liabilities, or expenses (including, but not limited to, reasonable attorneys' fees, court costs, and disbursements) incurred by any Seller Related Parties and directly resulting from, relating to or in connection with Purchaser's and/or Purchaser's Representatives' access to, or inspection of, the Property, or any tests, inspections, or other due diligence conducted by or on behalf of Purchaser. Purchaser's obligations under this Section 4.3 shall survive the Closing or the termination of this Agreement.

Section 4.4 **Service Contracts**. Notwithstanding anything contained herein to the contrary, Purchaser will not be obligated to assume any service, maintenance, management and other contracts, and all renewals, replacements, extensions of same (collectively, "**Service Contracts**") of whatever nature other than those Service Contracts that Purchaser elects to assume by providing written notice to Seller of such election at least thirty (30) days prior to Closing (to the extent that such Service Contracts are assignable without third-party consent or cost to Seller) (collectively, the "**Assumed Service Contracts**"); provided that Purchaser shall notify Seller at least thirty (30) days prior to Closing of any Service Contract that Purchaser does not elect to assume. All Service Contracts other than the Assumed Service Contracts, including the [***] relating to the Broken Shaker (together with any side agreement relating thereto, the "**Broken Shaker Agreement**"), must be terminated by Seller effective on or before the Closing Date, at Seller's sole cost and expense, and, as between Seller and Purchaser, Seller shall be solely responsible for all termination fees, severance, WARN Act and other liabilities relating to the Employees, the Management Agreement and the Broken Shaker Agreement

Section 4.5 **No Due Diligence Period; No Right to Terminate**. Other than the environmental review period expressly provided in this Section 4.5, there is no "due diligence period" under this Agreement. Purchaser's rights of access and inspection under this Article IV are granted to permit Purchaser to familiarize itself with the Property and do not constitute a due diligence period. Except as otherwise expressly provided in this Agreement, Purchaser shall have no right to terminate this Agreement, and no right to any refund or reduction of the Deposit or the Purchase Price, as a result of any such access, inspection or investigation of the Property. The Deposit is nonrefundable except as otherwise expressly set forth in this Agreement. Notwithstanding the foregoing, Purchaser shall have until the date that is fifteen (15) Business Days after the Effective Date to obtain, at Purchaser's cost, a Phase I environmental site assessment of the Property prepared in accordance with ASTM E1527-21. If such assessment identifies any material recognized environmental condition not disclosed in the 2019 Phase I environmental site assessment of the Property included in Seller's Materials, including any new release or regulatory requirement relating to the previously closed-in-place heating oil underground storage tank, Purchaser may terminate this Agreement by written notice to Seller delivered on or before such date, whereupon the Deposit shall be promptly returned to Purchaser. If Purchaser does not timely deliver such notice, Purchaser shall have no further termination right pursuant to this Section 4.5.

Article V SELLER'S REPRESENTATIONS AND WARRANTIES

Section 5.1 **Seller's Representations and Warranties**. To induce Purchaser to enter into this Agreement and to consummate the transaction contemplated herein, Seller hereby makes the representations and warranties in this Section 5.1, subject to the limitations set forth in Section 5.2, Section 5.3 and Section 5.4.

(a) Organization and Power. Seller is duly formed and validly existing in the State of Delaware and duly qualified to do business in the State of Florida and has all requisite power and authority to enter into this Agreement and consummate the transactions contemplated hereby.

(b) Authority and Binding Obligation. (i) Seller has full power and authority to execute and deliver this Agreement and all documents now or hereafter to be executed and delivered by Seller under this Agreement, and to perform all obligations arising under this Agreement and such other documents, (ii) the execution by the undersigned on behalf of Seller, and the delivery and performance of this Agreement by Seller has been duly and validly authorized by all necessary action on the part of Seller, and (iii) this Agreement, the Closing Documents required to be delivered by Seller and such other documents now or hereafter to be executed and delivered by Seller under this Agreement, when executed and delivered, will each constitute the legal, valid and binding obligations of Seller enforceable against Seller in accordance with their respective terms, except to the extent Purchaser itself is in default hereunder.

(c) Consents and Approvals; No Conflicts. Subject to the recordation of any Closing Documents as appropriate, and except as may be disclosed in Schedule 5.1(c), (i) no filing with, and no permit, authorization, consent or approval of, any Governmental Authority or other Person is necessary for the consummation by Seller of the transaction contemplated by this Agreement, and (ii) neither the execution and delivery of this Agreement by Seller, nor the consummation by Seller of the transaction contemplated under this Agreement, nor compliance by Seller with any of the terms of this Agreement will: (A) violate any provision of Seller's organizational or governing documents; or (B) violate any Applicable Law to which Seller is subject, except to the extent such violation, breach or default would not have a material adverse effect on Purchaser's ability to consummate the transactions contemplated hereby.

(d) Foreign Person. Seller is a "United States person" (as defined in Section 7701(a)(30)(B) or (C) of the Code) for the purposes of the provisions of Section 1445(a) of the Code.

(e) Patriot Act. Neither Seller nor any direct beneficial owner of Seller: (i) is listed on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Assets Control, Department of the Treasury ("**OFAC**") pursuant to Executive Order No. 133224, 66 Fed. Reg. 49079 (September 25, 2001) (the "**Order**") and/or on any other list of terrorists or terrorist organizations maintained pursuant to any of the rules and regulations of OFAC or pursuant to any other applicable orders (such lists are collectively referred to as the "**Lists**"); (ii) is a person or entity who has been determined by competent authority to be subject to the prohibitions contained in the Orders; or (iii) is owned or controlled by, or acts for or on behalf of, any person or entity on the Lists or any other person or entity who has been determined by competent authority to be subject to the prohibitions contained in the Order.

(f) Bankruptcy. Seller has not filed any petition in bankruptcy or other insolvency proceedings or proceedings for reorganization of Seller or for the appointment of a receiver or trustee for all or any substantial part of Seller's property

(g) To secure Seller's obligations and liability with respect to such representations and warranties, Seller has agreed to deposit at the Closing, out of the Purchase Price proceeds, in escrow with the Escrow Agent, an amount equal to One Hundred Twenty-Five Thousand Dollars ($125,000) (the "**Seller Escrow Holdback**"), which Seller Escrow Holdback shall be held by Escrow Agent for the Survival Period in accordance with the Holdback Escrow Agreement attached hereto as **Exhibit F** and made a part hereof (the "**Seller Escrow Holdback Agreement**"); provided, that if Purchaser notifies Seller of a claim under this Agreement during the Survival Period, then the portion of the Seller Escrow Holdback claimed by Purchaser shall continue to be held by the Escrow Agent until the final resolution of such claim, but in no event for a period longer than ninety (90) days after the Closing (unless an action has been filed within such ninety (90) day period and is pending). Notwithstanding anything to the contrary contained herein, from and after Closing, Seller's aggregate liability under this Agreement (including, without limitation, for any breach of Seller's representations and warranties) shall be limited to the Seller Escrow Holdback, and Seller shall have no liability beyond the amount of Seller Escrow Holdback (less any amounts disbursed or released therefrom pursuant to the Seller

Escrow Holdback Agreement) or otherwise following the full disbursement and/or release of the Seller Escrow Holdback. This Section 5.1 shall survive the Closing.

Section 5.2 **Effect of Purchaser's Knowledge; Survival**. If Purchaser has Knowledge prior to Closing of the inaccuracy of any representation or warranty made by Seller in this Agreement and Purchaser nevertheless elects to close this transaction, such representation or warranty by Seller with respect to such matter shall be deemed to be modified to reflect Purchaser's Knowledge, as applicable. The representations and warranties of Seller set forth in Section 5.1 shall survive the Closing until December 31, 2026 (the "**Survival Period**"), and any claim for breach thereof must be asserted by written notice to Seller on or before such date (which written notice shall specify the section of this Agreement that was breached, the factual basis for the claim, and a good faith estimate of damages claimed), notwithstanding Section 17.17. Any claim timely asserted in accordance with Section 5.1 shall survive until finally resolved but in no event for a period longer than ninety (90) days after the Closing (unless an action has been filed within such ninety (90) day period and is pending). Seller shall have no liability for breaches of such representations and warranties unless the aggregate Losses from such breaches exceed Twenty-Five Thousand Dollars ($25,000), whereupon Purchaser may recover all such Losses from the first dollar, subject to an aggregate liability cap equal to one percent (1%) of the Purchase Price. This Section 5.2 shall survive the Closing.

Section 5.3 **Limitation of Seller's Representations and Warranties**. The representations and warranties of Seller in this Agreement and in any document to be delivered at Closing to Purchaser pursuant to this Agreement are the sole representations and warranties of Seller with respect to the transaction contemplated by this Agreement. Seller makes no representation or warranty other than those set forth herein and therein, and, except for the warranties and representations set forth herein and therein, the sale of the Property is made on an "as-is, where-is" basis, without warranty.

Section 5.4 **Property Condition**.

(a) Disclaimer. Except for Seller's express representations and warranties under this Agreement (or any document, affidavit or certificate executed or delivered in connection herewith) (collectively, the "**Seller Express Representations**"), Seller hereby specifically disclaims any warranty, guaranty, or representation, oral or written; past, present or future, of, as to, or concerning (i) the nature and condition of the Property, including but not by way of limitation, the water, soil, geology and the suitability thereof, for any and all activities and uses which Purchaser may elect to conduct thereon, income to be derived therefrom or expenses to be incurred with respect thereto, or any obligations or any other matter or thing relating to or affecting the same; (ii) the manner of construction and condition and state of repair or lack of repair of any improvements located thereon; (iii) the nature and extent of any easement, right-of-way, lien, encumbrance or license reservation; and (iv) the compliance of the Property or the operation of the Property with any laws, rules, ordinances, or regulations of any government or other body. EXCEPT FOR THE SELLER EXPRESS REPRESENTATIONS, IN CONNECTION WITH THE CONVEYANCE OF THE PROPERTY AS PROVIDED FOR HEREIN, SELLER HAS NOT MADE AND DOES NOT MAKE, ANY REPRESENTATIONS, WARRANTIES OR COVENANTS OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, WITH RESPECT TO THE QUALITY OR CONDITION OF THE PROPERTY, THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH PURCHASER MAY CONDUCT THEREON, COMPLIANCE BY THE PROPERTY WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND SPECIFICALLY, SELLER DOES NOT MAKE ANY REPRESENTATIONS REGARDING HAZARDOUS WASTE, AS DEFINED BY THE LAWS OF THE STATE AND THE U.S. ENVIRONMENTAL PROTECTION AGENCY REGION IN WHICH THE HOTEL IS LOCATED AND ANY REGULATIONS ADOPTED PURSUANT THERETO OR THE U. S. ENVIRONMENTAL PROTECTION AGENCY REGULATIONS AT 40 C.F.R., PART 261, OR THE DISPOSAL OF ANY HAZARDOUS WASTE OR ANY OTHER HAZARDOUS OR TOXIC SUBSTANCES IN OR ON THE PROPERTY. EXCEPT FOR THE SELLER EXPRESS

REPRESENTATIONS, PURCHASER AGREES TO ACCEPT THE PROPERTY AT CLOSING WITH THE PROPERTY BEING IN ITS PRESENT AS IS CONDITION WITH ALL FAULTS.

(b) Property Condition. PURCHASER ACKNOWLEDGES AND AGREES THAT EITHER PURCHASER IS, OR HAS ENGAGED AND IS RELYING ON PERSONS WHO ARE, EXPERIENCED IN THE OWNERSHIP, DEVELOPMENT AND/OR OPERATION OF PROPERTIES SIMILAR TO THE PROPERTY AND THAT PURCHASER PRIOR TO THE CLOSING WILL HAVE INSPECTED THE PROPERTY OR CAUSED THE PROPERTY TO BE INSPECTED TO ITS SATISFACTION AND IS QUALIFIED TO MAKE SUCH INSPECTION. PURCHASER ACKNOWLEDGES THAT IT IS FULLY RELYING ON PURCHASER'S (OR PURCHASER'S REPRESENTATIVES') INSPECTIONS OF THE PROPERTY AND EXCEPT FOR THE SELLER EXPRESS REPRESENTATIONS, NOT UPON ANY STATEMENT (ORAL OR WRITTEN) WHICH MAY HAVE BEEN MADE OR MAY BE MADE (OR PURPORTEDLY MADE) BY SELLER OR ANY OF ITS REPRESENTATIVES. PURCHASER ACKNOWLEDGES THAT PURCHASER HAS (OR PURCHASER'S REPRESENTATIVES HAD), OR PRIOR TO THE CLOSING WILL HAVE, THOROUGHLY INSPECTED AND EXAMINED THE PROPERTY TO THE EXTENT DEEMED NECESSARY BY PURCHASER IN ORDER TO ENABLE PURCHASER TO EVALUATE THE CONDITION OF THE PROPERTY AND ALL OTHER ASPECTS OF THE PROPERTY (INCLUDING, BUT NOT LIMITED TO, THE ENVIRONMENTAL CONDITION OF THE PROPERTY); AND PURCHASER ACKNOWLEDGES THAT PURCHASER IS RELYING SOLELY UPON ITS OWN (OR ITS REPRESENTATIVES') INSPECTION, EXAMINATION AND EVALUATION OF THE PROPERTY, EXCEPT FOR THE SELLER EXPRESS REPRESENTATIONS. EXCEPT FOR THE SELLER EXPRESS REPRESENTATIONS, PURCHASER HEREBY EXPRESSLY ASSUMES ALL RISKS, LIABILITIES, CLAIMS, DAMAGES AND COSTS (AND AGREES THAT SELLER SHALL NOT BE LIABLE FOR ANY SPECIAL, DIRECT, INDIRECT, CONSEQUENTIAL OR OTHER DAMAGES) RESULTING OR ARISING FROM OR RELATED TO THE OWNERSHIP, USE, CONDITION, LOCATION, MAINTENANCE, REPAIR OR OPERATION OF THE PROPERTY ARISING OR ACCRUING FROM AND AFTER THE DATE OF CLOSING. PURCHASER EXPRESSLY WAIVES, RELEASES, AND FOREVER DISCHARGES (TO THE EXTENT ALLOWED BY APPLICABLE LAW) ANY CLAIMS UNDER FEDERAL, STATE OR OTHER LAW THAT PURCHASER OR ANY PERSON CLAIMING BY, THROUGH OR UNDER PURCHASER HAS OR MIGHT OTHERWISE HAVE AGAINST SELLER, OF ANY KIND OR NATURE, ACTUAL, CONTINGENT, PRESENT, FUTURE, KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, ARISING FROM OR RELATED TO ANY MATTER OR THING RELATED TO OR IN CONNECTION WITH THE PROPERTY EXCEPT AS OTHERWISE EXPRESSLY PROVIDED BY THIS AGREEMENT, INCLUDING WITHOUT LIMITATION SELLER'S MATERIALS AND ANY OTHER INFORMATION PROVIDED OR TO BE PROVIDED WITH RESPECT TO THE PROPERTY, ANY CONSTRUCTION DEFECTS WITH RESPECT TO THE PROPERTY, ANY ERRORS OR OMISSIONS IN THE DESIGN OR CONSTRUCTION OF THE PROPERTY, AND ANY ENVIRONMENTAL CONDITIONS AFFECTING THE PROPERTY, AND PURCHASER SHALL NOT LOOK TO SELLER OR ANY PARTY CONSTITUTING SELLER IN CONNECTION WITH THE FOREGOING FOR ANY REDRESS OR RELIEF. ANY REPAIRS PAID FOR BY SELLER PURSUANT TO THIS AGREEMENT, IF ANY, SHALL BE DONE AT SELLER'S ELECTION IN SELLER'S SOLE DISCRETION AND WITHOUT ANY WARRANTY OR REPRESENTATION BY SELLER, AND SELLER HEREBY EXPRESSLY DISCLAIMS ANY WARRANTY OR REPRESENTATION OF ANY KIND IN CONNECTION WITH SUCH REPAIRS. PURCHASER AGREES, REPRESENTS AND WARRANTS THAT THE MATTERS RELEASED HEREIN ARE NOT LIMITED TO MATTERS WHICH ARE KNOWN, DISCLOSED, SUSPECTED OR FORESEEABLE, AND PURCHASER HEREBY WAIVES ANY AND ALL RIGHTS AND BENEFITS WHICH IT NOW HAS, OR IN THE FUTURE MAY HAVE, CONFERRED UPON PURCHASER BY VIRTUE OF THE PROVISIONS OF ANY LAW WHICH WOULD LIMIT OR DETRACT FROM THE FOREGOING GENERAL RELEASE OF KNOWN AND UNKNOWN CLAIMS. THIS RELEASE SHALL BE GIVEN FULL FORCE AND EFFECT ACCORDING TO EACH OF ITS EXPRESSED TERMS AND PROVISIONS, INCLUDING THOSE RELATING TO UNKNOWN AND UNSUSPECTED

CLAIMS, DAMAGES AND CAUSES OF ACTION. ACCORDINGLY, PURCHASER IS BUYING THE PROPERTY "AS IS WHERE IS WITH ALL FAULTS" AND WITHOUT REPRESENTATION OR WARRANTY OR INDEMNITY OF ANY KIND WHATSOEVER BY SELLER EXCEPT AS EXPRESSLY SET FORTH HEREIN.

Section 5.5 IT IS UNDERSTOOD AND AGREED THAT THE PURCHASE PRICE HAS BEEN ADJUSTED BY PRIOR NEGOTIATIONS TO REFLECT THAT THE PROPERTY IS SOLD BY SELLER AND PURCHASED BY PURCHASER SUBJECT TO THE FOREGOING. IT IS NOT CONTEMPLATED THAT THE PURCHASE PRICE WILL BE INCREASED IF COSTS TO PURCHASER ASSOCIATED WITH THE PROPERTY PROVE TO BE LESS THAN EXPECTED NOR WILL THE PURCHASE PRICE BE REDUCED IF THE PURCHASER'S PLAN FOR THE PROPERTY LEADS TO HIGHER COST PROJECTIONS.

(a) Environmental Status and Release. Without limiting the foregoing, Purchaser acknowledges that it has had or will have an opportunity to become familiar with the environmental status of the Real Property and that Purchaser shall make its own evaluation of and business decision regarding the foregoing, without any representation or warranty by Seller or any of its Affiliates except as expressly set forth herein. Notwithstanding any indemnification obligation of Seller under this Agreement, Purchaser does hereby forever release and discharge the Seller Related Parties from any and all Environmental Claims and Environmental Liabilities; provided, however, that such release shall not apply to Seller's fraud.

(b) Purchaser further agrees and acknowledges that, in giving the foregoing waivers and releases, it has, with its legal counsel, considered any statute or other law that might apply to and limit the effect of Purchaser's waiver and release herein and hereby knowingly waives the benefits of any such law and intends that it not be applicable here.

(c) This Section 5.4 shall survive the Closing.

Article VI INTENTIONALLY OMITTED

Article VII PURCHASER'S REPRESENTATIONS AND WARRANTIES

Section 7.1 Representations and Warranties. To induce Seller to enter into this Agreement and to consummate the transactions contemplated hereby, Purchaser hereby makes the representations and warranties in this Section 7.1.

(a) Organization and Power. Purchaser is duly incorporated or formed (as the case may be), validly existing and in good standing in the jurisdiction of its formation or organization, and has all requisite power and authority to enter into this Agreement and consummate the transactions contemplated hereby.

(b) Authority and Binding Obligation. (i) Purchaser has full power and authority to execute and deliver this Agreement and all documents now or hereafter to be executed and delivered by Purchaser under this Agreement, and to perform all obligations arising under this Agreement and such other documents, (ii) the execution by the undersigned on behalf of Purchaser, and the delivery and performance of this Agreement by Purchaser, has been duly and validly authorized by all necessary action on the part of Purchaser, and (iii) this Agreement, the Closing Documents required to be delivered by Purchaser and such other documents now or hereafter to be executed and delivered by Purchaser under this Agreement, when executed and delivered, will each constitute the legal, valid and binding obligations of Purchaser enforceable against Purchaser in accordance with its terms, except to the extent Seller itself is in default hereunder.

(c) Consents and Approvals; No Conflicts. (i) No filing with, and no permit, authorization, consent or approval of, any Governmental Authority or other Person is necessary for the consummation by Purchaser of its obligations under this Agreement, and (ii) neither the execution and delivery of this Agreement by Purchaser, nor the consummation by Purchaser of the transactions contemplated under this Agreement, nor compliance by Purchaser with any of the terms of this Agreement will: (A) violate any provision of the organizational or governing documents of Purchaser; (B) violate any Applicable Law to which Purchaser is subject; or (C) result in a violation or breach of or constitute a default under any contract, agreement or other instrument or obligation to which Purchaser is a party or by which Purchaser is bound, except to the extent such violation, breach or default would not have a material adverse effect on Purchaser's ability to consummate the transactions contemplated hereby.

(d) Finders and Investment Brokers. Except as expressly provided in Section 8.4 of this Agreement, neither Purchaser nor any of its Affiliates has dealt with any Person who has acted, directly or indirectly, as a broker, finder, financial adviser or in such other capacity for or on behalf of Purchaser or its Affiliates in connection with the transactions contemplated by this Agreement in any manner which would entitle such Person to any fee or commission by, through or under Purchaser or any of its Affiliates in connection with this Agreement or the transactions contemplated in this Agreement.

(e) Patriot Act. Neither Purchaser nor any beneficial owner of Purchaser: (i) is listed on the Specially Designated Nationals and Blocked Persons List maintained by OFAC pursuant to the Order and/or on any other Lists; (ii) is a person or entity who has been determined by competent authority to be subject to the prohibitions contained in the Orders; or (iii) is owned or controlled by, or acts for or on behalf of, any person or entity on the Lists or any other person or entity who has been determined by competent authority to be subject to the prohibitions contained in the Order.

(f) ERISA. As of the Closing: (i) Purchaser will not be an employee benefit plan subject to ERISA, a plan as defined in Section 4975(e)(1) of the Code, a governmental plan, church plan, or non U.S. Plan that is subject to federal, state, local or non U.S. laws substantially similar to Section 406 of ERISA or Section 4975 of the Code (each of the foregoing is referred to collectively as "**Employee Benefit Plan**"); (ii) the assets of Purchaser will not constitute "plan assets" of one or more Employee Benefit Plans within the meaning of U.S. Department of Labor Regulation Section 2510.3 101, as amended by Section 3(42) of ERISA; and (iii) Purchaser will be acting on its own behalf and not on account of or for the benefit of any Employee Benefit Plan.

(g) Bankruptcy. Purchaser has not filed any petition in bankruptcy or other insolvency proceedings or proceedings for reorganization of Purchaser or for the appointment of a receiver or trustee for all or any substantial part of Purchaser's property

(h) There are no judgments, orders, or decrees of any kind against Purchaser unpaid or unsatisfied of record, nor any actions, suits, or other legal or administrative proceedings pending or, to the best of Purchaser's actual knowledge, threatened against Purchaser, which would have any material adverse effect on the condition, financial or otherwise, of Purchaser or the ability of Purchaser to consummate the transactions contemplated by this Agreement, and Purchaser has sufficient liquidity to close the transactions contemplated under this Agreement.

Article VIII COVENANTS

Section 8.1 Confidentiality. Seller and Purchaser shall keep confidential and not disclose to any Person the existence or any terms of this Agreement and shall not make any press notices, publicity (oral or written), advertising promotion, or public announcement disclosing or relating to the terms, conditions, or substance of this Agreement or the matters contemplated hereby (the "**Agreement Information**") without obtaining the advance written consent of the other Party, and Purchaser shall not disclose to any Person or make any press notices, publicity (oral or written), advertising promotion, or public announcement disclosing or relating to any

information disclosed by Seller's Materials or received, discovered, developed or obtained by Purchaser, its Affiliates or agents with regard to the Property as a result of the access, tests and/or inspections pursuant to this Agreement (the "**Confidential Information**") without obtaining Seller's advance written consent and shall use the Confidential Information solely for the purposes of conducting the reviews and inspections contemplated by this Agreement. Notwithstanding anything herein to the contrary, (a) the foregoing restrictions shall not apply to Confidential Information that was previously or is hereafter publicly available or disclosed or is developed independently by Purchaser or Purchaser's direct or indirect agents, representatives, principals, directors, members, partners, shareholders, Affiliates, employees, consultants, inspectors, appraisers, engineers and contractors without the use of any Confidential Information; and (b) Seller and Purchaser shall be permitted to (i) disclose any Confidential Information and/or Agreement Information (as applicable) to the extent required by court order or under Applicable Law, or in connection with any litigation involving this Agreement or the transactions contemplated hereby, or (ii) disclose any Confidential Information and/or Agreement Information (as applicable) to any Person on a "need-to-know" basis, such as their respective shareholders, partners, advisers, underwriters, analysts, members, trustees, beneficiaries, directors, officers, employees, attorneys, consultants, engineers, surveyors, lenders, potential lenders, investors, potential investors, accountants, managers, franchisors and such other Persons whose assistance is required to consummate the transactions contemplated in this Agreement or to whom notice of this transaction may be required pursuant to Applicable Law, or with whom communication may be required to accomplish the assignment of the Licenses and Permits; provided, however, that Purchaser or Seller (as applicable) shall, to the extent consistent with Applicable Law, (a) advise such Person of the confidential nature of such Confidential Information and/or Agreement Information (as applicable), and (b) use commercially reasonable efforts to cause such Person to maintain the confidentiality of such information. Notwithstanding the foregoing, after Closing, either Seller or Purchaser may, with the other Party's consent (not to be unreasonably withheld, conditioned or delayed), release a press notice relating to, or otherwise announce or disclose the acquisition of, the Property. Notwithstanding anything to the contrary in this Section 8.1, Purchaser and any direct or indirect owner of Purchaser (or Affiliate thereof) whose securities are publicly traded may, without Seller's consent, (x) file this Agreement with, and disclose Agreement Information to, the U.S. Securities and Exchange Commission or any securities exchange to the extent it determines in good faith that such filing or disclosure is required under Applicable Law or the rules of such exchange, and (y) disclose the transactions contemplated by this Agreement in earnings calls, investor communications and press releases; provided that no such earnings call, investor communication or press release shall disclose the Purchase Price or the identity of Seller unless required under Applicable Law or the rules of such exchange. This Section 8.1 shall survive Closing and the termination of this Agreement.

Section 8.2 **Notices and Filings**. Seller (to the extent Seller has responsibility for the same) and Purchaser shall use commercially reasonable efforts to cooperate with each other (at no out-of-pocket cost or expense to the Party whose cooperation is requested, other than any de minimis cost or expense or any cost or expense which the requesting Party agrees in writing to reimburse) to provide any required written notice to any Person under any Licenses and Permits, and to effect any registrations or filings with any Governmental Authority or other Person, regarding the change in ownership of the Property.

Section 8.3 **Further Assurances**. After the Closing, Seller and Purchaser shall use commercially reasonable efforts (at no cost or expense to such Party, other than any de minimis cost or expense or any cost or expense which the requesting Party agrees in writing to reimburse) to further effect the transactions contemplated in this Agreement.

Section 8.4 **Brokerage Commissions**. If and only if the sale contemplated herein closes, Seller has agreed to pay a brokerage commission to Jones Lang Lasalle (JLL) or its Affiliate ("**Seller's Broker**"), and Purchaser has agreed to pay a brokerage commission to Gale Group International of ONE Sotheby's International Realty or its Affiliate ("**Purchaser's Broker**"), pursuant to agreements between Seller and Seller's Broker, and Purchaser and Purchaser's Broker, respectively. Each of Seller and Purchaser agrees that should any claim be made for brokerage commissions or finder's fees by any other broker or finder by, through or on account of any acts of said Party or its representatives, said Party will indemnify and hold the other Party free and harmless from and against any and all loss, liability, cost, damage and expense in connection therewith.

Section 8.5 **Signage Removal**. Within thirty (30) days following Closing, Purchaser will "banner" or "cover" the "Freehand" name or logo, failing which upon ten (10) days prior written notice, Manager may do so at Purchaser's expense. Within sixty (60) days after Closing, Purchaser shall commence to cause the portion of all signage containing the "Freehand", "Freehand Miami" or "Freehand Hotels" name or logo to be replaced and continue such efforts through to completion using commercially reasonable efforts, failing which Manager may remove such portion of the signage at Purchaser's expense upon fifteen (15) days prior written notice. The provisions of this Section shall survive the Closing without limitation.

Section 8.6 **Survival**. The provisions of Sections 8.1-8.5 shall survive the Closing.

Section 8.7 **Licenses and Permits**.

(a) Purchaser shall be responsible for obtaining the transfer of all Licenses and Permits (to the extent transferable) or the issuance of new licenses and permits, including, without limitation, the Licenses and Permits required for the sale and service of alcoholic beverages at the Property (collectively, the "**Liquor Licenses**"). Purchaser, at its cost and expense, shall submit all necessary applications and other materials to the appropriate Governmental Authorities and take such other actions to effect the transfer of Licenses and Permits or issuance of new licenses and permits, including, without limitation, the Liquor Licenses, as of the Closing. Seller shall use all commercially reasonable efforts (at no cost or expense to Seller other than any de minimis cost or expense or any cost or expense which Purchaser agrees in writing to reimburse) to cooperate with Purchaser to cause the Licenses and Permits to be transferred free and clear of liens and mortgages, in accordance with applicable law, or new licenses and permits to be issued to Purchaser. Notwithstanding anything to the contrary in this Section, Purchaser shall not post any notices at the Property or publish any notices required for the transfer of the Licenses and Permits or issuance of new licenses and permits, including, without limitation, the Liquor Licenses, without the prior written consent of Seller, which consent may not be unreasonably withheld. Seller makes no representation or warranty hereunder as to whether Purchaser will be able to obtain any Licenses and Permits, including, without limitation, the Liquor Licenses with respect to the Hotel and Purchaser assumes all risk with regard thereto. If this Agreement is terminated and Purchaser has filed an application or otherwise commenced the process of obtaining new licenses and permits, Purchaser shall immediately withdraw all such applications, terminate any new licenses and permits that were issued to Purchaser, if any, and cease all other activities with respect to such new licenses and permits at Purchaser's sole cost and expense, and shall provide Seller with written confirmation of the withdrawal of all such applications.

(b) Prior to Closing, Seller shall execute, acknowledge (as applicable) and deliver to Purchaser (1) a Florida Department of Revenue ("**DOR**") Compliance form (Section 13 of DBPR of ABT-6002) fully executed by an individual on file with DABT authorized to execute on behalf of Seller for the Liquor License to facilitate DOR's sign off of the Sales Tax portion of Section 5 of the ABT-6002 transfer form for the Liquor License; (2) a signed and notarized Affidavit of Transferor (Section 10 of DBPR ABT-6002 form), to complete Purchaser's or Purchaser's designee's application for the transfer of the Liquor License. If the DOR or the Florida Department of Business and Professional Regulation, Division of Hotels and Restaurants ("Hotels and Restaurants") requires that Purchaser furnish a copy of the Affidavit of Transferor (Section 10 of DBPR ABT-6002 form) in order for Purchaser to obtain DOR's sign off on the Sales Tax portion and Hotels & Restaurants' sign off on the Sanitary Code

Compliance portion of Section 5 of the ABT-6002 transfer form, Seller shall release the Affidavit of Transferor to Purchaser's counsel for the sole purpose of obtaining said sign off from the DOR and Hotels & Restaurants, however, Purchaser shall not submit and/or release the Affidavit of Transferor to DABT prior to the Closing; (3) a DOR Certificate of Compliance pursuant to Subsection 213.758(4)(a)1.a. of the Florida Statutes for Seller's sales and use tax accounts with DOR associated with the operation of the Hotel and Land; and (4) any and all other documentation, applications and/or submittals required by any applicable authority for the transfer of the Liquor License (if permitted) or issuance of a new liquor license to Purchaser. Upon Seller's delivery of the aforesaid executed DABT form ABT-6002 sections and confirmation of clearance of Seller's DOR tax accounts (only to the extent necessary for Purchaser or Purchaser's designee to obtain DOR's completion of the Sales Tax portion of Section 5 of the ABT-6002 transfer form for the Liquor Licenses), and subject to Seller's ongoing reasonable cooperation as aforedescribed, Purchaser shall be solely responsible for obtaining the transfer of the Liquor License (if permitted), as well as the issuance of the Temporary Liquor License as of the Closing.

Section 8.8 **Operations Pending Closing**. From the Effective Date until the Closing, Seller shall, and shall use commercially reasonable efforts to cause Manager to, (a) operate and maintain the Hotel in substantially the same manner as operated prior to the Effective Date, subject to casualty and conditions beyond Seller's reasonable control; (b) maintain in effect all casualty and liability insurance policies currently carried with respect to the Hotel or substantially similar coverage; (c) not enter into, amend, extend or modify any Service Contract or lease, or grant any right to use or occupy any portion of the Property (other than transient guest Bookings in the Ordinary Course of Business), without Purchaser's prior written consent, which may be withheld in Purchaser's reasonable discretion; and (d) not transfer or remove any FF&E except for replacement in the Ordinary Course of Business with items of substantially similar quality or the removal in the Ordinary Course of Business of immaterial or obsolete items. Seller shall provide updated records of any new or amended Bookings at Closing.

Article IX TITLE INSURANCE

Section 9.1 The Parties acknowledge that Purchaser may obtain after the Effective Date (x) a commitment for title insurance issued by the Title Company (together with all instruments set forth therein, the "**Title Commitment**"), for an owner's policy of title insurance (the "**Title Policy**") in the amount of the Purchase Price with respect to Purchaser's acquisition of the Property, and (y) an updated ALTA/NSPS survey relating to the Property (the "**Survey**"). If any update to the Title Commitment or the Survey discloses a material adverse matter (other than a Mandatory Cure Item) not disclosed in Title Commitment No. 13443256 issued by the Title Company with an effective date of October 1, 2026 (the "**Title Commitment**") or in the 2019 survey of the Property included in Seller's Materials (a "**New Matter**"), Purchaser may deliver a written objection thereto within five (5) Business Days after receipt thereof. Seller shall notify Purchaser within five (5) Business Days after receipt of any such objection whether it will cure such New Matter; if Seller elects not to cure, or fails to cure by Closing, any New Matter so objected to, Purchaser may terminate this Agreement and receive a refund of the Deposit. Any New Matter to which Purchaser does not timely object shall be deemed approved by Purchaser. Notwithstanding anything to the contrary in this Agreement, Purchaser shall not be required to object to any Mandatory Cure Item, and in no event shall any Mandatory Cure Item, constitute a Permitted Exception. Purchaser shall be obligated to accept title to the Property, subject to the following exceptions to title (the "**Permitted Exceptions**"):

(a) Real estate taxes and assessments not yet delinquent;

(b) The standard preprinted exclusions, if any, which appear in a standard form ALTA Owner's Policy of Title Insurance issued by the Title Company in the state in which the Property is located;

(c) Any laws, rules, regulations, statutes, ordinances, orders or other legal requirements currently affecting the Property or hereafter imposed by any Governmental Authority, including, without limitation, all zoning, land use, building and environmental laws, rules, regulations, statutes, ordinances, orders or other legal requirements, including landmark designations and all zoning variance and special exceptions, if any;

(d) Any notices of commencement as a result of work contracted for by Seller that is ongoing, the cost of which is adjusted for as set forth herein or for which Purchaser is expressly responsible for payment pursuant any of the terms and conditions hereof, other than the [***], which Seller shall use commercially reasonable efforts to cause to be terminated on or prior to the Closing Date;

(e) The matters set forth in the Title Commitment (other than Mandatory Cure Items), matters shown on the 2019 survey of the Property included in Seller's Materials, and such other exceptions to title or survey exceptions as may be approved or deemed approved by Purchaser pursuant to the above provisions of this Section 9.1, or as otherwise expressly permitted under this Agreement, or any exceptions resulting from the acts of Purchaser or its consultants, contractors, employees, agents or representatives;

(f) Such other exceptions as the Title Company shall commit to omit or insure over, whether such insurance is made available in consideration of payment, bonding, any indemnity that Seller may be willing (but shall not be obligated) to provide, or otherwise (subject to the terms of this Agreement); and

(g) Charges for sewer and water services that are not yet delinquent.

Section 9.2 Notwithstanding the foregoing provisions of this Section 9, Seller shall be obligated to take (and hereby covenants to take) such actions as may be reasonably required by a national title insurance company so that a national title insurance company is willing to issue title insurance to Purchaser without exception for any of the following (the "**Mandatory Cure Items**"): (i) any mortgage or deed of trust granted or assumed by Seller and encumbering the Property, including [***], as assigned and amended, and all related assignments of leases and rents, cross-collateralization agreements and UCC financing statements; (ii) any other monetary lien (including fines and penalties for municipal violations which, through the passage of time, would result in a monetary lien ("**Violations**")) placed on the Property arising by or through Seller (excluding non-delinquent real property taxes), other than claims, liens or Violations arising by or through Purchaser, including monetary liens disclosed by the municipal lien search obtained by Purchaser; (iii) any other mortgage or deed of trust financing voluntarily obtained by Seller after the Effective Date and prior to the Closing; and (iv) the Existing Leases. Notwithstanding the foregoing, (a) Seller shall have no obligation to remove or cause the removal any lien or encumbrance, or pay fines and penalties associated with any Violation, described in clause (ii) in an amount in excess of $125,000 in the aggregate, (provided that if Seller elects not to remove or cause the removal any such lien or encumbrance, or pay fines and penalties associated with any Violation, in excess of $125,000 in the aggregate, then Purchaser shall be entitled to terminate this Agreement by written notice to Seller, in which event Escrow Agent shall promptly return the Deposit to Purchaser, this Agreement shall terminate and neither party hereto shall have any further rights or obligations hereunder other than those which are expressly provided to survive the termination hereof), and (b) Seller shall use commercially reasonable efforts to cure Violations prior to Closing, but cure of the underlying Violations shall not be a condition to Closing. Subject to the limitations set forth in clause (a) above, Seller shall pay at Closing all monetary fines and penalties accrued through and including the Closing Date (including daily accruing penalties), or, to the extent not then paid, provide Purchaser a credit for the amount thereof on the Settlement Statement. Seller shall have no duty to remove or comply with or repair any condition, matter or thing whether or not noted, which resulted in or, if noted, would result in, a Violation being placed on the Property, except for its commercially reasonable efforts obligation above.

Article X CLOSING CONDITIONS

Section 10.1 Conditions to Purchaser's Obligation to Purchase. Purchaser's obligation to purchase the Property is expressly conditioned upon each of the following:

(a) Performance by Seller. Seller's performance in all material respects of the obligations, covenants and deliveries required of Seller under this Agreement.

(b) Seller's Representations and Warranties. The representations and warranties of Seller set forth in Section 5.1 being true and correct in all material respects as of the Closing Date as if then made, unless otherwise specified therein.

Section 10.2 Conditions to Seller's Obligation to Sell. Seller's obligation to sell is expressly conditioned upon each of the following:

(a) Performance by Purchaser. Purchaser's performance in all material respects of the obligations, covenants, and deliveries required of Purchaser under this Agreement.

(b) Purchaser's Representations and Warranties. The representations and warranties of Purchaser set forth in Section 7.1 being true and correct in all material respects as of the Closing Date as if then made, unless otherwise specified therein.

Section 10.3 No Financing Contingency. It is expressly understood, acknowledged and agreed by Purchaser that this Agreement and Purchaser's obligations hereunder are not contingent or conditioned upon obtaining a commitment for or obtaining or closing any financing of any type or nature whatsoever, whether by way of debt financing or equity investment, or otherwise, or upon the sale or refinance of any property of the Purchaser, and the failure of Purchaser to obtain or close any financing for any reason whatsoever shall not be a failure of condition to Purchaser's performance hereunder. In addition, Seller will have no obligation to or privity with any lender to Purchaser.

Section 10.4 Failure or Waiver of Conditions Precedent. Without limiting the rights of the Parties in Sections 18.1 and 18.2 below (as applicable), if any of the conditions set forth in Sections 10.1 or 10.2 are not fulfilled or waived, the Party benefited by such conditions may, by written notice to the other Party, terminate this Agreement, whereupon all rights and obligations hereunder of each Party shall terminate except those that expressly survive any termination. Either Party may, at its election, at any time or times on or before the date specified for the satisfaction of the condition, waive in writing the benefit of any of the conditions benefitting such Party set forth in Sections 10.1 or 10.2 above. If this Agreement is terminated as a result of the failure of any condition set forth in Section 10.1, and if Purchaser is not in default of its obligations hereunder, Escrow Agent shall promptly refund the Deposit to Purchaser, notwithstanding that the Deposit is otherwise nonrefundable. In any event, Purchaser's consent to the close of escrow pursuant to this Agreement shall waive any remaining unfulfilled conditions and any liability on the part of Seller for breaches of representations and warranties of which Purchaser had Knowledge as of Closing.

Article XI CLOSING

Section 11.1 **Closing Date**. The closing of the transactions contemplated under this Agreement (the "**Closing**") shall occur on December 15, 2026, or such earlier date as may be mutually agreed upon by the parties, TIME BEING OF THE ESSENCE. The date on which the Closing occurs is referred to herein as the "**Closing Date**".

Section 11.2 Closing Escrow. The Closing shall take place by means of a title company escrow (the "**Closing Escrow**"). On or prior to the Closing Date, (i) each of Seller and Purchaser shall cause its counterpart to all of the documents required to be delivered pursuant to this Agreement (the "**Closing Documents**") to be deposited with Escrow Agent; and (ii) Purchaser shall cause the Purchase Price to be paid by Purchaser pursuant to Section 3.2 (as adjusted pursuant to Article XII) to be deposited with Escrow Agent. At Closing, Escrow Agent shall deliver the Closing Documents to Seller and Purchaser (as the case may be), and the Purchase Price (as adjusted pursuant to Article XII) to Seller.

Section 11.3 Seller's Deliveries. At the Closing, Seller shall deliver or cause to be delivered to Purchaser or deposited with the Title Company in the Closing Escrow for the benefit of Purchaser all of the (i) documents, each of which shall have been duly executed by Seller and acknowledged (if required), and (ii) other items, set forth in this Section 11.3, as follows:

(a) A certificate re-making the representations and warranties set forth in Section 5.1 as of the Closing Date, subject to the limitations contained in Section 5.2, Section 5.3 and Section 5.4;

(b) A special warranty deed conveying the Real Property to Purchaser (the "**Deed**") in the form of Exhibit A attached hereto;

(c) Such agreements, affidavits, evidence of Seller's organization, authorization, power and authority, and other documents as may be reasonably required by the Title Company from Seller to issue the Title Policy;

(d) A bill of sale, assignment and assumption, conveying and transferring to Purchaser all right, title and interest of Seller, if any, in and to the Personal Property (to the extent not requiring third party consents or approvals), substantially in the form attached hereto as Exhibit B and made a part hereof (the "**Bill of Sale**");

(e) Any required real estate transfer tax declaration or similar documents required in connection with any tax imposed by any Governmental Authority in connection with the transactions contemplated hereunder;

(f) An assignment of all Seller's right, title and interest in and to the Assumed Service Contracts, substantially in the form attached hereto as Exhibit D and made a part hereof;

(g) An owner's affidavit in the form of Exhibit E attached hereto;

(h) A FIRPTA affidavit in the form set forth in the regulations under Section 1445 of the Code and any other corresponding state form required;

(i) An executed counterpart to the Settlement Statement;

(j) A copy of the written notice of termination of the Broken Shaker Agreement [***], effective on or before the Closing Date; and

(k) Such other documents and instruments as may be reasonably requested by the Title Company in order to consummate or better effectuate the transactions contemplated in this Agreement.

Section 11.4 Purchaser's Deliveries. At or prior to the Closing, to the extent noted below, Purchaser shall deliver or cause to be delivered to Seller or such other Party as noted below or deposited with Escrow Agent in the Closing Escrow for the benefit of Seller all of the (i) documents, each of which shall have been duly executed by Purchaser and acknowledged (if required), and (ii) other items, set forth in this Section 11.4, as follows:

(a) A certificate re-making the representations and warranties set forth in Section 7.1 as of the Closing Date;

(b) The Purchase Price to be paid by Purchaser pursuant to Section 3.2;

(c) Any required real estate transfer tax declaration or similar documents required in connection with any tax imposed by any Governmental Authority in connection with the transactions contemplated hereunder;

(d) A counterpart of each of the documents and instruments to be delivered by Seller under Section 11.3 which requires execution by Purchaser;

(e) An executed counterpart to the Settlement Statement;

(f) An affidavit complying with the requirements set forth in Sections 692.202(5), 692.203(6), and 692.204(6) of the Florida Statutes; and

(g) Such other documents and instruments as may be reasonably requested by the Title Company in order to consummate or better effectuate the transactions contemplated in this Agreement.

Article XII

CLOSING PRORATIONS AND ADJUSTMENTS; PAYMENT OF CLOSING COSTS

Section 12.1 **General**. Seller shall pay (i) taxes on the transfer of the Property and/or the recording of the Deed; (ii) the cost of recording any instruments required to discharge any liens or encumbrances against the Property required to be discharged by Seller at Closing, or for title matters Seller has agreed in writing to cure, (iii) applicable state and county documentary stamp or other taxes on the transfer of the Property, (iv) any delinquent real estate taxes due in connection with the Real Property at Closing; and (v) the commission to Seller's Broker pursuant to Section 8.4. Purchaser shall pay all other costs and expenses of this transaction including, if applicable, (i) Sales Taxes or other taxes imposed on the allocations to tangible or intangible personal property, (ii) the cost of the Title Commitment and Title Policy including any premiums associated with the Title Policy or endorsements thereto, (iii) the Escrow Agent's fees, (iv) Survey costs and other costs associated with Purchaser's due diligence, (v) costs and expenses for or in connection with any loan obtained by Purchaser in connection with the purchase of the Property or otherwise (including any intangibles, documentary and other taxes and the cost of any lender's title insurance policy), and (vi) the commission to Purchaser's Broker pursuant to Section 8.4. Each Party shall pay the fees of its own attorneys, accountants and other professionals. The provisions of this Section 12.1 shall survive Closing and the delivery of the Deed and shall not be deemed merged into the Deed or any instrument of conveyance delivered at Closing.

Section 12.2 **Prorations**. The following are to be apportioned between Purchaser and Seller as of 12:01 a.m. on the Closing Date (the "**Apportionment Time**"):

(a) All real estate taxes and assessments imposed by any governmental authority, any charges or assessments imposed by private covenant constituting a lien on the Property and vault taxes, and any personal property taxes shall be prorated between Seller and Purchaser on a cash basis, i.e., real estate taxes and assessments for 2025 payable in 2026 shall be prorated between Seller and Purchaser based on the number of days from January 1, 2026 up to, but excluding the day of Closing and the number of days remaining in calendar year 2026, including the day of Closing. If at Closing Seller has already paid the 2025 taxes payable in 2026 (or any portion thereof), Seller shall be entitled to receive at Closing the difference between the amount paid and Seller's share of the prorated amount. If the exact amount of taxes payable in the calendar year in which the Closing occurs is not known at Closing, the proration will be based on an amount equal to 100% of the most recent full year tax bill that is available, taking into account any applicable discounts afforded by the applicable taxing authority (e.g., 4% discount on property taxes paid by November 30, 2026). Any refunds of real estate taxes made after the Closing shall first be applied to the unreimbursed third-party costs incurred by Seller or Purchaser in obtaining the refund, and the balance, if any, shall be paid to Seller (for the period

prior to the Closing Date) and to Purchaser (for the period commencing on and after the Closing Date). Real estate taxes and assessments attributable to the Property and payable during subsequent calendar years shall be paid by Purchaser (without regard to the year for which such taxes were assessed). Seller shall have no obligation to discharge any special assessments or similar impositions levied or imposed against the Property and payable after the Closing Date, and Purchaser shall acquire the Property subject to the remaining balances of such assessments and impositions. Prorations of all such real estate taxes and assessments shall be final as of the Closing Date. In the event the Property has been assessed for property tax purposes at such rates as would result in reassessment (i.e., "escape assessment" or "roll-back taxes") based upon the change in land usage or ownership of the Property resulting from or after the consummation of the transactions described in this Agreement, as between Purchaser and Seller, Purchaser hereby agrees to pay all such taxes and to indemnify and save Seller harmless from and against all claims and liability for such taxes. Such indemnity shall survive the Closing;

(b) Water, sewer, gas, electric, vault and fuel charges, if any;

(c) Operating expenses for the Property, including sums due or already paid pursuant to any Service Contracts (excluding any prepaid or upfront monies paid to Seller under any Service Contracts) that are assigned to Purchaser;

(d) Amounts paid pursuant to all transferable Licenses and Permits, if any, on the basis of the fiscal year for which levied;

(e) Assessments (other than real property taxes) but only for the annual installment for the fiscal year in which Closing occurs; and

(f) All other items of income and expense as are customarily adjusted or prorated upon the sale and purchase of a hotel property similar to the Hotel shall be adjusted and prorated between Seller and Purchaser accordingly.

Section 12.3 Accounts Receivable.

(a) Guest Ledgers. At Closing, Seller shall receive a credit in an amount equal to: (i) all amounts charged to the Guest Ledgers for all room nights up to (but not including) the night during which the Apportionment Time occurs, and (ii) one-half (½) of all amounts charged to the Guest Ledgers for the room night which includes the Apportionment Time, and Purchaser shall be entitled to retain all deposits made and amounts collected with respect to such Guest Ledgers.

(b) Accounts Receivable (Other than Guest Ledgers). Seller shall retain the right to collect all Accounts Receivable (other than the Guest Ledgers pursuant to Section 12.3(a), or any other items of income for which Seller receives a credit pursuant to Section 12.2), and neither Seller nor Purchaser shall receive a credit for the Accounts Receivable. Purchaser shall cooperate with Seller in collecting the Accounts Receivable, at no cost or expense to Purchaser other than any de minimis cost and expense or any cost or expense which Seller agrees in writing to reimburse. If any Accounts Receivable attributable to the period prior to the Closing Date (including any amounts paid under the Service Contracts which are attributable to the period prior to the Closing) are paid to Purchaser after the Closing, Purchaser shall pay to Seller the amounts received by Purchaser promptly upon receipt but in no event later than ten (10) days after the end of each calendar month and shall provide the appropriate Seller with an accounting of all such receipts of the end of each calendar month.

Section 12.4 Trade Payables. Except to the extent an adjustment or proration is made under another subsection of this Article XII, (a) Seller shall pay in full prior to the Closing all amounts payable to vendors or other suppliers of goods or services to the Hotel incurred in the Ordinary Course of Business (the "**Trade Payables**") which are due and payable as of the Closing Date for which goods or services have been delivered to the Hotel prior to Closing and Seller shall receive a credit for all advance payments or deposits made with respect to FF&E and

Supplies ordered, but not delivered to the Hotel prior to the Closing Date as set forth on a schedule to be delivered by Seller to Purchaser within two (2) Business Days prior to the Closing Date, and (b) Purchaser shall receive a credit for the amount of such Trade Payables which have accrued, but are not yet due and payable as of the Closing Date, and Purchaser shall pay all such Trade Payables accrued as of the Closing Date when such Trade Payables become due and payable.

Section 12.5 **Cash**. Seller shall receive a credit for all cash on hand or on deposit in any house bank at the Hotel, and such cash shall be transferred to Purchaser.

Section 12.6 **Unopened Inventory**. Seller shall receive a credit in an amount equal to Seller's actual cost of all Supplies to the extent in unopened cartons, food and beverage, and other retail inventory including alcoholic beverages.

Section 12.7 **Bookings**. Purchaser shall receive a credit for all prepaid amounts, including deposits and prepaid room charges, for Bookings attributable to the period on or after the Closing Date; travel agents' commissions, if any, shall be apportioned consistent with the allocation of the Hotel's room revenues referable to each such travel agent. Purchaser shall honor all Bookings in accordance with the terms thereof which relate to the period after the Closing Date.

Section 12.8 **Final Adjustments**. If final bills are not available or cannot be issued prior to Closing for any item being prorated under this Article, if any, then Purchaser and Seller agree to allocate such items on a fair and equitable basis (based on reasonable estimate therefor) at Closing, and such adjustments at Closing shall be final and binding. Purchaser and Seller agree there shall be no adjustments after Closing.

Section 12.9 **Actual Number of Days**. All prorations and/or adjustments provided for in this Agreement will be made based on the actual number of days in the month, unless specifically stated otherwise.

Article XIII SETTLEMENT STATEMENT

Section 13.1 **Settlement Statement**. Seller and Purchaser shall jointly prepare and agree upon a settlement statement (the "**Settlement Statement**") which shall set forth the transaction costs payable by Seller and Purchaser pursuant to this Agreement. The Settlement Statement shall be approved and executed by Seller and Purchaser, it being understood and agreed that the Settlement Statement shall be binding and conclusive on Seller and Purchaser with respect to the items set forth in the Settlement Statement.

Article XIV WAIVER OF DAMAGES

Section 14.1 **Waiver of Damages**. In no event shall either Seller or Purchaser be liable to the other for consequential, punitive or exemplary damages, whatever the nature of a breach by such breaching Party of its obligations under this Agreement, and each of Seller and Purchaser hereby waives all claims for consequential, punitive or exemplary damages it may have against the other Party.

Article XV FIRE OR OTHER CASUALTY; CONDEMNATION

Section 15.1 Seller agrees between the date hereof and the date of Closing (a) to maintain its present property insurance policy including fire and extended coverage or substantially similar coverage, and (b) to give Purchaser prompt notice of any fire or other casualty occurring at the Property of which Seller obtains knowledge, or of any actual or threatened condemnation of all or any part of the Property of which Seller obtains knowledge.

Section 15.2 If prior to the Closing there shall occur (a) damage to the Property caused by fire or other casualty which would cost in an amount equal to twenty-five percent (25%) of the Purchase Price or more to repair or (b) a taking by condemnation of any part of the Property where the award for the taking by eminent domain is reasonably estimated to be twenty-five percent (25%) or more of the Purchase Price, or any taking of access to the Property, then, and in either such event, Purchaser may elect to terminate this Agreement by written notice given to Seller within ten (10) days after Seller has given Purchaser the notice referred to in Section 15.1 hereof, or at the Closing, whichever is earlier, in which event the Deposit shall be refunded to Purchaser, and this Agreement shall thereupon be null and void and neither Party hereto shall thereupon have any further obligation to the other, except the provisions of hereof that expressly survive such termination. If Purchaser does not elect to terminate this Agreement, then the Closing shall take place as herein provided, without abatement of the Purchase Price, and Seller shall assign to Purchaser at the Closing, by written instrument in form reasonably satisfactory to Purchaser, all of Seller's interest in and to any insurance proceeds or condemnation awards which may be payable to Seller on account of any such fire, casualty or condemnation, shall deliver to Purchaser any such proceeds or awards actually theretofore paid, less any out-of-pocket amounts (the "**Reimbursable Amounts**") (i) actually and reasonably expended or incurred by Seller in adjusting any insurance claim or negotiating and/or obtaining any condemnation award (including, without limitation, reasonable attorneys' fees and expenses) and/or (ii) theretofore actually and reasonably incurred or expended by or for the account of Seller for the cost of any compliance with laws, protective restoration or emergency repairs made by or on behalf of Seller (to the extent Seller has not theretofore been reimbursed by its insurance carriers for such expenditures), and Seller shall pay to Purchaser the amount of the deductible, if any, under Seller's property insurance policy(ies), less all Reimbursable Amounts not received by Seller from any insurance proceeds or condemnation awards paid to Seller prior to the Closing. The proceeds of rent and/or other business interruption insurance, if any, shall on the Closing Date be appropriately apportioned between Purchaser and Seller.

Section 15.3 If, prior to the Closing, there shall occur (a) damage to the Property caused by fire or other casualty which would cost less than an amount equal to twenty-five percent (25%) of the Purchase Price to repair, or (b) a taking by condemnation of any part of the Property where the award for the taking by eminent domain is reasonably estimated to be less than twenty-five percent (25%) of the Purchase Price, then, and in either such event, neither Party shall have the right to terminate its obligations under this Agreement by reason thereof, but Seller shall assign to Purchaser at the Closing, by written instrument in form and substance reasonably satisfactory to Purchaser, all of Seller's interest in any pending claims, insurance proceeds or condemnation awards which may be payable to Seller on account of any such fire, casualty or condemnation, or shall deliver to Purchaser any such proceeds or awards actually theretofore paid, in each case less any Reimbursable Amounts, and Seller shall pay to Purchaser the amount of the deductible, if any, under Seller's property insurance policy(ies), less all Reimbursable Amounts not received by Seller from any insurance proceeds or condemnation awards paid to Seller prior to the Closing. The proceeds of rent and/or other business interruption insurance, if any, shall on the Closing Date be appropriately apportioned between Purchaser and Seller.

Section 15.4 Nothing contained in this Section 15 shall be construed to impose upon Seller any obligation to repair any damage or destruction caused by fire or other casualty or condemnation.

Section 15.5 In the event Purchaser does not elect to terminate this Agreement in accordance with Section 15.2 above, or upon the occurrence of the events set forth in Section 15.3 above, Seller shall have the exclusive right to negotiate, compromise or contest the obtaining of any insurance proceeds and/or any condemnation awards, provided that, if a casualty or condemnation shall occur as to which Purchaser does not have a termination right, Purchaser shall have the right to consent to any such settlement, which consent shall not be unreasonably withheld, conditioned or delayed, provided further that, in the case of a casualty, Purchaser shall not have any right to so consent if Purchaser caused or allowed to be caused the casualty in question.

Article XVI INTENTIONALLY OMITTED

Article XVII MISCELLANEOUS PROVISIONS

Section 17.1 Notices.

(a) Method of Delivery. All notices, requests, demands and other communications (each, a "**Notice**") required to be provided to the other Party pursuant to this Agreement shall be in writing and shall be delivered (i) in person, (ii) by electronic mail, provided that a copy is also delivered by another method of delivery approved hereunder, or (iii) by nationally recognized overnight courier service at the following address (or to such other address as Seller or Purchaser may designate from time to time pursuant to Section 17.1(c)):

If to Purchaser:

Playboy MB JV LLC
c/o Playboy Enterprises, Inc.
[***]

With a copy to:

[***]

With a copy to:

[***]
With a copy to:

Holland & Knight LLP
[***]

If to Seller:

Freehand Indian Creek LLC
c/o Queensgate Investments LLP
[***]

With a copy to:

Brown Rudnick LLP
[***]

With a copy to:

Fried, Frank, Harris, Shriver & Jacobson LLP
[***]

If to Escrow Agent:

Old Republic National Title Insurance Company
[***]

If to Title Company

Old Republic National Title Insurance Company
[***]

(b) Receipt of Notices. All Notices sent by Seller or Purchaser (or their respective counsel pursuant to Section 17.1(d)) under this Agreement shall be deemed to have been received by the Party to whom such Notice is sent upon (i) delivery to the mailing address or email address of the recipient Party, provided that such delivery is made prior to 5:00 p.m. (local time for the recipient Party) on a Business Day, otherwise the following Business Day, or (ii) the attempted delivery of such Notice if (A) such recipient Party refuses delivery of such Notice, or (B) such recipient Party is no longer at such address and such recipient Party failed to provide the sending Party with its current address pursuant to this Section 17.1(b).

(c) Change of Address. Seller and Purchaser and their respective counsel shall have the right to change their respective address and/or email address for the purposes of this Section 17.1 by providing a Notice of such change in address as required under this Section 17.1(c).

(d) Delivery by Party's Counsel. Seller and Purchaser agree that the attorney for such Party shall have the authority to deliver Notices on such Party's behalf to the other Party hereto.

Section 17.2 No Recordation. Neither this Agreement, nor any memorandum or other notice of this Agreement, shall be recorded in any public records prior to the Closing without Seller's and Purchaser's prior written consent, which consent may be withheld in such Party's sole discretion; provided that no consent shall be required if such recordation is incident to and required in order to pursue an action for specific performance permitted under this Agreement. It shall be deemed a material breach of this Agreement should Purchaser record this Agreement or any memorandum or other document referencing this Agreement in any official records or county clerk's office or other public records (the "**Official Records**") in violation of this Section 17.2. In addition to other remedies available to Seller pursuant to this Agreement, at law and in equity, in the event of such a breach, Purchaser shall immediately record a release of Agreement or memorandum in the Official Records. In the event Purchaser fails to file such release within three (3) Business Days following its receipt of notice from Seller to do so, then Seller shall have the right to file such release on behalf of Purchaser.

Section 17.3 Time is of the Essence. Time is of the essence of this Agreement; provided, however, that notwithstanding anything to the contrary in this Agreement, if the time period for the performance of any covenant or obligation, satisfaction of any condition or delivery of any notice or item required under this Agreement shall expire on a day other than a Business Day, such time period shall be extended automatically to the next Business Day.

Section 17.4 Assignment. Purchaser shall not assign this Agreement or any interest therein to any Person, without the prior written consent of Seller, which consent shall not be unreasonably withheld, conditioned or delayed; except that Purchaser may assign this Agreement without the prior written consent of Seller, upon written notice to Seller at least three (3) Business Days prior to Closing, to (i) any Affiliate of Purchaser, or (ii) any entity controlled by, or under common control with, one or more of Purchaser, Infinity Real Estate, Think Hospitality, Playboy, Inc. or their respective Affiliates (including any joint venture or fund formed among them); and provided, however, that Purchaser shall not be released from any of its liabilities and obligations under this Agreement by reason of such assignment.

Section 17.5 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of Seller and Purchaser, and their respective successors and permitted assigns pursuant to Section 17.4.

Section 17.6 Third-Party Beneficiaries. This Agreement shall not confer any rights or remedies on any Person other than the Parties and their respective successors and permitted assigns pursuant to Section 17.4.

Section 17.7 Governing Law; Jurisdiction. This Agreement shall be governed by the laws of the State of Florida, without giving effect to any principles regarding conflict of laws. Any action or proceeding brought by either Seller or Purchaser in connection with this Agreement or the transactions contemplated hereby shall be brought in Miami-Dade County, Florida.

Section 17.8 Rules of Construction. The following rules shall apply to the construction and interpretation of this Agreement:

(a) Singular words shall connote the plural as well as the singular, and plural words shall connote the singular as well as the plural, and the masculine shall include the feminine and the neuter.

(b) All references in this Agreement to particular articles, sections, subsections or clauses (whether in upper or lower case) are references to articles, sections, subsections or clauses of this Agreement. All references in this Agreement to particular exhibits or schedules (whether in upper or lower case) are references to the exhibits and schedules attached to this Agreement, unless otherwise expressly stated or clearly apparent from the context of such reference.

(c) Each of Seller or Purchaser and its counsel have reviewed and revised (or requested revisions of) this Agreement and have participated in the preparation of this Agreement, and therefore any usual rules of construction requiring that ambiguities are to be resolved against any Party shall not be applicable in the construction and interpretation of this Agreement or any exhibits hereto.

(d) The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms shall refer to this Agreement, and not solely to the provision in which such term is used.

(e) The terms "include," "including" and similar terms shall be construed as if followed by the phrase "without limitation."

(f) The term "sole discretion" with respect to any determination to be made a Party under this Agreement shall mean the sole and absolute discretion of such Party, without regard to any standard by which the determination of such Party must be made.

Section 17.9 Severability. If any term or provision of this Agreement is held to be or rendered invalid or unenforceable at any time in any jurisdiction, such term or provision shall not affect the validity or enforceability of any other terms or provisions of this Agreement, or the validity or enforceability of such affected terms or provisions at any other time or in any other jurisdiction.

Section 17.10 WAIVER OF TRIAL BY JURY. TO THE EXTENT PERMITTED BY APPLICABLE LAW FROM TIME TO TIME, SELLER AND PURCHASER HEREBY WAIVE THEIR RIGHT TO A TRIAL BY JURY IN ANY LITIGATION OR OTHER COURT PROCEEDING BY EITHER PARTY AGAINST THE OTHER PARTY WITH RESPECT TO ANY MATTER ARISING FROM OR IN CONNECTION WITH THIS AGREEMENT.

Section 17.11 Prevailing Party. If any litigation or other court action, arbitration or similar adjudicatory proceeding is sought, taken, instituted or brought by Seller or Purchaser to enforce its rights under this Agreement, all fees, costs and expenses, including, without limitation, reasonable attorneys' fees and court costs, of the substantially prevailing Party in such action, suit or proceeding shall be borne by the Party against whose interest the judgment or decision is rendered. This Section 17.11 shall survive the termination of this Agreement and the Closing.

Section 17.12 Recitals, Exhibits and Schedules. The recitals to this Agreement, and all exhibits and schedules referred to in this Agreement are incorporated herein by such reference and made a part of this Agreement. Any matter disclosed in any schedule to this Agreement shall be deemed to be incorporated in all other schedules to this Agreement.

Section 17.13 Entire Agreement. This Agreement sets forth the entire understanding and agreement of the Parties hereto, and shall supersede any other agreements and understandings (written or oral) between Seller and Purchaser on or prior to the date of this Agreement with respect to the transactions contemplated in this Agreement.

Section 17.14 Amendments to Agreement. No amendment, supplement or other modification to any terms of this Agreement, or termination of this Agreement (other than as expressly provided in this Agreement), shall be valid unless in writing and executed and delivered by Seller and Purchaser.

Section 17.15 Limitation on Liability. The obligations of the Parties under this Agreement and under all of the other documents executed in connection herewith are intended to be binding only on the property of such Party and shall not be personally binding upon, nor shall any resort be had to, the private properties of any Related Parties (as hereinafter defined). For purposes hereof, "**Related Parties**" means, respectively, each Party's Affiliates, investment advisors, the partners, trustees, beneficiaries, shareholders, members, managers, directors, officers, employees and agents and representatives of each of them, and their respective heirs, successors, personal representatives and assigns. This Section 17.15 shall survive the Closing or earlier termination of this Agreement.

Section 17.16 PDF.; Counterparts. Seller and Purchaser may deliver executed signature pages to this Agreement by pdf file to the other Party, which pdf file shall be deemed to be an original executed signature page. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which counterparts together shall constitute one agreement with the same effect as if the Parties had signed the same signature page.

Section 17.17 Merger. Except for the provisions of this Agreement which are explicitly stated to survive Closing, (a) none of the terms of this Agreement shall survive Closing, and (b) the delivery of the Purchase Price and the Closing Documents and the acceptance thereof shall effect a merger, and be deemed the full performance and discharge of every obligation on the part of Purchaser and Seller to be performed hereunder.

Section 17.18 Escrow Provisions.

(a) The Parties acknowledge that the Escrow Agent is acting solely as a stakeholder at their request and for their convenience and that the Escrow Agent shall not be deemed to be the agent of any of the parties. Escrow Agent shall not be liable to any party for any act or omission in connection with its duties hereunder except to the extent fully determined to have resulted from Escrow Agent's gross negligence or willful misconduct. Seller and Purchaser shall jointly and severally indemnify and hold the Escrow Agent harmless from and against all costs, claims and expenses, including attorneys' fees and disbursements, incurred in connection with the performance of the Escrow Agent's duties hereunder (except to the extent resulting from its breach of this Agreement or its gross negligence or willful misconduct).

(b) If at any time after the Effective Date this Agreement shall be amended by Purchaser and Seller in writing, it shall not be necessary for Escrow Agent to join in or execute such amendment, provided that no such amendment may specifically modify Escrow Agent's express obligations set forth in this Agreement. It is understood and agreed that an amendment to any time period or deadline set forth in this Agreement shall not be deemed an amendment to Escrow Agent's express obligations of this Agreement requiring Escrow Agent's acknowledgment. Copies of any amendment to this Agreement may be delivered by either party to Escrow Agent. Upon receipt of any such amendment, Escrow Agent shall observe and comply with the terms of any such amendment made in accordance herewith.

(c) The Escrow Agent has acknowledged its agreement to these provisions by signing this Agreement in the place indicated following the signatures of Seller and Purchaser.

(d) The Escrow Agent shall hold the Deposit in escrow in an interest-bearing bank account reasonably approved by Seller and Purchaser (the "**Deposit Escrow Account**") provided Seller or Purchaser provides to Escrow Agent a completed current W-9 form. Escrow Agent shall not be liable for any failure, refusal, insolvency, or inability of the depository into which the Deposit is deposited to pay the Deposit at Escrow Agent's direction, or for levies by taxing authorities based upon the taxpayer identification number used to establish this interest bearing account.

(e) The Escrow Agent shall hold the Deposit in escrow in the Deposit Escrow Account until the Closing or sooner termination of this Agreement and shall hold or apply such proceeds in accordance with the terms of this Agreement. At the Closing, the Deposit shall be paid by the Escrow Agent to, or at the direction of, Seller and credited against the Purchase Price. If for any reason the Closing does not occur and either party makes a written demand upon the Escrow Agent, with a copy of such notice to the other party, for payment of such amount, the Escrow Agent shall, within 24 hours give written notice to the other party of such demand. If the Escrow Agent does not receive a written objection from such other party within five (5) Business Days after the giving of such notice by the Escrow Agent, the Escrow Agent is hereby authorized to make such payment. If the Escrow Agent does receive such written objection within such five (5) Business Day period or if for any other reason the Escrow Agent in good faith shall elect not to make such payment, the Escrow Agent shall continue to hold such amount until otherwise directed by joint written instructions from the parties to this Agreement or a final judgment of a court of competent jurisdiction. However, Escrow Agent shall have the right at any time to deposit the Deposit with the clerk of the court of Miami-Dade County, Florida. The Escrow Agent shall give written notice of such deposit to Seller and Purchaser. Upon such deposit the Escrow Agent shall be relieved and discharged of all further obligations and responsibilities hereunder.

(f) For the purpose of complying with any information reporting requirements or other rules and regulations of the IRS that are or may become applicable as a result of or in connection with the transaction contemplated by this Agreement, including, but not limited to, any requirements set forth in proposed Income Tax Regulation Section 1.6045-4 and any final or successor version thereof (collectively, the "**IRS Reporting Requirements**"), Seller and Purchaser hereby designate and appoint the Escrow Agent to act as the "Reporting Person" (as that term is defined in the IRS Reporting Requirements) to be responsible for complying with any IRS Reporting Requirements. The Escrow Agent hereby acknowledges and accepts such designation and appointment and agrees to fully comply with any IRS Reporting Requirements that are or may become applicable as a result of or in connection with the transaction contemplated by this Agreement. Without limiting the responsibility and obligations of the Escrow Agent as the Reporting Person, Seller and Purchaser hereby agree to comply with any provisions of the IRS Reporting Requirements that are not identified therein as the responsibility of the Reporting Person, including, but not limited to, the requirement that Seller and Purchaser each retain an original counterpart of this Agreement for at least four years following the calendar year of the Closing.

Section 17.19 **Notice to Guests**. At Purchaser's written request, Seller shall send an announcement to all guests and customers at the Hotel as of the Closing and all Persons who have Bookings at the Hotel as of the Closing informing such Persons of the change in ownership of the Property and operation of the Hotel, in form and substance reasonably acceptable to the Parties. For the avoidance of doubt, if Purchaser does not provide such written request, then Seller shall not send any such announcement as contemplated in this Section 17.19.

Section 17.20 **Radon Gas Disclosure**. RADON GAS: Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county health department.

Section 17.21 **Tax Clearance**. Seller shall deliver to Purchaser the DOR Certificate of Compliance described in Section 8.7(b)(3), dated not more than fifteen (15) days prior to the Closing Date, confirming that Seller has no unpaid taxes within the meaning of Fla. Stat. § 213.725 (i.e., taxes administered by the DOR arising from the operation of the Hotel), or, in lieu thereof, Purchaser being entitled to withhold from the Purchase Price and deposit with Escrow Agent an amount sufficient to satisfy any such taxes, as required under Section 213.758, Florida Statutes. Any such escrowed amounts shall be held pursuant to a commercially reasonable escrow agreement to be executed by Purchaser, Seller and Escrow Agent at Closing, shall be used solely for payment of any such unpaid taxes for periods prior to the Closing Date, and upon payment thereof, any remaining amounts shall be released to Seller upon delivery of an updated DOR Certificate of Compliance or other written evidence that such taxes have been paid. This Section 17.21 shall survive the Closing.

Section 17.22 **Reports**. Purchaser shall, promptly upon receipt, deliver to Seller copies, as well as any subsequent updates or revisions, of (i) the Title Commitment, (ii) the Survey, and (iii) any updated Phase I environmental site assessment obtained by Purchaser. This Section 17.22 shall survive the termination of this Agreement.

Article XVIII DEFAULT

Section 18.1 **Default by Purchaser**. IF PURCHASER BREACHES OR OTHERWISE DEFAULTS UNDER THIS AGREEMENT OR OTHERWISE FAILS TO CONSUMMATE THIS AGREEMENT FOR ANY REASON OTHER THAN SELLER'S DEFAULT OR THE PERMITTED TERMINATION OF THIS AGREEMENT BY EITHER SELLER OR PURCHASER AS PROVIDED FOR IN THIS AGREEMENT, SELLER WILL BE ENTITLED, AS ITS SOLE REMEDY, TO TERMINATE THIS AGREEMENT AND RECEIVE THE DEPOSIT AS LIQUIDATED DAMAGES FOR THE BREACH OF THIS AGREEMENT. IT IS AGREED BETWEEN SELLER AND PURCHASER THAT THE ACTUAL DAMAGES TO SELLER IN THE EVENT OF SUCH BREACH ARE IMPRACTICAL TO ASCERTAIN, AND THE AMOUNT OF THE DEPOSIT IS A REASONABLE ESTIMATE THEREOF. NOTWITHSTANDING THE FOREGOING, SELLER SHALL RETAIN ALL ITS RIGHTS PURSUANT TO THIS AGREEMENT, AT LAW, AND/OR IN EQUITY, AND NOTHING CONTAINED IN THIS SECTION 0, WILL LIMIT (I) THE LIABILITY OF PURCHASER UNDER (A) ANY INDEMNITY PROVIDED BY PURCHASER UNDER THIS AGREEMENT, (B) ANY OF THE DOCUMENTS AND INSTRUMENTS EXECUTED AND DELIVERED TO SELLER PURSUANT TO THE TERMS AND CONDITIONS OF THIS AGREEMENT, OR (C) ANY ACTIONS COMMENCED AFTER CLOSING WITH RESPECT TO ANY OBLIGATION OR REPRESENTATION OF EITHER SELLER OR PURCHASER, WHICH BY THE TERMS OF THIS AGREEMENT SURVIVES CLOSING, INCLUDING BUT NOT LIMITED TO, PROVISIONS REGARDING CONFIDENTIALITY AND PAYMENT OF BROKERAGE FEES; OR (II) SELLER'S RIGHT TO PURSUE ANY AND ALL REMEDIES AVAILABLE AT LAW OR IN EQUITY IN THE EVENT THAT FOLLOWING TERMINATION OF THIS AGREEMENT, PURCHASER OR ANY PARTY RELATED TO OR AFFILIATED WITH PURCHASER ASSERTS ANY CLAIMS OR RIGHT TO THE PROPERTY THAT WOULD OTHERWISE DELAY OR PREVENT SELLER FROM HAVING CLEAR, INDEFEASIBLE AND MARKETABLE TITLE TO THE PROPERTY.

Section 18.2 **Default by Seller**. In the event Seller shall refuse or fail to convey the Property as herein provided for any reason other than (i) a breach or default by Purchaser under this Agreement, or (ii) any other provision of this Agreement which permits Seller to terminate this Agreement or otherwise relieves Seller of the obligation to convey the Property, then Purchaser's sole remedies will be either to: (a) terminate this Agreement and receive a refund of the Deposit, together with reimbursement by Seller of Purchaser's documented out-of-pocket costs incurred in connection with this Agreement, not to exceed $150,000, in the aggregate, or (b) commence, within thirty (30) days of the date Closing was to have occurred, and diligently prosecute an action in the nature of specific performance; provided that if specific performance is unavailable due to Seller's intentional act (including conveyance of the Property to a third party), Purchaser may pursue damages, which shall be limited to the sum of (x) the positive difference, if any, between the Purchase Price and any higher purchase price paid by such third-party purchaser, and (y) Purchaser's documented out-of-pocket costs incurred in connection with this Agreement not to exceed $150,000, in the aggregate. If Purchaser properly terminates this Agreement under clause (a) above in this Section 18.2, thereafter neither Party shall have any rights or obligations under this Agreement, other than obligations that expressly survive the termination of this Agreement. Except as set forth above, Purchaser shall not have available to it an action at law for damages, and Purchaser agrees not to file a lis pendens or other similar notice against the Property, except in the event that Purchaser files a claim against Seller for specific performance under this Agreement. Notwithstanding anything herein to the contrary, if Seller properly terminates this Agreement pursuant to a right given to it hereunder and Purchaser, without a good faith basis, takes any action which interferes with Seller's ability to sell, exchange, transfer, lease, dispose of, or finance the Property (including, without limitation, the filing of any lis pendens or other form of attachment against the Property other than in connection with an action for specific performance permitted hereunder), then Purchaser shall be liable for all actual losses, costs, damages, liabilities, or expenses (including, without limitation, reasonable attorneys' fees, court costs, and disbursements, but excluding consequential damages) incurred by Seller by reason of such action.

Article XIX

[Remainder of page intentionally left blank;
Signatures on following pages]

IN WITNESS WHEREOF, Seller and Purchaser each have caused this Agreement to be executed as of the Effective Date.

SELLER:

FREEHAND INDIAN CREEK LLC, f/k/a Sydell Indian Creek LLC,
a Delaware limited liability company

By: */s/ Jueane Thiessen*
Name: Jueane Thiessen
Title: Treasurer

PURCHASER:

PLAYBOY MB JV LLC,
a Delaware limited liability company

By: */s/ Bernhard L. Kohn III*
Name: Bernhard L. Kohn III
Title: Chief Executive Officer & President

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Ben Kohn, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Playboy, 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: November 5, 2026

By: */s/ Ben Kohn*
Ben Kohn
Chief Executive Officer and President
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Marc Crossman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Playboy, 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: November 5, 2026

By: */s/ Marc Crossman*
Marc Crossman
Chief Financial Officer and Chief Operating Officer
(Principal Financial Officer & Principal Accounting Officer)

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

PURSUANT TO 18 U.S.C. SECTION 1350

AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Playboy, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2026, as filed with the Securities and Exchange Commission (the "Report"), Ben Kohn, Chief Executive Officer and President of the Company, certifies, to the best of his knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the Report.

Date: November 5, 2026

By: */s/ Ben Kohn*
Ben Kohn
Chief Executive Officer and President
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

PURSUANT TO 18 U.S.C. SECTION 1350

AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Playboy, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2026, as filed with the Securities and Exchange Commission (the "Report"), Marc Crossman, Chief Financial Officer and Chief Operating Officer of the Company, certifies, to the best of his knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the Report.

Date: November 5, 2026

By: */s/ Marc Crossman*
Marc Crossman
Chief Financial Officer and Chief Operating Officer
(Principal Financial Officer & Principal Accounting Officer)