

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 9, 2021

THE LOVESAC COMPANY
(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation)

001-38555

(Commission
File Number)

32-0514958

(I.R.S. Employer
Identification No.)

Two Landmark Square, Suite 300 Stamford,
Connecticut 06901

(Address of Principal Executive Offices, and Zip Code)

(888) 636-1223

Registrant's Telephone Number, Including Area Code

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.00001 per share	LOVE	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On November 11, 2021, The Lovesac Company (the “Company”) announced the appointment of Ms. Mary Fox, 49, to the position of President and Chief Operating Officer of the Company, effective November 15, 2021. Prior to joining the Company, Ms. Fox served as the General Manager for North America Consumer Products at BIC since 2018, and in various roles within ecommerce, business development and business transformation at L’Oréal from 2012 to 2018. Ms. Fox has served as a director of AF Acquisition Corp. since 2021 and as a member of the Board of Directors of the Company since 2020.

In connection with her appointment, on November 9, 2021, Ms. Fox notified the Board of her decision to resign from the Board of Directors (the “Board”), effective November 15, 2021. Ms. Fox’s decision to resign from the Board was not a result of any disagreement with the Company. Mr. Walter McLallen, a current Board director and Chair of the Audit Committee of the Board of Directors, was appointed Chair of the Compensation Committee, effective September 15, 2021, succeeding Ms. Fox.

The Company also announced the appointment of Mr. Jack A. Krause, 58, to the position of Chief Strategy Officer of the Company and as a member of the Board of Directors, in each case, effective November 15, 2021. Previously, Mr. Krause served as the Company’s President and Chief Operating Officer since 2015. Mr. Krause will not be receiving any compensation in connection with his role as a Board director.

There are no arrangements or understandings between Ms. Fox and Mr. Krause and any other person relating to the selection of Ms. Fox and Mr. Krause to the positions described above. Neither Ms. Fox nor Mr. Krause nor any of their immediate family members have been or are currently proposed to be a participant in any transaction that would be required to be reported pursuant to Item 404(a) of Regulation S-K (17 CFR 229.404(a)).

In connection with these appointments, Ms. Fox and Mr. Krause will receive the following compensation:

- Effective November 15, 2021, Ms. Fox’s base salary will be \$429,000 and she will be eligible for an annual cash-based short-term incentive award (“Annual Incentive”) with a target award amount of 60% of her base salary up to a maximum of 120% of her base salary. For fiscal year 2023 only, in addition to her Annual Incentive, Ms. Fox is eligible to receive a cash incentive up to \$400,000 (“Additional Incentive”). The payment of any Annual Incentive or Additional Incentive shall be subject to the Company’s performance relative to metrics and targets set by the Compensation Committee of the Board of Directors for the performance period, and subject to the terms and conditions of any applicable compensation plans. Ms. Fox will be eligible to receive (i) an annual grant of restricted stock units (“RSUs”) valued at \$765,000 which shall be subject to time-based and performance-based vesting conditions, and (ii) an annual discretionary grant of RSUs valued up to \$1,649,000 which shall be subject to performance-based vesting conditions. Upon commencement of employment, Ms. Fox will receive a one-time cash award of \$500,000, and a one-time RSU grant valued at \$1,500,000, subject to time-based and performance-based vesting conditions. The terms and conditions of all RSU grants shall be established by the Compensation Committee and governed by applicable equity compensation plans and award agreements. Ms. Fox has entered into an employment agreement with the Company which provides severance benefits upon separation of employment, the terms of which are consistent with the employment agreements that have been entered into with the other executive officers of the Company.
 - Effective November 15, 2021, Mr. Krause’s base salary will remain at \$429,000 and he will be eligible for an Annual Incentive with a target value of 60% of his base salary up to a maximum of 120% of his base salary. The payment of any Annual Incentive shall be subject to the Company’s performance relative to metrics and targets set by the Compensation Committee of the Board of Directors for the performance period, and subject to the terms and conditions of any applicable compensation plans. Mr. Krause will be eligible to receive an annual grant of RSUs valued at \$765,000 which shall be subject to time-based and performance-based vesting
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conditions plus a discretionary award of RSUs, which shall be subject to performance-based vesting conditions. The terms and conditions of all RSU grants shall be established by the Compensation Committee and governed by applicable equity compensation plans and award agreements. Mr. Krause has entered into a second amendment to his employment agreement with the Company pursuant to these terms. All other terms of Mr. Krause's employment agreement, as previously amended, remain in full force and effect.

The foregoing summary of Ms. Fox's employment agreement and the second amendment to Mr. Krause's employment agreement are qualified in their entirety by the complete copy of each of document attached hereto as Exhibits 10.1 and 10.2. A copy of the Company's November 11, 2021 press release announcing the foregoing organizational and Board changes is furnished hereto as Exhibit 99.1 to this Current Report on Form 8-K.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit No.	Description
10.1	Employment Agreement between the Company and Mary Fox, dated September 30, 2021
10.2	Second Amendment to Employment Agreement between the Company and Jack A. Krause, dated November 9, 2021
10.3	Offer Letter between the Company and Mary Fox, dated September 30, 2021
10.4	Mary Fox Resignation Letter from Board of Directors, dated November 9, 2021
99.1	Press Release, dated November 11, 2021
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

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 hereunto duly authorized.

Dated: November 12, 2021

THE LOVESAC COMPANY

By: /s/ Donna Dellomo
Name: Donna Dellomo
Title: Executive Vice President and
Chief Financial Officer

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT, dated as of September 30, 2021, between The Lovesac Company, a Delaware corporation (the “Company”) and Mary Fox (the “Executive”).

WHEREAS, the Company is in the business of manufacturing, distributing and selling furniture in the retail market;

WHEREAS, the Company wishes to assure itself of the management services of the Executive for the period provided in this Agreement, and the Executive desires to serve in the employ of the Company for such period and upon the terms and conditions hereinafter provided; and

WHEREAS, the Company and Executive desire to memorialize the terms and conditions of the Executive’s employment by a written agreement.

IT IS THEREFORE AGREED AS FOLLOWS:

1. Employment Duties and Acceptance.

1.1 Employment by the Company. The Company shall employ the Executive, for itself and its subsidiaries and affiliates, for the Term (as herein defined), to render exclusive and full-time services in the capacity of President and Chief Operating Officer of the Company.

1.2 Duties/Authority. The Executive shall have such responsibilities, powers and duties substantially consistent with those he currently provides to the Company and customarily assigned to individuals serving in such position at comparable companies or as may be reasonably required by the conduct of the business of the Company. The Executive will report to the Chief Executive Officer of the Company. The Executive shall devote substantially all of Executive’s working time and efforts to the business and affairs of the Company. Executive shall not, without the prior approval of the Company, whether for compensation or otherwise, directly or indirectly, alone or as a member of any partnership or other organization, be actively engaged in or concerned with any other business duties or personal pursuits which interfere with the performance of Executive’s responsibilities under this Agreement. The Executive’s reasonable participation in charitable organizations or on private or public company boards (subject to prior approval by the Company’s board of directors (the “Board”)) shall not be considered a violation of this provision.

1.3 Acceptance of Employment by the Executive. The Executive accepts such employment and shall render the services described above. Subject to appointment by the Board as such, the Executive may also serve during all or any part of the Term as an officer of any other entity controlled by the Company, and as a director of the Company and of any other entity controlled by the Company, in each case without any compensation therefor other than that specified in this Agreement.

1.4 Place of Employment. The Executive’s principal place of employment shall be at the Company’s headquarters, subject to such reasonable travel as the rendering of the services hereunder may require.

2. Term of Employment. The stated term of employment under this Agreement (the “Term”) shall commence on the date hereof and shall continue until terminated in accordance with Section 4 of this Agreement.

3. Compensation.

3.1 Salary. As compensation for all services to be rendered pursuant to this Agreement, the Company shall pay the Executive during the Term a salary of \$429,000 per annum (the "Base Salary"), payable not less frequently than monthly, less such deductions as shall be required to be withheld by applicable rules and regulations. The Base Salary shall not preclude raises, equity compensation, annual bonus and other compensation or incentives, as set forth herein or, should the Board, in its sole and absolute discretion, so determine to provide such additional compensation or incentives to the Executive. The Executive's total compensation, including Base Salary, Annual Bonus and equity compensation opportunities shall be subject to annual review by the Board (or a compensation committee thereof) and adjustments considered based upon individual performance, market alignment or other factors. The Executive acknowledges and understands that the Board is under no obligation to increase any component of the Executive's total compensation pursuant to this review.

3.2 Annual Bonus.

(a) The Company shall pay the Executive during the Term an annual bonus with a target value of 60% of the Executive's Base Salary up to 120% of the Executive's Base Salary (except as otherwise provided below in this paragraph) ("Annual Bonus"), subject to the Company's achievements relative to certain performance targets established by the Board (or a compensation committee thereof) for the performance period, and individual performance, as applicable. Notwithstanding the foregoing, for the fiscal year ending January 30, 2022, the payment of your Annual Bonus, if any, will be without proration. For the fiscal year ending January 29, 2023 only ("Fiscal 2023"), in addition to your Annual Bonus, Executive shall be eligible to receive an additional bonus of up to \$400,000 ("Additional Bonus"), that is payable in two installments, with 60% of the Additional Bonus payable upon certification of the performance results following the conclusion of the third quarter of Fiscal 2023 based on annual operating plan targets for Fiscal 2023, and the remaining 40% payable upon the certification of performance results following the conclusion of the fourth quarter of Fiscal 2023 against the annual operating plan targets, and with the ability to "true up" the payment of the third quarter installment based on performance for the fourth quarter of Fiscal 2023 to the extent that the third quarter targets are not then met. The terms and conditions of Annual Bonus and Additional Bonus shall be governed by the Company's Annual Incentive Compensation Plan or such other plan as determined by the Compensation Committee.

(b) The Executive must remain employed through the bonus payment date to receive any Annual Bonus or Additional Bonus, provided, however, that in the event of termination of the Executive's employment by the Company, for any reason other than for Cause (as defined below), and the performance targets are achieved in accordance with Section 3.2(a), Annual Bonuses shall be awarded pro rata based on the proportion of such fiscal year served by the Executive. The Executive shall not be entitled to any such pro rata Annual Bonuses or Additional Bonus in any fiscal year occurring after the fiscal year in which the Executive was terminated. The Annual Bonus will be determined by the Board after receipt of the Company's audited financials for the applicable year.

3.3 Equity Compensation.

(a) Inaugural Equity Award. The Executive shall be awarded restricted stock units ("RSUs") valued at \$1,500,000 on or about the date of the Executive's commencement of employment, the terms of which shall be governed by the Company's 2017 Equity Incentive Plan, as amended, (the "2017 Plan"), including any equity grant documents thereunder. Half of such RSUs shall be subject to time-based vesting and half of such RSUs shall be subject to performance vesting.

(b) Annual Equity Award. The Executive shall be eligible to receive an annual award of RSUs valued at \$765,000, the terms of which shall be governed by the 2017 Plan, including any equity grant documents thereunder. Half of such RSUs shall be subject to time-based vesting and half of such RSUs shall be subject to performance vesting.

(c) Long Term Performance Award. The Executive shall be eligible to receive a discretionary annual award of RSUs valued up to \$1,649,000 pursuant to the Company's Long Term Performance Award ("LTPA") Program. RSU's granted under the LTPA Program are eligible to vest based on the Company's achievements relative to accelerated performance targets set by the Board (or a compensation committee thereof) for a specific performance period.

3.4 Participation in Employee Benefit Plans. The Executive shall be permitted during the Term, if and to the extent eligible, to participate on the same terms in any group life, hospitalization or disability insurance plan, health program, retirement savings plan or similar benefit plan of the Company that is available generally to other senior executives and managers of the Company and its subsidiaries. The Board may determine to offer the Executive participation in stock, phantom stock or profit based bonus or similar plans, to the extent applicable, and may provide the Executive with other additional benefits. If the Executive elects continuation of group health benefits under COBRA prior to Executive's start date, the Company shall reimburse Executive the premium cost associated with such election.

3.5 Expenses. Subject to policies applicable to senior executives of the Company generally, as may from time to time be established by the Board, the Company shall pay or reimburse the Executive for reasonable travel, entertainment and other business expenses actually incurred or paid by the Executive during the Term in the performance of the Executive's services under this Agreement, and which expenses are consistent with the Company's policies in effect from time to time with respect to such travel, entertainment and other business expenses, upon presentation of expense statements or vouchers or such other supporting information as it may require.

3.6 Vacation. The Executive shall be entitled to four (4) weeks of paid vacation annually, on the terms set forth in the Company's vacation policy.

3.7 Signing Bonus. The Executive shall receive a signing bonus, payable within thirty (30) days of the date of the Executive's commencement of employment, in the amount of \$500,000 ("Cash Award"), subject to tax withholding. If the Executive's employment is terminated for cause or due to voluntary resignation prior to the two year anniversary of the Executive's commencement of employment, the Executive shall be required to repay the Company the after-tax value of the Cash Award within thirty days of the date of termination.

4. Termination.

4.1 Termination upon Death. If the Executive dies during the Term, this Agreement shall terminate.

4.2 Termination upon Disability. If during the Term the Executive becomes physically or mentally disabled, whether totally or partially, so that the Executive is unable substantially to perform Executive's services hereunder (as determined, in good faith, by a physician selected by the Board and reasonably acceptable to the Executive or the Executive's legal representative, which agreement as to acceptability will not be unreasonably delayed or withheld) for (a) a period of three consecutive months, or (b) for shorter periods aggregating three months during any six month period, the Company may at any time after the last day of the three consecutive months of disability or the day on which the shorter periods of disability equal an aggregate of three months, by written notice to the Executive, terminate the Term of the Executive's employment hereunder. Nothing in this Section 4.2 shall be deemed to extend the Term.

4.3 Termination for Cause. The Company may at any time by written notice to the Executive terminate the Term of the Executive's employment hereunder for Cause and the Executive

shall have no right to receive any compensation or benefit hereunder on and after the effective date of such notice except for the payment or provision, as applicable, of (i) the portion of the Base Salary for periods prior to the effective date of termination accrued but unpaid (if any), (ii) all unreimbursed expenses for which Executive is otherwise entitled to reimbursement pursuant to Section 3.5 (if any), and (iii) other payments, entitlements or benefits (if any), in accordance with terms of the applicable plans, programs, arrangements or other agreements of the Company or any affiliate thereof (other than any severance plan or policy) as to which the Executive held rights to such payments, entitlements or benefits, whether as a participant, beneficiary or otherwise, on the date of termination (“Other Benefits”). For purposes hereof, the term “Cause” shall mean; (a) conviction of the Executive for any crime constituting a felony in the jurisdiction in which committed, or for any other criminal act against the Company or its subsidiaries involving dishonesty or willful misconduct intended to injure the Company or its subsidiaries (whether or not a felony and whether or not criminal proceedings are initiated); (b) failure or refusal of the Executive in any material respect to perform the duties of Executive’s employment or to follow the lawful and proper directives of the Company’s Chief Executive Officer, *provided* such duties or directives are consistent with this Agreement and such failure or refusal continues uncured for a period of thirty (30) days after written notice thereof specifying the nature of such failure or refusal and requesting that it be cured is given by the Company to the Executive; (c) breach by the Executive of the provisions of Sections 5.1, 5.2, 5.3, 5.4, or 5.5; or (d) any willful or intentional act of the Executive committed for the purpose, or having the reasonably foreseeable effect, of injuring the Company, its subsidiaries or their business or reputation or of improperly or unlawfully converting for the Executive’s own personal benefit any property of the Company or the subsidiaries.

4.4 Termination with Good Reason or without Cause. During the Term, (1) the Executive may terminate the Executive’s employment with the Company at any time with Good Reason (as defined below), and (2) the Company may terminate the Executive’s employment without Cause, upon ten (10) days’ written notice to the other party thereto. In either such case, *provided* the Executive has not breached and does not breach the provisions of Sections 5.1, 5.2, 5.3, 5.4, or 5.5 and the Executive has entered into and not revoked a general release of claims without additional post-termination restrictions included therein in form reasonably satisfactory to the Company so that it becomes effective within sixty (60) days after Executive’s termination of employment, the Executive shall continue to receive for a period of 12 months from the Executive’s date of termination (i) Executive’s Base Salary as in effect on the date of such notice, payable in accordance with the Company’s payroll schedule, (ii) coverage in the Company’s group health plan under COBRA, if elected, paid for by the Company (or be reimbursed for premiums therefor), (iii) the payment or provision of Other Benefits, and (iv) coverage under the term life insurance policy (or be reimbursed for the premiums therefor) and the Company’s directors’ and officers’ liability indemnification and insurance coverage. If the severance benefits hereunder are considered “deferred compensation” subject to Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”) and the period to consider and revoke the release spans two tax years, the severance will begin to be paid in the second tax year even if the release becomes effective in the earlier tax year. For purposes of this Agreement, “Good Reason” means (a) the assignment to the Executive of duties and responsibilities not commensurate with Executive’s position with the Company, (b) the failure of the Company to provide compensation and benefits to the Executive as required herein, (c) a reduction in the Executive’s Base Salary without Executive’s consent, or (d) the failure of the Company to adhere in any substantial manner to any of its other covenants herein, provided that any of the foregoing continues for a period of twenty (20) days after written notice thereof, specifying the nature thereof and requesting that it be cured, is given by the Executive to the Company. No severance will be paid for a “Good Reason” termination unless Executive terminates employment within 60 days after the first occurrence of the condition and the Company has not cured such condition within 30 days after written notice thereof (which notice shall state that such condition constitutes Good Reason) from the Executive.

4.5 Voluntary Termination. The Executive may terminate Executive's employment with the Company at any time in Executive's sole and absolute discretion upon giving at least sixty (60) days advance written notice to such effect to the Company (a "Voluntary Termination"). In the event the Executive's employment is terminated during the Term by the Executive's Voluntary Termination (other than termination by the Executive for Good Reason), then the Executive shall be entitled only to receive Executive's Base Salary payable through the date of such Voluntary Termination.

4.6 Compensation Upon Disability. In the event of termination of this Agreement by reason of disability as set forth in Section 4.2 hereof, the Company shall pay to the Executive (a) the Executive's Base Salary on the date of termination for four (4) months, payable in accordance with the provisions of Section 3.1 hereof and (b) all benefits from the Company and its employee benefit plans earned and accrued as of such termination date.

5. Confidentiality, Intellectual Property, Noncompete, Nonsolicitation, and Non-Disparagement.

5.1 Nondisclosure and Nonuse of Confidential Information. The Executive will not disclose or use at any time during or after the Term any Confidential Information (as defined below) of which the Executive is or becomes aware, whether or not such information is developed by him, except to the extent that such disclosure or use is directly related to and required by the Executive's performance of duties assigned to the Executive pursuant to this Agreement. Under all circumstances and at all times, the Executive will take all appropriate steps to safeguard Confidential Information in Executive's possession and to protect it against disclosure, misuse, espionage, loss and theft. For purposes hereof, "Confidential Information" means information that is not generally known to the public and that was or is used, developed or obtained by the Company or its subsidiaries in connection with their business. It shall not include information (a) required to be disclosed by court or administrative order, (b) lawfully obtainable from other sources or which is in the public domain through no fault of the Executive; or (c) the disclosure of which is consented to in writing by the Company.

5.2 Ownership of Intellectual Property. In the event that the Executive as part of Executive's activities on behalf of the Company generates, authors or contributes to any invention, design, new development, device, product, method of process (whether or not patentable or reduced to practice or comprising Confidential Information), any copyrightable work (whether or not comprising Confidential Information) or any other form of Confidential Information relating directly or indirectly to the business of the Company as now or hereinafter conducted (collectively, "Intellectual Property"), the Executive acknowledges that such Intellectual Property is the sole and exclusive property of the Company and hereby assigns all right title and interest in and to such Intellectual Property to the Company. Any copyrightable work prepared in whole or in part by the Executive during the Term will be deemed "a work made for hire" under Section 201(b) of the Copyright Act of 1976, as amended, and the Company will own all of the rights comprised in the copyright therein. The Executive will promptly and fully disclose all Intellectual Property and will cooperate with the Company to protect the Company's interests in and rights to such Intellectual Property (including providing reasonable assistance in securing patent protection and copyright registrations and executing all documents as reasonably requested by the Company, whether such requests occur prior to or after termination of Executive's employment hereunder).

5.3 Delivery of Materials upon Termination of Employment. As requested by the Company, from time to time and upon the termination of the Executive's employment with the Company for any reason, the Executive will promptly deliver to the Company all copies and embodiments, in whatever form or medium, of all Confidential Information or Intellectual Property in the Executive's possession or within Executive's control (including written records, notes, photographs, manuals, notebooks, documentation, program listings, flow charts, magnetic media, disks, diskettes, tapes and all

other materials containing any Confidential Information or Intellectual Property) irrespective of the location or form of such material and, if requested by the Company, will provide the Company with written confirmation that all such materials have been delivered to the Company. Executive shall be permitted to retain a copy of this Agreement and other documents concerning Executive's entitlement to compensation to enforce the terms of this Agreement or any other rights afforded by law to Executive.

5.4 Noncompetition. The Executive acknowledges that during Executive's employment with the Company, Executive will become familiar with trade secrets and other Confidential Information concerning the Company, its subsidiaries and their respective predecessors, and that Executive's services will be of special, unique and extraordinary value to the Company. In addition, the Executive hereby agrees that at any time during the Term, and after termination of employment, for the duration of the Noncompetition Period (as defined below), the Executive will not directly or indirectly own, manage, control, participate in, consult with, render services for or in any manner engage in any business competing with the businesses of the Company or its subsidiaries as such businesses exist or are in process or being planned as of the termination of employment, within any county in which the Company or its subsidiaries have operating locations, leases, options to lease or acquire property, or definitive plans known to the Executive at the time of termination to engage in such businesses. The "Noncompetition Period" shall be 12 months following the termination of employment. It shall not be considered a violation of this Section 5.4 for the Executive to be a passive owner of not more than 2% of the outstanding stock of any class of a corporation which is publicly traded, so long as the Executive has no active participation in the business of such corporation.

5.5 Nonsolicitation. The Executive hereby agrees that (a) during the Term and for a period of 12 months after the termination of employment (the "Nonsolicitation Period") the Executive will not, directly or indirectly through another entity, actively induce or attempt to induce any employee of the Company or its subsidiaries to leave the employ of the Company or its subsidiaries, or in any way interfere with the relationship between the Company or its subsidiaries and any employee thereof or otherwise employ or receive the services of any individual who was an employee of the Company or its subsidiaries at any time during such Nonsolicitation Period or within the three-month period prior thereto and (b) during the Nonsolicitation Period, the Executive will not induce or attempt to induce any customer, supplier, client, insurer, reinsurer, broker, licensee or other business relation of the Company or its subsidiaries to cease doing business with the Company or its subsidiaries.

5.6 Enforcement of Noncompete and Nonsolicitation. If, at the enforcement of Sections 5.4 or 5.5, a court holds that the duration, scope or area restrictions stated herein are unreasonable under circumstances then existing, the parties agree that the maximum duration, scope or area reasonable under such circumstances will be substituted for the stated duration, scope or area and that the court will be permitted to revise the restrictions contained in Sections 5.4 or 5.5 to cover the maximum duration, scope and area permitted by law.

5.7 Equitable Relief. The Executive acknowledges that (a) the covenants contained herein are reasonable, (b) the Executive's services are unique, and (c) a breach or threatened breach by him of any of Executive's covenants and agreements with the Company contained in Sections 5.1, 5.2, 5.3, 5.4, or 5.5 could cause irreparable harm to the Company for which they would have no adequate remedy at law. Accordingly, and in addition to any remedies which the Company may have at law, in the event of an actual or threatened breach by the Executive of Executive's covenants and agreements contained in Sections 5.1, 5.2, 5.3, 5.4, or 5.5, the Company shall have the absolute right to apply to any court of competent jurisdiction for such injunctive or other equitable relief as such court may deem necessary or appropriate in the circumstances.

5.8 Non-Disparagement. During the time that Executive is employed by the Company and thereafter, without limitation of time, Executive shall not at any time make, publish or

communicate to any person or entity, including, but not limited to, the customers or suppliers of the Company or any of its affiliates, any Disparaging (as defined below) remarks, comments or statements concerning Company, any other equity holders of the Company, or any affiliates of any of the foregoing. The Company shall instruct its Directors and Officers not to make any Disparaging comments or statements concerning Executive. “Disparaging” remarks, comments or statements are those that impugn the character, honesty, integrity, morality, business acumen or abilities of the individual or entity being disparaged.

5.9 Nothing in this agreement prohibits or restricts the parties from contacting, assisting, responding to, providing truthful testimony to or filing charges with any regulatory organization, authority or agency (e.g., the EEOC, IRS, SEC or FINRA), or from complying with any court or administrative order or subpoena, or from providing any other disclosure required by law.

6. Other Provisions.

6.1 Notices. Any notice or other communication required or which may be given hereunder shall be in writing and shall be delivered personally, via facsimile or other electronic means, sent by overnight delivery service with delivery signature required, or sent with return receipt requested by certified, registered, or express mail, postage prepaid to the parties at the following addresses or at such other addresses as shall be specified by the parties by like notice, and shall be deemed given when so delivered personally, upon confirmation of receipt when delivered via facsimile or other electronic means, or if mailed, two days after the date of mailing, as follows:

If to the Company, at:

The Lovesac Company
2 Landmark Square, Suite 300
Stamford, CT 06901
Attention: People Department

Copy to:

The Lovesac Company
2 Landmark Square, Suite 300
Stamford, CT 06901
Attention: Legal Department

If to the Executive, to the Executive at:

Each of the foregoing shall be entitled to specify a different address by giving notice as aforesaid to each of the other persons or entities listed above.

6.2 Entire Agreement. This Agreement (including the documents referred to herein) constitutes the entire agreement among the parties and supersedes and nullifies any prior understandings, agreements or representations by or among the parties, written or oral, that may have related in any way to the subject matter hereof including, without limitation, any prior employment agreement or separation agreement.

6.3 Waivers and Amendments. This Agreement may be amended, modified, superseded, cancelled, renewed or extended, and the terms and conditions hereof may be waived, only by a written instrument signed by the parties making specific reference to this Agreement, or, in the case of a waiver, by the party waiving compliance. No delay on the part of any party in exercising any right, power

or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party of any right, power or privilege hereunder, nor any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

6.4 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with and subject to, the laws of the State of Connecticut applicable to agreements made and to be performed entirely within such state.

6.5 Acknowledgments. The Executive acknowledges that the Executive has read this entire Agreement, has had the opportunity to consult with an attorney, and fully understands the terms of this Agreement. The Executive is satisfied with the terms of this Agreement and agrees that its terms are binding upon the Executive and the Executive's heirs, assigns, executors, administrators, and legal representatives.

6.6 Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, heirs and permitted assigns. No rights or obligations of the Executive under this Agreement may be assigned or transferred by the Executive other than Executive's right to compensation and benefits hereunder, which may be transferred by will or operation of law subject to the limitations of this Agreement. No rights or obligations of the Company under this Agreement may be assigned or transferred by the Company except that such rights or obligations may be assigned or transferred pursuant to a merger or consolidation or amalgamation or scheme of arrangement in which the Company is not the continuing entity, or the sale or liquidation of all or substantially all of the assets of the Company, provided that the assignee or transferee is the successor to all or substantially all of the assets of the Company and such assignee or transferee assumes by operation of law or in writing duly executed by the assignee or transferee all of the liabilities, obligations and duties of the Company, as contained in this Agreement, either contractually or as a matter of law, as if no such assignment or transfer had taken place. Failure of the Company to obtain such express assumption and agreement at or prior to the effectiveness of any such assignment, merger, consolidation, amalgamation or scheme of arrangement shall be a breach of this Agreement and shall entitle the Executive to such compensation and benefits from the Company in the same amount and on the same terms to which the Executive would be entitled hereunder if the Company had terminated Executive's employment without Cause.

6.7 Counterparts. This Agreement may be executed in two or more counterparts (which may be effectively delivered by facsimile or other electronic means), each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

6.8 Headings. The headings in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement

6.9 Severability. If any term, provision, covenant or restriction of this Agreement, or any part thereof, is held by a court of competent jurisdiction of any foreign, federal, state, county or local government or any other governmental, regulatory or administrative agency or authority to be invalid, void, unenforceable or against public policy for any reason, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

6.10 Section 409A.

(i) If the Company determines in good faith that any provision of this Agreement would cause the Executive to incur an additional tax, penalty, or interest under Section 409A of the Code and the applicable guidance thereunder ("Section 409A"), the Company and the Executive

shall use reasonable efforts to reform such provision, if possible, in a mutually agreeable fashion to maintain to the maximum extent practicable the original intent of the applicable provision without violating the provisions of Section 409A or causing the imposition of such additional tax, penalty, or interest under Section 409A. The preceding provision, however, shall not be construed as a guarantee by the Company of any particular tax effect to the Executive under this Agreement.

(ii) "Termination of employment," or words of similar import, as used in this Agreement means, for purposes of any payments under this Agreement that are payments of deferred compensation subject to Section 409A, the Executive's "separation from service" as defined in Section 409A. For purposes of Section 409A, the right to a series of installment payments under this Agreement shall be treated as a right to a series of separate payments.

(iii) With respect to any reimbursement of expenses of, or any provision of in-kind benefits to, Executive, as specified under this Agreement, such reimbursement of expenses or provision of in-kind benefits shall be subject to the following conditions: (1) the expenses eligible for reimbursement or the amount of in-kind benefits provided in one taxable year shall not affect the expenses eligible for reimbursement or the amount of in-kind benefits provided in any other taxable year, except for any medical reimbursement arrangement providing for the reimbursement of expenses referred to in Section 105(b) of the Code; (2) the reimbursement of an eligible expense shall be made no later than the end of the year after the year in which such expense was incurred; and (3) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit.

(iv) If a payment obligation under this Agreement or other compensation arrangement arises on account of Executive's separation from service while the Executive is a "specified employee" (as defined under Section 409A and determined in good faith by the Compensation Committee), any payment of "deferred compensation" (as defined under Treasury Regulation Section 1.409A-1(b)(1), after giving effect to the exemptions in Treasury Regulation Sections 1.409A-1(b)(3) through (b)(12)) that is scheduled to be paid within six (6) months after such separation from service shall accrue without interest and shall be paid within 15 days after the end of the six-month period beginning on the date of such separation from service or, if earlier, within 15 days after the appointment of the personal representative or executor of the Executive's estate following his death.

6.11 Attorneys Fees. The prevailing party in any litigation between the Company and the Executive concerning the parties' employment relationship and/or any claim arising from this Agreement shall be entitled to an award of the reasonable legal fees and disbursements incurred by such party.

IN WITNESS WHEREOF, the parties have executed this Agreement the date first above written.

The Lovesac Company

By: /s/ Shawn Nelson
Name: Shawn Nelson
Title: Chief Executive Officer

EXECUTIVE:

/s/ Mary Fox
Name: Mary Fox

SECOND AMENDMENT TO EMPLOYMENT AGREEMENT

This Second Amendment to Employment Agreement (this “Second Amendment”) is entered into by and between The Lovesac Company, a Delaware corporation (the “Company”), and Jack A. Krause (the “Executive”), effective as of November 9, 2021 (the “Effective Date”).

RECITALS

WHEREAS, Executive and the Company previously entered into that certain Employment Agreement on October 26, 2017, as amended effective October 2, 2019 (the “Employment Agreement”); and

WHEREAS, Executive and the Company wish to amend the Employment Agreement to memorialize certain agreements between them regarding Executive’s employment relationship.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises contained herein and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. **Employment by the Company.** Section 1.1 of the Employment Agreement is hereby amended and restated as follows:
 - 1.1 **Employment by the Company.** The Company shall employ the Executive, for itself and its subsidiaries and affiliates, for the Term (as herein defined), to render exclusive and full-time services in the capacity of Chief Strategy Officer of the Company commencing November 15, 2021.
 2. **Salary.** Section 3.1 of the Employment Agreement is hereby amended and restated as follows:
 - 3.1 **Salary.** As compensation for all services to be rendered pursuant to this Agreement, the Company shall pay the Executive during the Term a salary of \$429,000 per annum (the “Base Salary”), payable not less frequently than monthly, less such deductions as shall be required to be withheld by applicable rules and regulations. The Base Salary shall not preclude raises, equity compensation, annual bonus and other compensation or incentives, as set forth herein or, should the Board, in its sole and absolute discretion, so determine to provide such additional compensation or incentives to the Executive. The Executive’s total compensation, including Base Salary, Annual Bonus and equity compensation opportunities shall be subject to annual review by the Board (or a compensation committee thereof) and adjustments considered based upon individual performance, market alignment or other factors. The Executive acknowledges and understands that the Board is under no obligation to increase any component of the Executive’s total compensation pursuant to this review.
 3. **Annual Bonus.** Section 3.2 of the Employment Agreement is hereby amended and restated as follows:
 - 3.2 **Annual Bonus.**
 - (a) The Company shall pay the Executive during the Term an annual bonus with a target value of 60% of the Executive’s Base Salary up to 120% of the Executive’s Base Salary (except as otherwise provided below in this paragraph) (“Annual Bonus”), subject to the Company’s achievements relative to certain
-

performance targets established by the Board (or a compensation committee thereof) for the performance period, and individual performance, as applicable. The terms and conditions of Annual Bonuses shall be governed by the Company's Annual Incentive Compensation Plan.

4. **Incentive Compensation.** The following Section 3.3 is hereby added to the Employment Agreement as follows:

3.3 **Equity Compensation.**

- (a) **Annual Equity Award.** The Executive shall be eligible to receive an annual award of restricted stock units ("RSUs") valued at \$765,000, the terms of which shall be governed by the Company's 2017 Equity Incentive Plan ("2017 Plan"), including any equity grant documents thereunder. Half of such RSUs shall be subject to time-based vesting and half of such RSUs shall be subject to performance vesting.
- (b) **Long Term Performance Award.** The Executive shall be eligible to receive a discretionary annual award of RSUs pursuant to the Company's Long Term Performance Award ("LTPA") Program. RSUs granted under the LTPA Program are eligible to vest based on the Company's achievements relative to accelerated performance targets set by the Board (or a compensation committee thereof) for a specific performance period.

5. **Notices.** Section 6.1 of the Employment Agreement is hereby amended and restated as follows:

6 . 1 **Notices.** Any notice or other communication required or which may be given hereunder shall be in writing and shall be delivered personally, via facsimile or other electronic means, sent by overnight delivery service with delivery signature required, or sent with return receipt requested by certified, registered, or express mail, postage prepaid to the parties at the following addresses or at such other addresses as shall be specified by the parties by like notice, and shall be deemed given when so delivered personally, upon confirmation of receipt when delivered via facsimile or other electronic means, or if mailed, two days after the date of mailing, as follows:

If to the Company, at:

The Lovesac Company
2 Landmark Square, Suite 300
Stamford, CT 06901
Attention: People Department

Copy to:

The Lovesac Company
2 Landmark Square, Suite 300
Stamford, CT 06901
Attention: Legal Department

If to the Executive, at:

Jack A. Krause

6. **Governing Law.** Section 6.4 of the Employment Agreement is hereby amended and restated as follows:
- 6.4 **Governing Law.** This Agreement shall be governed by and construed and enforced in accordance with and subject to, the laws of the State of Connecticut applicable to agreements made and to be performed entirely within such state.
7. **Entire Agreement.** The Employment Agreement, as amended by this Second Amendment, the Company's 2017 Equity Incentive Plan, including any equity grant documents under such plan, the Company's Annual Incentive Compensation Plan, and the Company's Long Term Performance Award Program, constitute the entire agreement between the parties with respect to the subject matter hereof and thereof, and supersede all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, to the extent they relate in any way to the subject matter hereof or thereof. In the event of an inconsistency between the terms of this Second Amendment and the Employment Agreement, the terms of this Second Amendment will control. Except as modified hereby, all terms and conditions of the Employment Agreement will remain in full force and effect and likewise apply to this Second Amendment.
8. **Governing Law.** This Second Amendment shall be governed by and construed and enforced in accordance with and subject to, the laws of the State of Connecticut applicable to agreements made and to be performed entirely within such state.
9. **Counterparts; Facsimile Signatures.** This Second Amendment may be executed in separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signatures to this Second Amendment may be transmitted by e-mail in pdf or similar format or facsimile and such transmissions shall be deemed an original.

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment as of the date first set forth above.

THE LOVESAC COMPANY

By: /s/ Donna Dellomo
Name: Donna Dellomo
Title: EVP and CFO

JACK A. KRAUSE

By: /s/ Jack A. Krause



September 30, 2021

Dear Mary,

On behalf of The Lovesac Company, we are extremely pleased to extend you the following conditional offer of employment. Upon accepting this offer, you will join Lovesac as President and Chief Operating Officer, initially reporting to Shawn Nelson, Founder and Chief Executive Officer of Lovesac. Your anticipated start date will be on or around November 15, 2021 ("Start Date").

At Lovesac, we are committed to living and succeeding by incorporating our **Guiding Principles**:

- We can all win together
- Doing less and doing better
- We are borrowing this earth from our children
- The couch is the new kitchen table
- Love matters

Lovesac Associates continuously strive for success by engaging our **Lovesac Values**, and we are confident these same values will guide you to achieve success.

Core Values

Audacious Dreamers
 Willing to Sweep floors
 Grit

Table-Stakes Values

Positivity
 Flexibility
 Inclusivity
 Insatiable Learning
 Passion
 Collaboration
 Empathy
 Transparency

Aspirational Values

Customer Centricity
 Only "A" Players
 Executional Excellence
 Consciousness

Accidental Values

Making it Happen
 Thrift

Your offer is an exempt, salaried position, which includes:

- **Base Salary.** Your starting annual base salary is \$429,000, paid semi-monthly, and is intended to cover all hours worked. As an exempt employee, you are not eligible for overtime pay. Your base salary is subject to annual review by the Company and adjustments considered based on your performance, market alignment and other factors.
- **Annual Bonus.** You are eligible to receive an annual bonus with a target award amount of 60% of your base salary up to a maximum of 120% of your base salary, beginning with bonuses payable for the fiscal year ending January 30, 2022 and without proration ("Annual Bonus"). The payment of an Annual Bonus is based on Lovesac's performance relative to financial and other metrics and targets set by the Compensation Committee of the Board of Directors ("Compensation Committee") for the fiscal year and governed by the Company's Annual Incentive Award Plan or such other plan as

The Lovesac Company

Two Landmark Square, Suite 300, Stamford, Connecticut 06901

determined by the Compensation Committee; *provided, however*, for the fiscal year ending January 29, 2023 only (“Fiscal 2023”), in addition to your Annual Bonus, you shall be eligible to receive an additional bonus of up to \$400,000 (“Additional Bonus”), that is payable in two installments, with 60% of the Additional Bonus payable upon certification of the performance results following the conclusion of the third quarter of Fiscal 2023 based on annual operating plan targets for Fiscal 2023, and the remaining 40% payable upon the certification of performance results following the conclusion of the fourth quarter of Fiscal 2023 against the annual operating plan targets, and with the ability to “true up” the payment of the third quarter installment based on performance for the fourth quarter of Fiscal 2023 to the extent that the third quarter targets are not then met. The terms and conditions of Annual Bonus and Additional Bonus shall be governed by the Company’s Annual Incentive Compensation Plan or such other plan as determined by the Compensation Committee. The payment, amount and terms and conditions of an annual bonus are at the discretion of the Compensation Committee and not guaranteed.

- **Inaugural Cash Award** You will receive a one-time cash award of \$500,000 (“Cash Award”) payable to you within thirty days of your Start Date. If your employment with the Company is terminated for cause or due to voluntary resignation prior to the two year anniversary of your Start Date, you shall be required to repay the Company the after-tax value of the Cash Award within thirty days of your date of termination.
- **Equity Awards.** You will receive an Inaugural Equity Award and also be eligible to receive an Annual Equity Award pursuant to the terms of our 2017 Equity Incentive Plan (“2017 Plan”) and long-term performance award (“LTPA”) program. Your Inaugural Equity Award and Annual Equity Award will consist of restricted stock units of which 50% will be subject to performance-based vesting conditions (“RSUs”) and 50% subject to time-based vesting conditions (“RSUs”). PRSUs are eligible to vest based on Lovesac’s performance relative to metrics and targets set by the Compensation Committee for the fiscal year. RSUs vest in equal installments over a certain time frame. You are also eligible to receive an annual award comprised exclusively of PRSUs under our LTPA program. Your LTPA is eligible to vest based upon Lovesac’s achievements relative to accelerated performance targets set by the Compensation Committee for a specific performance period. Vested PRSUs and RSUs are settled in shares of Lovesac common stock and issued to you per the following schedule subject to your continued employment through the payout date. A summary of additional terms is below:

Type	Grant Date	Value	Vesting Schedule PRSUs and RSUs
Inaugural	On or about your start date	\$1,500,000	4 equal installments on anniversary of grant date
Annual*	Discretionary award opportunity to be made annually after 10-K filing	\$765,000	3 equal installments on anniversary of grant date
LTPA*		\$1,649,000	1 installment upon achieving LTPA targets

*These award terms, values and vesting schedules are subject to change as determined by the Compensation Committee in its sole discretion.

The specific terms of your equity awards will be set forth in equity award agreements, and subject to the terms of the 2017 Plan and LTPA program.

- **Paid Time Off.** You will receive up to 4 weeks of paid time off, prorated from the beginning of the fiscal year to start accruing following 30 days of employment.
- **Medical, Dental and Vision Benefits** You are eligible to enroll in a comprehensive benefits package commencing the 1st of the month following 30 days of continuous employment. You will share in

The Lovesac Company

Two Landmark Square, Suite 300, Stamford, Connecticut 06901

the premium cost of your medical, dental and vision benefits through payroll deductions. If you elect continuation of group health benefits under COBRA prior to your Start Date, the Company shall reimburse you the premium cost associated with such election.

- **Life and Accidental Death and Dismemberment Insurance** The Company will provide you with Life insurance and Accident Death and Dismemberment (AD&D) insurance each of which shall be equal to one time your annual base salary at no cost to you. Enrollment in both the Life and AD&D insurance programs are automatic upon commencement of employment and effective the 1st of the month following your date of hire. Supplemental life insurance options are available to you at your sole cost and expense.
- **Short-Term and Long-Term Disability Coverage** You are eligible for short-term disability and long-term disability coverage commencing the 1st of the month following your Start Date. These plans provide you with partial salary continuation in the event of disability due to a qualifying illness or injury.
- **401(K)**. You are eligible to enroll in our 401(K) program managed by Voya Financial commencing the first of the month following 30 days of continuous employment. Lovesac has currently elected to match 100% of the first 4% of pay that you contribute to the plan.
- **Employee Discount** After 30 days of employment, you are eligible for a 40% discount on all full-price, non-discounted Lovesac merchandise. The availability and amount of employee product discounts are subject to change in the Company's discretion.
- **Employee Assistance Program (EAP)** Lovesac provides all employees with an EAP to assist employees with personal issues or other concerns that may affect their family, health and job performance. The EAP provides consultation and evaluation services for referrals. EAP services are 100% paid for by Lovesac.

Please be advised that your offer and start date are contingent upon satisfactory completion of references and a background check. You agree to sign any necessary consent forms related to such checks.

During your employment, you will be subject to all of the policies, rules, and regulations applicable to the Company's employees, as they currently exist and subject to any future modifications in the Company's discretion, including, without limitation, maintaining as confidential, proprietary information of the Company. The requirement that you maintain as confidential, proprietary information of the Company shall extend beyond the termination of your employment.

By signing below, you acknowledge, represent, and warrant to the Company that you are not now under any obligation of a contractual nature to any person, business, or other entity which is inconsistent or in conflict with this letter or which would prevent you from performing your obligations for the Company.

This letter is a summary of the principal terms of our employment offer and supersedes any prior or subsequent oral or written representations regarding the terms of potential employment with the Company. The terms of this offer are qualified in their entirety by all underlying plan documents and policies which are available upon request.

By signing below, you acknowledge that you are not relying on any representations other than those set forth in this letter. If the terms set forth in this letter are acceptable to you, please sign and date this letter and return it to Shawn Nelson, Founder and Chief Executive Officer of Lovesac.

The Lovesac Company

Two Landmark Square, Suite 300, Stamford, Connecticut 06901

We are looking forward to having you join the Lovesac family!
Warmest Regards,

/s/ Shawn Nelson
Shawn Nelson

I hereby accept the terms of the offer as outlined above.

/s/ Mary Fox September 30, 2021
Mary Fox Date

The Lovesac Company
Two Landmark Square, Suite 300, Stamford, Connecticut 06901

November 9, 2021

Mr. Andrew Heyer, Chairman of the Board
c/o The Lovesac Company, Board of Directors
Two Landmark Square, Suite 300
Stamford, CT 06901

Re: Letter of Resignation

Dear Andy:

I hereby provide my notice of resignation from the Board of Directors of The Lovesac Company, effective November 15, 2021.

Very truly yours,

/s/ Mary Fox

Mary Fox

The Lovesac Company Announces Key Additions to Leadership Team

Mary Fox Appointed as President and Chief Operating Officer

Jack Krause Appointed as Chief Strategy Officer

STAMFORD, Conn., November 11, 2021 (GLOBE NEWSWIRE) -- The Lovesac Company (Nasdaq: LOVE) (“Lovesac” or the “Company”), the home furnishing brand best known for its Sactionals, The World's Most Adaptable Couch™, today announced additions to its leadership team intended to drive the Company’s growth strategy. Mary Fox, a director of the Company’s Board since February 2020, has been appointed as President and Chief Operating Officer, and Jack Krause, currently President and Chief Operating Officer, has been appointed as Chief Strategy Officer. Both appointments are effective November 15, 2021. In conjunction with today’s announcement, Ms. Fox will step down from the Board of Directors and Mr. Krause has been elected a director of the Board. As a result, the number of directors will remain seven.

Shawn Nelson, Chief Executive Officer, stated, “Our robust growth has been driven by an ability to see and prepare for what ‘next’ looks like. Jack and I are both excited about this new organizational structure, and the leverage it will give us as we develop plans to become a world class brand with unmatched loyalty. Today’s appointments further strengthen our leadership team and better position Lovesac to successfully navigate the evolving landscape and effectively scale our business. Mary brings a strong digital and brand building background that spans a 25 year career in the consumer goods sector, significant experience in scaling businesses, and extensive supply chain and operations expertise. Along with her keen and prescient adoption of ESG principles and her extensive knowledge of Lovesac’s unique business model, all of these attributes make Mary a particularly great fit, especially given Lovesac’s growth trajectory. We are thrilled to announce her appointment as President and COO.”

Mr. Nelson continued, “We are equally enthused that Jack will be serving in the newly-created role of Chief Strategy Officer. Jack has been instrumental to our success since joining in 2015, and we will benefit enormously from his leadership, brand management and strategy expertise as we expand the Lovesac brand into new categories and modes of distribution. We look forward to leveraging his experience and knowledge as both Chief Strategy Officer and a member of the Board.”

Jack Krause commented, “As we look to the next chapter of growth and the many opportunities that lie ahead, Lovesac will need the talent, systems and infrastructure to scale in a manner that drives value for all of our stakeholders and I am excited to take on the role of Chief Strategy Officer and Board member in pursuit of this goal. I have also had the benefit of getting to know Mary well since she joined our Board and have witnessed firsthand her valuable contributions. I am delighted to partner with her as she joins the management team, and assumes the President and COO position.”

Mary Fox stated, “From my time on the Board, throughout my career, and as a Lovesac customer for the last decade, I have gained great respect and admiration for Lovesac’s differentiated direct-to-consumer business model, unique product, loyal customer base and deep commitment to sustainability, including its Circle to Consumer philosophy. I am honored to take on this new role and will leverage my expansive experience working with consumer goods companies throughout my career to help execute the Company’s growth strategy and drive long-term value.”

Since 2018, Ms. Fox served as General Manager for North America Consumer Products at BIC. Prior to joining BIC, she spent six years at L’Oréal in various roles within Ecommerce, New Business Development, and Business Transformation in the United States. Before L’Oréal, Ms. Fox held several leadership positions at Walmart in both the United States and International divisions. During her time as SVP Global Sourcing at Walmart, Ms. Fox co-founded the Sustainable Apparel Coalition (SAC) in 2009 with Patagonia, which is now the leading apparel, footwear, and textile coalition focused on sustainable production made up of over 250 global retailers, brands and manufacturers.

Ms. Fox graduated from Coventry University in the United Kingdom, and holds a degree in manufacturing engineering and business studies.

About The Lovesac Company

Based in Stamford, Connecticut, The Lovesac Company is a technology driven company that designs, manufactures and sells unique, high quality furniture derived through its proprietary Designed for Life® approach which results in products that are built to last a lifetime and designed to evolve as our customers’ lives do. Our current product offering is comprised of modular couches called Sactionals, premium foam beanbag chairs called Sacs, and their associated home decor accessories. Innovation is at the center of our design philosophy with all of our core products protected by a robust portfolio of utility patents. We market and sell

our products primarily online directly at www.lovesac.com, supported by direct-to-consumer touch-feel points in the form of our own showrooms as well as through shop-in-shops and pop-up-shops with third party retailers.

Investor Relations Contact:

Rachel Schacter, ICR

(203) 682-8200

InvestorRelations@lovesac.com