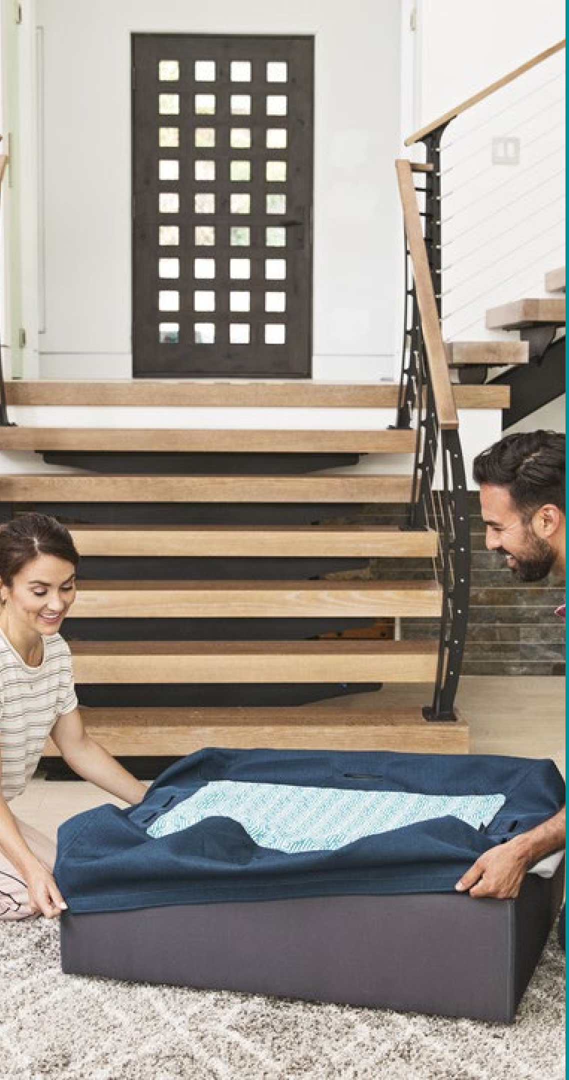

LOVESAC®

Designed for Life™ Furniture Co.

Investor Presentation
September 2021

Safe Harbor Statement

LOVESAC

This presentation by The Lovesac Company (the "Company," "we," "us," and "our") includes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All forward-looking statements are subject to a number of risks, uncertainties and assumptions, and you should not rely upon forward-looking statements as predictions of future events. You can identify forward-looking statements by words such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "would," "will," "target," "contemplates," "continue" or the negative of those words or other similar terms or expressions that concern our expectations, strategy, plans, or intentions. These statements are based on management's current expectations and/or beliefs and assumptions about future events and trends that management considers reasonable, which assumptions may or may not prove correct. We may not actually achieve the plans, carry out the intentions or meet the expectations disclosed in the forward-looking statements and you should not place undue reliance on these forward-looking statements. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements. Actual results and performance could differ materially from those projected in the forward-looking statements as a result of many factors. Some of the key factors that could cause actual results to differ materially from those expressed or implied in the forward-looking statements include, but are not limited to, the effect and consequences of COVID-19 on our business, sales, results of operations and financial condition; changes in consumer spending and shopping preferences, and economic conditions; our ability to achieve or sustain profitability; our ability to manage and sustain our growth effectively, including our ecommerce business, forecast our operating results, and manage inventory levels; our ability to advance, implement or achieve our sustainability, growth and profitability goals through leveraging our Designed for Life philosophy or Circle to Consumer business model; our ability to realize the expected benefits of investments in our supply chain and infrastructure; disruption in our supply chain and dependence on foreign manufacturing and imports for our products; our ability to acquire new customers and engage existing customers; reputational risk associated with increased use of social media; our ability to attract, develop and retain highly skilled associates; system interruption or failures in our technology infrastructure needed to service our customers, process transactions and fulfill orders; implementing and maintaining effective internal control over financial reporting; unauthorized disclosure of sensitive or confidential information through breach of our computer system; the ability of third-party providers to continue uninterrupted service; the impact of tariffs, and the countermeasures and tariff mitigation initiatives; the regulatory environment in which we operate, our ability to maintain, grow and enforce our brand and intellectual property rights and avoid infringement or violation of the intellectual property rights of others; our ability to improve our products and develop and launch new products; our ability to successfully open and operate new showrooms; and our ability to compete and succeed in a highly competitive and evolving industry, as well as those risks and uncertainties disclosed under the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission ("SEC"), and similar disclosures in subsequent reports filed with the SEC, which are available on our investor relations website at investor.lovesac.com and on the SEC website at www.sec.gov. The forward-looking statements made in this presentation relate only to events as of the date on which the statements are made. We undertake no obligations to update any forward-looking statements made in this presentation to reflect events or circumstances after the date of this presentation or to reflect new information or the occurrence of unanticipated events, except as required by law.

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Use of Non-GAAP Information

This presentation includes certain non-GAAP financial measures that are supplemental measures of financial performance not required by, or presented in accordance with, GAAP, including Adjusted EBITDA. We define "Adjusted EBITDA" as earnings before interest, taxes, depreciation and amortization, adjusted for the impact of certain non-cash and other items that we do not consider in our evaluation of ongoing operating performance. These items include management fees, equity-based compensation expense, write-offs of property and equipment, deferred rent, financing expenses and certain other charges and gains that we do not believe reflect our underlying business performance. We have reconciled this non-GAAP financial measure with the most directly comparable GAAP financial on slides 38 and 39.

We have also presented herein certain forward-looking statements about the Company's future financial performance that include non-GAAP (or "as-adjusted") financial measures, including Adjusted EBITDA. This non–GAAP financial measure is derived by excluding certain amounts, expenses or income, from the corresponding financial measures determined in accordance with GAAP. The determination of the amounts that are excluded from this non-GAAP financial measure is a matter of management judgment and depends upon, among other factors, the nature of the underlying expense or income amounts recognized in a given period. We are unable to present a quantitative reconciliation of the aforementioned forward-looking non-GAAP financial measure to its most directly comparable forward-looking GAAP financial measures because management cannot reliably predict all of the necessary components of such GAAP measures, which could be significant in amount.

We believe that these non-GAAP financial measures not only provide its management with comparable financial data for internal financial analysis but also provide meaningful supplemental information to investors. However, other companies in our industry may calculate these items differently than we do. These non-GAAP measures should not be considered as a substitute for the most directly comparable financial measures prepared in accordance with GAAP, such as net income (loss) or net income (loss) per share as a measure of financial performance, cash flows from operating activities as a measure of liquidity, or any other performance measure derived in accordance with GAAP.

LOVE's Unique Product Philosophy: Designed For Life

LOVESAC

Changeable

Maintainable

Moveable

Rearrangeable

Upgradable

Waste-less

We intend to become one of *the* biggest, *the* most innovative, and *the* most beloved furniture brands in the world.

LOVESAC's Management Team

LOVESAC

Shawn Nelson
Founder & CEO
20+ Years at Lovesac

Jack Krause
President & COO
5+ Years at Lovesac

Donna Dellomo
EVP & CFO
4+ Years at Lovesac

LOVESAC

VITAMIN WORLD
FOSSIL GROUP
sunglass hut
Bath & Body Works

CYBEX
PERFUMANIA

Lovesac at a Glance

SACTIONALS®
The World's Most Adaptable Couch.™

FY2021 Key Financial Metrics

NET SALES
$320.7 million
(84.5% of Net Sales = Sactionals)

NET SALES GROWTH
37.4%

GROSS PROFIT
$174.8 million

GROSS MARGIN
54.5%

ADJ. EBITDA[1]
$28.3 million

BALANCE SHEET
$78.3 million cash and cash equivalents

GEOGRAPHIC PRESENCE
123 Branded Showrooms in 38 states in U.S.[2]

CUSTOMER LTV[3]
$2,044

CUSTOMER ACQUISITION COST
$435

NEW CUSTOMERS[4]
105K in FY2021

REPEAT CUSTOMERS
37.5% of Transactions

[1] Adjusted EBITDA is a non-GAAP measure. Adjusted EBITDA Reconciliation can be found on page 39.
[2] Represents Showroom metrics as of Q2 FY 2022.
[3] Represents year one average value for FY 2021 new cohort (actual purchases, not projected).
[4] Represents new customers as of FY 2021.

Key Business Highlights

LOVESAC

Mid-luxury positioning target customer is 25 to 45 year-old “young parent want-it-alls” with our key customer between ages of 35 to 39 years old

Attractive financial profile with 54.5% gross margin for FY2021 and **57.6% for Q2 FY2022**

As of August 1, 2021, strong liquidity including **$68.5 million in net cash** and cash equivalents and **$22.5 million of availability on our line of credit**

Disruptive home furniture lifestyle retail/DTC brand with heritage of innovation across growing product portfolio and **45 issued patents**[1]

Proven **omni-channel advantage** with strong ecommerce performance, highly productive showrooms, expanding marketing ROIs and strong channel partnerships

Focus on sustainability, having **repurposed** more than **100 million plastic water bottles**

[1] As of January 31, 2021.

“Designed For Life” Driven By Sustainable Inputs

LOVESAC

Sactionals Use Upholstery Fabric made from **100% Repurposed Plastic Bottles**

82
Plastic Bottles

REPREVE 82

82 Plastic Bottles go into a standard Sactionals Seat

+

31
Plastic Bottles

REPREVE 31

31 Plastic Bottles go into a standard Sactionals Side

→

966
Plastic Bottles

REPREVE 966

966 Plastic Bottles go into a standard Sactionals Pit Configuration

↓

From May 2018 to April 2021, Lovesac repurposed more than **100 million plastic water bottles** to make Sactionals

LOVESAC

E

0 waste, 0 emissions by 2040

We're committed to achieving a 100% circular and sustainable business model by 2040. We currently use **100% recycled cardboard for our packaging**. Guided by our DFL philosophy, we improved our sourcing to make the base liner fabric of every **Sac and Sactional insert from 100% repurposed plastic bottles.**

S

Diversity, Equity & Inclusion

- **DEI Steering Committee:** Sets DEI direction and reports to Board biannually
- **DEI Action Council:** Informs and monitors DEI progress across the company

G

Board of Directors[1]

Diversity

2 of 7 female and
1 ethnically diverse

2 females hold board leadership positions as Committee Chairs

Independence

5 of 7 independent director nominees

All 3 Board committees are independent

Mix of Ages

40 – 49	3
50 – 59	2
60 +	2

Average Age: 52

[1] As of April 26, 2021.

1st ESG Report

Lovesac will publish its first ESG report in FY2022 covering the strategies, activities, progress, metrics.

SASB

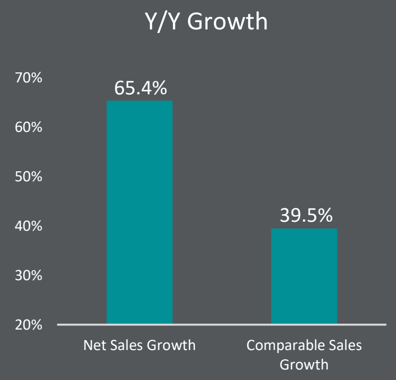
The report aligns with the Sustainability Accounting Standards Board's (SASB) Building Products & Furnishings sector standard.

Formalizing ESG

Lovesac is collaborating with FrameworkESG to establish a 3-year ESG strategy and hired an experienced ESG Manager internally.

Recent Developments

FY 2022 Q2 Financial Update



- **Showroom** net sales increased **387.1%**
- Internet channel net sales decreased 36.0% due to channel shift back to showrooms
- “Other” channel net sales increased 243.4%

- 7.5% improvement in gross margin
- 468% increase in adjusted EBITDA[1] to $12.4M
- $68.5M in cash at end of quarter

Margins increased due to reduction in promotional discounts, **higher overall Sactional product category** and premium covers mix impact. Distribution expenses including warehousing, freight and tariff related expenses also leveraged.

Outlook

FY2022 Q3 GUIDANCE

- Expect net sales growth of approximately 50%
- Negative adjusted EBITDA[1] dollars compared to the positive adjusted EBITDA[1] in the same quarter last year
- Negative adjusted EBITDA[1] dollars driven by expected lower gross margin of approximately 530 bps as compared to prior year due to increasing supply chain headwinds and the efforts being placed on strategic expense reinstatements and infrastructure investments that were put on hold in FY21 as part of COVID-19 financial resilience measures

FY2022 GUIDANCE

- Targeting strong net sales growth in a scenario where growth is in the mid 40% range, ~28 new showrooms planned
- Reinstate expenses previously reduced in FY2021 due to COVID-19
- Infrastructure investments to support substantial multiyear growth opportunity
- Adjusted EBITDA[1] margin in the 6% -7% range.
- Y/Y adjusted EBITDA[1] margin is expected to decline driven by expected lower gross margin of approximately 150 bps due to intensifying freight headwinds, higher expenses and investment dynamics
- Healthy cash and cash equivalent position with projected CapEx of $17-18M

[1] Adjusted EBITDA is a non-GAAP measure. Adjusted EBITDA Reconciliation can be found on page 38.

FY 2022 Q3 Operations Update

LOVESAC

Channel Partners

Testing two new channels in 2H by opening up to 10 branded kiosks and launching mobile concierge (showroom on a truck) pilot in as we continue to test touchpoints and expand our real-world exposure.

BEST BUY

Best Buy shop-in-shop expansion plans to open ~15 new units for 2H of this year and early next year, with intentions to open additional units as metrics continue on a favorable trajectory.

COSTCO WHOLESALE

Strong performance from our continued Costco online pop-up-shop business. Have plans to expand presence digitally and are exploring new potential physical touchpoints for the future.

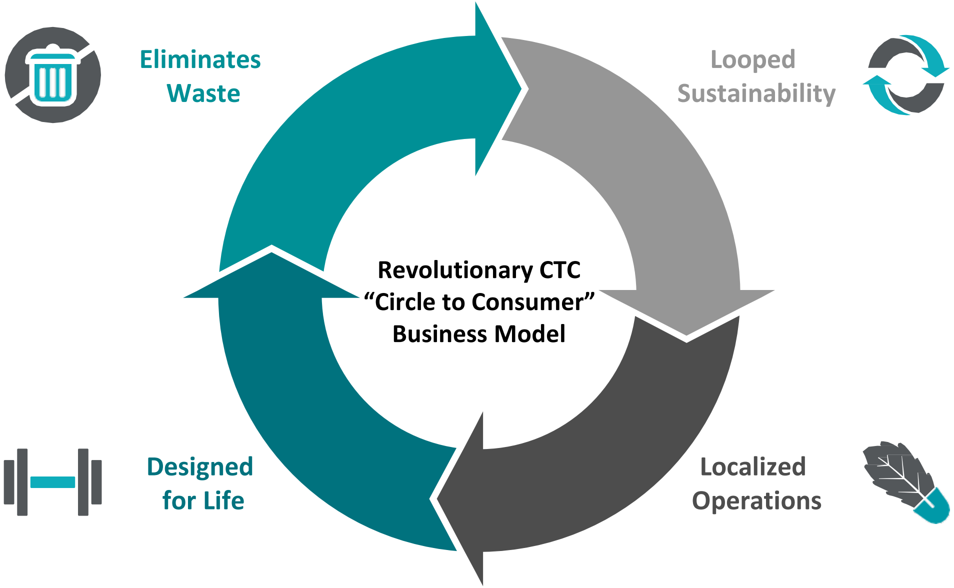
“Designed for Life” Platform

Evolution of Lovesac into a Circular Economy Business

LOVESAC

Commitment to Sustainability

Modular products **built to last a lifetime and evolve** with customers' lifestyles



We are pioneering the shift from DTC Business Models to CTC (Circle to Consumer)

Circle to Customer

Delivers **high-value products** to consumers, leveraging high-touch to promote **long-term relationships** between manufacturers, brands, and owners

Implementation of Circle To Consumer

LOVESAC

CTC Framework | **Targeting** | Long-term | Localized | Looped | **Operations**

Long-term Sustainable Growth

Higher Customer Lifetime Value

New Revenue Streams & Ecosystem Development

Operational Efficiencies

Next Steps

By The End of FY2023 Q1

Product Lifecycle Management (PLM) &
identify opportunities for operational efficiencies

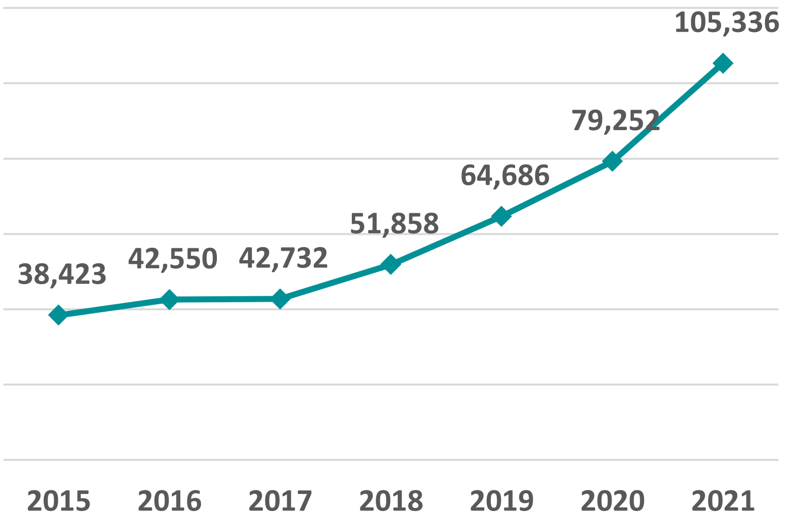
By The End of FY2023 Q2

Develop CTC principles & set goals for
implementation strategy in FY2023

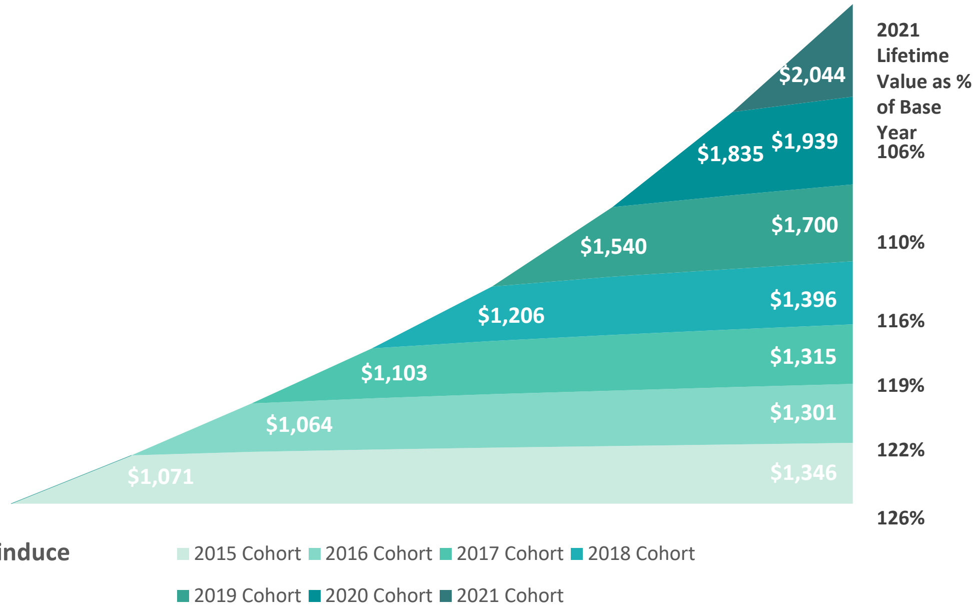
Strong Customer Lifetime Value

LOVESAC

New Customer Count



Lifetime Value of Customers



- **84.5%** of revenues now driven by Sactionals sales, which are priced higher and **induce repeat and supplemental purchases**
- Sactionals are modular, customizable, interchangeable and machine washable
- New technologies & additions are reverse-compatible
- This **extends duration** and allows for **evolution** through owner's life

Source: Company Internal Transactional data through 1/31/2021.
Note: Represents all customers (positive sales only), excluding business development and Costco; represents fiscal year ends

Sactionals Overview

LOVESAC

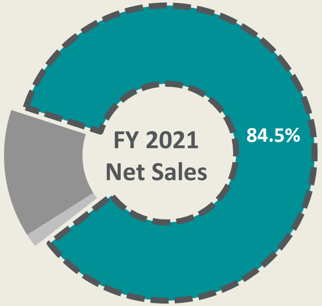
Next-gen premium modular couch with **two simple pieces – seats and sides**

Patented modular system makes it easy to assemble & change over time

Enables endless **permutations of a sectional couch**

Over **200** customizable, machine washable removable **covers that fit like upholstery**

Designed for Life: Built to last a lifetime, designed to evolve



Sactionals is a Platform, Not a Product

LOVESAC

Comfort

Drink Holder

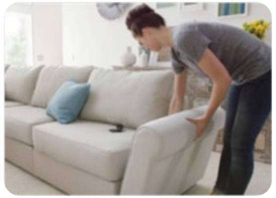
Seat Table

Footsac Blanket

Coaster & Couch Bowl

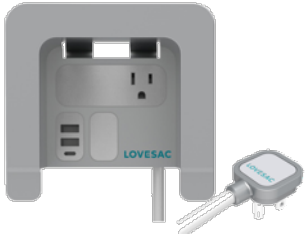
Decor

Custom Covers & Dec Pillows



Roll Arm

Function/Upgrade



Power Hub

Guest Rest Bedding Kit

Platform Extension

Outdoor Sactionals

37.5% of Lovesac transactions are from repeat customers[1]

[1] % Transactions that are repeat is calculated by dividing transactions from existing customers over total transactions for FY2021. We based this on our internal data relating to customers purchasing in fiscal 2021.

Beautiful, Changeable, Washable & Comfortable

LOVESAC

- 29 quick-ship covers constitute more than 93% of all covers sales[1]
- Approximately 200 custom covers offer broad choice with lean inventory

- Fabrics manufactured for wash
- Fabrics engineered & tested for durability
- Changeable covers

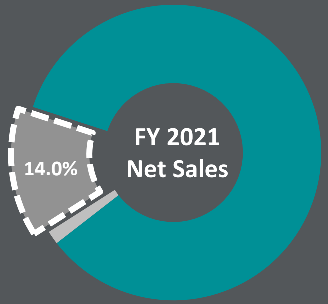
- Hardwood frames + sinuous springs enable proper sit
- 3 cushion-types: standard, down-fill, & down-alternative
- "Total Comfort"

[1] Quick ship sectional covers demand sales as a % to total sectional cover as of YTD Q2 FY2022

Sacs Overview

LOVESAC

- Category leader in oversized beanbags
- Product line offers **6 different sizes ranging from 22lbs to 95lbs**
- Capacity to seat 3+ people on the larger model Sacs



- Durafoam™ filling
- Sacs shrink to **1/8 original volume for shipping**
- Multiple shapes, sizes with washable, changeable covers

Our Innovative Product Portfolio Continues to Expand

LOVESAC

Sacs

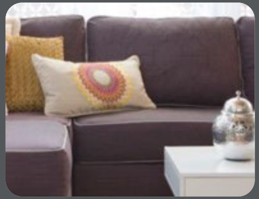
Sactionals

Accessories

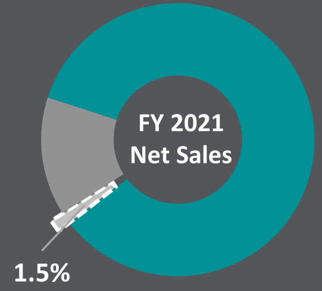
Footsac Blanket

Drink Holder

Seat Table



Custom Covers & Dec Pillows



Disruptive Model

Disrupting a Stale Category

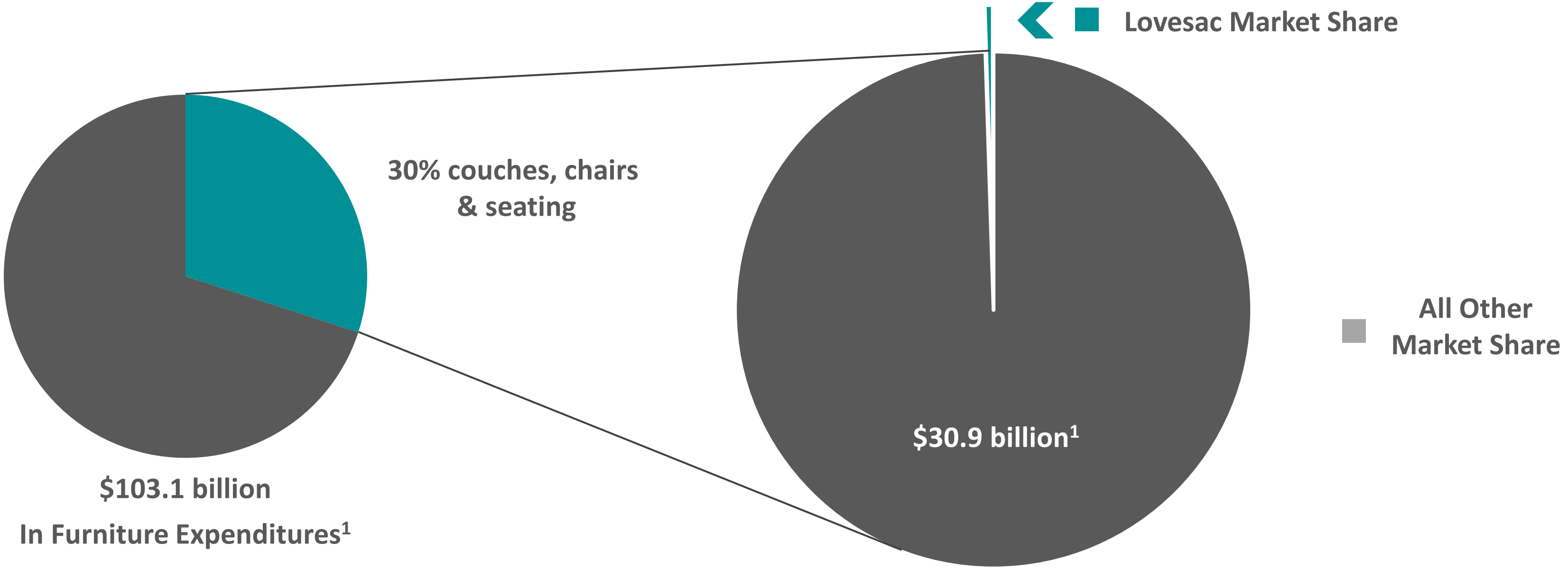
LOVESAC

Traditional Model	LOVESAC
Long lead time, inventory & personnel heavy delivery	**Direct** to consumer with ability to ship next day
Low excitement and **mundane** products	**Patented**, inventive, Designed For Life products
Non-engaged commodity shoppers	**Highly engaged** brand advocates
Numerous, unproductive, **large stores**	Limited, productive, **small showrooms**
Broad merchandising & seasonal **assortments**	Focused product categories, product **platforms**

Massive, Untapped Addressable Market

LOVESAC

Furniture spend in the US totals over $100 billion, of which 30% is comprised of couches, chairs & seating. Lovesac captures a small portion of this $30+ billion, representing a greenfield opportunity in the space.

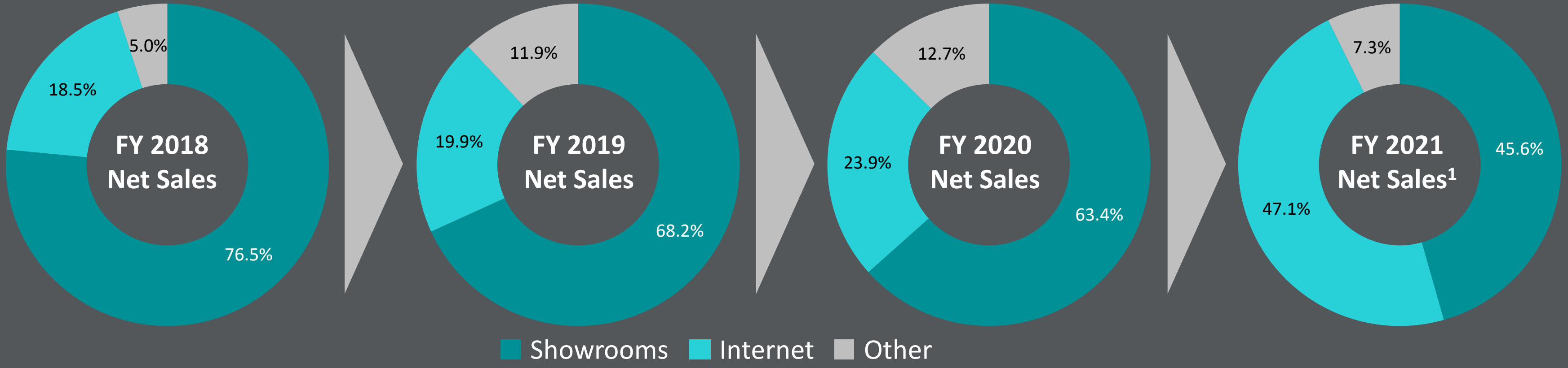


Source: Mintel Group Ltd: Furniture Retailing, US, July 2016.
Source: Home Furnishing Stores and Digital Commerce, eMarketer, US, February 2018.
[1] Expenditures in 2015.

Balanced Omni-Channel Strategy

LOVESAC

Diversifying Channel Mix



Showrooms	Internet	Other
• Small-footprint retail locations in high-end malls create an environment where consumers can see, touch, and understand the products	• eCommerce channel drives deeper brand engagement and loyalty	• Pop-up shops provide lower cost retail footprint that enables the Company to extend brand reach • Expanded the use of shop-in-shops into Best Buy and online at Best Buy.com • Hosted 5 temporary online pop-ups on Costco.com in FY2021

[1] Significant channel mix shift a result of an increase in Internet sales and decrease in Showroom sales due to the impact of showroom closures related to COVID-19.

Immersive Experience

LOVESAC

See It

Social Media

Advertising

Touch It

Showrooms / Shop-in-shops

Friend / Neighbor

Buy It

Lovesac.com / online pop-ups / BestBuy.com

Showrooms / Shop-in-shops

Physical retail locations and other direct marketing efforts drive conversion

Return on Advertising Spend is High and Ready to Grow

LOVESAC

Additional Showrooms

New Product Innovation

More Shop-in-Shop Partners

(Eventual) International Expansion

Our investments in national advertising are increasingly amplified by the above Initiatives, driving ROI's up

Awareness* Marketing

National TV and Digital Marketing

Focused on major buying holidays; driving positive ROI's across both showroom and non-showroom markets. FY2021 CLV:CAC ratio of 4.7X

Conversion Marketing

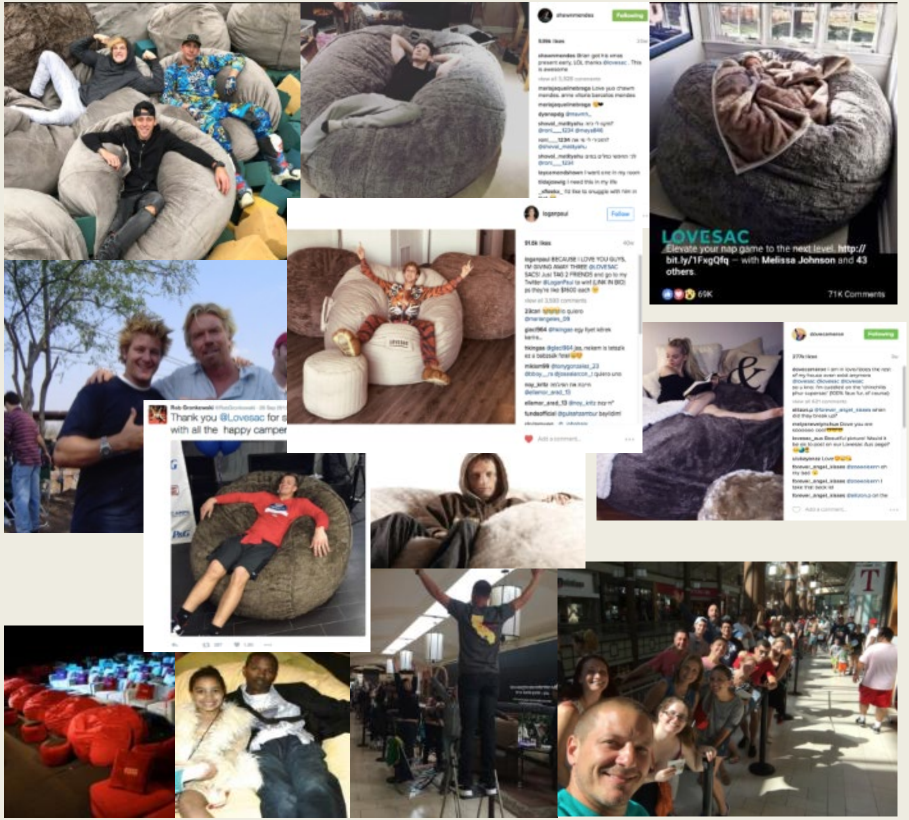
Social and Search

Focused on tent pole events to drive awareness or capitalize on heightened demand due to TV campaign, with room to continue to scale ROI + spend in FY2022

* Awareness unaided is currently < 2% nationally

Large and Growing Social Media Presence

LOVESAC



Social Engagement Metrics FY2021

facebook	853K followers
Instagram	480K followers
YouTube	42M+ views in 24 hours & 202M views in total

- Unsolicited celebrity endorsements and promotion
- Lovesac's founder has a strong online following

Customer-Focused Infrastructure

Superior Showroom Strategy & Productivity

LOVESAC

19	2	28
New showrooms and closed 2 showrooms in FY2021	Full showroom remodels completed in FY2021	Planned new showrooms in FY2022, opened 15 in Q2 YTD

Lovesac Showroom Features

- Turns product inside-out to reveal technology
- Low merchandising, aesthetic, seasonality and inventory risk
- FY20 showroom sales per square foot of $2,082. Due to COVID-19 driven temporary closures, FY2021 showroom sales per square foot was $1,676

Economics of Showroom Model

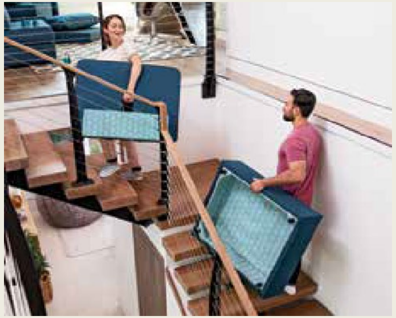
- Target net sales of $1.4 to $1.5 million in the first year
- Net investments including floor model inventory, capital expenditures and preopening expenses totals $365K
- Average payback of < 2 years*

* Payback period defined as, for given showroom, starting with the first day it is open, the date on which cumulative four wall Adjusted EBITDA before start up expense for the showroom equals total net investment cost for that showroom.

Superior Customer Experience: In Showrooms & Online

Easy to Purchase

- Mobile & Lovesac App purchases are easy
- In-showroom checkout via iPad technology—never leave the couch
- 30.4% of sales through in-house financing facilitated by a leading third party consumer financing company[1]



Easy to Ship

- Can be delivered within 2 days using standard delivery carriers
- Enables deep stock positions in few core SKUs
- Broad assortment enabled by made-to-order custom covers
- Stock products made overseas; custom covers made in USA

Satisfies the "instant gratification" expectations of today's consumer

[1] Represents % of only Showroom and Web Point of Sales Transactions as of the fiscal year ended January 31, 2021.

Infrastructure: Built For Scale & Efficiency

LOVESAC

Showroom Technology	Large format motion screens and interactive touchpads to enhance CX
Data Warehouse & CRM	Scalable foundation for ERP and CRM
Logistics Optimization	Concentrated inventory without shelf-life, at high carry to facilitate growth and flex
Supply Chain	Easily scalable with existing diverse suppliers, and to other countries, due to uniformity and flexibility of the 2 core SKUs
Shipping	One of the most advantaged shipping solutions for mid-high-end upholstery in the market; Fast & Free, or paid white glove delivery set-up available

Strategic Priorities

Our Fiscal 2022 Strategic Priorities

LOVESAC

Product

- One major product launch
- Two key platform innovations
- Drive appeal to new & repeat business
- Aggressive supply chain diversification

Marketing

- Drive growth spending ~12-14% of net sales on marketing annually
- Test & learn to drive efficiency & volume
- New TV creative
- Two key collabs with celebs & aspirational brands
- Expand influencer & social media reach

Omni-channel Distribution

- Approximately 28 new showrooms in FY2022
- Expanded partnership with Best Buy
- Pilot mobile concierge and kiosk touchpoints
- Lay groundwork for multiple distribution channels

Supply Chain/ Infrastructure

- Leverage diversified supply chain and resulting strong in-stock positions
- Continue to scale new Northeast DC operations
- Implement new customer relationship management software
- Leverage warehouse management software for efficiency

Sustainability

- Designed For Life ethos & strategy
- Intend to pioneer Circle to Consumer business model
- Tout leadership in plastic recycling on the new site, et al
- Continued evolution of supply chain

Summary

- **Large Addressable Market:** Significant opportunity to disrupt a huge, and transitioning home furnishing market
- **Increasing Marketing Effectiveness:** Still low brand awareness + strong marketing ROIs = Leaning into traditional, digital and social marketing strategies
- **Disruptive Omni-channel Approach:** Multi-channel distribution through e-commerce, showrooms, shop-in-shops, pop-up shops and temporary online pop-ups which expands brand reach and drives customer engagement. Will leverage learnings generated in COVID-19 driven closed-showroom environment.
- **Growing Product Relevancy and Innovation:** Brand and portfolio of products increasingly relevant in current environment; new product introductions centered around innovation
- **Expanding Portfolio of Unique, Sustainable, Patent Differentiated Product**: Products are shippable, durable, washable and easily changeable with a focus on sustainability, given our Designed For Life philosophy, and differentiated by patents

Financials

Q2 and Q2 YTD FY22 Results

LOVESAC

Key Measures for the Second Quarter and First Half of Fiscal 2022 Ending August 1, 2021:
(Dollars in millions, except per share amounts)

	Quarter Ended August 1, 2021	Quarter Ended August 2, 2020	% Inc (Dec)	First Half Ended August 1, 2021	First Half Ended August 2, 2020	% Inc (Dec)
Net Sales	$102.4	$61.9	65.4%	$185.4	$116.3	59.4%
Gross Profit	$59.0	$31.1	90.1%	$105.1	$58.3	80.2%
Gross Margin	*57.6%*	*50.1%*	*749 bps*	*56.7%*	*50.2%*	*655 bps*
Total Operating Expense	$50.0	$32.1	55.9%	$93.8	$67.8	38.5%
SG&A	$35.4	$23.4	51.3%	$66.1	$49.2	34.3%
SG&A as % of Net Sales	*34.5%*	*37.7%*	*(321) bps*	*35.7%*	*42.3%*	*(665) bps*
Advertising & Marketing	$13.0	$7.2	81.9%	$23.7	$15.4	54.4%
Advertising & Marketing as % of Net Sales	*12.7%*	*11.6%*	*116 bps*	*12.8%*	*13.2%*	*(41) bps*
Basic EPS Income (Loss)	$0.56	$(0.08)	834.0%	$0.70	$(0.65)	207.5%
Diluted EPS Income (Loss)	$0.52	$(0.08)	788.2%	$0.66	$(0.65)	200.8%
Net Income (Loss)	$8.4	$(1.1)	863.2%	$10.5	$(9.5)	211.1%
Adjusted EBITDA[1]	$12.4	$2.2	467.5%	$17.7	$(3.5)	604.4%
Net Cash Provided by Operating Activities	$10.4	$12.6	(17.6%)	$0.8	$12.1	(93.6%)

[1] Adjusted EBITDA is a non-GAAP measure. See “Non-GAAP Information” and “Reconciliation of Non-GAAP Financial Measures” included on slides 38 and 39.

Q2 and Q2 YTD FY22 Comparable Sales Metrics

LOVESAC

Percent Increase (Decrease) except showroom count				
	Quarter Ended August 1, 2021	Quarter Ended August 2, 2020	First Half Ended August 1, 2021	First Half Ended August 2, 2020
Total Comparable Sales (2)(3)	39.5%	72.4%	43.5%	62.1%
Comparable Showroom Sales (3)	290.9%	(45.3%)	235.3%	(39.0%)
Internet Sales	(36.0%)	387.2%	(28.2%)	325.0%
Ending Showroom Count	123	97	123	97

[2] Total comparable sales include showroom transactions through the point of sale and internet net sales.
[3] Comparable showroom sales reflect transactions through the point of sale and not necessarily product that has shipped to the customer. Product that has shipped to the customer is included in Net Sales. Showrooms were closed as required by local and state laws as a result of the COVID-19 pandemic effective March 18, 2020. As of the end of the fourth quarter of fiscal 2021, all showrooms had fully reopened to the walk-in phase, and remain open. We are abiding by federal, state and local guidelines with respect to the operating status of our showrooms.

Q2 and Q2 YTD FY22 Adjusted EBITDA Non-GAAP Reconciliation

LOVESAC

THE LOVESAC COMPANY
RECONCILATION OF NON-GAAP FINANCIAL MEASURES
(unaudited)

	Thirteen weeks ended		Twenty-six weeks ended	
(dollars in thousands)	**August 1, 2021**	**August 2, 2020**	**August 1, 2021**	**August 2, 2020**
Net income (loss)	$ 8,447	$ (1,107)	$ 10,508	$ (9,455)
Interest expense (income), net	45	35	90	(22)
Taxes	515	34	668	59
Depreciation and amortization	1,603	1,544	4,022	3,180
EBITDA	10,610	506	15,288	(6,238)
Management fees (a)	-	125	-	250
Deferred rent (b)	-	872	-	856
Equity-based compensation (c)	1,239	677	1,893	1,575
Loss on disposal of property and equipment (d)	-	5	-	5
Impairment of right of use lease asset (e)	554	-	554	-
Other non-recurring expenses (f)(g)	-	-	-	36
Adjusted EBITDA	$ 12,403	$ 2,185	$ 17,735	$ (3,516)

(a) Represents management fees and expenses charged by our equity sponsors.

(b) Represents the difference between rent expense recorded and the amount paid by the Company. In accordance with generally accepted accounting principles, the Company records monthly rent expense equal to the total of the payments due over the lease term, divided by the number of months of the lease terms. The Company adopted ASC 842 at the beginning of fiscal 2022 therefore we no longer recognize deferred rent.

(c) Represents expenses, such as compensation expense and employer taxes related to RSU equity vestings and exercises associated with stock options and restricted stock units granted to our associates and board of directors.

(d) Represents the loss on disposal of fixed assets related to Showroom remodeling.

(e) Represents the impairment of the right of use lease asset for one showroom for which the fixed assets had been impaired in the prior fiscal year.

(f) There were no other non-recurring expenses in the thirteen weeks ended August 1, 2021 and August 2, 2020, respectively.

(g) There were no other non-recurring expenses in the twenty-six weeks ended August 1, 2021. Other non-recurring expenses in the twenty-six weeks ended August 2, 2020 are related to $36 in professional and legal fees related to financing initiatives.

Fiscal 2021 Adjusted EBITDA Non-GAAP Reconciliation

LOVESAC

THE LOVESAC COMPANY
RECONCILATION OF NON-GAAP FINANCIAL MEASURES

(dollars in thousands)	Fiscal year ended January 31, 2021	Fiscal year ended February 2, 2020
Net Income (Loss)	$ 14,727	$ (15,205)
Interest expense (income), net	67	(647)
Provision for income taxes	86	43
Depreciation and amortization	6,613	5,158
EBITDA	21,493	(10,651)
Management fees (a)	500	633
Deferred Rent (b)	1,342	716
Equity-based compensation (c)	4,681	5,246
Net loss (gain) on disposal of property and equipment (d)	5	(167)
Impairment of property and equipment (e)	245	-
Other non-recurring expenses (f)	36	503
Adjusted EBITDA	$ 28,302	$ (3,721)

(a) Represents management fees and expenses charged by our equity sponsors.

(b) Represents the difference between rent expense recorded and the amount paid by the Company. In accordance with generally accepted accounting principles, the Company records monthly rent expense equal to the total of the payments due over the lease term, divided by the number of months of the lease terms.

(c) Represents expenses associated with stock options and restricted stock units granted to our officers, employees, and board of directors.

(d) Represents the net loss (gain) on disposal of property and equipment.

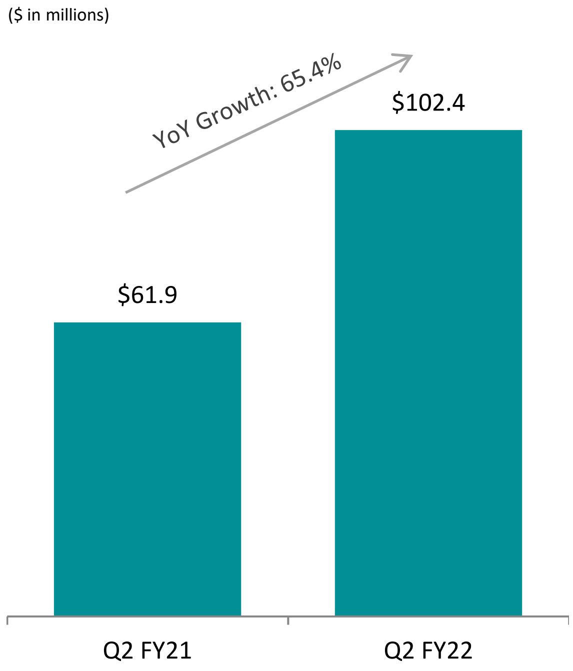
(e) Represents the impairment of property and equipment.

(f) Other non-recurring expenses in fiscal 2021 are related to $36 in professional and legal fees related to financing initiatives. Other non-recurring expenses in fiscal 2020 are made up of: (1) $152 in recruitment fees to build executive management team and Board of Directors; (2) $268 in fees associated with our primary and secondary shares offerings and (3) $83 in financing fees associated with our secondary offering.

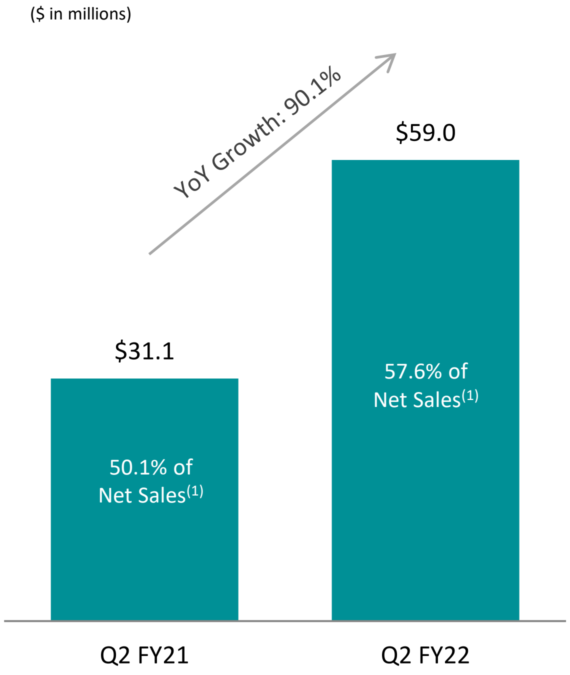
Q2 FY21 and Q2 FY22 Metrics

LOVESAC

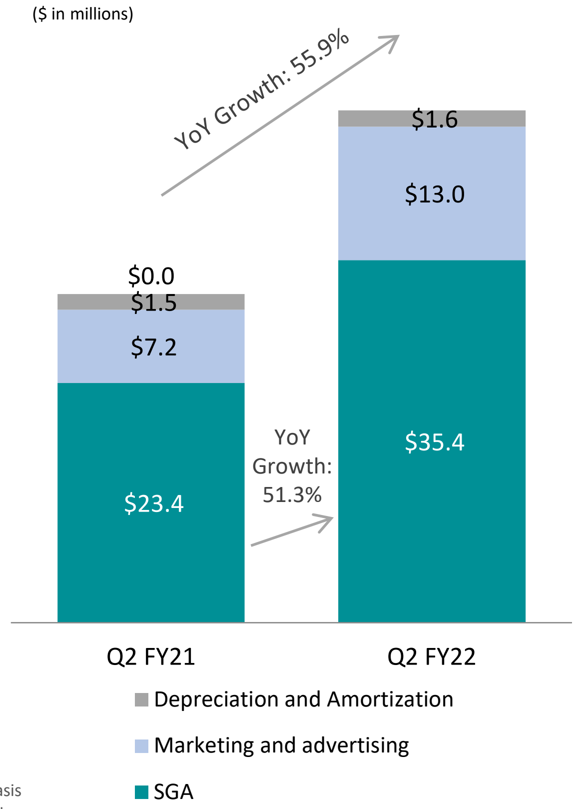
Net Sales



Gross Profit



Operating Expenses



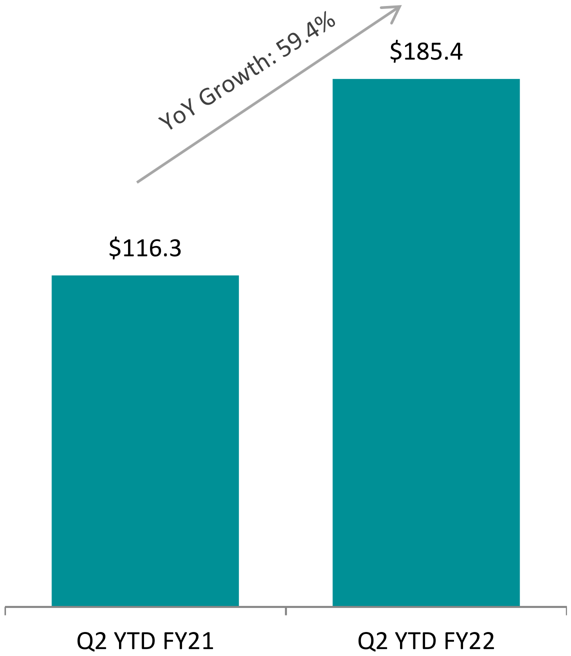
[1] Gross margin increased 749 basis points primarily driven by an increase of approximately 506 basis points due to lower promotional discounting, continuing vendor negotiations to assist with the mitigation of tariffs and continued shift of products from China to Vietnam, Malaysia, and Indonesia. Distribution expenses improved by 243 basis points over the prior year due to higher leverage of 793 basis points in warehousing and distribution costs, partially offset by the increase in inbound freight of 550 basis points due to escalating inbound container costs as well as some shift of inventory purchases back to China, which are impacted by the 25% tariff rate to help alleviate container congestion coming from our other overseas vendors.

Q2 YTD FY21 and Q2 YTD FY22 Metrics

LOVESAC

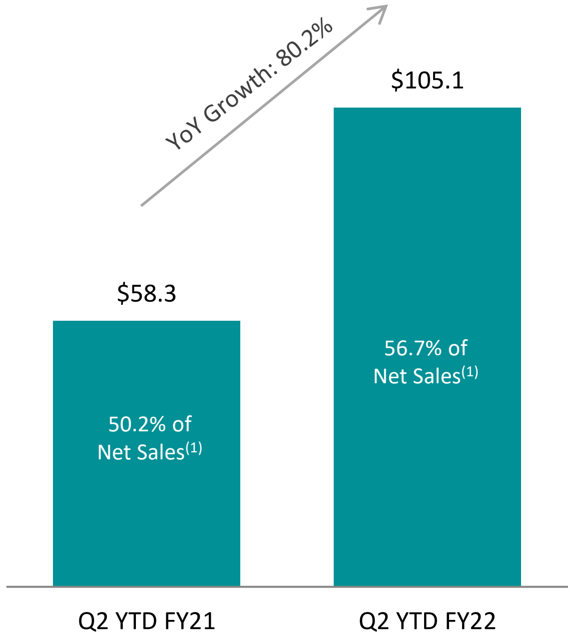
Net Sales

($ in millions)



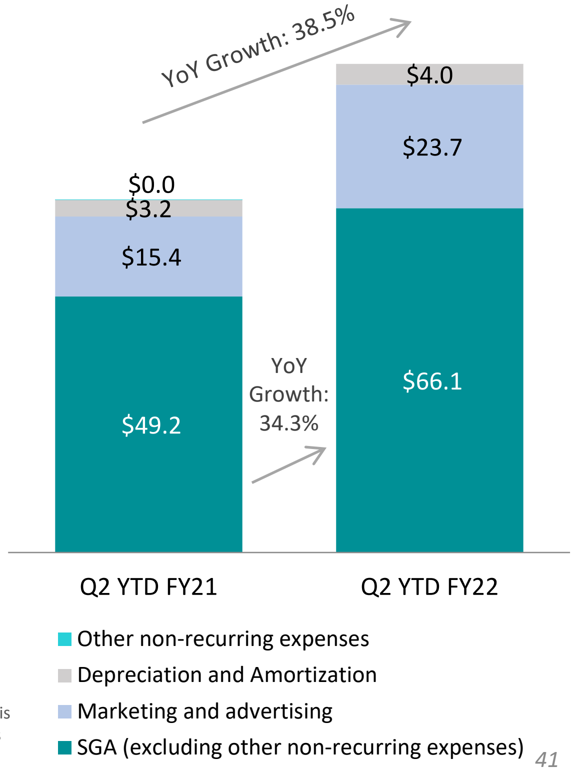
Gross Profit

($ in millions)



Operating Expenses

($ in millions)

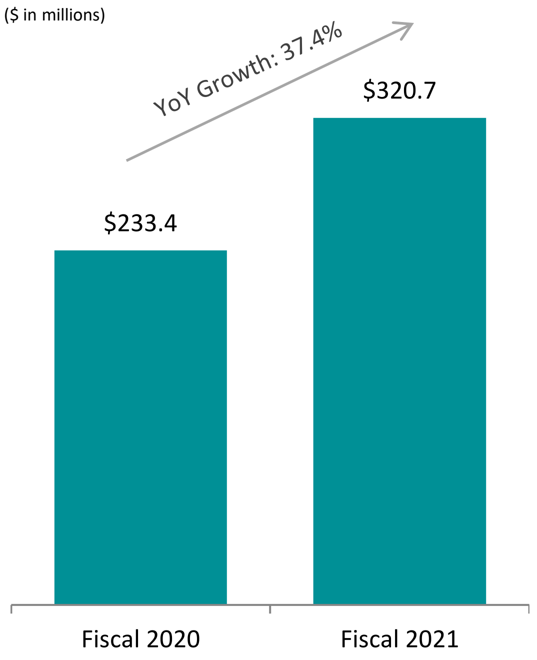


[1] Gross margin increased 655 basis points primarily driven by an increase of approximately 457 basis points due to lower promotional discounting, continuing vendor negotiations to assist with the mitigation of tariffs and continued shift of products from China to Vietnam, Malaysia, and Indonesia. Distribution expenses improved by 198 basis points over the prior year due to higher leverage of 945 basis points in warehousing and distribution costs, partially offset by the increase in inbound freight of 747 basis points due to escalating inbound container costs as well as some shift of inventory purchases back to China, which are impacted by the 25% tariff rate to help alleviate container congestion coming from our other overseas vendors.

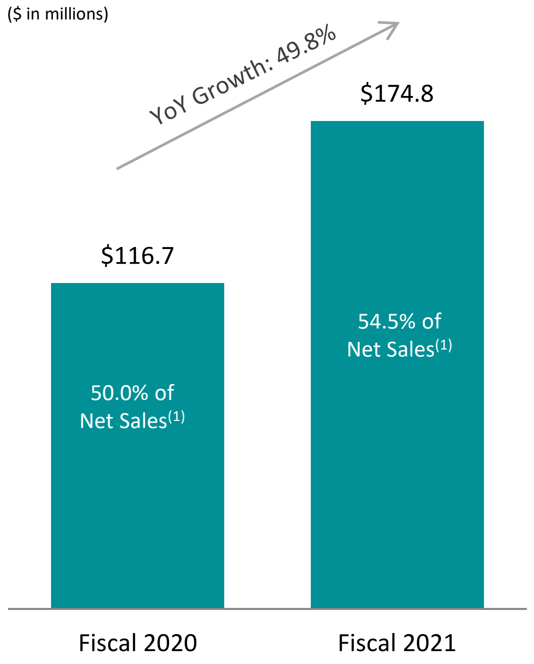
Fiscal 2020 and Fiscal 2021 Metrics

LOVESAC

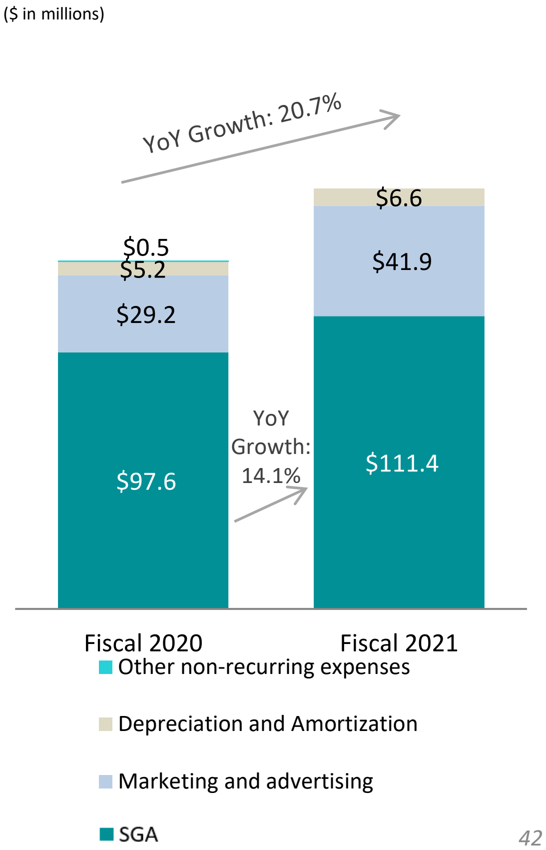
Net Sales



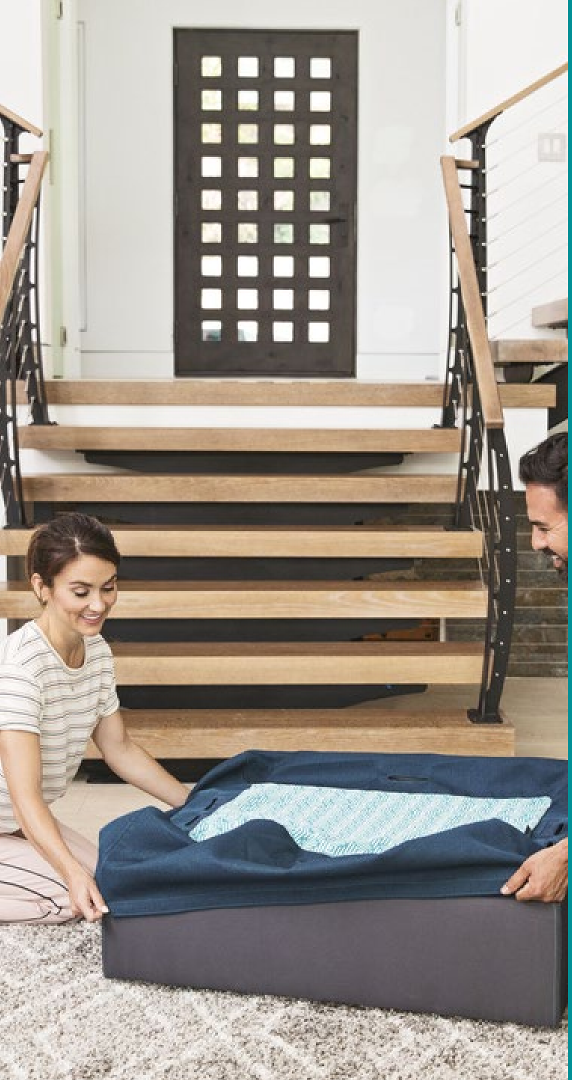
Gross Profit



Operating Expenses



[1] The 450 basis points increase in gross margin versus the prior year period reflects 400 basis points improvement in gross profit as a result of a reduction in promotional discounts, higher sactional product mix impact related to premium covers, reduced inventory reserve levels, and lower product costs related to vendor negotiated tariff mitigation initiatives due to higher volume. Distribution expenses including warehousing, freight and tariff related expenses also improved by 50 basis points due to higher leverage on warehousing and tariff expenses, partially offset by deleverage in freight expense.



Appendix

Q2 YTD FY22 Income Statement & Non-GAAP Reconciliation

LOVESAC

($ in 000's)	Q1 FY 2021	Q1 FY 2022	Q2 FY 2021	Q2 FY 2022	Q2 YTD FY 2021	Q2 YTD FY 2022
Net Sales						
Showrooms	$ 18,118	$ 48,986	$ 12,850	$ 62,594	$ 30,968	$ 111,580
Internet	30,064	25,175	46,074	29,480	76,138	54,655
Other	6,190	8,755	3,021	10,373	9,211	19,127
Total Net Sales	$ 54,372	$ 82,915	$ 61,945	$ 102,447	$ 116,318	$ 185,363
% growth	*32.8%*	*52.5%*	*28.7%*	*65.4%*	*30.5%*	*59.4%*
Cost of merchandise sold	$ 27,089	$ 36,839	$ 30,890	$ 43,416	$ 57,979	$ 80,255
Gross Profit	$ 27,284	$ 46,076	$ 31,055	$ 59,032	$ 58,339	$ 105,108
% margin	*50.2%*	*55.6%*	*50.1%*	*57.6%*	*50.2%*	*56.7%*
Selling, general and administrative expenses	$ 25,831	$ 30,718	$ 23,383	$ 35,385	$ 49,215	$ 66,103
Advertising and marketing	8,196	10,680	7,166	13,036	15,362	23,716
Depreciation and amortization	1,636	2,420	1,544	1,603	3,180	4,022
Operating (Loss) Income	$ (8,379)	$ 2,258	$ (1,038)	$ 9,008	$ (9,418)	$ 11,266
% margin	*-15.4%*	*2.7%*	*-1.7%*	*8.8%*	*-8.1%*	*6.1%*
Other Income (Expense)						
Interest income (expense), net	56	(44)	(35)	(45)	21	(90)
Provision for income taxes	(25)	(153)	(34)	(515)	(59)	(668)
Net (Loss) Income	$ (8,348)	$ 2,061	$ (1,107)	$ 8,447	$ (9,455)	$ 10,508
% margin	*-15.4%*	*2.5%*	*-1.8%*	*8.2%*	*-8.1%*	*5.7%*
Net (Loss) Income per common share (basic)	$ (0.58)	$ 0.14	$ (0.08)	$ 0.56	$ (0.65)	$ 0.70
Net (Loss) Income per common share (diluted)	$ (0.58)	$ 0.13	$ (0.08)	$ 0.52	$ (0.65)	$ 0.66
Adjusted EBITDA Reconciliation:						
Net (Loss) Income	$ (8,348)	$ 2,061	$ (1,107)	$ 8,447	$ (9,455)	$ 10,508
Interest (income) expense, net	(56)	44	35	45	(22)	90
Provision for income taxes	25	153	34	515	59	668
Depreciation and amortization	1,636	2,420	1,544	1,603	3,180	4,022
EBITDA	$ (6,743)	$ 4,678	$ 506	$ 10,610	$ (6,238)	$ 15,288
Management fees	$ 125	$ -	$ 125	$ -	250	-
Deferred rent	(16)	-	872	-	856	-
Equity-based compensation	898	654	677	1,239	1,575	1,893
Loss on disposal of property and equipment	-	-	5	-	5	-
Impairment of right of use lease asset	-	-	-	554	-	554
Other non-recurring expenses	36	-	-	-	36	-
Adjusted EBITDA	$ (5,692)	$ 5,332	$ 2,185	$ 12,403	$ (3,516)	$ 17,735
% margin	*-10.5%*	*6.4%*	*3.5%*	*12.1%*	*-3.0%*	*9.6%*

FY20/21 Income Statement & Non-GAAP Reconciliation

LOVESAC

($ in 000's)	Q1 FY 2020	Q1 FY 2021	Q2 FY 2020	Q2 FY 2021	Q3 FY 2020	Q3 FY 2021	Q4 FY 2020	Q4 FY 2021	FY 2020	FY 2021
Net Sales										
Showrooms	$ 26,925	$ 18,118	$ 31,262	$ 12,850	$ 32,474	$ 41,538	$ 57,343	$ 73,644	$ 148,004	$ 146,150
Internet	8,459	30,064	9,456	46,074	11,415	25,710	26,450	49,216	55,781	151,064
Other	5,574	6,190	7,428	3,021	8,208	7,494	8,382	6,818	29,592	23,523
Total Net Sales	$ 40,958	$ 54,372	$ 48,146	$ 61,945	$ 52,097	$ 74,742	$ 92,175	$ 129,678	$ 233,377	$ 320,738
% growth	*53.0%*	*32.8%*	*44.8%*	*28.7%*	*25.0%*	*43.5%*	*43.6%*	*40.7%*	*40.7%*	*37.4%*
Cost of merchandise sold	$ 19,966	$ 27,089	$ 23,861	$ 30,890	$ 25,844	$ 33,434	$ 47,016	$ 54,553	$ 116,687	$ 145,966
Gross Profit	$ 20,992	$ 27,284	$ 24,285	$ 31,055	$ 26,254	$ 41,308	$ 45,159	$ 75,125	$ 116,690	$ 174,772
% margin	*51.3%*	*50.2%*	*50.4%*	*50.1%*	*50.4%*	*55.3%*	*49.0%*	*57.9%*	*50.0%*	*54.5%*
Selling, general and administrative expenses	$ 23,862	$ 25,831	$ 21,956	$ 23,383	$ 24,485	$ 25,946	$ 27,844	$ 36,194	$ 98,147	$ 111,354
Advertising and marketing	5,389	8,196	6,070	7,166	7,258	10,975	10,476	15,587	29,194	41,924
Depreciation and amortization	1,066	1,636	1,206	1,544	1,378	1,854	1,509	1,579	5,158	6,614
Operating (Loss) Income	$ (9,325)	$ (8,379)	$ (4,947)	$ (1,038)	$ (6,867)	$ 2,533	$ 5,329	$ 21,765	$ (15,809)	$ 14,880
% margin	*-22.8%*	*-15.4%*	*-10.3%*	*-1.7%*	*-13.2%*	*3.4%*	*5.8%*	*16.8%*	*-6.8%*	*4.6%*
Other Income (Expense)										
Interest income (expense), net	235	56	169	(35)	134	(44)	109	(45)	647	(67)
Provision for income taxes	(12)	(25)	7	(34)	(16)	(11)	(22)	(16)	(43)	(86)
Net (Loss) Income	$ (9,102)	$ (8,348)	$ (4,771)	$ (1,107)	$ (6,748)	$ 2,479	$ 5,416	$ 21,703	$ (15,205)	$ 14,727
% margin	*-22.2%*	*-15.4%*	*-9.9%*	*-1.8%*	*-13.0%*	*3.3%*	*5.9%*	*16.7%*	*-6.5%*	*4.6%*
Net (Loss) Income per common share (basic)	$ (0.67)	$ (0.58)	$ (0.33)	$ (0.08)	$ (0.46)	$ 0.17	$ 0.37	$ 1.44	$ (1.07)	$ 1.01
Net (Loss) Income per common share (diluted)	$ (0.67)	$ (0.58)	$ (0.33)	$ (0.08)	$ (0.46)	$ 0.16	$ 0.37	$ 1.37	$ (1.07)	$ 0.96
Adjusted EBITDA Reconciliation:										
Net (Loss) Income	$ (9,102)	$ (8,348)	$ (4,771)	$ (1,107)	$ (6,748)	$ 2,479	$ 5,416	$ 21,703	$ (15,205)	$ 14,727
Interest (income) expense, net	(235)	(56)	(169)	35	(134)	44	(109)	45	(647)	67
Provision for income taxes	12	25	(7)	34	16	11	22	16	43	86
Depreciation and amortization	1,066	1,636	1,206	1,544	1,378	1,854	1,509	1,579	5,158	6,614
EBITDA	$ (8,259)	$ (6,743)	$ (3,741)	$ 506	$ (5,488)	$ 4,388	$ 6,838	$ 23,343	$ (10,651)	$ 21,493
Management fees	$ 164	$ 125	$ 133	$ 125	$ 141	$ 125	$ 194	$ 125	$ 633	$ 500
Deferred rent	12	(8)	77	872	816	378	(188)	109	716	1,342
Equity-based compensation	3,223	898	171	677	628	1,063	1,225	2,043	5,246	4,681
Net loss (gain) on disposal of property and equipment	47	-	(214)	5	-	-	-	-	(167)	5
Impairment of property and equipment (e)	-	-	-	-	-	-	-	245	-	245
Other non-recurring expenses	150	36	275	-	174	-	(95)	-	503	36
Adjusted EBITDA	$ (4,663)	$ (5,692)	$ (3,299)	$ 2,185	$ (3,729)	$ 5,954	$ 7,974	$ 25,865	$ (3,721)	$ 28,302
% margin	*-11.4%*	*-10.5%*	*-6.9%*	*3.5%*	*-7.2%*	*8.0%*	*8.7%*	*19.9%*	*-1.6%*	*8.8%*

Q2 FY22 Balance Sheet

LOVESAC

THE LOVESAC COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS

	August 1, 2021 (unaudited)	January 31, 2021
Assets		
Current Assets		
Cash and cash equivalents	$ 68,487,569	$ 78,341,101
Trade accounts receivable	7,363,359	4,513,460
Merchandise inventories	74,991,843	50,416,712
Prepaid expenses and other current assets	10,602,702	10,128,353
Total Current Assets	161,445,473	143,399,626
Property and equipment, net	29,530,483	25,867,980
Operating lease right-of-use assets	88,900,462	-
Other Assets		
Goodwill	143,562	143,562
Intangible assets, net	1,189,013	1,517,032
Deferred financing costs, net	45,335	90,671
Total Other Assets	1,377,910	1,751,265
Total Assets	$ 281,254,328	$ 171,018,871
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	$ 25,888,209	$ 24,310,972
Accrued expenses	19,867,021	17,187,694
Payroll payable	4,821,714	6,361,677
Customer deposits	13,365,940	5,992,633
Current operating lease liabilities	14,536,004	-
Sales taxes payable	2,139,824	2,470,593
Total Current Liabilities	80,618,712	56,323,569
Deferred Rent	-	6,748,747
Operating Lease Liability, long-term	83,707,124	-
Line of Credit	115	-
Total Liabilities	164,325,951	63,072,316
Stockholders' Equity		
Preferred Stock $0.00001 par value, 10,000,000 shares authorized, no shares issued or outstanding as of August 1, 2021 and January 31, 2021.	-	-
Common Stock $.00001 par value, 40,000,000 shares authorized, 15,105,826 shares issued and outstanding as of August 1, 2021 and 15,011,556 shares issued and outstanding as of January 31, 2021.	151	150
Additional paid-in capital	169,855,660	171,382,086
Accumulated deficit	(52,927,434)	(63,435,681)
Stockholders' Equity	116,928,377	107,946,555
Total Liabilities and Stockholders' Equity	$ 281,254,328	$ 171,018,871

The Company adopted ASC 842, Leases as of February 1, 2021 under the modified retrospective approach and has not revised comparative periods.