
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 10-Q

(Mark One)

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended May 2, 2026

OR

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission file number: 001-32320

BUILD-A-BEAR WORKSHOP, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

43-1883836
(IRS Employer
Identification No.)

415 South 18th St.
St. Louis, Missouri
(Address of Principal Executive Offices)

63103
(Zip Code)

(314) 423-8000
(Registrant's Telephone Number, Including Area Code)

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common stock	BBW	New York Stock Exchange

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

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

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

As of June 9, 2026, there were 12,537,443 issued and outstanding shares of the registrant’s common stock.

BUILD-A-BEAR WORKSHOP, INC.
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PART I -FINANCIAL INFORMATION

Item 1. Financial Statements

BUILD-A-BEAR WORKSHOP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in thousands, except share and per share data)

	<u>May 2, 2026</u>	<u>January 31, 2026</u>	<u>May 3, 2025</u>
	(Unaudited)		(Unaudited)
ASSETS			
Current assets:			
Cash, cash equivalents and restricted cash	\$ 26,247	\$ 26,755	\$ 44,342
Inventories, net	77,806	82,203	72,299
Receivables, net	31,630	21,459	13,800
Prepaid expenses and other current assets	12,149	9,603	12,156
Total current assets	<u>147,832</u>	<u>140,020</u>	<u>142,597</u>
Operating lease right-of-use asset	119,622	121,129	92,699
Property and equipment, net	73,778	70,926	59,260
Deferred tax assets	7,243	7,370	7,667
Other assets, net	5,610	6,008	6,080
Total Assets	<u><u>\$ 354,085</u></u>	<u><u>\$ 345,453</u></u>	<u><u>\$ 308,303</u></u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	\$ 15,994	\$ 15,318	\$ 15,890
Accrued expenses	33,932	26,104	24,273
Operating lease liability short term	28,276	28,651	26,507
Gift cards and customer deposits	14,260	15,289	14,851
Deferred revenue and other	4,142	5,264	3,830
Total current liabilities	<u>96,604</u>	<u>90,626</u>	<u>85,351</u>
Operating lease liability long term	97,414	98,647	72,957
Other long-term liabilities	1,048	1,152	1,313
Stockholders' equity:			
Preferred stock, par value \$0.01, Shares authorized: 15,000,000; No shares issued or outstanding at May 2, 2026, January 31, 2026 and May 3, 2025	-	-	-
Common stock, par value \$0.01, Shares authorized: 50,000,000; Issued and outstanding: 12,628,877, 12,808,954, and 13,174,014 shares, respectively	126	128	132
Additional paid-in capital	59,919	60,821	61,602
Accumulated other comprehensive loss	(10,939)	(10,760)	(11,295)
Retained earnings	109,913	104,839	98,243
Total stockholders' equity	<u>159,019</u>	<u>155,028</u>	<u>148,682</u>
Total Liabilities and Stockholders' Equity	<u><u>\$ 354,085</u></u>	<u><u>\$ 345,453</u></u>	<u><u>\$ 308,303</u></u>

See accompanying notes to condensed consolidated financial statements.

BUILD-A-BEAR WORKSHOP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
AND COMPREHENSIVE INCOME

(Unaudited)

(Dollars in thousands, except share and per share data)

	Thirteen weeks ended	
	May 2, 2026	May 3, 2025
Revenues:		
Net retail sales	\$ 113,466	\$ 119,589
Commercial revenue	10,948	7,623
International franchising	856	1,183
Total revenues	<u>125,270</u>	<u>128,395</u>
Costs and expenses:		
Cost of merchandise sold - retail	40,338	51,571
Cost of merchandise sold - commercial	4,419	3,014
Cost of merchandise sold - international franchising	641	824
Total cost of merchandise sold	<u>45,398</u>	<u>55,409</u>
Consolidated gross profit	79,872	72,986
Selling, general and administrative expense	56,126	53,555
Interest income, net	(134)	(200)
Income before income taxes	23,880	19,631
Income tax expense	5,581	4,312
Net income	<u>\$ 18,299</u>	<u>\$ 15,319</u>
Foreign currency translation adjustment	(179)	1,259
Comprehensive income	<u>\$ 18,120</u>	<u>\$ 16,578</u>
Income per common share:		
Basic	<u>\$ 1.45</u>	<u>\$ 1.17</u>
Diluted	<u>\$ 1.45</u>	<u>\$ 1.17</u>
Shares used in computing common per share amounts:		
Basic	12,584,388	13,080,301
Diluted	12,638,710	13,144,243

See accompanying notes to condensed consolidated financial statements.

BUILD-A-BEAR WORKSHOP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)
(Dollars in thousands)

	Thirteen weeks ended	
	May 2, 2026	May 3, 2025
Cash flows provided by operating activities:		
Net income	\$ 18,299	\$ 15,319
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	4,002	3,700
Share-based and performance-based stock compensation	629	1,546
Provision/adjustments for doubtful accounts	(29)	(111)
Gain on disposal of property and equipment	(4)	(10)
Net change in film costs and advances	(33)	(29)
Deferred taxes	113	-
Change in assets and liabilities:		
Inventories, net	4,300	(1,766)
Receivables, net	3,004	2,730
IEEPA tariff refund receivable	(13,175)	-
Prepaid expenses and other assets	(2,508)	638
Accounts payable and accrued expenses	8,914	7,086
Operating leases	(122)	(121)
Gift cards and customer deposits	(1,025)	(1,004)
Deferred revenue	(1,141)	(175)
Net cash provided by operating activities	21,224	27,803
Cash flows used in investing activities:		
Purchases of property and equipment	(6,869)	(2,907)
Net cash used in investing activities	(6,869)	(2,907)
Cash flows used in financing activities:		
Purchases of common stock for employee equity awards, net of tax	(350)	(1,266)
Cash dividends paid on vested participating securities	(2,895)	(2,934)
Purchases of Company's common stock	(11,509)	(4,208)
Net cash used in financing activities	(14,754)	(8,408)
Effect of exchange rates on cash	(109)	96
(Decrease)/Increase in cash, cash equivalents, and restricted cash	(508)	16,584
Cash, cash equivalents and restricted cash, beginning of period	26,755	27,758
Cash, cash equivalents and restricted cash, end of period	\$ 26,247	\$ 44,342
Supplemental disclosure of cash flow information:		
Cash and cash equivalents	\$ 25,843	\$ 43,941
Restricted cash from long-term deposits	\$ 404	\$ 401
Total cash, cash equivalents and restricted cash	\$ 26,247	\$ 44,342
Net cash paid during the period for income taxes	\$ 286	\$ 636

See accompanying notes to condensed consolidated financial statements.

Notes to Condensed Consolidated Financial Statements

1. Basis of Presentation

The condensed consolidated financial statements included herein are unaudited and have been prepared by Build-A-Bear Workshop, Inc. and its subsidiaries (collectively, the “Company”) pursuant to the rules and regulations of the United States Securities and Exchange Commission (“SEC”). Certain information and footnote disclosures normally included in financial statements prepared in accordance with United States (“U.S.”) generally accepted accounting principles (“GAAP”) have been condensed or omitted pursuant to such rules and regulations. The condensed consolidated balance sheet of the Company as of January 31, 2026, was derived from the Company’s audited consolidated balance sheet as of that date. All other condensed consolidated financial statements contained herein are unaudited and reflect all adjustments which are, in the opinion of management, necessary to summarize fairly the financial position of the Company and the results of the Company’s operations and cash flows for the periods presented. All of these adjustments are of a normal recurring nature. All significant intercompany balances and transactions have been eliminated in consolidation. Because of the seasonal nature of the Company’s operations, results of operations of any single reporting period should not be considered as indicative of results for a full year. These condensed consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the fiscal year ended January 31, 2026, which were included in the Company’s Annual Report on Form 10-K filed with the SEC on April 16, 2026, as amended by Amendment No. 1 filed with the SEC on April 17, 2026 (the “2025 Form 10-K”).

Significant Accounting Policies

The Company’s significant accounting policies are summarized in Note 2 to the consolidated financial statements included in its 2025 Form 10-K.

Recently Adopted Accounting Pronouncements

In July 2025, the FASB issued ASU 2025-05, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets. ASU 2025-05 provides the option to apply a practical expedient to address implementation challenges related to the estimation of expected credit losses for current accounts receivable and current assets arising from transactions accounted for under revenue recognition (Topic 606) and assets acquired through business combinations. The practical expedient allows entities to assume that current conditions as of the balance sheet date remain unchanged over the life of these assets when developing forecasts. The guidance allows entities to bypass the requirement to incorporate macro-economic data into their forecast when such data is not expected to materially affect the estimate. The Company adopted the guidance in ASU 2025-05 effective February 1, 2026 prospectively and applied the practical expedient. The adoption of this new accounting standard did not have a material impact on the Company’s condensed consolidated financial statements.

2. Revenue

Currently, most of the Company's revenue is derived from direct-to-consumer ("DTC") retail sales (including from its e-commerce sites) and is recognized when control of the merchandise is transferred to the customer. The Company's disaggregated revenue is fully disclosed as net sales to external customers by reporting segment and by geographic area (See Note 11 — Segment Information for additional information). The Company's direct-to-consumer reporting segment represents 91% of consolidated revenue for the first quarter of fiscal 2026. The majority of these sales transactions were single performance obligations that were recorded when control of merchandise was transferred to the customer.

The following is a description of principal activities from which the Company generates its revenue through three reportable segments.

The Company's direct-to-consumer segment includes the operating activities of corporately-managed stores, other retail-delivered operations and online sales. Direct-to-consumer revenue is recognized when control of the merchandise is transferred to the customer and for the Company's online sales, control generally transfers upon delivery to the customer. Revenue is measured as the amount of consideration, including any discounts or incentives, the Company expects to receive in exchange for transferring the merchandise. Product returns have historically averaged less than one-half of one percent due to the personalized and interactive nature of sales, where consumers customize their own stuffed animal. The Company has elected to exclude from revenue all collected sales, value add, and other taxes paid by its customers.

For the Company's gift cards, revenue is deferred for single transactions until redemption including any related gift card discounts. Approximately 80% of gift cards issued are redeemed within three years of issuance and over the last three years, approximately 65% of gift cards issued have been redeemed within the first twelve months. In addition, unredeemed gift cards or breakage revenue is recorded in proportion to the consumers' redemption pattern using an estimated breakage rate based on historical experience. Following the reopening of stores after the pandemic, the Company experienced lower gift card redemption rates for all periods of outstanding activated cards compared to historical redemption patterns observed prior to fiscal year 2020, which impacted the gift card breakage rate. Management believes that the redemption behavior observed during the pandemic was not indicative of long-term customer behavior and accordingly adjusted the historical redemption data used to calculate the breakage rate. In more recent periods, gift card redemption patterns have generally returned to levels consistent with pre-2020 experience. The Company continues to evaluate expected breakage annually and adjusts the breakage rates in the fourth quarter of each year, or at other times if significant changes in consumer behavior are detected. Changes to breakage estimates impact revenue recognition prospectively. Further, given the magnitude of the Company's gift card liability, the changes in breakage rates could have a significant impact on the amount of breakage revenue recognized in future periods. As a matter of sensitivity, a hypothetical 1% change in our gift card breakage rate in fiscal 2025 would have resulted in a change in breakage revenue of \$1.3 million.

For certain qualifying transactions, a portion of revenue transactions are deferred for the obligation related to the Company's loyalty program or when a material right in the form of a future discount is granted. In these transactions, the transaction price is allocated to the separate performance obligations based on the relative standalone selling price. The standalone selling price for the points earned for the Company's loyalty program is estimated using the net retail value of the merchandise purchased, adjusted for estimated breakage based on historical redemption patterns. The revenue associated with the initial merchandise purchased is recognized immediately and the value assigned to the points is deferred until the points are redeemed, forfeited or expired. Loyalty program points expire if there is no qualifying account activity for a period of 12 months. The Company issues certificates daily to loyalty program members who have earned 100 or more points in North America and 50 points or more in the United Kingdom (the "U.K.") with certificates historically expiring in four months if not redeemed. The Company assesses the redemption rates of its certifications on a quarterly basis to update the rate at which loyalty program points turn into certifications and the rate that certifications are redeemed. The Company classifies contract liabilities related to the loyalty program as deferred revenue and other on the condensed consolidated balance sheet.

The Company's commercial segment includes transactions with other businesses and is mainly comprised of wholesale sales of merchandise, supplies and fixtures, licensing the Company's intellectual properties for third-party use, and revenues generated from entertainment activities. Revenue for wholesale sales is recognized when the control of the merchandise or fixtures is transferred to the customer, which generally occurs upon shipment to the customer. The license agreements provide the customer with highly interrelated rights, including the Build-A-Bear retail operations proprietary process, that are not distinct in the context of the contract and therefore, have been accounted for as a single performance obligation and recognized as licensee sales occur. If the contract includes a guaranteed minimum, the minimum guarantee is recognized on a straight-line basis over the guarantee term until such time as royalties earned through licensee sales exceed the minimum guarantee. The Company classifies these guaranteed minimum contract liabilities as deferred revenue and other on the condensed consolidated balance sheet. Entertainment revenue is generated through the sale of entertainment assets directly to customers or through licensing agreements.

The Company's international franchising segment includes the activities with franchisees who operate store locations in certain countries and includes development fees, sales-based royalties and merchandise, including supplies and fixture sales. The Company's obligations under the franchise agreements are ongoing and include operations and product development support and training, generally concentrated around initial store openings. These obligations are highly interrelated rights that are not distinct in the context of the contract and, therefore, have been accounted for as a single performance obligation and recognized as franchisee sales occur. If the contract includes an initial, one-time nonrefundable development fee, this fee is recognized on a straight-line basis over the term of the franchise agreement, which may extend for periods up to 25 years. The Company classifies these initial, one-time nonrefundable franchise fee contract liabilities as deferred revenue and other on its condensed consolidated balance sheet. Revenue from merchandise and fixture sales is recognized when control is transferred to the franchisee, which generally occurs upon delivery.

The Company also incurs expenses directly related to the startup of new franchises, which may include finder's fees, legal and travel costs, expenses related to its ongoing support of the franchises and employee compensation. Accordingly, the Company's policy is to capitalize any finder's fee, as an incremental cost, and expense all other costs as incurred. The Company amortizes these capitalized costs into expense in the same pattern as the development fee as described previously. These capitalized costs for the thirteen weeks ended May 2, 2026 are not material to the financial statements.

The Company reserves for "expected" credit losses on financial instruments and other commitments to extend credit rather than the "incurred loss" model. These expected credit losses for financial assets held at the reporting date are to be based on historical experience, current conditions and reasonable and supportable forecasts. For the thirteen weeks ended May 2, 2026 and May 3, 2025, the Company's accounts receivable are net of \$4.1 million and \$7.0 million, inclusive of the allowance for credit losses and the reserve for the UK's customs authority "HMRC" matter of \$0.6 million and \$3.6 million, respectively. See Note 12 for further discussion of the HMRC matter.

On February 20, 2026, the U.S. Supreme Court issued a ruling striking down certain tariffs previously imposed under the International Emergency Economic Powers Act ("IEEPA"). Further, on March 4, 2026, the Court of International Trade ruled that U.S. Customs and Border Protection must

refund the IEEPA tariffs that were collected. Based on these court rulings affirming the Company's legal right to recover IEEPA tariffs, the Company determined that it is entitled to a tariff refund of approximately \$13.2 million, which was recorded in receivables, net on the condensed consolidated balance sheet. For the thirteen weeks ended May 2, 2026, the Company recorded a \$10.4 million benefit for these tariffs in cost of merchandise sold-retail on the condensed consolidated statements of operations and comprehensive income and reduced the carrying value of inventory by \$2.8 million on the condensed consolidated balance sheet as of May 2, 2026.

3. Leases

The majority of the Company's leases relate to retail stores and corporate offices. For leases with terms greater than 12 months, the Company records the related asset and obligation at the present value of lease payments over the term. Most new retail store leases have an original term of a five to ten-year base period and may include renewal options to extend the lease term beyond the initial base period. The extension periods are typically much shorter than the original lease term given the Company's strategic decision to maintain a high level of lease optionality. Some leases also include early termination options, which can be exercised under specific conditions. Additionally, the Company may operate stores for a period of time on a month-to-month basis after the expiration of the lease term. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants. Additionally, certain leases contain incentives, such as construction allowances from landlords and/or rent abatements subsequent to taking possession of the leased property.

The table below presents certain information related to the lease costs for operating leases for the thirteen weeks ended May 2, 2026 and May 3, 2025 (in thousands).

	Thirteen weeks ended	
	May 2, 2026	May 3, 2025
Operating lease costs	\$ 11,409	\$ 10,443
Variable lease costs (1)	2,214	2,380
Short term lease costs	27	28
Total Operating Lease costs	<u>\$ 13,650</u>	<u>\$ 12,851</u>

- (1) Variable lease costs consist of leases with variable rent structures, which are intended to increase flexibility in an environment with expected high sales volatility and provide a natural hedge against potential sales declines.

Other information

The table below presents supplemental cash flow information related to leases for the thirteen weeks ended May 2, 2026 and May 3, 2025 (in thousands).

	Thirteen weeks ended	
	May 2, 2026	May 3, 2025
Operating cash flows for operating leases	\$ 11,062	\$ 10,216

As of May 2, 2026 and May 3, 2025, the weighted-average remaining operating lease term was 6.3 years and 6.1 years, respectively, and the weighted-average discount rate was 6.9% and 7.2%, respectively, for operating leases recognized on the Company's condensed consolidated balance sheets.

The value of our operating lease asset was \$119.6 million and \$92.7 million as of May 2, 2026 and May 3, 2025, respectively. The increase was driven by the Company entering into leases for new stores as well as securing longer-term extensions for existing stores resulting in contracts with more favorable terms.

For the thirteen weeks ended May 2, 2026 and the thirteen weeks ended May 3, 2025 the Company incurred no impairment charges against its right-of-use operating lease assets.

Undiscounted cash flows

The table below reconciles the undiscounted cash flows for each of the first five years and total of the remaining years to the operating lease liabilities recorded on the condensed consolidated balance sheet (in thousands).

Operating Leases	
2026	\$ 31,978
2027	27,801
2028	22,270
2029	17,569
2030	13,816
Thereafter	41,129
Total minimum lease payments	<u>154,563</u>
Less: amount of lease payments representing interest	<u>(28,873)</u>
Present value of future minimum lease payments	125,690
Less: current obligations under leases	<u>(28,276)</u>
Long-term lease obligations	<u>\$ 97,414</u>

As of May 2, 2026, the Company had additional executed leases that had not yet commenced with operating lease liabilities of \$4.4 million. These leases are expected to commence in the second quarter of fiscal 2026 with lease terms of 10 years.

4. Other Assets

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

	May 2, 2026	January 31, 2026	May 3, 2025
Prepaid occupancy (1)	\$ 4,284	\$ 2,570	\$ 4,570
Prepaid insurance	655	1,068	512
Prepaid taxes (2)	43	81	181
Prepaid gift card fees	448	511	411
Prepaid royalties	376	111	285
Other (3)	6,343	5,262	6,197
Total	\$ 12,149	\$ 9,603	\$ 12,156

(1) Prepaid occupancy consists of prepaid expenses related to variable non-lease components.

(2) Prepaid taxes consist of prepaid federal and state income tax.

(3) Other consists primarily of prepaid expense related to information technology maintenance contracts and software as a service.

Other non-current assets consist of the following (in thousands):

	May 2, 2026	January 31, 2026	May 3, 2025
Entertainment assets (1)	\$ 4,164	\$ 4,493	\$ 4,251
Deferred compensation	1,322	1,356	1,665
Other (2)	124	159	164
Total	\$ 5,610	\$ 6,008	\$ 6,080

(1) Entertainment assets includes the direct costs, production overhead and development costs in producing entertainment assets such as films or music.

(2) Other consists primarily of deferred financing costs related to the Company's credit facility.

5. Accrued Expenses

Accrued expenses consist of the following (in thousands):

	May 2, 2026	January 31, 2026	May 3, 2025
Accrued wages, bonuses and related expenses	\$ 20,837	\$ 16,824	\$ 18,351
Sales and value added taxes payable	2,184	3,341	2,219
Current income taxes payable	9,086	3,943	2,921
Accrued rent and related expenses (1)	875	1,046	782
Accrued expense - other (2)	950	950	-
Total	\$ 33,932	\$ 26,104	\$ 24,273

(1) Accrued rent and related expenses consist of accrued costs associated with non-lease components.

(2) Accrued expense - other consists of costs associated with legal accruals.

6. Stock-based Compensation

On April 14, 2020, the Company's Board of Directors (the "Board") adopted, subject to stockholder approval, the Build-A-Bear Workshop, Inc. 2020 Omnibus Incentive Plan (the "2020 Incentive Plan"). On June 11, 2020, the Company's stockholders approved the 2020 Incentive Plan. On April 11, 2023, the Board adopted, subject to stockholder approval, the Build-A-Bear Workshop, Inc. Amended and Restated 2020 Omnibus Incentive Plan (the "Restated 2020 Incentive Plan"). On June 8, 2023, at the Company's 2023 Annual Meeting of Stockholders, the Company's stockholders approved the Restated 2020 Incentive Plan. The Restated 2020 Incentive Plan, which is administered by the Compensation and Human Capital Committee of the Board, permits the grant of stock options (including both incentive and non-qualified stock options), stock appreciation rights, other stock-based awards, including restricted stock and restricted stock units, cash-based awards, and performance awards pursuant to the terms of the Restated 2020 Incentive Plan. The Restated 2020 Incentive Plan will terminate on April 11, 2033, unless earlier terminated by the Board. The total number of shares of the Company's common stock authorized for issuance under the Restated 2020 Incentive Plan increased by 800,000 to a maximum of 1,800,000 since its inception as the 2020 Incentive Plan, subject to customary capitalization adjustments, substitutions of acquired company awards and certain additions of acquired company plan shares, plus shares that are subject to outstanding awards made under the Build-A-Bear Workshop, Inc. 2017 Omnibus Incentive Plan (the "2017 Plan") that on or after April 14, 2020, may be forfeited, expire or be settled for cash.

For the thirteen weeks ended May 2, 2026 and May 3, 2025, selling, general and administrative expense included stock-based compensation expense of \$0.7 million and \$0.5 million, respectively. As of May 2, 2026, there was \$5.6 million of total unrecognized compensation expense related to unvested restricted stock awards which is expected to be recognized over a weighted-average period of 1.6 years.

As of May 2, 2026 and January 31, 2026 the Company had no outstanding stock options.

The following table is a summary of the balances and activity related to time-based and performance-based restricted stock for the thirteen weeks ended May 2, 2026

	Time-Based Restricted Stock		Performance-Based Restricted Stock	
	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value
Outstanding, January 31, 2026 ⁽¹⁾	73,588	\$ 37.97	156,665	\$ 32.82
Granted ⁽¹⁾	67,707	38.04	99,826	38.04
Vested	(21,397)	26.11	-	-
Adjustment for performance achievement	-	-	(40,494)	24.75
Earned and vested	-	-	(9,810)	24.75
Forfeited ⁽¹⁾	-	-	-	-
Outstanding, May 2, 2026 ⁽¹⁾	119,898	\$ 36.44	206,187	\$ 33.20

⁽¹⁾ Performance-based restricted stock outstanding, granted, and forfeited are presented at 100% of target.

The total fair value of shares vested during the thirteen weeks ended May 2, 2026 and May 3, 2025 was \$0.8 million and \$2.0 million, respectively.

The outstanding performance shares as of May 2, 2026 consist of the following:

	Performance Shares
Unearned shares subject to performance-based restrictions at target:	
2024 - 2026 consolidated, cumulative EBITDA objectives	44,171
2024 - 2026 consolidated cumulative revenue objectives	14,724
2025 - 2027 consolidated, consolidated revenue growth objectives	47,466
2026 - 2028 consolidated, consolidated revenue growth objectives	99,826
Performance shares outstanding, May 2, 2026	206,187

7. Income Taxes

The Company's effective tax rate was 23.4% for the thirteen weeks ended May 2, 2026 compared to 22.0% for the thirteen weeks ended May 3, 2025. In the first quarter of fiscal 2026, the effective tax rate differed from the statutory rate of 21% primarily due to state income tax expense offset by the tax impact of equity awards vesting and the foreign-derived deduction eligible income (formerly foreign derived intangible income). In the first quarter of fiscal 2025, the effective tax rate differed from the statutory rate of 21% primarily due to state income tax expense partially offset by the tax impact of equity awards vesting and foreign derived intangible income. In addition, in the first quarter of fiscal 2026 and 2025, the Company remains in a full valuation allowance in certain foreign jurisdictions.

8. Stockholders' Equity

The following table sets forth the changes in stockholders' equity (in thousands) for the thirteen weeks ended May 2, 2026 and May 3, 2025 (in thousands).

	For the thirteen weeks ended May 2, 2026					For the thirteen weeks ended May 3, 2025				
	Common	APIC	AOCI	Retained	Total	Common	APIC	AOCI	Retained	Total
	stock	(1)	(2)	earnings		stock	(1)	(2)	earnings	
Balance, beginning	\$ 128	\$ 60,821	\$(10,760)	\$ 104,839	\$ 155,028	\$ 133	\$ 61,987	\$(12,554)	\$ 89,516	\$ 139,082
Shares issued under employee stock plans		243			243		1,103			1,103
Stock-based compensation		381			381		284			284
Shares withheld in lieu of tax withholdings	-	(350)			(350)		(1,266)			(1,266)
Share repurchase	(2)	(1,176)		(10,331)	(11,509)	(1)	(506)		(3,701)	(4,208)
Cash dividends				(2,894)	(2,894)				(2,891)	(2,891)
Other				-	-					-
Other comprehensive income			(179)		(179)			1,259		1,259
Net income				18,299	18,299				15,319	15,319
Balance, ending	<u>\$ 126</u>	<u>\$ 59,919</u>	<u>\$(10,939)</u>	<u>\$ 109,913</u>	<u>\$ 159,019</u>	<u>\$ 132</u>	<u>\$ 61,602</u>	<u>\$(11,295)</u>	<u>\$ 98,243</u>	<u>\$ 148,682</u>

(1) Additional paid-in capital ("APIC")

(2) Accumulated other comprehensive loss ("AOCI")

During the thirteen weeks ended May 2, 2026, the Company utilized \$11.4 million in cash to repurchase 248,118 shares under its \$100 million stock repurchase program that was authorized by the Board on September 11, 2024 (the "September 2024 Stock Repurchase Program"). Between the end of the first fiscal quarter of 2026 and June 9, 2026, the Company utilized an additional \$3.8 million in cash to repurchase 103,064 shares under the September 2024 Stock Repurchase Program, leaving an aggregate of \$46.5 million available for future repurchases under that plan. For the thirteen weeks ended May 2, 2026, the Board authorized cash dividends to shareholders of \$2.9 million on March 11, 2026, as the Board declared a quarterly cash dividend of \$0.23 per share on the issued and outstanding common stock of the company. The dividend was paid on April 9, 2026, to all stockholders of record as of March 26, 2026.

During the thirteen weeks ended May 3, 2025, the Company utilized \$4.2 million in cash to repurchase 108,502 shares under the September 2024 Stock Repurchase Program. The Company's Board of Directors also declared a quarterly cash dividend of \$0.22 per share that was paid on April 10, 2025, to shareholders of record as of March 27, 2025.

9. Income per Share

The following table sets forth the computation of basic and diluted net income per share (in thousands, except share and per share data):

	Thirteen weeks ended	
	May 2, 2026	May 3, 2025
NUMERATOR:		
Net income	\$ 18,299	\$ 15,319
DENOMINATOR:		
Weighted average number of common shares outstanding - basic	12,584,388	13,080,301
Dilutive effect of share-based awards:	54,322	63,942
Weighted average number of common shares outstanding - dilutive	<u>12,638,710</u>	<u>13,144,243</u>
Basic net income per common share	<u>\$ 1.45</u>	<u>\$ 1.17</u>
Diluted net income per common share	<u>\$ 1.45</u>	<u>\$ 1.17</u>

In calculating the diluted income per share for the thirteen weeks ended May 2, 2026, there were 19,214 shares of common stock that were outstanding at the end of the period that were not included in the computation of diluted income per share due to their anti-dilutive effect. For the thirteen weeks ended May 3, 2025, there were zero shares of common stock that were outstanding at the end of the period that were not included in the computation of diluted income per share due to their anti-dilutive effect.

10. Comprehensive Income

The difference between comprehensive income or loss and net income or loss is the result of foreign currency translation adjustments on the balance sheets of subsidiaries whose functional currency is not the U.S. dollar. The accumulated other comprehensive loss balance on May 2, 2026 and May 3, 2025 was comprised entirely of foreign currency translation. For the thirteen weeks ended May 2, 2026 and May 3, 2025, the Company had no reclassifications out of accumulated other comprehensive loss.

11. Segment Information

The Company's operations are conducted through three operating segments, consisting of DTC, commercial and international franchising. The DTC segment includes the operating activities of corporately-managed locations and other retail delivery operations in the U.S., Canada, Puerto Rico, the Republic of Ireland and the U.K., including the Company's e-commerce sites and temporary stores. The commercial segment includes the Company's transactions with other businesses, mainly comprised of wholesale sales of merchandise, supplies and fixtures, licensing the Company's intellectual properties for third party use, and revenues generated from entertainment activities. The international franchising segment includes the licensing activities of the Company's franchise agreements with store locations in select countries in Asia, Australia, the Middle East, Africa, and South America. The operating segments have discrete sources of revenue, different capital structures and different cost structures. These operating segments represent the basis on which the Company's chief operating decision maker regularly evaluates the business in assessing performance, determining the allocation of resources and the pursuit of future growth opportunities. Accordingly, the Company has determined that each of its operating segments represent a reportable segment. The three reportable segments follow the same accounting policies used for the Company's consolidated financial statements.

The following is a summary of the financial information for the Company's reportable segments (in thousands):

	Direct-to- Consumer	Commercial	International Franchising	Total
Thirteen weeks ended May 2, 2026				
Total Revenue	\$ 113,466	\$ 10,948	\$ 856	\$ 125,270
Cost of Goods Sold	40,338	4,419	641	45,398
Gross Profit	73,128	6,529	215	79,872
Selling, General & Administrative	36,080	103	-	36,183
Contribution Margin	37,048	6,426	215	43,689
Overhead Expenses ⁽¹⁾				19,943
Interest Income				(134)
Income before income taxes				<u>\$ 23,880</u>
Thirteen weeks ended May 3, 2025				
Total Revenue	\$ 119,589	\$ 7,623	\$ 1,183	\$ 128,395
Cost of Goods Sold	51,571	3,014	824	55,409
Gross Profit	68,018	4,609	359	72,986
Selling, General & Administrative	34,352	96	-	34,448
Contribution Margin	33,666	4,513	359	38,538
Overhead Expenses ⁽¹⁾				19,107
Interest Income				(200)
Income before income taxes				<u>\$ 19,631</u>

(1) Overhead expenses contain selling, general and administrative expenses not attributable to a segment.

Total assets, depreciation and amortization, and capital expenditures for the Company's segments, as well as for Corporate and support, are as follows (in thousands):

	Direct-to- Consumer	Commercial	International Franchising	Corporate	Total
Thirteen weeks ended May 2, 2026					
Total Assets	\$ 258,483	\$ 15,627	\$ 1,446	\$ 78,529	\$ 354,085
Depreciation and amortization	2,564	358	-	1,080	4,002
Capital Expenditures	5,411	-	-	1,458	6,869
Thirteen weeks ended May 3, 2025					
Total Assets	\$ 209,280	\$ 11,605	\$ 1,831	\$ 85,587	\$ 308,303
Depreciation and amortization	2,734	39	-	927	3,700
Capital Expenditures	1,354	-	-	1,553	2,907

The Company's reportable segments are primarily determined by the types of products and services that they offer. Each reportable segment may operate in many geographic areas. Revenues are recognized in the geographic areas based on the location of the customer or franchisee. The following schedule is a summary of the Company's sales to external customers and long-lived assets by geographic area (in thousands):

	North America (1)	Europe (2)	Other (3)	Total
Thirteen weeks ended May 2, 2026				
Net sales to external customers	\$ 107,498	\$ 14,335	\$ 3,437	\$ 125,270
Thirteen weeks ended May 3, 2025				
Net sales to external customers	\$ 111,273	\$ 15,627	\$ 1,495	\$ 128,395

For purposes of this table only:

- (1) North America includes corporately-managed locations and sales to wholesale customers in the United States and Canada.
- (2) Europe includes corporately-managed locations in the U.K. and the Republic of Ireland and sales to wholesale customers in Europe.
- (3) Other includes wholesale and franchise businesses outside of North America and Europe.

12. Contingencies

In the normal course of business, the Company is subject to legal proceedings, government inquiries and claims, and other commercial disputes. If one or more of these matters has an unfavorable resolution, it is possible that the results of operations, liquidity or financial position of the Company could be materially affected in any particular period. The Company accrues a liability for these types of contingencies when it believes that it is both probable that a liability has been incurred and that it can reasonably estimate the amount of the loss. Gain contingencies are recorded when the underlying uncertainty has been settled.

Assessments made by the U.K. customs authority in 2012 were appealed by the Company, which has paid the disputed duty, strictly under protest, pending the outcome of the continuing dispute, and this is included in receivables, net in the DTC segment. The U.K. customs authority contested the Company's appeal. Rulings by the First Tier Tribunal in November 2019 and Upper Tribunal in March 2021 held that duty was due on some, but not all, of the products at issue. The Company petitioned the Court of Appeal for permission to appeal certain elements of the Upper Tribunal decision, and in early November 2021, a judge granted the Company's petition for permission to appeal those elements of the Upper Tribunal decision on some, but not all, of the grounds of appeal that the Company had put forward. An appeal was heard by the Court of Appeal during the first quarter of fiscal 2022, and the Court of Appeal dismissed the appeal in the third quarter of fiscal 2022. During the fourth quarter of fiscal 2022, the UK Supreme Court declined to hear the appeal. The Company is engaging with the customs authority to attempt to resolve all outstanding issues following the application of the determined principles. The case will return to the lower tribunal for a final ruling if outstanding issues cannot be resolved. The Company maintains a provision against the related receivable, based on a current evaluation of collectability, using the latest facts available in the dispute. During the first quarter of fiscal 2026, the Company received approximately \$0.6 million from His Majesty's Revenue and Customs (HMRC). Following this receipt, the Company reassessed the collectability of the related receivable and adjusted both the gross receivable balance and the associated reserve by \$3.2 million, leaving a gross receivable balance of \$0.8 million, a reserve of \$0.6 million, and a net receivable of \$0.2 million. The Company believes that the outcome of this dispute will not have a material adverse impact on the results of operations, liquidity, or financial position of the Company.

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

Cautionary Notice Regarding Forward-Looking Statements

The following Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements that involve risks and uncertainties, and we undertake no obligation to update these statements except as required by the federal securities laws. Our actual results may differ materially from the results discussed in the forward-looking statements. These risks and uncertainties include, without limitation, those detailed under the caption "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended January 31, 2026, as amended by Amendment No. 1, as filed with the SEC, and include the following:

- any uncertainty or decline in general global economic conditions, caused by inflation, rising interest rates, geo-political conflicts, or other external factors, could lead to disproportionately reduced discretionary consumer spending and a corresponding reduction in demand for our products and have an adverse effect on our liquidity and profitability;
- the uncertainty of the impact of tariffs on countries from which we import is expected to have an impact on our business, mainly our cost of goods and profit margin, including uncertainty regarding the ultimate availability, timing, and amount of any remaining refunds of IEEPA tariffs we previously paid which have been subject to recent judicial developments;
- consumer interests can change rapidly, and our success depends on the ongoing effectiveness of our marketing and online initiatives to build consumer affinity for our brand and drive consumer demand for our products and services;
- we depend upon the shopping malls and tourist locations in which our stores are located to attract guests. Continued or further volatility in retail consumer traffic could adversely affect our financial performance and profitability;
- our business may be adversely impacted at any time by various significant competitive threats;
- global or regional health pandemics or epidemics could negatively impact our business, financial position and results of operations;
- our profitability could be adversely affected by fluctuations in petroleum product prices;
- if we are unable to generate interest in and demand for our interactive retail experience and products, including being able to identify and respond to consumer preferences in a timely manner, our sales, financial condition and profitability could be adversely affected;
- our use of artificial intelligence technologies presents operational, reputational, data security and legal risks that could adversely affect our business and financial performance, and any failure to effectively leverage artificial technologies in our business could negatively impact our customer engagement and competitive position;
- if we cannot renew, renegotiate or replace our store leases or enter into leases for new stores on favorable terms, or if we violate any of the terms of our current leases, our revenue and profitability could be harmed;
- failure to successfully execute our omnichannel and brand expansion strategy and the cost of our investments in e-commerce and digital transformation may materially adversely affect our financial condition and profitability;
- we are subject to risks associated with technology and digital operations;
- we may not be able to evolve our store locations over time to align with market trends, successfully diversify our store formats and business models in accordance with our strategic goals or otherwise effectively manage our overall portfolio of stores which could adversely affect our ability to grow and could significantly harm our profitability;
- our company-owned distribution center that services the majority of our stores in North America and our third-party distribution center providers used in the western U.S. and Europe may be required to close and operations may experience disruptions or may operate inefficiently;
- we rely on a few global supply chain vendors to supply substantially all of our materials and merchandise, and significant price increases or any disruption in their ability to deliver materials and merchandise could harm our ability to source products and supply inventory to our stores;
- our merchandise is manufactured by foreign manufacturers, we transact business in various foreign countries, and the availability and costs of our products, as well as our product pricing, may be negatively affected by risks associated with international manufacturing and trade and foreign currency fluctuations;
- we may not be able to operate our international corporately-managed locations profitably;
- if we cannot effectively manage our international partner-operated locations, attract new partners or if the laws relating to our international partners change, our growth and profitability could be adversely affected, and we could be exposed to additional liability;
- we are subject to a number of risks related to disruptions, failures or security breaches of our information technology infrastructure. If we improperly obtain or are unable to protect our data or violate privacy or security laws or expectations, we could be subject to liability as well as damage to our reputation;
- we may fail to renew, register or otherwise protect our trademarks or other intellectual property and have been sued by third parties for infringement or misappropriation of their proprietary rights, which could be costly, distract our management and personnel and result in the diminution in value of our trademarks and other important intellectual property;
- we may suffer negative publicity or be sued if the manufacturers of our merchandise or of Build-A-Bear branded merchandise sold by our licensees ship any products that do not meet current safety standards or production requirements or if such products are recalled or cause injuries;
- we may suffer negative publicity or be sued if the manufacturers of our merchandise violate labor laws or engage in practices that consumers believe are unethical;
- we may suffer negative publicity or a decrease in sales or profitability if the products from other companies that we sell in our stores do not meet our quality standards or fail to achieve our sales expectations;
- we may suffer negative publicity and damage to our reputation if we do not continue to evolve environmental, social, and governance initiatives in a timely manner;
- fluctuations in our quarterly results of operations could cause the price of our common stock to substantially decline;
- fluctuations in our operating results could reduce our cash flow, or trigger restrictions under our credit agreement, cause us to be unable to repurchase shares at all, at the times or in the amounts we desire, cause the results of our share repurchase program may not be as beneficial as we would like, or cause us to discontinue our quarterly dividend program;
- our relatively low market capitalization can cause the market price of our common stock to become volatile;
- our certificate of incorporation and bylaws and Delaware law contain provisions that may prevent or frustrate attempts to replace or remove our current management by our stockholders, even if such replacement or removal may be in our stockholders' best interests;
- we may not be able to operate successfully if we lose key personnel, are unable to hire qualified additional personnel, or experience turnover of our management team;
- because our business is largely based on a vertical retail model, labor-related matters, ranging from union formation to labor disputes, may adversely affect our operations; and
- we may be unsuccessful in acquiring businesses or engaging in other strategic transactions, which may negatively affect our financial condition and profitability.

Business Overview

Build-A-Bear Workshop, Inc., a Delaware corporation, was formed in 1997 as a mall-based, experiential specialty retailer for children. Build-A-Bear has evolved to become a leading global "retailtainment" brand on a mission to add a little more heart to life. At Build-A-Bear, guests are invited to create personalized furry friends through a unique stuffing, dressing, accessorizing and naming process, accentuated by a memorable Heart Ceremony that creates moments of connection for people of all ages. Over the years, Build-A-Bear has grown into a multi-generational phenomenon, positioned at the intersection of pop-culture trends. Beyond its signature retail experience, our brand also offers pre-stuffed plush, gifting, partnerships with best-in-class licensed and collectible characters, and original storytelling through Build-A-Bear Entertainment, LLC. Build-A-Bear's current brand platform and message, "The Stuff You Love," crosses ages and cultures while celebrating nearly 30 years of helping people mark life's meaningful moments.

The Build-A-Bear brand has high consumer awareness and positive affinity, and we leverage our brand strength to expand the footprint of our retail experience locations through a range of store sizes, formats, and locations, including tourist destinations. In addition to growing our corporately-managed store footprint, we are also growing through partner-operated and franchise locations, particularly for our international expansion. Our ongoing digital transformation, which touches our e-commerce business, consumer loyalty program, and digital content, has led to omnichannel growth over the past several years. Build-A-Bear's pop-culture appeal plays a key role in expanding our total addressable market beyond children to teens and adults with sports licensing, collectible and gifting offerings, as well as to categories beyond plush.

As of May 2, 2026, the Company had 669 global locations through a combination of its corporately-managed, partner-operated, and franchise models. This reflects 376 corporately-managed locations, including 334 stores in the United States ("U.S.") and Canada and 42 stores in the United Kingdom ("U.K.") and the Republic of Ireland, 181 partner-operated locations in which we sell our products on a wholesale basis to other companies that then, in turn, execute our retail experience, and 112 international franchise locations, all under the Build-A-Bear Workshop brand. In addition to these stores, we sell products on our company-owned e-commerce sites and third-party marketplace sites, our franchisees sell products through sites that they manage as well as other third-party marketplace sites and other parties sell products on their sites under wholesale agreements. For the 2026 fiscal year to date, the Company had net new unit growth of 7 experience locations, comprised of one corporately managed location, 3 partner-operated locations, and 3 international franchise locations.

We operate in three segments that share the same infrastructure, including management, systems, merchandising and marketing, and generate revenues as follows:

- Direct to Consumer ("DTC") – Corporately-managed retail stores located in the U.S., Canada, Puerto Rico, the U.K., Ireland, and two e-commerce sites;
- Commercial – Transactions with other businesses, mainly comprised of wholesale product sales and licensing our intellectual property, including entertainment properties, for third-party use; and
- International franchising – Royalties as well as product and fixture sales from other international operations under franchise agreements.

Selected financial data attributable to each segment for the thirteen weeks ended May 2, 2026 and May 3, 2025 are set forth in the notes to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

Recent Events and Trends Regarding Tariffs and International Trade

Global trade policy continues to evolve and the ultimate impact of recent developments with respect to U.S. tariffs is unclear. On February 20, 2026, the U.S. Supreme Court issued a ruling striking down certain tariffs previously imposed under the International Emergency Economic Powers Act ("IEEPA"). On March 4, 2026, the Court of International Trade ordered U.S. Customs and Border Protection ("CBP") to begin the refund process for all importers who were subject to the IEEPA duties. In April 2026, the CBP opened a portal for the refund process to begin for certain importers. Based on these court rulings affirming the Company's legal right to recover IEEPA tariffs, the Company determined that it is entitled to a tariff refund of approximately \$13.2 million, which was recorded in receivables, net on the condensed consolidated balance sheet. For the thirteen weeks ended May 2, 2026, the Company recorded a \$10.4 million benefit for these tariffs in cost of merchandise sold-retail on the condensed consolidated statements of operations and comprehensive income, \$7.0 million of which related to prior fiscal year costs, and reduced the carrying value of inventory by \$2.8 million on the condensed consolidated balance sheet as of May 2, 2026. The related inventory with tariffs is expected to be substantially sold in the second fiscal quarter of 2026.

The ultimate availability, timing, and amount of any remaining refunds of such tariffs remain uncertain and are subject to further legal, regulatory, and administrative developments. Following the Supreme Court's decision, the U.S. presidential administration announced its intention to invoke other laws to collect tariffs and announced new tariffs on imports from all countries, in addition to any existing non-IEEPA tariffs. There remains substantial uncertainty regarding the duration of existing and newly announced tariffs, potential changes or pauses to such tariffs, tariff levels, and whether further additional tariffs or other retaliatory actions may be imposed, modified, or suspended, and the impacts of such actions on the Company's business. The Company continues to monitor and evaluate these developments and assess their potential impact on its business, financial condition, and results of operations.

Since we import the vast majority of our products from vendors outside the U.S., we face uncertainty and risks related to tariffs and other trade policies that could negatively impact our Company. Tariffs and other non-tariff trade practices can adversely affect our business in multiple ways, including increased costs of our products. While we have taken steps in recent years to diversify our supply chain and reduce China sourcing by shifting primarily to Vietnam, we remain subject to substantial potential exposure to tariffs. Specifically, the latest tariffs implemented by the U.S. continues to have an impact on our cost structure and product margins. Additionally, the uncertainty about trade policy, tariff rates, and other changes in practices affecting international trade, including whether such tariffs or other measures will be withdrawn, or modified in the future, makes it difficult for us to operate optimally. Depending on the level and longevity of the tariff disruption, we will continue to adjust our pricing while monitoring the impact of inflation and consumer confidence, on both a micro and macro basis.

Description of Operations

Build-A-Bear Workshop offers interactive entertainment experiences via both physical and digital engagement, targeting a range of consumer segments and purchasing occasions through digitally-driven, diversified omnichannel capabilities. We operate a vertical retail channel with corporately-operated experience locations that feature a unique combination of interactivity and product in which guests can “make their own” furry friends by participating in the stuffing, dressing, accessorizing and naming of their own teddy bears and other stuffed animals along with the now-famous Heart Ceremony that helps to make the experience memorable by bringing the furry friend to “life.” Our retail footprint also comprises both domestic and international partner-operated and franchise locations that extend our unique combination of experience and product beyond our corporately-operated locations. We also operate buildabear.com, which serves as an information and communications tool to plan a store visit as well as an e-commerce platform that focuses on gift-giving, collectible merchandise and licensed products that appeal to consumers that have an affinity for characters from a range of entertainment, sports, art, and gaming properties. Our engaging digital purchasing experiences include our online “Bear-Builder” and an age-gated adult-focused “Bear Cave” microsite. Our retail stores also act as “mini distribution centers” that provide efficient omnichannel support for our digital demand. While the primary consumer target for our retail stores is families with children, our e-commerce sites focus on collectors and gift givers that are primarily tweens, teens and adults. We have also extended our business model by leveraging our brand strength and owned intellectual properties through the creation of engaging content for kids and adults while also offering products at wholesale and in non-plush consumer categories via outbound licensing agreements with leading manufacturers.

We seek to provide outstanding guest experiences across all channels and touch points including our retail locations, our e-commerce sites, our mobile sites and apps as well as traditional, digital, and social media. We believe the hands-on and interactive nature of our experience locations, our personal service model and engaging digital shopping experiences result in guests forming an emotional connection with our brand which has multi-generational appeal that captures today’s zeitgeist including desire for engaging experiences, personalization and “DIY” while being recognized as trusted, giving, and a part of pop culture.

Operating Strategies

Our operating strategies have enabled us to build a strong foundation while continuing to invest in the brand’s iconic status, diversifying and growing the business by reaching more consumers, in more places, with more products, for more occasions. Upon that foundation, we have evolved to focus on scaling our company through a four-pillar strategic framework, supported by four platform areas. These four pillars are intended to leverage the strength of the brand to drive incremental revenue, with pillars one and two continuing to activate proven strategies, with an expectation that they will help fund the expansion into the newer revenue streams represented by pillars three and four.

These four pillars are as follows:

- **Pillar One - Organic Growth.** While we expect to add new and faster-growing revenue streams over time, we must also continue to drive our core business. We plan to do this by optimizing our omnichannel model via deeper integration, greater visibility, and more meaningful engagement with guests to improve lifetime value. Our physical experience locations remain critical in building the strength of the Build-A-Bear brand with our core kid consumer. At the same time, our e-commerce business remains our single largest store, serving as a key information destination and a highly complementary channel that extends our reach beyond the core by over-indexing with teen and adult gifting and collectible consumers.
- **Pillar Two - Location Expansion.** We expect to continue growing our experiential location footprint across all three retail business models, including corporately operated, partner-operated, and franchise, with a particular focus on international growth through our asset-light partner-operated approach. We expect to continue opening across global locations, in a broad range of formats, from smaller shop-in-shops to larger, tourist-destination locations.
- **Pillar Three - Wholesale and Outbound Brand Licensing.** We are enhancing our capabilities, from systems to sourcing to replenishment, to be able to sell branded products to traditional wholesale customers beyond our experience locations. These products will be based on a variety of form factors and designed for the wholesale channel, including, for example, pre-stuffed plush. This effort is designed not only to drive incremental revenue but also to extend the brand presence to tens of thousands of new points of sale. We also intend to leverage our nearly 30 years of multi-generational brand equity to access substantial whitespace and enter adjacent non-plush categories through outbound licensing relationships, again, to bring Build-A-Bear-branded items to more places. Importantly, we view these additional spaces as complementary to our Workshops, with the intention of ultimately serving as a mechanism for awareness and trial, driving more traffic to our stores for the full Build-A-Bear experience.
- **Pillar Four - Gifting and Personalization.** This pillar is designed to gain more share of the growing multi-billion-dollar gifting and personalization markets. Build-A-Bear offers beloved gifts that creates memories for both the gift-giver and recipient across multiple age groups and occasions. With over one-third of our revenue currently driven by birthdays, we have already proven that the brand is associated with gifting occasions but believe there is a robust opportunity to expand into gifts for more of life’s special moments, with our powerful brand and personalization options serving as an important competitive point of difference.

These four pillars are enabled by our continued focus on four platform areas that span each of the pillars and support their continued growth. The four platforms are as follows:

- **Platform One - Enhance Brand.** Building our brand is core to our long-term growth, as it is the cornerstone of our ability to bring the unique and memorable Build-A-Bear experience to more guests around the world. We leverage innovative, brand-aligned marketing strategies to reach and engage our guests to enhance their affinity with and trust of Build-A-Bear.
- **Platform Two - Leverage Content.** We drive elevated consumer engagement with Build-A-Bear through the strategic integration of product and experience across several different content strategies, including: stories that we tell through the launches of seasonal collections; owned Intellectual Property that can evolve from a screen-based character into plush; and partnerships with licensed brands for whom we can create unique “make-your-own” plush interpretations of their beloved characters.
- **Platform Three - Evolve Technology.** We strategically evolve our technological infrastructure as needed to support our future growth and make data-driven decisions that allow us to scale more effectively.

- Platform Four - Elevate Organization. We elevate our workforce to support the capabilities required for growth both through the development of current talent and the strategic addition of new team members to our organization.

Stores:
Corporately-Managed Locations:

The table below sets forth the number of Build-A-Bear Workshop corporately-managed stores in the U.S., Canada, and Puerto Rico (collectively, North America) and the U.K. and Ireland (collectively, Europe) for the periods presented:

	Thirteen weeks ended					
	May 2, 2026			May 3, 2025		
	North America	Europe	Total	North America	Europe	Total
Beginning of period	333	42	375	328	40	368
Opened	5	-	5	-	1	1
Closed	(4)	-	(4)	-	-	-
End of period	334	42	376	328	41	369

As of May 2, 2026, 53% of our corporately-managed stores were in an updated Discovery format. We also expect to close certain stores in accordance with natural lease events as an ongoing part of our real estate management and day-to-day operational plans. The future of our retail store fleet may include expansion into more non-traditional locations, including concourse format shops and by expansion in other locations outside of traditional malls.

Partner-Operated Locations:

The number of partner operated locations opened and closed for the periods presented below is summarized as follows:

	Thirteen weeks ended	
	May 2, 2026	May 3, 2025
	Beginning of period	178
Opened	10	10
Closed	(7)	-
End of period	181	148

Through our partner-operated model, there were 181 stores in operation at the end of the first quarter of 2026 with relationships that included Carnival Cruise Line, Great Wolf Lodge Resorts, Landry's and Girl Scouts of the USA. The partner-operated model is capital light for us, with the partner company building out and operating the workshops including providing the real estate location and covering the cost of labor and inventory, which is purchased from us on a wholesale basis. These locations are heavily weighted to the hospitality industry, which allow us to further advance our focus on experience location expansion in non-traditional and tourist areas, as well as shop-in-shop arrangements within other retailers' stores.

International Franchise Locations:

Our first franchisee location opened in November 2003. All franchise stores have similar signage, store layout, merchandise characteristics and guest experience as our corporately-managed stores. As of May 2, 2026, we had seven master franchise agreements, which typically grant franchise rights for a particular country or group of countries, covering a total of twelve countries.

The number of international franchise locations opened and closed for the periods presented below are summarized as follows:

	Thirteen weeks ended	
	May 2, 2026	May 3, 2025
	Beginning of period ⁽¹⁾	109
Opened	4	4
Closed	(1)	-
End of period	112	96

(1) Count for both years include nine shop-in-shop locations in Australia not previously reported.

In the ordinary course of business, we anticipate signing additional master franchise agreements in the future and terminating other such agreements. We source fixtures and other supplies for our franchisees from China which significantly reduces the capital and lowers the expenses required to open franchises. We are leveraging new formats that have been developed for our corporately-managed locations such as concourses and shop-in-shops with our franchisees.

Results of Operations

The following table sets forth, for the periods indicated, selected income statement data expressed as a percentage of total revenues, except where otherwise indicated. Percentages will not total due to cost of merchandise sold being expressed as a percentage of net retail sales, commercial revenue, international franchising, respectively, as well as immaterial rounding.

BUILD-A-BEAR WORKSHOP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	Thirteen weeks ended	
	May 2, 2026	May 3, 2025
Revenues:		
Net retail sales	90.5%	93.1%
Commercial revenue	8.7	5.9
International franchising	0.8	1.0
Total revenues	100.0	100.0
Costs and expenses:		
Cost of merchandise sold - retail (1)	35.6	43.1
Cost of merchandise sold - commercial (1)	40.4	39.5
Cost of merchandise sold - international franchising (1)	74.9	69.7
Total cost of merchandise sold	36.2	43.2
Consolidated gross profit	63.8	56.8
Selling, general and administrative	44.8	41.7
Interest income, net	(0.1)	(0.2)
Income before income taxes	19.1	15.3
Income tax expense	4.5	3.4
Net income	14.6	11.9
Retail Gross Margin (2)	64.4%	56.9%

- (1) Cost of merchandise sold – retail is expressed as a percentage of net retail sales. Cost of merchandise sold – commercial is expressed as a percentage of commercial revenue. Cost of merchandise sold – international franchising is expressed as a percentage of international franchising revenue.
- (2) Retail gross margin represents net retail sales less cost of merchandise sold - retail; retail gross margin percentage represents retail gross margin divided by net retail sales.

Thirteen weeks ended May 2, 2026 compared to thirteen weeks ended May 3, 2025

Total revenues. Consolidated revenues decreased \$3.1 million or 2.4%, primarily driven by a \$6.1 million or 5.1% decrease in Net Retail sales partially offset by a \$3.3 million or 44% increase in Commercial revenue when compared to the first fiscal quarter of 2025. The decrease in net retail sales was driven by lower sales at existing stores, decreased e-commerce demand offset by sales at new stores. The increased commercial revenue was due to higher sales to our wholesale customers, including sales to new wholesale customers resulting from a net increase of 54 partner-operated locations since the first quarter of 2025.

Net retail sales for the thirteen weeks ended May 2, 2026 were \$113.5 million, compared to \$119.6 million for the thirteen weeks ended May 3, 2025. The components of the performance are as follows (dollars in thousands):

	Thirteen weeks ended May 2, 2026
Impact from:	
Existing stores	\$ (7,529)
New stores	3,538
Store closures	(486)
Foreign currency translation	832
Gift card breakage	8
Gift card discounts	128
Digital sales	(2,874)
Other	260
Total Change	\$ (6,123)

The lower retail revenue performance was primarily due to lower sales at existing stores, decreased e-commerce demand offset by sales at new stores.

Commercial revenue was \$10.9 million for the thirteen weeks ended May 2, 2026 compared to \$7.6 million for the thirteen weeks ended May 3, 2025. The \$3.3 million increase is primarily due to increased sales volume from our wholesale accounts through our partner-operated retail model.

International franchising revenue was \$0.9 million for the thirteen weeks ended May 2, 2026 compared to \$1.2 million for the thirteen weeks ended May 3, 2025. The \$0.3 million decrease is primarily due to timing of product shipments.

Retail gross margin. Retail gross margin dollars increased \$5.1 million to \$73.1 million from \$68.0 million for the thirteen weeks ended May 3, 2025. The retail gross margin rate increased 750 basis points compared to the prior year, including a 560 basis-point benefit from the \$7.0 million IEEPA tariff refund related to prior fiscal year costs, with the remaining 190 basis-points primarily driven by selective price increases.

Selling, general and administrative. SG&A expenses were \$56.1 million, or 44.8% of consolidated revenue, for the thirteen weeks ended May 2, 2026, compared to \$53.6 million, or 41.7% of consolidated revenue, for the thirteen weeks ended May 3, 2025. The increase was driven by higher total compensation costs, general inflationary pressures, and longer-range investments.

Interest income, net. Interest income was \$0.1 million for the thirteen weeks ended May 2, 2026, compared to interest income of \$0.2 million for the thirteen weeks ended May 3, 2025.

Provision for income taxes. Income tax expense was \$5.6 million with a tax rate of 23.4% for the thirteen weeks ended May 2, 2026, as compared to \$4.3 million with a tax rate of 22.0% for the thirteen weeks ended May 3, 2025. In the first quarter of fiscal 2026, the effective tax rate differed from the statutory rate of 21% primarily due to state income tax expense partially offset by the tax impact of equity awards vesting and the foreign-derived deduction eligible income (formerly foreign derived intangible income). In the first quarter of fiscal 2025, the effective tax rate differed from the statutory rate of 21% primarily due to state income tax expense partially offset by the tax impact of equity awards vesting and foreign derived intangible income. In addition, in the first quarter of fiscal 2026 and 2025, the Company remains in a full valuation allowance in certain foreign jurisdictions.

Earnings before Interest, Taxes, Depreciation, and Amortization

We believe that earnings before interest, taxes, depreciation, and amortization ("EBITDA") provides meaningful information about our operational efficiency by excluding the impact of differences in tax jurisdictions and structures, debt levels, and capital investment. Additionally, this measure is the metric used for portions of the Company's incentive compensation structure. This measure is not in accordance with, or an alternative to, GAAP. The most comparable GAAP measure is income before income taxes, or pre-tax income. EBITDA should not be considered in isolation or as a substitution for analysis of our results as reported in accordance with GAAP. Other companies may calculate EBIT and EBITDA differently, limiting the usefulness of the measures for comparisons with other companies. The following table sets forth, for the periods indicated, the components of EBITDA (dollars in millions).

	Thirteen weeks ended	
	May 2, 2026	May 3, 2025
Income before income taxes (pre-tax)	\$ 23,880	\$ 19,631
Interest income, net	(134)	(200)
Depreciation and amortization expense	4,002	3,700
Earnings before interest, taxes, depreciation, and amortization	<u>\$ 27,748</u>	<u>\$ 23,131</u>

EBITDA for the thirteen weeks ended May 2, 2026 increased \$4.6 million, or 20.0% to \$27.7 million from \$23.1 million for the thirteen weeks ended May 3, 2025. The increase was driven by higher gross profit resulting from increased retail and commercial margins partially offset by higher SG&A expenses. The increase to retail margin primarily resulted from the benefit of IEEPA tariff refund, \$7 million of which related to prior fiscal year costs.

Seasonality and Quarterly Results

Our operating results for one period may not be indicative of results for other periods, and may fluctuate significantly because of a variety of factors, including, but not limited to: (1) changes in general economic conditions and consumer spending patterns; (2) increases or decreases in our existing store and e-commerce sales; (3) fluctuations in the profitability of our stores; (4) the timing and frequency of the sales of licensed products tied to major theatrical releases (including the cancellation or delay of such releases due to the pandemic or other external factors) and our marketing initiatives, including national media and other public relations events; (5) changes in foreign currency exchange rates; (6) the timing of new store openings, closings, relocations and remodeling and related expenses; (7) changes in consumer preferences; (8) the effectiveness of our inventory management; (9) the actions of our competitors or mall anchors and co-tenants; (10) seasonal shopping patterns and holiday and vacation schedules; (11) disruptions in store operations due to civil unrest; and (12) weather conditions.

The timing of store closures, relocations, remodels, openings and re-openings may result in fluctuations in quarterly results based on the revenues and expenses associated with each store location. Expenses related to store closings are typically incurred in stages: when the decision is made to close the store typically associated with a lease event such as an expiration or lease-triggered clause; when the closure is communicated to store associates; and at the time of closure. We typically incur most preopening costs for a new store in the three months immediately preceding the store's opening.

Because our retail operations include toy products which have sales that historically peak in relation to the holiday season as part of our revenue model, our sales have historically been highest in our fourth quarter. The timing of holidays and school vacations can impact our quarterly results. We cannot provide assurance that this will continue to be the case. In addition, for accounting purposes, the quarters of each fiscal year consist of 13 weeks, although we will have a 14-week quarter approximately once every six years. Our most recent 14-week quarter was the 2023 fiscal fourth quarter.

Liquidity and Capital Resources

Our cash requirements are primarily for the opening, remodeling or reformatting of stores, installation and upgrades of information systems and working capital. Over the past several years, we have met these requirements through cash generated from operations. A summary of cash provided by or used in our operating, investing and financing activities is shown in the following table (dollars in thousands).

	Thirteen weeks ended	
	May 2, 2026	May 3, 2025
Net cash provided by operating activities	\$ 21,224	\$ 27,803
Net cash used in investing activities	(6,869)	(2,907)
Net cash used in financing activities	(14,754)	(8,408)
Effect of exchange rates on cash	(109)	96
(Decrease)/Increase in cash, cash equivalents, and restricted cash	<u>\$ (508)</u>	<u>\$ 16,584</u>

Operating Activities. Cash provided by operating activities decreased \$6.6 million for the thirteen weeks ended May 2, 2026, as compared to the thirteen weeks ended May 3, 2025. This decrease in cash from operating activities was primarily driven by increases in prepaid and other assets and receivables from commercial accounts, as well as changes in deferred revenue, accounts payable and accrued expenses, partially offset by higher net income.

Investing Activities. Cash used in investing activities increased \$4.0 million for the thirteen weeks ended May 2, 2026, as compared to the thirteen weeks ended May 3, 2025. The increase in cash used in investing activities was primarily driven by increased spending on capital expenditures.

Financing Activities. Cash used in financing activities increased \$6.3 million for the thirteen weeks ended May 2, 2026, as compared to the thirteen weeks ended May 3, 2025. This increase in cash used in financing activities during the thirteen weeks of fiscal 2026 was driven by an increase in the amount utilized to repurchase shares compared to the prior year.

Capital Resources: As of May 2, 2026, we had a consolidated cash balance of \$26.2 million, 73% of which was domiciled within the U.S, after investing \$6.9 million in capital projects in the first quarter.

We have a revolving credit and security agreement with PNC Bank, as agent, that provides for a secured revolving loan in an aggregate principal amount of up to \$40.0 million, subject to a borrowing base formula. As of May 2, 2026, borrowings under the agreement would bear interest at (a) a base rate determined under the agreement, or (b) at a rate based on SOFR reference rate, plus in either case a margin based on average undrawn availability as determined in accordance with the agreement. As of May 2, 2026, our borrowing base was \$40.0 million and the Company had no outstanding borrowings as of the end of the quarter.

Most of our corporately-managed retail stores are located within shopping malls and all are operated under leases classified as operating leases. Our leases in North America tend to be shorter term leases to provide flexibility in aligning stores with market trends. Beginning in fiscal 2023, lease extensions began to have longer terms as we have secured longer contracts with more favorable terms. Our leases typically require us to pay personal property taxes, our pro rata share of real property taxes of the shopping mall, our own utilities, repairs and maintenance in our store, a pro rata share of the malls' common area maintenance and, in some instances, merchant association fees and media fund contributions. Many leases contain incentives to help defray the cost of construction of a new store. Typically, a portion of the incentive must be repaid to the landlord if we choose to terminate the lease prior to its contracted term. In addition, some of these leases contain various restrictions relating to change in control of our company. Our leases also subject us to risks relating to compliance with changing mall rules and the exercise of discretion by our landlords on various matters, including rights of termination in some cases. Rents are invoiced monthly and paid in advance.

Our leases in the U.K. and the Republic of Ireland also typically contain provisions requiring rent reviews every five years in which the base rent that we pay is adjusted to current market rates. These rent reviews require that base rents cannot be reduced if market conditions have deteriorated but can be changed "upwards only." We may be required to pay base rents that are significantly higher than we have projected. As a result of these and other factors, we may not be able to operate our European store locations profitably. If we cannot do so, our results of operations and financial condition could be harmed, and we may be required to record significant additional impairment charges.

Capital spending for the thirteen weeks ended May 2, 2026 totaled \$6.9 million for information technology projects and new store openings, and we expect to spend approximately \$22 to \$25 million on capital expenditures in fiscal 2026.

Total inventory at quarter end was \$77.8 million, an increase of \$5.5 million or 8% from the end of the fiscal 2025 first quarter. We are comfortable with the level and composition of our inventory to support customer demand and critical seasonal products.

We have various contractual or other obligations, including operating lease commitments and obligations under deferred compensation plans. As of May 2, 2026, we had purchase obligations totaling approximately \$127.0 million, of which \$28.6 million are due in the next 12 months. We believe our operating cash flows are sufficient to meet our material cash requirements for at least the next 12 months.

We utilized \$11.4 million in cash to repurchase 248,118 shares during the thirteen weeks ended May 2, 2026 under our current September 2024 Stock Repurchase Program, compared to using \$4.2 million in cash to repurchase 108,502 shares during the thirteen weeks ended May 3, 2025 under our September 2024 Stock Repurchase Program and completed August 2022 program.

Off-Balance Sheet Arrangements

None.

Inflation

The Company continued to experience inflationary pressures during the first quarter of fiscal 2026, primarily through higher store labor, product, freight, transportation and other supply chain costs. In addition, evolving tariffs and trade policies have increased cost and pricing pressure and created additional uncertainty across our sourcing and supply chain activities. We have taken actions to help mitigate these pressures, including cost reduction initiatives, process efficiencies, supplier negotiations, sourcing actions and selective pricing and assortment decisions. We expect inflationary and trade-related pressures to continue during fiscal 2026 and they may persist thereafter. The ultimate scope, duration and impact of existing and newly announced tariffs, any changes or pauses to such tariffs, and the timing and amount of any related refunds remain uncertain. These conditions may continue to affect product costs, freight and warehousing expense, other operating costs, customer spending patterns and our gross margins. In addition, broader geopolitical and macroeconomic developments may further increase transportation and supply chain costs or otherwise adversely affect our business.

Although we continue to monitor these developments and adjust our operating and pricing strategies as appropriate, we cannot reasonably estimate the ultimate impact of inflation, tariffs, trade policy developments or related macroeconomic uncertainty on our future results. If we are unable to offset these higher costs or if consumer demand weakens, our sales, results of operations, financial condition and cash flows could be adversely affected.

Critical Accounting Estimates

The preparation of financial statements in conformity with U.S. GAAP requires the appropriate application of certain accounting policies, which require us to make estimates and assumptions about future events and their impact on amounts reported in our financial statements and related notes. Since future events and their impact cannot be determined with certainty, the actual results will inevitably differ from our estimates. Such differences could be material to the financial statements.

We believe our application of accounting policies, and the estimates inherently required therein, are reasonable. These accounting policies and estimates, including those related to long-lived assets, leases, revenue recognition and income taxes, are reevaluated on an ongoing basis, and adjustments are made when facts and circumstances dictate a change.

Historically, we have found our application of accounting policies to be appropriate, and actual results have not differed materially from those determined using necessary estimates. Our critical accounting policies and estimates are discussed in and should be read in conjunction with our Annual Report on Form 10-K for the year ended January 31, 2026 as filed with the SEC on April 16, 2026, as amended by Amendment No. 1 as filed with the SEC on April 17, 2026 (the "2025 Form 10-K"), which includes audited consolidated financial statements for our 2025 and 2024 fiscal years. There have been no material changes to the critical accounting estimates disclosed in the 2025 Form 10-K.

Recent Accounting Pronouncements

See Note 1 to the Condensed Consolidated Financial Statements — Basis of Presentation — Recent Accounting Pronouncements – Adopted in the Current Year as disclosed in our 2025 Form 10-K.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

There have been no material changes to our Quantitative and Qualitative Disclosures About Market Risk as disclosed in our 2025 Form 10-K.

Item 4. Controls and Procedures.

Our management, with the participation of our President and Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures, as of the end of the period covered by this report. Our disclosure controls and procedures are designed to ensure that information required to be disclosed by us in the reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and is accumulated and communicated to management, including our certifying officers, as appropriate to allow timely decisions regarding required disclosure. Based on the foregoing evaluation, our management, including the President and Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures were effective as of May 2, 2026, the end of the period covered by this Quarterly Report.

It should be noted that our management, including the President and Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or internal controls will prevent all error and all fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Changes in Internal Control Over Financial Reporting. The Company's management, with the participation of the Company's President and Chief Executive Officer and Chief Financial Officer, also conducted an evaluation of the Company's internal control over financial reporting to determine whether any changes occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. There have been no changes in our internal control over financial reporting during the quarter covered by this report that have materially affected, or are reasonable likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1A. Risk Factors

There have been no material changes to our risk factors as disclosed in our 2025 Form 10-K.

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

ISSUER PURCHASES OF EQUITY SECURITIES

Period	(a) Total Number of Shares (or Units) Purchased (1)	(b) Average Price Paid Per Share (or Unit) (2)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs (3)
February 1, 2026 - February 28, 2026	89,848	\$ 53.44	89,848	\$ 56,888,747
March 1, 2026 - April 4, 2026	133,338	42.32	133,338	51,246,097
April 5, 2026 - May 2, 2026	24,932	38.12	24,932	50,295,609
Total	248,118	\$ 45.93	248,118	\$ 50,295,609

- (1) Includes shares of our common stock delivered to us in satisfaction of the tax withholding obligation of holders of restricted shares which vested during the quarter, if any. Our equity incentive plans provide that the value of shares delivered to us to pay the withholding tax obligations is calculated at the closing trading price of our common stock on the date the relevant transactions occur.
- (2) Average Price Paid Per Share includes commissions
- (3) On September 11, 2024, we announced that our Board of Directors authorized a share repurchase program of up to \$100 million (replacing the previous stock repurchase program which was terminated). This program authorizes the Company to repurchase shares through September 30, 2028, does not require the Company to repurchase any specific number of shares, and may be modified, suspended or terminated at any time without prior notice. Shares repurchased under the program will be subsequently retired.

Item 5. Other Information

Security Trading Plans of Directors and Executive Officers

Item 408(a) of Regulation S-K requires the Company to disclose whether any of its directors or officers have adopted or terminated (i) any trading arrangement that is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c); and/or (ii) any written trading arrangement that meets the requirements of a “non-Rule 10b5-1 trading arrangement” as defined in Item 408(c) of Regulation S-K. During the Company's fiscal quarter ended May 2, 2026, the following activity occurred requiring disclosure under Item 408(a) of Regulation S-K

- Voin Todorovic, Chief Financial Officer, adopted a new trading arrangement on April 2, 2026 providing for the sale of up to 12,000 aggregate shares of the Company's Class A common stock between July 6, 2026, and January 29, 2027.
- Narayan Iyengar, Director, adopted a new trading arrangement on March 20, 2026 providing for the sale of up to 3,448 aggregate shares of the Company's Class A common stock between June 22, 2026, and February 26, 2027.
- Sharon John, Chief Executive Officer, adopted a new trading arrangement on March 19, 2026 providing for the sale of up to 91,036 aggregate shares of the company's Class A common stock between July 6, 2026, and September 2, 2026.

Each of the foregoing trading arrangements is intended to satisfy the affirmative defense of rule 10b5-1(c).

Item 6. Exhibits

The following is a list of exhibits filed as a part of the quarterly report on Form 10-Q:

Exhibit No.	Description
2.1	Agreement and Plan of Merger dated April 3, 2000 between Build-A-Bear Workshop, L.L.C. and the Registrant (incorporated by reference from Exhibit 2.1 to our Registration Statement on Form S-1, filed on August 12, 2004, Registration No. 333-118142)
3.1	Third Amended and Restated Certificate of Incorporation (incorporated by reference from Exhibit 3.1 of our Current Report on Form 8-K, filed on November 11, 2004)
3.2	Amended and Restated Bylaws, as amended through January 4, 2018 (incorporated by reference from Exhibit 3.1 to our Current Report on Form 8-K, filed on January 4, 2018)
4.1	Specimen Stock Certificate (incorporated by reference from Exhibit 4.1 to Amendment No. 3 to our Registration Statement on Form S-1, filed on October 1, 2004, Registration No. 333-118142)
10.1	CEO Employment, Confidentiality and Noncompete Agreement, effective as of March 12, 2026, by and between J. Christopher Hurt and Build-A-Bear Workshop, Inc. (incorporated by reference from Exhibit 10.1 of our Current Report on Form 8-K filed on March 12, 2026)
10.2**	Amended and Restated Employment, Confidentiality, and Noncompete Agreement, effective as of June 11, 2026, by and between David Henderson and Build-A-Bear Workshop, Inc.
31.1**	Rule 13a-14(a)/15d-14(a) certification (pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, executed by the President and Chief Executive Officer)
31.2**	Rule 13a-14(a)/15d-14(a) certification (pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, executed by the Chief Financial Officer)
32.1***	Section 1350 Certification (pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, executed by the President and Chief Executive Officer)
32.2***	Section 1350 Certification (pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, executed by the Chief Financial Officer)
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Extension Calculation Linkbase Document
101.DEF	Inline XBRL Extension Definition Linkbase Document
101.LAB	Inline XBRL Extension Label Linkbase Document
101.PRE	Inline XBRL Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

** Filed herewith

*** Furnished herewith

SIGNATURES

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

Date: June 11, 2026

BUILD-A-BEAR WORKSHOP, INC.
(Registrant)

By: /s/ Sharon John

Sharon John
President and Chief Executive Officer (on behalf of
the registrant and as principal executive officer)

By: /s/ Voin Todorovic

Voin Todorovic
Chief Financial Officer (on behalf of the registrant and as
principal
financial officer)

AMENDED AND RESTATED
EMPLOYMENT, CONFIDENTIALITY AND NONCOMPETE AGREEMENT

Build-A-Bear Workshop, Inc., a Delaware corporation (“Company”), and David Henderson (“Employee”) entered into a Employment, Confidentiality and Noncompete Agreement effective as of September 16, 2024 (the “Prior Agreement”). This Employment, Confidentiality and Noncompete Agreement (this “Agreement”) is entered into effective as of June 11, 2026 (the “Effective Date”) by and between Company and Employee and completely amends and supersedes the Prior Agreement.

WHEREAS, Company and the Employee wish to amend and restate the Prior Agreement to reflect the Employee’s promotion from the position of Chief Revenue Officer to Chief Growth Officer of Company, such promotion to be effective on the Effective Date.

WHEREAS, Company has pioneered the retail concept of “make your own” stuffed plush toys, including animals and dolls, and is engaged in, among other things, the business of production, marketing, promotion and distribution of plush stuffed toys, clothing, accessories and similar items, including without limitation, the ownership, management, franchising, leasing and development of retail stores in which the basic operation is the selling of such items, and the promotion of the related concepts and characters through merchandising and mass media. Company is headquartered and its principal place of business is located in, and this Agreement is being signed in, St. Louis, Missouri.

WHEREAS, Company conducts business in selected locations throughout the United States and internationally directly and through franchise arrangements.

WHEREAS, Company has expended a great deal of time, money and effort to develop and maintain its proprietary Confidential Information (as defined herein) which is material to Company and which, if misused or disclosed, could be very harmful to Company’s business.

WHEREAS, the success of Company depends to a substantial extent upon the protection of its Confidential Information and goodwill by all of its employees.

WHEREAS, Company compensates its employees to, among other things, develop and preserve goodwill with its customers, landlords, suppliers and partners on Company’s behalf and business information for Company’s ownership and use.

WHEREAS, if Employee were to leave Company, Company, in all fairness, would need certain protections in order to prevent competitors of Company from gaining an unfair competitive advantage over Company or diverting goodwill from Company, or to prevent Employee from misusing or misappropriating the Confidential Information.

NOW, THEREFORE, in consideration of the compensation and other benefits of Employee’s employment by Company and the recitals, mutual covenants and agreements hereinafter set forth, Employee and Company agree as follows:

1. Employment Services.

(a) As of the Effective Date, Employee shall continue to be employed by Company, and Employee accepts such continued employment, upon the terms and conditions hereinafter set forth. Employee shall serve as Chief Growth Officer, and agrees to do so on a full-time basis. Employee shall carry out such duties as are assigned to him by Company’s Chief Executive Officer from time to time, which include, without limitation, duties and responsibilities associated with the title of Chief Growth Officer, including, without limitation, creating comprehensive strategies for revenue growth, including through merchandising, marketing, and licensing areas; strengthening brand initiatives; expansion of product categories and consumer segments; enhancing the experiential branding connecting products to guest experiences; and identifying opportunities for expansion, including strategic partnerships and acquisitions, including further, without limitations, overseeing the operation and management of Company’s global experience locations, comprising of corporately-managed, partner-operated, and franchise locations.

(b) Employee agrees that throughout Employee's employment with Company, Employee will (i) faithfully render such services as may be delegated reasonably to Employee by Company, (ii) devote substantially all of Employee's entire business time, good faith, best efforts, ability, skill and attention to Company's business, and (iii) follow and act in accordance with all of the rules, policies and procedures of Company which are applicable to its senior executives, including but not limited to working hours, sales and promotion policies, and specific Company rules.

(c) "Company" means Build-A-Bear Workshop, Inc. or one of its Subsidiaries. The term "Subsidiary" means any corporation, joint venture or other business organization in which Build-A-Bear Workshop, Inc. now or hereafter, directly or indirectly, owns or controls more than fifty percent (50%) interest.

2. Term of Employment. The term of this Agreement shall commence on the Effective Date first set forth above, and shall end on the third anniversary of the Effective Date, unless sooner terminated as provided in Section 4 hereof (the "Renewal Term"). Following the Renewal Term, this Agreement shall renew for successive one-year periods (each a "Renewal Period"; collectively, the Renewal Term and each Renewal Period, the "Employment Period"), unless either party notifies the other party of its decision not to renew the Agreement at least sixty (60) days prior to the third anniversary of the Effective Date or the expiration of any Renewal Period, or unless the Agreement is sooner terminated as provided in Section 4 hereof. For the avoidance of doubt, if either party provides notice of non-renewal of the Agreement at least sixty (60) days prior to the end of the Renewal Term or the end of any Renewal Period, then the Agreement shall expire.

3. Compensation.

(a) Base Salary. Throughout the Employment Period, Company shall pay Employee as compensation for his services an annual base salary of not less than Five Hundred Thousand Dollars (\$500,000), payable in accordance with Company's usual practices. Employee's annual base salary rate shall be reviewed by the Compensation Committee of the Board of Directors (the "Compensation Committee") at least annually and may be subject to adjustment following each fiscal year so that Employee's salary will be commensurate with similarly situated executives with firms similarly situated to Company. However, Employee's annual base salary rate shall not be subject to decrease at any time during the Employment Period.

(b) Bonus. Should Company meet or exceed the sales, profits and other objectives established by the Compensation Committee for any fiscal year, Employee shall be eligible to receive a bonus for such fiscal year in the amount as determined by the Compensation Committee; provided however, the target bonus opportunity established for Employee in any given fiscal year will be set by the Compensation Committee at not less than sixty five percent (65%) of Employee's earned annual base pay for such fiscal year. Any bonus payable to Employee will be payable in cash, stock or stock options, or combination thereof, all as determined by the Board of Directors or any duly authorized committee thereof, and unless (to the extent consistent with Section 409A of the Code (as defined below)) a different payout schedule is applicable for all executive employees of Company, any such bonus payment will be payable in a single, lump sum payment in the calendar year that contains the April 30th immediately following such fiscal year, but no later than April 30th of such following year. In the event of termination of this Agreement because of Employee's death or disability (as defined by Section 4.1(b)), termination by Company without Cause pursuant to Section 4.1(c), or pursuant to Employee's right to terminate this Agreement for Good Reason under Section 4.1(d), (1) any bonus for the fiscal year preceding the fiscal year in which such termination occurs shall be paid at the time and in the form such bonus would have been paid had Employee's employment continued until the payment date, and (2) the bonus for the fiscal year in which such termination occurs shall be pro-rated based on the number of full calendar weeks during the applicable fiscal year during which Employee was employed hereunder, based on the bonus amount that Employee would have earned based on actual performance for the fiscal year had Employee's employment not terminated, and shall be paid at the time and in the form such bonus would have been paid had Employee's employment continued; provided, however, in the event of termination of this Agreement because of Employee's termination by Company without Cause pursuant to Section 4.1(c) or pursuant to Employee's right to terminate this Agreement for Good Reason under Section 4.1(d) and such termination is on the date of a Change in Control or during a period of twenty-four (24) months after a Change in Control, Employee's target bonus for the fiscal year in which such termination occurs shall be prorated based on the number of full calendar weeks during the applicable fiscal year during which Employee was employed hereunder and shall be paid within thirty (30) days of such termination (subject to any delay in payout required under Section 4.2(b)). Notwithstanding anything herein to the contrary, no bonus shall be payable hereunder in the event that Employee's employment terminates for any other reason prior to the date on which any bonus is actually paid.

Such bonus, if any, shall be payable after Company's accountants have determined the sales and profits and have issued their audit report with respect thereto for the applicable fiscal year, which determination shall be binding on the parties. Any such bonus shall be paid in the calendar year that contains the April 30 immediately following such fiscal year, but no later than April 30th of such year.

(c) Equity Awards. Employee may have been granted in the past, and may in the future be granted, a certain number of restricted shares and/or stock options to purchase shares of Company's common stock (the "Common Stock") and/or other awards, pursuant to the terms set forth more particularly in the stock option and/or restricted stock and/or other award agreements ("Stock Agreement") used in connection with the Build-A-Bear Workshop, Inc. Amended and Restated 2020 Omnibus Incentive Plan (or any successor plan) (the "Plan"). The Plan and applicable Stock Agreement(s) shall govern any grants of restricted shares and/or stock options to purchase shares of Company's Common Stock and/or such other awards.

(d) Discounts. Employee and his immediate family will be entitled to a minimum 20% discount for all merchandise purchased at Company's stores.

(e) Vacation. Employee shall be entitled to paid vacation and paid sick leave on the same basis as may from time to time apply to other Company executive employees generally. Vacations will be scheduled with the approval of Company's Chief Executive Officer. One-third of one year's vacation (or any part of it) may be carried over to the next year; provided that such carry over is used in the first calendar quarter of the next year. Unless otherwise approved by Company's Chief Executive Officer, all unused vacation shall be forfeited. No more than two weeks of vacation can be taken at one time. Employee shall also be entitled to one (1) additional day per calendar year of paid vacation to be taken in the month of his birthday.

(f) Other. Employee shall be eligible for such other perquisites as may from time to time be awarded to Employee by Company payable at such times and in such amounts as Company, in its sole discretion, may determine. All compensation under this Agreement shall be subject to customary withholding taxes and other employment taxes as required with respect thereto. Throughout the Employment Period, Employee shall also qualify for all rights and benefits for which Employee may be eligible under any benefit plans including group life, medical, health, dental and/or disability insurance or other benefits ("Welfare Benefits") which are provided for employees generally at his then current location of employment.

4. Termination Provisions.

4.1 Termination of Employment. Prior to the expiration of the Employment Period, this Agreement and Employee's employment may be terminated as follows:

(a) Upon Employee's death;

(b) By Company upon thirty (30) days' prior written notice to Employee in the event Employee, by reason of permanent physical or mental disability (which shall be determined by a physician selected by Company or its insurers and acceptable to Employee or Employee's legal representative (such agreement as to acceptability not to be withheld unreasonably)), following such time as Employee has been unable to perform the essential functions of his position, with or without reasonable accommodation, for the longer of: (i) six (6) consecutive months or (ii) the maximum health leave provided under Company's Health Leave of Absence policy for Employee's length of service with Company; provided, however, Employee shall not be terminated due to permanent physical or mental disability unless or until said disability also entitles Employee to benefits under such disability insurance policy as is provided to Employee by Company, provided however that continued entitlement to disability benefits coverage shall be not required where Employee fails to qualify for benefits coverage continuation due to an act or omission by Employee.

(c) By Company with or without Cause. For the purposes of this Agreement, "Cause" shall mean: (i) Employee's engagement in any conduct which, in Company's reasonable determination, constitutes gross misconduct, or is illegal, unethical or improper provided such conduct brings detrimental notoriety or material harm to Company; (ii) gross negligence or willful misconduct; (iii) any act which results in a conviction for a felony involving moral turpitude, fraud or misrepresentation; (iv) a material breach of a material provision of this Agreement by Employee, or (v) failure of Employee to follow a written directive of the Chief Executive Officer or the Board of Directors within thirty (30) days after receiving such notice, provided that such directive is reasonable in scope and is otherwise within the Chief Executive Officer's or the Board's reasonable business judgment, and is reasonably within Employee's control; provided Employee does not cure said conduct or breach as set forth in (i)-(v)(to the extent curable) within thirty (30) days after the Chief Executive Officer or the Board of Directors provides Employee with reasonably-detailed written notice of said conduct or breach accompanied by a clear written statement of Company's intent to terminate the Employee's employment for Cause in the absence of a cure. Cause shall not exist unless and until the Employee (and his counsel if he wishes) has been afforded an opportunity prior to the actual date of termination to discuss the matter with the Board of Directors at a duly-called Board meeting at which the matter is timely placed on the agenda and the Board subsequently votes to terminate the relationship for Cause.

(d) By the Employee with or without Good Reason. For purposes of this Agreement, "Good Reason" shall mean (i) a material breach of a material provision of this Agreement by Company, (ii) Company's issuance of a notice of non-renewal of this Agreement under Section 2, (iii) a material diminution in Employee's total annual compensation, including base salary, annual bonus opportunity and long-term incentives, (iv) a material diminution in Employee's authority, duties or responsibilities, or (v) a change in the geographic location at which Employee must perform services hereunder of more than twenty-five (25) miles; provided, that, Employee provides the Board of Directors with written notice of Good Reason within thirty (30) days of the date on which Employee becomes aware of the condition alleged to give rise to Good Reason, Company does not cure such condition within thirty (30) days after such notice (to the extent curable), and Employee terminates his employment within ninety (90) days following the onset of one or more conditions giving rise to Good Reason.

4.2 Impact of Termination.

(a) Survival of Covenants. Upon termination of this Agreement, all rights and obligations of the parties hereunder shall cease, except termination of employment pursuant to Section 4 or otherwise shall not terminate or otherwise affect the rights and obligations of the parties pursuant to Sections 5 through 13 hereof.

(b) Severance. In the event during the Employment Period (i) Company terminates Employee's employment without Cause pursuant to Section 4.1(c) or (ii) the Employee terminates his employment for Good Reason pursuant to Section 4.1(d), subject to the execution and non-revocation of a release and waiver of all claims described below, Company shall continue his base salary in accordance with its regular payroll practices for a period of (A) twelve (12) months, commencing on the date that is thirty (30) days after the termination in the case of a termination of employment either prior to a Change in Control or following a period of twenty-four (24) months after a Change in Control or (B) eighteen (18) months, commencing on the date that is thirty (30) days after the termination in the case of a termination of employment during the twenty-four (24) month period immediately following a Change in Control. Notwithstanding anything herein to the contrary, receipt of any payment in connection with a termination of employment shall be conditioned on Employee signing a release and waiver of all claims against Company and its affiliates within thirty (30) days after his termination of employment, in such form and manner as Company shall reasonably prescribe, which release shall become effective and irrevocable within thirty (30) days after Employee's termination of employment. Employee shall accept these payments in full discharge of all obligations of any kind which Company has to his except obligations, if any (i) for post-employment benefits expressly provided under this Agreement and/or at law, (ii) to repurchase any capital stock of Company owned by Employee (as may or may not be set forth in the applicable stock agreement); or (iii) for indemnification under separate agreement by virtue of Employee's status as a director/officer of Company. Employee shall also be eligible to receive a bonus with respect to the year of termination to the extent provided in Section 3(b).

For purposes of these severance pay provisions and any other term of this Agreement which provides for a payment upon termination of employment, Employee shall be considered as having terminated employment only if such termination constitutes a "separation from service" within the meaning of Section 409A of the Code, and any proposed or final regulations and guidance promulgated thereunder. Notwithstanding anything herein to the contrary, in the event that Employee is determined to be a specified employee within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), for purposes of any payment on termination of employment hereunder, payment(s) shall be made or begin, as applicable, on the first payroll date which is more than six months following the date of separation from service, to the extent required to avoid any adverse tax consequences under Section 409A of the Code. Any payments that would have been made during such six (6) month period shall be made in a lump sum on the first payroll date which is more than six months following the date Employee separates from service with Company. Each payment under this Agreement shall be treated as a separate payment for purposes of Section 409A of the Code. In no event may Employee, directly or indirectly, designate the calendar year of any payment to be made under this Agreement. This Agreement shall be interpreted and administered in a manner consistent with Section 409A of the Code.

For purposes of this Agreement, "Change in Control" shall mean: (i) the purchase or other acquisition (other than from Company) by any person, entity or group of persons, within the meaning of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended ("Act") (excluding, for this purpose, Company or its subsidiaries or any employee benefit plan of Company or its subsidiaries), of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Act) of 20% or more of either the then-outstanding shares of common stock of Company or the combined voting power of Company's then-outstanding voting securities entitled to vote generally in the election of directors; (ii) individuals who, as of the date hereof, constitute Company's Board of Directors (and, as of the date hereof, the "Incumbent Board") cease for any reason to constitute at least a majority of Company's Board of Directors, provided that any person who becomes a director subsequent to the date hereof whose election, or nomination for election by Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board (other than an individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of directors of Company, as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Act) shall be, for purposes of this Section, considered as though such person were a member of the Incumbent Board; (iii) a reorganization, merger or consolidation involving Company, in each case with respect to which persons who were the stockholders of Company immediately prior to such reorganization, merger or consolidation do not, immediately thereafter, own more than 50% of, respectively, the common stock and the combined voting power entitled to vote generally in the election of directors of the reorganized, merged or consolidated corporation's then-outstanding voting securities; or (iv) a liquidation or dissolution of Company, or the sale of all or substantially all of the assets of Company.

(c) Termination due to Employee Non-Renewal of Term or Termination by Employee without Good Reason. If the Agreement expires either at the end of the Renewal Term or at the end of any Renewal Period, due to the issuance of notice of non-renewal by Employee under Section 2, then no severance under Section 4.2(b) shall be paid to the Employee and his employment shall terminate upon the anniversary date. If Employee terminates his employment without Good Reason, then no severance under Section 4.2(b) shall be paid to Employee and his employment shall terminate on the effective date of such termination. For the avoidance of doubt, if Company ends the employment relationship either at the end of the Renewal Term or at the end of any Renewal Period without Cause under Section 4.1(c), Company shall remit to Employee the severance specified in Section 4.2(b) provided Company has received the release and waiver referred to in Section 4.2(b).

(d) Welfare Benefits. Upon termination or expiration of this Agreement for any reason, Employee shall be provided with such Welfare Benefits continuation notices, rights and obligations as may be required under federal or state law (including COBRA). In the event that Employee becomes entitled to any severance under paragraph 4.2(b) above, the Company shall pay Employee, within thirty (30) days of his termination of employment, a single lump sum equal to eighteen multiplied by the monthly Company-paid portion of health, dental and vision plan coverage premiums for those benefits in which Employee and his dependents are enrolled on the date of termination of employment. Such amount shall be subject to applicable income and employment tax withholdings.

5. Confidential Information.

(a) Employee agrees to keep secret and confidential, and not to use or disclose to any third parties, except as directly required for Employee to perform Employee's employment responsibilities for Company, any of Company's proprietary Confidential Information.

(b) Employee acknowledges and confirms that certain data and other information (whether in human or machine readable form) that comes into his possession or knowledge (whether before or after the date of this Agreement) and which was obtained from Company, or obtained by Employee for or on behalf of Company, and which is identified herein (the "Confidential Information") is the secret, confidential property of Company. This Confidential Information includes, but is not limited to:

- (1) lists or other identification of customers or prospective customers of Company;
 - (2) lists or other identification of sources or prospective sources of Company's products or components thereof, its landlords and prospective landlords and its current and prospective alliance, marketing and media partners (and key individuals employed or engaged by such parties);
 - (3) all compilations of information, correspondence, designs, drawings, files, formulae, lists, machines, maps, methods, models, studies, surveys, scripts, screenplays, artwork, sketches, notes or other writings, plans, leases, records and reports;
 - (4) financial, sales and marketing data relating to Company or to the industry or other areas pertaining to Company's activities and contemplated activities (including, without limitation, leasing, manufacturing, transportation, distribution and sales costs and non-public pricing information);
 - (5) equipment, materials, designs, procedures, processes, and techniques used in, or related to, the development, manufacture, assembly, fabrication or other production and quality control of Company's products, stores and services;
 - (6) Company's relations with its past, current and prospective customers, suppliers, landlords, alliance, marketing and media partners and the nature and type of products or services rendered to, received from or developed with such parties or prospective parties;
 - (7) Company's relations with its employees (including, without limitation, salaries, job classifications and skill levels);
- and
- (8) any other information designated by Company to be confidential, secret and/or proprietary (including without limitation, information provided by customers, suppliers and alliance partners of Company).

Notwithstanding the foregoing, the term Confidential Information shall not consist of any data or other information which has been made publicly available or otherwise placed in the public domain other than by Employee in violation of this Agreement. Notwithstanding the foregoing, Employee will not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that: (A) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney, and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, if Employee files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Employee may disclose the trade secret to Employee's attorney and use the trade secret information in the court proceeding if Employee files any document containing the trade secret under seal and does not disclose the trade secret except pursuant to court order.

(c) During the Employment Period, Employee will not copy, reproduce or otherwise duplicate, record, abstract, summarize or otherwise use, any papers, records, reports, studies, computer printouts, equipment, tools or other property owned by Company except as expressly permitted by Company in writing or required for the proper performance of his duties on behalf of Company.

6. Post-Termination Restrictions. Employee recognizes that (i) Company has spent substantial money, time and effort over the years in developing and solidifying its relationships with its customers, suppliers, landlords and alliance, marketing and media partners and in developing its Confidential Information; (ii) long-term customer, landlord, supplier and partner relationships often can be difficult to develop and require a significant investment of time, effort and expense; (iii) Company has paid its employees to, among other things, develop and preserve business information, customer, landlord, vendor and partner goodwill, customer, landlord, vendor and partner loyalty and customer, landlord, vendor and partner contacts for and on behalf of Company; and (iv) Company is hereby agreeing to employ and pay Employee based upon Employee's assurances and promises not to divert goodwill of customers, landlords, suppliers or partners of Company, either individually or on a combined basis, or to put himself in a position following Employee's employment with Company in which the confidentiality of Company's Confidential Information might somehow be compromised. Accordingly, Employee agrees that during the Employment Period and for the period of time set forth below following termination of employment, provided termination is in accordance with the terms of Section 4.1(b), (c), or (d), or due to expiration of the Agreement due to non-renewal by either party, Employee will not, directly or indirectly (whether as owner, partner, consultant, employee or otherwise):

(a) for one (1) year, engage in, assist or have an interest in, or enter the employment of or act as an agent, advisor or consultant for, any person or entity which is engaged in, or will be engaged in, the development, manufacture, supplying or sale of a product, process, service or development which is competitive with a product, process, service or development on which Employee worked or with respect to which Employee has or had access to Confidential Information while at Company ("Restricted Activity"), and which is located within the United States or within any country where Company has established a retail presence either directly or through a franchise arrangement; *provided, however*, that following termination of his employment, Employee shall be entitled to be an employee of an entity that engages in Restricted Activity so long as: (i) the sale of stuffed plush toys is not a material business of the entity; (ii) Employee has no direct or personal involvement in the sale of stuffed plush toys; and (iii) neither Employee, his relatives, nor any other entities with which she is affiliated own more than 1% of the entity. As used in this paragraph 6, "material business" shall mean that either (A) greater than 10% of annual revenues received by such entity were derived from the sale of stuffed plush toys and related products, or (B) or the entity otherwise annually derives or is projected to derive annual revenues in excess of \$5 million from a retail concept that is similar in any material regard to Company; or

(b) for one (1) year, induce or attempt to induce any employee, consultant, partner or advisor of Company to accept employment or an affiliation with any other entity.

7. Acknowledgment Regarding Restrictions. Employee recognizes and agrees that the restraints contained in Section 6 (both separately and in total), including the geographic scope thereof in light of Company's marketing efforts, are reasonable and enforceable in view of Company's legitimate interests in protecting its Confidential Information and customer goodwill and the limited scope of the restrictions in Section 6.

8. Inventions.

(a) Any and all ideas, inventions, discoveries, patents, patent applications, continuation-in-part patent applications, divisional patent applications, technology, copyrights, derivative works, trademarks, service marks, improvements, trade secrets and the like (collectively, "Inventions"), which are developed, conceived, created, discovered, learned, produced and/or otherwise generated by Employee, whether individually or otherwise, during the time that Employee is employed by Company, whether or not during working hours, that relate to (i) current and anticipated businesses and/or activities of Company, (ii) the current and anticipated research or development of Company, or (iii) any work performed by Employee for Company, shall be the sole and exclusive property of Company, and Company shall own any and all right, title and interest to such Inventions. Employee assigns, and agrees to assign to Company whenever so requested by Company, any and all right, title and interest in and to any such Invention, at Company's expense, and Employee agrees to execute any and all applications, assignments or other instruments which Company deems desirable or necessary to protect such interests, at Company's expense.

(b) Employee acknowledges that as part of his work for Company he may be asked to create, or contribute to the creation of, computer programs, documentation and other copyrightable works. Employee hereby agrees that any and all computer programs, documentation and other copyrightable materials that he has prepared or worked on for Company, or is asked to prepare or work on by Company, shall be treated as and shall be a "work made for hire," for the exclusive ownership and benefit of Company according to the copyright laws of the United States, including, but not limited to, Sections 101 and 201 of Title 17 of the U.S. Code ("U.S.C.") as well as according to similar foreign laws. Company shall have the exclusive right to register the copyrights in all such works in its name as the owner and author of such works and shall have the exclusive rights conveyed under 17 U.S.C. §§ 106 and 106A including, but not limited to, the right to make all uses of the works in which attribution or integrity rights may be implicated. Without in any way limiting the foregoing, to the extent the works are not treated as works made for hire under any applicable law, Employee hereby irrevocably assigns, transfers, and conveys to Company and its successors and assigns any and all worldwide right, title, and interest that Employee may now or in the future have in or to the works, including, but not limited to, all ownership, U.S. and foreign copyrights, all treaty, convention, statutory, and common law rights under the law of any U.S. or foreign jurisdiction, the right to sue for past, present, and future infringement, and moral, attribution, and integrity rights. Employee hereby expressly and forever irrevocably waives any and all rights that he may have arising under 17 U.S.C. §§ 106A, rights that may arise under any federal, state, or foreign law that conveys rights that are similar in nature to those conveyed under 17 U.S.C. §§ 106A, and any other type of moral right or droit moral.

9. Company Property. Employee acknowledges that any and all notes, records, sketches, computer diskettes, training materials and other documents relating to Company obtained by or provided to Employee, or otherwise made, produced or compiled during the Employment Period, regardless of the type of medium in which they are preserved, are the sole and exclusive property of Company and shall be surrendered to Company upon Employee's termination of employment and on demand at any time by Company.

10. Nondisparagement. Employee agrees that he will not in any way disparage Company or its affiliated entities, officers, or directors; and the officers and directors shall not in any way disparage Employee. Further, Employee agrees that he will neither make nor solicit any comments, statements, or the like to the media or to third parties that may be considered to be derogatory or detrimental to the good name or business reputation of Company or any of its affiliated entities, officers or directors; and the officers and directors will neither make nor solicit any comments, statements, or the like to the media or to third parties that may be considered to be derogatory or detrimental to the good name or business reputation of Employee. This Section 10 does not, in any way, restrict or impede the Employee from exercising protected rights to the extent that such rights cannot be waived by agreement or from complying with any applicable law or regulation or a valid order of a court of competent jurisdiction or an authorized government agency, provided that such compliance does not exceed that required by the law, regulation, or order.

11. Non-Waiver of Rights. Either party's failure to enforce at any time any of the provisions of this Agreement or to require at any time performance by the other party of any of the provisions hereof shall in no way be construed to be a waiver of such provisions or to affect either the validity of this Agreement, or any part hereof, or the right of the non-breaching party thereafter to enforce each and every provision in accordance with the terms of this Agreement.

12. Company's Right to Injunctive Relief. In the event of a breach or threatened breach of any of Employee's duties and obligations under the terms and provisions of Sections 5, 6, or 8 hereof, Company shall be entitled, in addition to any other legal or equitable remedies it may have in connection therewith (including any right to damages that it may suffer), to seek temporary, preliminary and permanent injunctive relief restraining such breach or threatened breach, without the necessity of posting any bond. Employee hereby expressly acknowledges that the harm which might result to Company's business as a result of any noncompliance by Employee with any of the provisions of Sections 5, 6 or 8 would be largely irreparable.

13. Judicial Enforcement. If any provision of this Agreement is adjudicated to be invalid or unenforceable under applicable law in any jurisdiction, the validity or enforceability of the remaining provisions thereof shall be unaffected as to such jurisdiction and such adjudication shall not affect the validity or enforceability of such provisions in any other jurisdiction. To the extent that any provision of this Agreement is adjudicated to be invalid or unenforceable because it is overbroad, that provision shall not be void but rather shall be limited only to the extent required by applicable law and enforced as so limited. The parties expressly acknowledge and agree that this Section is reasonable in view of the parties' respective interests.

14. Employee Representations. Employee represents that the execution and delivery of the Agreement and Employee's employment with Company do not violate any previous employment agreement or other contractual obligation of Employee. Employee further represents and agrees that he will not, during his employment with Company, improperly use or disclose any proprietary information or trade secrets of former employers and will not bring on to the premises of Company any unpublished documents or any property belonging to his former employers unless consented to in writing by such employers.

15. Amendments. No modification, amendment or waiver of any of the provisions of this Agreement shall be effective unless in writing specifically referring hereto, and signed by the parties hereto. This Agreement supersedes all prior agreements and understandings between Employee and Company to the extent that any such agreements or understandings conflict with the terms of this Agreement.

16. Assignments. This Agreement shall be freely assignable by Company to and shall inure to the benefit of, and be binding upon, Company, its affiliates, successors and assigns and/or any other entity which shall succeed to the business presently being conducted by Company. Being a contract for personal services, neither this Agreement nor any rights hereunder shall be assigned by Employee.

17. Choice of Forum and Governing Law. In light of Company's substantial contacts with the State of Missouri, the parties' interests in ensuring that disputes regarding the interpretation, validity and enforceability of this Agreement are resolved on a uniform basis, and Company's execution of, and the making of, this Agreement in Missouri, the parties agree that: (i) any litigation involving any noncompliance with or breach of the Agreement, or regarding the interpretation, validity and/or enforceability of the Agreement, shall be filed and conducted in the state or federal courts in St. Louis City or County, Missouri; and (ii) the Agreement shall be interpreted in accordance with and governed by the laws of the State of Missouri, without regard for any conflict of law principles.

18. Notices. Except as otherwise provided for herein, any notices to be given by either party to the other shall be affected by personal delivery in writing or by mail, registered or certified, postage prepaid, with return receipt requested. Mailed notices shall be addressed as follows:

(a) If to Company:

Chief Executive Officer
Build-A-Bear Workshop, Inc.
415 South 18th Street, Suite 200
St. Louis, MO 63103

With copy to:

Yevgeny Funder
Chief Legal Officer & Secretary
Build-A-Bear Workshop, Inc.
415 South 18th Street, Suite 200
St. Louis, MO 63103

(b) If to Employee:

David Henderson, at the address shown on the records of Company.

19. Arbitration. Any controversy or claim arising out of, or relating to this Agreement, the breach thereof, or Employee's employment by Company, shall, at Company's sole option, be settled by binding arbitration in the County of St. Louis in accordance with the employment rules then in force of the American Arbitration Association, and judgment upon the award rendered may be entered and enforced in any court having jurisdiction thereof. The controversies or claims subject to arbitration at Company's option under this Agreement include, without limitation, those arising under Title VII of the Civil Rights Act of 1964, 42 U.S.C. Section 1981, the Age Discrimination in Employment Act, the Americans with Disabilities Act, the Family and Medical Leave Act, the Worker Adjustment and Retraining Notification Act, the Missouri Human Rights Act, local laws governing employment, and the statutory and/or common law of contract and tort. In the event Employee commences any action in court which Company has the right to submit to binding arbitration, Company shall have sixty (60) days from the date of service of a summons and complaint upon Company to direct in writing that all or any part of the dispute be arbitrated. Any remedy available in any court action shall also be available in arbitration.

20. Excise Taxes. Anything in this Agreement to the contrary notwithstanding and except as set forth below, in the event it shall be determined that any payment, benefit, vesting or distribution to or for the benefit of Employee (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise) (a "Payment") would but for this Section 20 be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), or any comparable successor provisions (the "Excise Tax"), then the Payments shall be either (i) provided to Employee in full, or (ii) provided to Employee as to such lesser extent which would result in no portion of such Payments being subject to the Excise Tax, whichever of the foregoing amounts, when taking into account applicable income and employment taxes, the Excise Tax, and any other applicable taxes, results in the receipt by Employee on an after-tax basis, of the greatest amount of Payments, notwithstanding that all or some portion of such Payments may be subject to the Excise Tax. Any determination required under this Section 20 shall be made in writing in good faith by the Company's independent certified public accountants, appointed prior to any change in ownership (as defined under Code Section 280G(b)(2), and/or tax counsel selected by such accountants (the "Accounting Firm") in accordance with the principles of Section 280G of the Code. In the event of a reduction of Payments hereunder, the Payments shall be reduced as follows: (i) first from cash payments which are included in full as parachute payments, (ii) second from equity awards which are included in full as parachute payments, (iii) third from cash payments which are partially included as parachute payments, and (iv) fourth from equity awards that are partially included as parachute payments. In applying these principles, any reduction or elimination of the Payments shall be made in a manner consistent with the requirements of Code Section 409A and where two economically equivalent amounts are subject to reduction but payable at different times, such amounts shall be reduced on a pro rata basis but not below zero. For purposes of making the calculations required by this Section 20, the Accounting Firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of the Code, and other applicable legal authority. The Company and Employee shall furnish to the Accounting Firm such information and documents as the Accounting Firm may reasonably request in order to make a determination under this Section 20. All fees and expenses of the Accounting Firm shall be borne solely by the Company.

If, notwithstanding any reduction described in this Section 20, the Internal Revenue Service (the "IRS") determines that Employee is liable for the Excise Tax as a result of the receipt of the Payments as described above, then Employee shall be obligated to pay back to the Company, within thirty (30) days after a final IRS determination or in the event that Employee challenges the final IRS determination, a final judicial determination, a portion of the Payments equal to the "Repayment Amount." The Repayment Amount with respect to the Payments shall be the smallest such amount, if any, as shall be required to be paid to the Company so that Employee's net after-tax proceeds with respect to the Payments (after taking into account the payment of the Excise Tax and all other applicable taxes imposed on such payment) shall be maximized. The Repayment Amount with respect to the Payments shall be zero if a Repayment Amount of more than zero would not result in Employee's net after-tax proceeds with respect to the Payments being maximized. If the Excise Tax is not eliminated pursuant to this paragraph, Employee shall pay the Excise Tax.

Notwithstanding any other provision of this Section 20, if (i) there is a reduction in the Payments as described in this Section 20, (ii) the IRS later determines that Employee is liable for the Excise Tax, the payment of which would result in the maximization of Employee's net after-tax proceeds (calculated as if Employee's Payments had not previously been reduced), and (iii) Employee pays the Excise Tax, then the Company shall pay to Employee those Payments which were reduced pursuant to this subsection as soon as administratively possible after Employee pays the Excise Tax so that Employee's net after-tax proceeds with respect to the Payments are maximized.

For the avoidance of doubt, Employee acknowledges she is solely responsible for the payment of any Excise Tax and that the Company will not reimburse or otherwise indemnify her for such amount. Any reimbursements or repayments provided under this subsection shall be made strictly in accordance with Section 409A of the Code, including Treasury Regulation 1.409A-3(i)(1)(v).

Notwithstanding anything in this Agreement to the contrary, if any payments or benefits due to Employee hereunder would cause the application of an accelerated or additional tax under Section 409A of the Code ("Section 409A"), such payments or benefits shall be restructured in a manner which does not cause such an accelerated or additional tax. Without limiting the foregoing and notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to this Agreement during the six-month period immediately following Employee's separation from service shall instead be paid on the first (1st) business day after the date that is six (6) months following Employee's date of termination (or death, if earlier). In the event that Employee receives reduced payments and benefits as a result of the application of this paragraph, reduction shall be made from payments and benefits which are determined not to be nonqualified deferred compensation for purposes of Section 409A of the Code first, and then shall be made (to the extent necessary) out of payments and benefits which are subject to Section 409A of the Code and which are due at the latest future date, to the extent such reduction would not trigger adverse tax consequences under Section 409A of the Code.

21. Headings. Section headings are provided in this Agreement for convenience only and shall not be deemed to substantively alter the content of such sections.

PLEASE NOTE: BY SIGNING THIS AGREEMENT, EMPLOYEE IS HEREBY CERTIFYING THAT EMPLOYEE (A) HAS RECEIVED A COPY OF THIS AGREEMENT FOR REVIEW AND STUDY BEFORE EXECUTING IT; (B) HAS READ THIS AGREEMENT CAREFULLY BEFORE SIGNING IT; (C) HAS HAD SUFFICIENT OPPORTUNITY BEFORE SIGNING THE AGREEMENT TO ASK ANY QUESTIONS EMPLOYEE HAS ABOUT THE AGREEMENT AND HAS RECEIVED SATISFACTORY ANSWERS TO ALL SUCH QUESTIONS; AND (D) UNDERSTANDS EMPLOYEE'S RIGHTS AND OBLIGATIONS UNDER THE AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of June 11, 2026.

THIS AGREEMENT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY COMPANY.

/s/ David Henderson
David Henderson

BUILD-A-BEAR WORKSHOP, INC.

By: /s/ Yevgeny Funder
Name: Yevgeny Funder
Title: Chief Legal Officer and Secretary

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002
AND RULE 13a-14(a) OF
THE SECURITIES EXCHANGE ACT OF 1934**

I, Sharon John, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Build-A-Bear Workshop, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Sharon John

Sharon John
President and Chief Executive Officer
Build-A-Bear Workshop, Inc.
(Principal Executive Officer)

Date: June 11, 2026

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002
AND RULE 13a-14(a) OF
THE SECURITIES EXCHANGE ACT OF 1934**

I, Voin Todorovic, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Build-A-Bear Workshop, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Voin Todorovic

Voin Todorovic
Chief Financial Officer
Build-A-Bear Workshop, Inc.
(Principal Financial Officer)

Date: June 11, 2026

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of Build-A-Bear Workshop, Inc. (the "Company") on Form 10-Q for the period ended May 2, 2026 filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Sharon John, President and Chief Executive Officer of the Company, certify, to the best of my knowledge, pursuant to Rule 13a-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Sharon John

Sharon John
President and Chief Executive Officer
Build-A-Bear Workshop, Inc.
(Principal Executive Officer)

Date: June 11, 2026

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of Build-A-Bear Workshop, Inc. (the "Company") on Form 10-Q for the period ended May 2, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Voin Todorovic, Chief Financial Officer of the Company, certify, to the best of my knowledge, pursuant to Rule 13a-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Voin Todorovic

Voin Todorovic
Chief Financial Officer
Build-A-Bear Workshop, Inc.
(Principal Financial Officer)

Date: June 11, 2026