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

FORM 10-Q

(Mark One)

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

For the quarterly period ended May 4, 2024

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: 001-36212

VINCE HOLDING CORP.
(Exact name of registrant as specified in its charter)

Delaware	**75-3264870**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

500 5th Avenue—20th Floor
New York, New York 10110
(Address of principal executive offices) (Zip code)

(323) 421-5980
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value per share	VNCE	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, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☐

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

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

As of May 31, 2024, the registrant had 12,539,580 shares of common stock, $0.01 par value per share, outstanding.

VINCE HOLDING CORP. AND SUBSIDIARIES

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INTRODUCTORY NOTE

On November 27, 2013, Vince Holding Corp. ("VHC" or the "Company"), previously known as Apparel Holding Corp., closed an initial public offering ("IPO") of its common stock and completed a series of restructuring transactions (the "Restructuring Transactions") through which Kellwood Holding, LLC acquired the non-Vince businesses, which included Kellwood Company, LLC, from the Company. The Company continues to own and operate the Vince business, which includes Vince, LLC.

Prior to the IPO and the Restructuring Transactions, VHC was a diversified apparel company operating a broad portfolio of fashion brands, which included the Vince business. As a result of the IPO and Restructuring Transactions, the non-Vince businesses were separated from the Vince business, and the stockholders immediately prior to the consummation of the Restructuring Transactions (the "Pre-IPO Stockholders") (through their ownership of Kellwood Holding, LLC) retained the full ownership and control of the non-Vince businesses.

On April 21, 2023, Vince, LLC, the Company's wholly owned indirect subsidiary, entered into an Intellectual Property Asset Purchase Agreement (the "Asset Purchase Agreement"), by and among Vince, LLC, ABG-Vince, LLC (f/k/a ABG-Viking, LLC) ("ABG Vince"), a newly formed indirect subsidiary of Authentic Brands Group, LLC, the Company and ABG Intermediate Holdings 2 LLC, whereby Vince, LLC sold its intellectual property assets related to the business operated under the Vince brand to ABG Vince at closing (the "Asset Sale"). The Company closed the Asset Sale on May 25, 2023.

On May 3, 2024, Vince, LLC completed a nominal sale (the "Transaction") for $1.00 (one dollar) of all outstanding shares of Rebecca Taylor, Inc., which held the Rebecca Taylor business prior to the wind-down (defined below), to Nova Acquisitions, LLC. Nova Acquisitions, LLC is wholly owned by James Carroll, who served as the sole director and officer of Rebecca Taylor, Inc. at the time of the Transaction, pursuant to a service agreement between Mr. Carroll and Rebecca Taylor, Inc. that was previously entered into in September 2022 in connection with the wind-down. Following the completion of the Transaction, there exists no relationship or arrangement whatsoever between Mr. Carroll and the Company or any of its affiliates. The Transaction was completed pursuant to a Stock Purchase Agreement (the “SPA”), dated May 3, 2024, entered into between Vince, LLC and Nova Acquisitions, LLC.

For purposes of this Quarterly Report, the "Company," "we," and "our," refer to Vince Holding Corp. and our wholly owned subsidiaries, including Vince Intermediate Holding, LLC ("Vince Intermediate") and Vince, LLC. References to "Vince," "Rebecca Taylor" or "Parker" refer only to the referenced brands.

DISCLOSURES REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q, and any statements incorporated by reference herein, contain forward-looking statements under the Private Securities Litigation Reform Act of 1995. Forward-looking statements are indicated by words or phrases such as "may," "will," "should," "believe," "expect," "seek," "anticipate," "intend," "estimate," "plan," "target," "project," "forecast," "envision" and other similar phrases. Although we believe the assumptions and expectations reflected in these forward-looking statements are reasonable, these assumptions and expectations may not prove to be correct and we may not achieve the results or benefits anticipated. These forward-looking statements are not guarantees of actual results, and our actual results may differ materially from those suggested in the forward-looking statements. These forward-looking statements involve a number of risks and uncertainties, some of which are beyond our control, including, without limitation: our ability to maintain the license agreement with ABG Vince; ABG Vince's expansion of the Vince brand into other categories and territories; ABG Vince's approval rights and other actions; our ability to maintain adequate cash flow from operations or availability under our revolving credit facility to meet our liquidity needs; our ability to realize the benefits of our strategic initiatives; our ability to execute and realize the enhanced profitability expectations of our transformation program; our ability to improve our profitability; the execution and management of our direct-to-consumer business growth plans; our ability to make lease payments when due; our ability to maintain our larger wholesale partners; our ability to remediate the identified material weakness in our internal control over financial reporting; our ability to comply with domestic and international laws, regulations and orders; our ability to anticipate and/or react to changes in customer demand and attract new customers, including in connection with making inventory commitments; our ability to remain competitive in the areas of merchandise quality, price, breadth of selection and customer service; our ability to attract and retain key personnel; seasonal and quarterly variations in our revenue and income; general economic conditions; further impairment of our goodwill; our ability to mitigate system security risk issues, such as cyber or malware attacks, as well as other major system failures; our ability to optimize our systems, processes and functions; our ability to comply with privacy-related obligations; our ability to ensure the proper operation of the distribution facilities by third-party logistics providers; fluctuations in the price, availability and quality of raw materials; commodity, raw material and other cost increases; the extent of our foreign sourcing; our reliance on independent manufacturers; other tax matters; and other factors as set forth from time to time in our Securities and Exchange Commission filings, including those described in our Annual Report on Form 10-K filed with the Securities and Exchange Commission on May 2, 2024 (the "2023 Annual Report on Form 10-K") under the heading "Part I, Item 1A—Risk Factors." We intend these forward-looking statements to speak only as of the date of this Quarterly Report on Form 10-Q and do not undertake to update or revise them as more information becomes available, except as required by law.

PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

VINCE HOLDING CORP. AND SUBSIDIARIES

Condensed Consolidated Balance Sheets
(in thousands, except share and per share data, unaudited)

	May 4, 2024	February 3, 2024
Assets		
Current assets:		
Cash and cash equivalents	$ 739	$ 357
Trade receivables, net of allowance for doubtful accounts of $318 and $377 at May 4, 2024 and February 3, 2024, respectively	22,248	20,671
Inventories, net	56,674	58,777
Prepaid expenses and other current assets[1]	6,949	4,997
Total current assets	86,610	84,802
Property and equipment, net	6,869	6,972
Operating lease right-of-use assets, net	70,377	73,003
Goodwill	31,973	31,973
Equity method investment	25,075	26,147
Other assets	2,175	2,252
Total assets	$ 223,079	$ 225,149
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 22,478	$ 31,678
Accrued salaries and employee benefits	4,195	3,967
Other accrued expenses[2]	9,487	8,980
Short-term lease liabilities	15,823	16,803
Total current liabilities	51,983	61,428
Long-term debt[3]	50,102	43,950
Long-term lease liabilities	65,771	67,705
Deferred income tax liability	3,567	4,913
Commitments and contingencies (Note 10)		
Stockholders' equity:		
Common stock at $0.01 par value (100,000,000 shares authorized, 12,509,915 and 12,506,556 shares issued and outstanding at May 4, 2024 and February 3, 2024, respectively)	125	125
Additional paid-in capital	1,144,740	1,144,740
Accumulated deficit	(1,093,254)	(1,097,634)
Accumulated other comprehensive income (loss)	45	(78)
Total stockholders' equity	51,656	47,153
Total liabilities and stockholders' equity	$ 223,079	$ 225,149

[1] Includes prepaid royalty expense of $1,712 as of May 4, 2024, which is with a related party.
[2] Includes accrued royalty expense of $361 as of February 3, 2024, which is with a related party.
[3] Includes Third Lien Credit Facility, which is with a related party, of $31,113 and $29,982 as of May 4, 2024 and February 3, 2024, respectively.

See notes to unaudited condensed consolidated financial statements.

VINCE HOLDING CORP. AND SUBSIDIARIES

Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)
(in thousands, except share and per share data, unaudited)

	Three Months Ended	
	May 4, 2024	April 29, 2023
Net sales	$ 59,171	$ 64,056
Cost of products sold[4]	29,258	34,464
Gross profit	29,913	29,592
Gain on sale of intangible assets	—	(765)
Gain on sale of subsidiary	(7,634)	—
Selling, general and administrative expenses	31,943	32,733
Income (loss) from operations	5,604	(2,376)
Interest expense, net[5]	1,646	3,290
Income (loss) before income taxes and equity in net loss of equity method investment	3,958	(5,666)
Benefit for income taxes	(887)	(5,285)
Income (loss) before equity in net loss of equity method investment	4,845	(381)
Equity in net loss of equity method investment	(465)	—
Net income (loss)	$ 4,380	$ (381)
Other comprehensive income (loss):		
Foreign currency translation adjustments	123	(2)
Comprehensive income (loss)	$ 4,503	$ (383)
Earnings (loss) per share:		
Basic earnings (loss) per share	$ 0.35	$ (0.03)
Diluted earnings (loss) per share	$ 0.35	$ (0.03)
Weighted average shares outstanding:		
Basic	12,507,561	12,342,355
Diluted	12,611,901	12,342,355

[4] Includes royalty expense of $2,688 for the three months ended May 4, 2024, which is with a related party.
[5] Includes capitalized PIK interest with the Third Lien Credit Facility of $1,131 and $913 for the three months ended May 4, 2024 and April 29, 2023, respectively, which is with a related party.

See notes to unaudited condensed consolidated financial statements.

VINCE HOLDING CORP. AND SUBSIDIARIES

Condensed Consolidated Statements of Stockholders' Equity
(in thousands, except share amounts, unaudited)

	Common Stock					
	Number of Shares Outstanding	Par Value	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
Balance as of February 3, 2024	12,506,556	$ 125	$ 1,144,740	$ (1,097,634)	$ (78)	$ 47,153
Comprehensive income:						
Net income	—	—	—	4,380	—	4,380
Foreign currency translation adjustment	—	—	—	—	123	123
Share-based compensation expense	—	—	(5)	—	—	(5)
Restricted stock unit vestings	1,486	—	—	—	—	—
Tax withholdings related to restricted stock vesting	(611)	—	(2)	—	—	(2)
Issuance of common stock related to Employee Stock Purchase Plan ("ESPP")	2,484	—	7	—	—	7
Balance as of May 4, 2024	12,509,915	$ 125	$ 1,144,740	$ (1,093,254)	$ 45	$ 51,656

See notes to unaudited condensed consolidated financial statements.

VINCE HOLDING CORP. AND SUBSIDIARIES

Condensed Consolidated Statements of Stockholders' Equity
(in thousands, except share amounts, unaudited)

	Common Stock					
	Number of Shares Outstanding	Par Value	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
Balance as of January 28, 2023	12,335,405	$ 123	$ 1,143,295	$ (1,123,080)	$ (81)	$ 20,257
Comprehensive loss:						
Net loss	—	—	—	(381)	—	(381)
Foreign currency translation adjustment	—	—	—	—	(2)	(2)
Share-based compensation expense	—	—	420	—	—	420
Restricted stock unit vestings	34,983	1	—	—	—	1
Tax withholdings related to restricted stock vesting	(1,148)	—	(8)	—	—	(8)
Issuance of common stock related to ESPP	1,885	—	14	—	—	14
Balance as of April 29, 2023	12,371,125	$ 124	$ 1,143,721	$ (1,123,461)	$ (83)	$ 20,301

See notes to unaudited condensed consolidated financial statements.

VINCE HOLDING CORP. AND SUBSIDIARIES

Condensed Consolidated Statements of Cash Flows
(in thousands, unaudited)

	Three Months Ended	
	May 4, 2024	April 29, 2023
Operating activities		
Net income (loss)	$ 4,380	$ (381)
Add (deduct) items not affecting operating cash flows:		
Depreciation and amortization	1,013	1,366
Allowance for doubtful accounts	(51)	126
Gain on sale of intangible assets	—	(765)
Gain on sale of subsidiary	(7,634)	—
Loss on disposal of property and equipment	10	—
Amortization of deferred financing costs	79	519
Deferred income taxes	(1,346)	(5,285)
Share-based compensation expense	(5)	420
Capitalized PIK Interest due to loan with related party	1,131	913
Equity in net loss of equity method investment, net of distributions	1,072	—
Changes in assets and liabilities:		
Receivables, net	(1,527)	3,235
Inventories	2,100	9,974
Prepaid expenses and other current assets	(1,952)	(683)
Accounts payable and accrued expenses	(871)	(1,723)
Other assets and liabilities	(277)	(2,438)
Net cash (used in) provided by operating activities	(3,878)	5,278
Investing activities		
Payments for capital expenditures	(740)	(115)
Proceeds from sale of intangible assets	—	1,025
Net cash (used in) provided by investing activities	(740)	910
Financing activities		
Proceeds from borrowings under the Revolving Credit Facilities	46,400	63,827
Repayment of borrowings under the Revolving Credit Facilities	(41,400)	(68,841)
Repayment of borrowings under the Term Loan Facilities	—	(1,713)
Tax withholdings related to restricted stock vesting	(2)	(8)
Proceeds from stock option exercises, restricted stock vesting, and issuance of common stock under employee stock purchase plan	7	15
Financing fees	(2)	(125)
Net cash provided by (used in) financing activities	5,003	(6,845)
Increase in cash, cash equivalents, and restricted cash	385	(657)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(4)	—
Cash, cash equivalents, and restricted cash, beginning of period	1,219	1,116
Cash, cash equivalents, and restricted cash, end of period	1,600	459
Less: restricted cash at end of period	861	37
Cash and cash equivalents per balance sheet at end of period	$ 739	$ 422
Supplemental Disclosures of Cash Flow Information		
Cash payments for interest	397	$ 877
Cash payments for income taxes, net of refunds	11	6
Supplemental Disclosures of Non-Cash Investing and Financing Activities		
Capital expenditures in accounts payable and accrued liabilities	261	104
Deferred financing fees in accrued liabilities	6	925

See notes to unaudited condensed consolidated financial statements.

Notes to the Unaudited Condensed Consolidated Financial Statements
(in thousands, except share and per share data)

Note 1. Description of Business and Basis of Presentation

(A) Description of Business: The Company is a global retail company that operates the Vince brand women's and men's ready to wear business. Vince, established in 2002, is a leading global luxury apparel and accessories brand best known for creating elevated yet understated pieces for every day effortless style. Previously, the Company also owned and operated the Rebecca Taylor and Parker brands until the sale of the respective intellectual property was completed, as discussed below.

On April 21, 2023 the Company entered into a strategic partnership ("Authentic Transaction") with Authentic Brands Group, LLC ("Authentic"), a global brand development, marketing and entertainment platform, whereby the Company contributed its intellectual property to a newly formed Authentic subsidiary ("ABG Vince") for cash consideration and a membership interest in ABG Vince. The Company closed the Asset Sale (as defined below) on May 25, 2023. On May 25, 2023, in connection with the Authentic Transaction, Vince, LLC entered into a License Agreement (the "License Agreement") with ABG-Vince LLC, which provides Vince, LLC with an exclusive, long-term license to use the Licensed Property in the Territory to the Approved Accounts (each as defined in the License Agreement). See Note 2 "Recent Transactions" for additional information.

Rebecca Taylor, founded in 1996 in New York City, was a contemporary womenswear line lauded for its signature prints, romantic detailing and vintage inspired aesthetic, reimagined for a modern era. On September 12, 2022, the Company announced its decision to wind down the Rebecca Taylor business. On December 22, 2022, the Company's indirectly wholly owned subsidiary, Rebecca Taylor, Inc., completed the sale of its intellectual property and certain related ancillary assets to RT IPCO, LLC, an affiliate of Ramani Group.

On May 3, 2024, Vince, LLC completed the sale of all outstanding shares of Rebecca Taylor, Inc., which held the Rebecca Taylor business prior to the wind-down, to Nova Acquisitions, LLC. See Note 2 "Recent Transactions" for further information.

Parker, founded in 2008 in New York City, was a contemporary women's fashion brand that was trend focused. During the first half of fiscal 2020 the Company decided to pause the creation of new products for the Parker brand to focus resources on the operations of the Vince and Rebecca Taylor brands. On February 17, 2023, the Company's indirectly wholly owned subsidiary, Parker Lifestyle, LLC, completed the sale of its intellectual property and certain related ancillary assets to Parker IP Co. LLC, an affiliate of BCI Brands. See Note 2 "Recent Transactions" for additional information.

The Company reaches its customers through a variety of channels, specifically through major wholesale department stores and specialty stores in the United States ("U.S.") and select international markets, as well as through the Company's branded retail locations and the Company's websites. The Company designs products in the U.S. and sources the vast majority of products from contract manufacturers outside the U.S., primarily in Asia. Products are manufactured to meet the Company's product specifications and labor standards.

(B) Basis of Presentation: The accompanying condensed consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles ("GAAP") and the rules and regulations of the U.S. Securities and Exchange Commission (the "SEC"). Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted. Therefore, these financial statements should be read in conjunction with VHC's audited financial statements for the fiscal year ended February 3, 2024, as set forth in the 2023 Annual Report on Form 10-K.

The condensed consolidated financial statements include the Company's accounts and the accounts of the Company's wholly-owned subsidiaries as of May 4, 2024. All intercompany accounts and transactions have been eliminated in consolidation. In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all adjustments (consisting solely of normal recurring adjustments) and disclosures necessary for a fair statement. The results of operations for these periods are not necessarily comparable to, or indicative of, results of any other interim period or the fiscal year as a whole.

(C) Use of Estimates: The preparation of financial statements in conformity with GAAP requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements which affect revenues and expenses during the period reported. Estimates are adjusted when necessary to reflect actual experience. Significant estimates and assumptions may affect many items in the financial statements. Actual results could differ from estimates and assumptions in amounts that may be material to the condensed consolidated financial statements.

(D) Sources and Uses of Liquidity: The Company's sources of liquidity are cash and cash equivalents, cash flows from operations, if any, borrowings available under the 2023 Revolving Credit Facility (as defined in Note 5 "Long-Term Debt and Financing Arrangements") and the Company's ability to access the capital markets, including the Sales Agreement entered into with Virtu Americas LLC in June 2023 (see Note 8 "Stockholders' Equity" for further information). The Company's primary cash needs are funding working capital requirements, including royalty payments under the License Agreement, meeting debt service requirements and capital expenditures for new stores and related leasehold improvements. The most significant components of the Company's working capital are cash and cash equivalents, accounts receivable, inventories, accounts payable and other current liabilities. Based on our current expectations, we believe that our sources of liquidity will generate sufficient cash flows to meet our obligations during the next twelve months from the date these financial statements are issued.

(E) Revenue Recognition: The Company recognizes revenue when performance obligations identified under the terms of contracts with its customers are satisfied, which generally occurs upon the transfer of control in accordance with the contractual terms and conditions of the sale. Sales are recognized when the control of the goods are transferred to the customer for the Company's wholesale business, upon receipt by the customer for the Company's e-commerce business, and at the time of sale to the consumer for the Company's retail business. See Note 13 "Segment Financial Information" for disaggregated revenue amounts by segment.

Revenue associated with gift cards is recognized upon redemption and unredeemed balances are considered a contract liability and recorded within other accrued expenses, which are subject to escheatment within the jurisdictions in which the Company operates. As of May 4, 2024 and February 3, 2024, the contract liability was $1,448 and $1,628, respectively. For the three months ended May 4, 2024, the Company recognized $113 of revenue that was previously included in the contract liability as of February 3, 2024. In addition, the contract liability as of February 3, 2024 included approximately $78 that was related to Rebecca Taylor and was subsequently recognized as part of the gain on sale of subsidiaries (see Note 2 "Recent Transactions" for further information).

(F) Recent Accounting Pronouncements: Except as noted below, the Company has considered all recent accounting pronouncements and has concluded that there are no recent accounting pronouncements that may have a material impact on its Consolidated Financial Statements, based on current information.

Recently Issued Accounting Pronouncements

In November 2023, the FASB issued ASU 2023-07: Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which updates reportable segment disclosure requirements primarily through enhanced disclosures about significant segment expenses. All disclosure requirements under ASU 2023-07 are also required for public entities with a single reportable segment. The amendments are effective for fiscal years beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The amendments should be applied retrospectively to all prior periods presented in the financial statements. Other than additional disclosure, we do not expect a change to our consolidated statements of operations, financial position, or cash flows as a result of this ASU.

In December 2023, the FASB issued ASU 2023-09: Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which requires expanded disclosure within the rate reconciliation as well as disaggregation of annual taxes paid. This amendment is effective for annual periods beginning after December 15, 2024, and is applied prospectively. Early adoption is permitted. The Company is currently evaluating the impact that this new guidance may have on its financial statement disclosures.

In March 2024, the SEC adopted the final rule under SEC Release No. 33-11275: The Enhancement and Standardization of Climate-Related Disclosures for Investors, which requires new disclosures regarding information about a registrant’s climate-related risks that have materially impacted, or are reasonably likely to have a material impact on, its business strategy, results of operations, or financial condition. In addition, certain disclosures related to severe weather events and other natural conditions will also be required in a registrant’s audited financial statements. Based on our smaller reporting company and non-accelerated filer status, certain disclosures are effective for fiscal years beginning after December 15, 2026, with certain remaining disclosures effective for fiscal years beginning after December 15, 2027. As a smaller reporting company, we are exempt from emissions disclosures and related assurance requirements. We will evaluate the SEC rule to determine its impact on our future financial reporting requirements and related disclosures.

Note 2. Recent Transactions

Wind Down and Sale of Rebecca Taylor Business

On September 12, 2022, the Company announced its decision to wind down the Rebecca Taylor business. On September 30, 2022, the Company entered into amendments to the Term Loan Credit Facility, the 2018 Revolving Credit Facility and the Third Lien Credit Facility (as defined in Note 5 "Long-Term Debt and Financing Arrangements"), which in part, permitted the sale of the intellectual property of the Rebecca Taylor, Inc. and the Rebecca Taylor, Inc. liquidation.

On December 22, 2022, the Company's indirectly wholly owned subsidiary, Rebecca Taylor, Inc., completed the sale of its intellectual property and certain related ancillary assets to RT IPCO, LLC, an affiliate of Ramani Group for $4,250. The Company recognized a gain of $1,620 on the sale, which was recorded within Gain on sale of intangible assets in the Consolidated Statements of Operations and Comprehensive Income (Loss) during fiscal 2022. Net cash proceeds from the sale were used to repay $2,997 of borrowings under the Term Loan Credit Facility and $427 of borrowings under the 2018 Revolving Credit Facility during fiscal 2022.

On July 7, 2023, Rebecca Taylor, Inc. and Rebecca Taylor Retail Stores, LLC, each as an assignor, made a General Assignment for the Benefit of the Creditors (the "Assignment") to a respective assignee, an unaffiliated California limited liability company, pursuant to California state law. The Assignment resulted in the residual rights and assets of each of Rebecca Taylor, Inc. and Rebecca Taylor Retail Stores, LLC being assigned and transferred to such assignees. As a result, Rebecca Taylor, Inc. and Rebecca Taylor Retail Stores, LLC no longer hold any assets.

On May 3, 2024, Vince, LLC completed the sale of all outstanding shares of Rebecca Taylor, Inc., which held the Rebecca Taylor business prior to the wind-down, to Nova Acquisitions, LLC. Nova Acquisitions, LLC is wholly owned by James Carroll, who served as the sole director and officer of Rebecca Taylor, Inc. at the time of the Transaction, pursuant to a service agreement between Mr. Carroll and Rebecca Taylor, Inc. that was previously entered into in September 2022 in connection with the wind-down. While serving as the sole director and officer of Rebecca Taylor, Inc., Mr. Carroll did not serve as an agent to the Company and was not a related party to the Company. Following the completion of the Transaction, there exists no relationship or arrangement whatsoever between Mr. Carroll and the Company or any of its affiliates. The Transaction was completed pursuant to the SPA, dated May 3, 2024, entered into between the Seller and Nova Acquisitions, LLC. The SPA contains customary representations, warranties and covenants for a transaction of this nature, but does not include any indemnification provisions for the benefit of either party. Following the completion of the Transaction, there is no ongoing involvement between the Company and Rebecca Taylor, Inc. As Rebecca Taylor Inc. was in a net liability position, as a result of the Transaction, the Company recognized a gain on sale of subsidiary of $7,634, which is presented in the Consolidated Statements of Operations and Comprehensive Income (Loss).

There were no Rebecca Taylor wind down related charges (benefits) for the three months ended May 4, 2024. For the three months ended April 29, 2023, the Company reported wind down related benefits of $624, primarily related to the release of operating lease liabilities as a result of lease terminations.

Sale of Parker Intellectual Property

On February 17, 2023, the Company's indirectly wholly owned subsidiary, Parker Lifestyle, LLC, completed the sale of its intellectual property and certain related ancillary assets to Parker IP Co. LLC, an affiliate of BCI Brands, for $1,025. The Company recognized a gain of $765 on the sale, which was recorded within Gain on sale of intangible assets in the Consolidated Statements of Operations and Comprehensive Income (Loss) for the three months ended April 29, 2023. Net cash proceeds from the sale were used to repay $838 of borrowings under the Term Loan Credit Facility (as defined in Note 5 "Long-Term Debt and Financing Arrangements").

Sale of Vince Intellectual Property

On April 21, 2023 the Company entered into the Asset Purchase Agreement (defined below), pursuant to which Vince, LLC agreed to sell and transfer to ABG-Vince LLC (f/k/a ABG-Viking, LLC) ("ABG Vince"), an indirect subsidiary of Authentic, all intellectual property assets related to the business operated under the Vince brand in exchange for total consideration of $76,500 in cash and a 25% membership interest in ABG Vince (the "Asset Sale"). The Asset Sale was consummated in accordance with the terms of the Asset Purchase Agreement on May 25, 2023 (the "Closing Date"). Through the agreement, Authentic owns the majority stake of 75% membership interest in ABG Vince.

Upon the closing of the Asset Sale, the Company derecognized the intellectual property assets at their carrying amount of $69,957. In exchange for the Company's sale of its intellectual property assets, which included the Vince tradename and Vince customer relationships, to ABG Vince, Authentic paid $76,500 in cash and a 25% interest in ABG Vince valued at $25,500. As a result, the Company recognized a gain of $32,043, which was recorded within Gain on sale of intangible assets in the Consolidated Statements of Operations and Comprehensive Income (Loss) during fiscal 2023. Additionally, during fiscal 2023, the Company incurred total transaction related costs of approximately $5,555. Of these transaction costs, approximately $525 was incurred to acquire the investment in ABG Vince. As such, these costs were included in the initial measurement of the investment and recorded as part of the equity method investment on the Consolidated Balance Sheets. The remaining transaction related costs were included in selling, general and administrative ("SG&A") expense in the accompanying Consolidated Statements of Operations and Comprehensive Income (Loss) in fiscal 2023. The Company utilized the net proceeds received to prepay in full the Term Loan Credit Facility and to repay a portion of the outstanding borrowings under the 2018 Revolving Credit Facility (as defined in Note 5 "Long-Term Debt and Financing Arrangements"). See Note 5 "Long-Term Debt and Financing Arrangements" for further information.

Operating Agreement

On May 25, 2023, in connection with the closing (the "Closing") of the Asset Sale pursuant to the Intellectual Property Asset Purchase Agreement (the "Asset Purchase Agreement"), dated as of April 21, 2023, by and among Vince, LLC, ABG Vince, the Company and ABG Intermediate Holdings 2 LLC, Vince, LLC and ABG Vince entered into an Amended and Restated Limited Liability Company Agreement of ABG-Vince, LLC (the "Operating Agreement"), which, among other things, provides for the management of the business and the affairs of ABG Vince, the allocation of profits and losses, the distribution of cash of ABG Vince among its members and the rights, obligations and interests of the members to each other and to Vince, LLC.

The Company accounts for its 25% interest in ABG Vince under the equity method. In applying the equity method, the Company recorded the initial investment at cost and subsequently increases or decreases the carrying amount of the investment by the Company's proportionate share of net income or loss. Distributions received from ABG Vince are recognized as a reduction of the carrying amount of the investment. The Company's proportionate share of ABG Vince's net income or loss is recorded within Equity in net income (loss) of equity method investment on the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss). The carrying value for the Company's investment in ABG Vince is recorded within Equity method investment on the Condensed Consolidated Balance Sheets. The Company records its share of net income or loss using a one-month lag. This convention does not materially impact the Company's results.

The Company reviews its investment in ABG Vince for impairment when events or changes in circumstances indicate that an other-than-temporary decline in value may have occurred. If the carrying value of the investment exceeds its fair value and the loss in value is other than temporary, the investment is considered impaired and reduced to fair value, and the impairment is recognized in the period identified. Factors providing evidence of such a loss include changes in ABG Vince's operations or financial condition, significant continuing losses, and significant negative economic conditions, among others. During the three months ended May 4, 2024, there was no impairment of the investment in ABG Vince.

License Agreement

On May 25, 2023, in connection with the Closing, Vince, LLC and ABG Vince entered into a License Agreement (the "License Agreement"), which provides Vince, LLC with a license to use the Licensed Property in the Territory, which is defined as the United States, Canada, Andorra, Austria, Germany, Switzerland, Belgium, Netherlands, Luxembourg, France, Monaco, Liechtenstein, Italy, San Marino, Vatican City, Iceland, Norway, Denmark, Sweden, Finland, Spain, Portugal, Greece, Republic of Cyprus (excluding Northern Cyprus), United Kingdom, Ireland, Australia, New Zealand, Mainland China, Hong Kong, Macau, Taiwan, Singapore, Japan and Korea (the "Core Territory"), together with all other territories (the "Option Territory"), to the Approved Accounts (each as defined in the License Agreement). Vince, LLC is required to operate and maintain a minimum of 45 Retail Stores and Shop-in-Shops in the Territory. The Option Territory may be changed unilaterally by ABG Vince at any time after the effective date of the License Agreement.

Additionally, the License Agreement provides Vince, LLC with a license to use the Licensed Property to design, manufacture, promote, market, distribute, and sell ready-to-wear Sportswear Products and Outerwear Products (the "Core Products") and Home Décor and Baby Layettes (the "Option Products," together with the Core Products, the "Licensed Products"), which Option Products may be changed unilaterally by ABG Vince at any time after the effective date of the License Agreement.

The initial term of the License Agreement began on May 25, 2023, the date on which the Closing actually occurred, and ends at the end of the Company's 2032 fiscal year, unless sooner terminated pursuant to the terms of the License Agreement. Vince, LLC has the option to renew the License Agreement on the terms set forth in the License Agreement for eight consecutive periods of ten years each, unless the License Agreement is sooner terminated pursuant to its terms or Vince, LLC is in material breach of the License Agreement and such breach has not been cured within the specified cure period. Vince, LLC may elect not to renew the term for a renewal term.

Vince, LLC is required to pay ABG Vince a royalty on net sales of Licensed Products and committed to an annual guaranteed minimum royalty of $11,000 and annual minimum net sales as specified in the License Agreement, in each case, during the initial term of the License Agreement, except that the guaranteed minimum royalty and minimum net sales for the first contract year during the initial term will be prorated to the period beginning on the Closing Date and ending at the end of the Company's 2023 fiscal year. The annual guaranteed minimum royalty and annual minimum net sales for each subsequent renewal term will be the greater of (i) a percentage as set forth in the License Agreement of the guaranteed minimum net royalty or the minimum net sales (as applicable) of the immediately preceding contract year, and (ii) the average of actual Royalties (as defined in the License Agreement, with respect to the guaranteed minimum royalty) or actual Net Sales (as defined in the License Agreement, with respect to the annual minimum net sales) during certain years as set forth in the License Agreement of the preceding initial term or renewal term (as applicable). Vince, LLC is required to pay royalties comprised of a low single digit percentage of net sales arising from retail and e-commerce sales of Licensed Products and a mid single digit percentage of net sales arising from wholesale sales of such Licensed Products.

In the event that the annual guaranteed minimum royalty paid to ABG Vince in any given contract year is greater than the actual royalties earned by ABG Vince in the same contract year, the difference between the royalty actually earned and the annual guaranteed minimum royalty paid is credited for the next two contract years against any amount of royalty earned by ABG Vince in excess of the annual guaranteed minimum royalty paid during each such contract year, if any.

Royalty expense is included within Cost of product sold on the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss).

Note 3. Goodwill and Intangible Assets

Net goodwill balances and changes therein by segment were as follows:

(in thousands)	Vince Wholesale	Vince Direct-to-consumer	Rebecca Taylor and Parker	Total Net Goodwill
Balance as of February 3, 2024	$ 31,973	$ —	$ —	$ 31,973
Balance as of May 4, 2024	$ 31,973	$ —	$ —	$ 31,973

The total carrying amount of goodwill is net of accumulated impairments of $78,715.

On April 21, 2023, the Company entered into the Authentic Transaction with Authentic and as a result, the Vince tradename and Vince customer relationships were classified as held for sale and amortization of the Vince customer relationships ceased. The Company closed the Asset Sale on May 25, 2023. See Note 2 "Recent Transactions" for further information.

On February 17, 2023, the Company's indirectly wholly owned subsidiary, Parker Lifestyle, LLC, completed the sale of its intellectual property and certain related ancillary assets to Parker IP Co. LLC, an affiliate of BCI Brands. See Note 2 "Recent Transactions" for further information.

Amortization of identifiable intangible assets was $0 and $149 for the three months ended May 4, 2024 and April 29, 2023, respectively.

Note 4. Fair Value Measurements

We define the fair value of a financial instrument as the amount that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. We are responsible for the determination of the value of the investments carried at fair value and the supporting methodologies and assumptions. The Company's financial assets and liabilities are to be measured using inputs from three levels of the fair value hierarchy as follows:

Level 1—	quoted market prices in active markets for identical assets or liabilities
Level 2—	observable market-based inputs (quoted prices for similar assets and liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active) or inputs that are corroborated by observable market data
Level 3—	significant unobservable inputs that reflect the Company's assumptions and are not substantially supported by market data

The Company did not have any non-financial assets or non-financial liabilities recognized at fair value on a recurring basis at May 4, 2024 or February 3, 2024. At May 4, 2024 and February 3, 2024, the Company believes that the carrying values of cash and cash equivalents, receivables, and accounts payable approximate fair value, due to the short-term maturity of these instruments. The Company's debt obligations with a carrying value of $50,340 and $44,209 as of May 4, 2024 and February 3, 2024, respectively, are at variable interest rates. Borrowings under the Company's 2023 Revolving Credit Facility are recorded at carrying value, which approximates fair value due to the frequent nature of such borrowings and repayments. The Company considers this as a Level 2 input. The carrying values of the Company's Third Lien Credit Facility as of May 4, 2024 and February 3, 2024 approximate fair value, due to the variable rates associated with this obligation. The Company considers this a Level 3 input.

The Company's non-financial assets, which primarily consist of goodwill, operating lease right-of-use ("ROU") assets, and property and equipment, are not required to be measured at fair value on a recurring basis and are reported at their carrying values.

However, on a periodic basis whenever events or changes in circumstances indicate that their carrying value may not be fully recoverable (and at least annually for goodwill and indefinite-lived intangible assets), non-financial assets are assessed for impairment and, if applicable, written down to (and recorded at) fair value. During the three months ended May 4, 2024, there was no impairment of non-financial assets.

Determining the fair value of goodwill is judgmental in nature and requires the use of significant estimates and assumptions, including estimates of projected revenues, EBITDA margins, long-term growth rates, working capital and discount rates. The inputs used in determining the fair value of the ROU assets are the current comparable market rents for similar properties and a store discount rate. The fair value of the property and equipment is based on its estimated liquidation value. The measurement of fair value of these assets are considered Level 3 valuations as certain of these inputs are unobservable and are estimated to be those that would be used by market participants in valuing these or similar assets.

Note 5. Long-Term Debt and Financing Arrangements

Debt obligations consisted of the following:

(in thousands)	May 4, 2024	February 3, 2023
Long-term debt:		
Term Loan Facilities	$ —	$ —
Revolving Credit Facilities	19,227	14,227
Third Lien Credit Facility	31,113	29,982
Total debt principal	50,340	44,209
Less: current portion of long-term debt	—	—
Less: deferred financing costs	238	259
Total long-term debt	$ 50,102	$ 43,950

Term Loan Credit Facility

On September 7, 2021, Vince, LLC entered into a $35,000 senior secured term loan credit facility (the "Term Loan Credit Facility") pursuant to a Credit Agreement (the "Term Loan Credit Agreement"), as amended from time to time, by and among Vince, LLC, as the borrower, the guarantors named therein, PLC Agent, LLC, as administrative agent and collateral agent, and the other lenders from time to time party thereto. Vince Holding Corp. and Vince Intermediate Holding, LLC ("Vince Intermediate") were guarantors under the Term Loan Credit Facility. The Term Loan Credit Facility would have matured on the earlier of September 7, 2026, and 91 days after the maturity date of the 2018 Revolving Credit Facility.

On May 25, 2023, utilizing proceeds from the Asset Sale, the Company repaid all outstanding amounts of $28,724, which included accrued interest and a prepayment penalty of $553 (which is included within financing fees on the Condensed Consolidated Statements of Cash Flows), under the Term Loan Credit Facility. The Term Loan Credit Facility was terminated. The Company also repaid $850 of fees due in accordance with an amendment entered into on September 30, 2022. Additionally, the Company recorded expense of $1,755 during fiscal 2023 related to the write-off of the remaining deferred financing costs. Prior to May 25, 2023, on an inception to date basis, the Company had made repayments of $7,335 on the Term Loan Credit Facility.

2023 Revolving Credit Facility

On June 23, 2023, Vince, LLC, entered into a new $85,000 senior secured revolving credit facility (the "2023 Revolving Credit Facility") pursuant to a Credit Agreement (the "2023 Revolving Credit Agreement") by and among Vince, LLC, the guarantors named therein, Bank of America, N.A. ("BofA"), as Agent, the other lenders from time to time party thereto, and BofA Securities, Inc., as sole lead arranger and sole bookrunner.

All outstanding amounts under the 2018 Revolving Credit Facility (as defined below) were repaid in full and such facility was terminated pursuant to the terms thereof as a result of all parties completing their obligations under such facility.

The 2023 Revolving Credit Facility provides for a revolving line of credit of up to the lesser of (i) the Borrowing Base (as defined in the 2023 Revolving Credit Agreement) and (ii) $85,000, as well as a letter of credit sublimit of $10,000. The 2023 Revolving Credit Agreement also permits Vince, LLC to request an increase in aggregate commitments under the 2023 Revolving Credit Facility of up to $15,000, subject to customary terms and conditions. The 2023 Revolving Credit Facility matures on the earlier of June 23, 2028, and 91 days prior to the earliest maturity date of any Material Indebtedness (as defined in the 2023 Revolving Credit Agreement), including the subordinated indebtedness pursuant to the Third Lien Credit Agreement.

Interest is payable on the loans under the 2023 Revolving Credit Facility, at Vince LLC's request, either at Term SOFR, the Base Rate, or SOFR Daily Floating Rate, in each case, with applicable margins subject to a pricing grid based on an average daily excess availability calculation. The "Base Rate" means, for any day, a fluctuating rate per annum equal to the highest of (i) the Federal Funds Rate for such day, plus 0.5%; (ii) the rate of interest in effect for such day as publicly announced from time to time by BofA as its prime rate; (iii) the SOFR Daily Floating Rate on such day, plus 1.0%; and (iv) 1.0%. During the continuance of certain specified events of default, at the election of BofA in its capacity as Agent, interest will accrue at a rate of 2.0% in excess of the applicable non-default rate.

The applicable margins for SOFR Term and SOFR Daily Floating Rate Loans are: (i) 2.0% when the average daily Excess Availability (as defined in the 2023 Revolving Credit Agreement) is greater than 66.7% of the Loan Cap (as defined in the 2023 Revolving Credit Agreement); (ii) 2.25% when the average daily Excess Availability is greater than or equal to 33.3% but less than or equal to 66.7% of the Loan Cap; and (iii) 2.5% when the average daily Excess Availability is less than 33.3% of the Loan Cap. The applicable margins for Base Rate Loans are: (a) 1.0% when the average daily Excess Availability is greater than 66.7% of the Loan Cap; (b) 1.25% when the average daily Excess Availability is greater than or equal to 33.3% but less than or equal to 66.7% of the Loan Cap; and (c) 1.5% when the average daily Excess Availability is less than 33.3% of the Loan Cap.

The 2023 Revolving Credit Facility contains a financial covenant requiring Excess Availability at all times to be no less than the greater of (i) 10.0% of the Loan Cap in effect at such time and (ii) $7,500.

The 2023 Revolving Credit Facility contains representations and warranties, covenants and events of default that are customary for this type of financing, including limitations on the incurrence of additional indebtedness, liens, burdensome agreements, investments, loans, asset sales, mergers, acquisitions, prepayment of certain other debt, the repurchase of capital stock, transactions with affiliates, and the ability to change the nature of its business or its fiscal year. The 2023 Revolving Credit Facility generally permits dividends in the absence of any default or event of default (including any event of default arising from a contemplated dividend), so long as (i) after giving pro forma effect to the contemplated dividend and on a pro forma basis for the 30-day period immediately preceding such dividend, Excess Availability will be at least the greater of 20.0% of the Loan Cap and $15,000 and (ii) after giving pro forma effect to the contemplated dividend, the Consolidated Fixed Charge Coverage Ratio (as defined in the 2023 Revolving Credit Agreement) for the 12 months preceding such dividend will be greater than or equal to 1.0 to 1.0.

All obligations under the 2023 Revolving Credit Facility are guaranteed by the Company and Vince Intermediate and any future subsidiaries of the Company (other than Excluded Subsidiaries as defined in the 2023 Revolving Credit Agreement) and secured by a lien on substantially all of the assets of the Company, Vince, LLC and Vince Intermediate and any future subsidiary guarantors, other than among others, equity interests in ABG Vince, as well as the rights of Vince, LLC under the License Agreement.

The Company incurred a total of $8 and $1,150 of financing costs during the quarter ended May 4, 2024 and the fiscal year 2023, respectively. In accordance with ASC Topic 470, "Debt", these financing costs were recorded as deferred debt issuance costs (which is presented within Other assets on the Condensed Consolidated Balance Sheets) and are amortized over the term of the 2023 Revolving Credit Facility.

As of May 4, 2024, the Company was in compliance with applicable covenants. As of May 4, 2024, $25,909 was available under the 2023 Revolving Credit Facility, net of the Loan Cap, and there were $19,227 of borrowings outstanding and $5,560 of letters of credit outstanding under the 2023 Revolving Credit Facility. The weighted average interest rate for borrowings outstanding under the 2023 Revolving Credit Facility as of May 4, 2024 was 8.2%.

2018 Revolving Credit Facility

On August 21, 2018, Vince, LLC entered into an $80,000 senior secured revolving credit facility (the "2018 Revolving Credit Facility") pursuant to a credit agreement, as amended and restated from time to time, by and among Vince, LLC, as the borrower, VHC and Vince Intermediate, as guarantors, Citizens Bank, N.A. ("Citizens"), as administrative agent and collateral agent, and the other lenders from time to time party thereto. On January 31, 2023, the Company repaid $125 of fees due in accordance with an amendment entered into on September 30, 2022. Upon the contemporaneous consummation of the Asset Sale, the lenders' commitments to extend credit was reduced to $70,000. The 2018 Revolving Credit Facility would have matured on June 30, 2024.

On June 23, 2023, all outstanding amounts under the 2018 Revolving Credit Facility were repaid in full and the 2018 Revolving Credit Facility was terminated pursuant to the terms thereof as a result of all parties completing their obligations under the 2018 Revolving Credit Facility. The Company recorded expense of $828 during fiscal 2023, related to the write-off of the remaining deferred financing costs. Certain letters of credit remain in place with Citizens which were secured with restricted cash, totaling $262 as of May 4, 2024. Restricted cash is included in Prepaid Expenses and other current assets in the Condensed Consolidated Balance Sheets.

Third Lien Credit Facility

On December 11, 2020, Vince, LLC entered into a $20,000 subordinated term loan credit facility (the "Third Lien Credit Facility") pursuant to a credit agreement (the "Third Lien Credit Agreement"), as amended from time to time, dated December 11, 2020, by and among Vince, LLC, as the borrower, VHC and Vince Intermediate, as guarantors, and SK Financial Services, LLC ("SK Financial"), as administrative agent and collateral agent, and other lenders from time to time party thereto. The proceeds were received on December 11, 2020 and were used to repay a portion of the borrowings outstanding under the 2018 Revolving Credit Facility.

SK Financial is an affiliate of Sun Capital Partners, Inc. ("Sun Capital"), whose affiliates own, as of May 4, 2024, approximately 68% of the Company's common stock. The Third Lien Credit Facility was reviewed and approved by the Special Committee of the Company's Board of Directors, consisting solely of directors not affiliated with Sun Capital, which committee was represented by independent legal advisors.

Interest on loans under the Third Lien Credit Facility is payable in kind at a rate revised in connection with the Third Lien Third Amendment (as defined and discussed below) to be equal to the Daily Simple SOFR, subject to a credit spread adjustment of 0.10% per annum, plus 9.0%. During the continuance of certain specified events of default, interest may accrue on the loans under the Third Lien Credit Facility at a rate of 2.0% in excess of the rate otherwise applicable to such amount.

The Company incurred $485 in deferred financing costs associated with the Third Lien Credit Facility of which a $400 closing fee is payable in kind and was added to the principal balance. These deferred financing costs are recorded as deferred debt issuance costs which will be amortized over the remaining term of the Third Lien Credit Facility.

All obligations under the Third Lien Credit Facility are guaranteed by the Company, Vince Intermediate and the Company's existing material domestic restricted subsidiaries as well as any future material domestic restricted subsidiaries and are secured on a junior basis relative to the 2023 Revolving Credit Facility by a lien on substantially all of the assets of the Company, Vince Intermediate, Vince, LLC and the Company's existing material domestic restricted subsidiaries as well as any future material domestic restricted subsidiaries.

On April 21, 2023, Vince, LLC entered into that certain Consent and Third Amendment to Credit Agreement (the "Third Lien Third Amendment"), which, among other things, (a) permitted the sale of the intellectual property of the Vince Business contemplated in the Asset Sale, (b) replaced LIBOR as an interest rate benchmark in favor of Daily Simple SOFR, subject to a credit spread adjustment of 0.10% per annum, plus 9.0% (c) amended the Third Lien Credit Agreement's maturity date to the earlier of (i) March 30, 2025 and (ii) 180 days after the maturity date under the 2018 Revolving Credit Facility, (d) reduced the capacity to incur indebtedness and liens, make investments, restricted payments and dispositions and repay certain indebtedness and (e) modified certain representations and warranties, covenants and events of default in respect of documentation related to the Asset Sale. The Third Lien Third Amendment became effective upon the consummation of the Asset Sale, the prepayment of the Term Loan Credit Facility in full and other transactions contemplated by the Asset Purchase Agreement.

On June 23, 2023, Vince, LLC entered into the Fourth Amendment (the "Third Lien Fourth Amendment") to the Third Lien Credit Agreement which, among other things, (a) extended the Third Lien Credit Agreement's maturity date to the earlier of (i) September 30, 2028 and (ii) 91 days prior to the earliest maturity date of any Material Indebtedness (as defined therein) other than the 2023 Revolving Credit Facility and (b) modified certain representations and warranties, covenants and events of default in respect of documentation conforming to the terms of the 2023 Revolving Credit Facility.

Note 6. Inventory

Inventories consisted of finished goods. As of May 4, 2024 and February 3, 2024, finished goods, net of reserves were $56,674 and $58,777, respectively.

Note 7. Share-Based Compensation

Employee Stock Plans

Vince 2013 Incentive Plan

In connection with the IPO, the Company adopted the Vince 2013 Incentive Plan, which provides for grants of stock options, stock appreciation rights, restricted stock, and other stock-based awards. In May 2018, the Company filed a Registration Statement on Form S-8 to register an additional 660,000 shares of common stock available for issuance under the Vince 2013 Incentive Plan. Additionally, in September 2020, the Company filed a Registration Statement on Form S-8 to register an additional 1,000,000 shares of common stock available for issuance under the Vince 2013 Incentive Plan. The aggregate number of shares of common stock which may be issued or used for reference purposes under the Vince 2013 Incentive Plan or with respect to which awards may be granted may not exceed 2,000,000 shares. The shares available for issuance under the Vince 2013 Incentive Plan may be, in whole or in part, either authorized and unissued shares of the Company's common stock or shares of common stock held in or acquired for the Company's treasury. In general, if awards under the Vince 2013 Incentive Plan are canceled for any reason, or expire or terminate unexercised, the shares covered by such award may again be available for the grant of awards under the Vince 2013 Incentive Plan. As of May 4, 2024, there were 861,091 shares under the Vince 2013 Incentive Plan available for future grants. Options granted pursuant to the Vince 2013 Incentive Plan typically vest in equal installments over four years, subject to the employees' continued employment and expire on the earlier of the tenth anniversary of the grant date or upon termination as outlined in the Vince 2013 Incentive Plan. Restricted stock units ("RSUs") granted vest in equal installments over a three-year period or vest in equal installments over four years, subject to the employees' continued employment. In November 2023, the Vince 2013 Incentive Plan was amended to, among other things, extend the plan expiration date to November 2033.

Employee Stock Purchase Plan

The Company maintains an employee stock purchase plan ("ESPP") for its employees. Under the ESPP, all eligible employees may contribute up to 10% of their base compensation, up to a maximum contribution of $10 per year. The purchase price of the stock is 90% of the fair market value, with purchases executed on a quarterly basis. The plan is defined as compensatory, and accordingly, a charge for compensation expense is recorded to SG&A expense for the difference between the fair market value and the discounted purchase price of the Company's common stock. During the three months ended May 4, 2024, 2,484 shares of common stock were issued under the ESPP. During the three months ended April 29, 2023, 1,885 shares of common stock were issued under the ESPP. As of May 4, 2024, there were 41,186 shares available for future issuance under the ESPP.

Stock Options

There were no stock options outstanding, vested or exercisable as of May 4, 2024 and February 3, 2024, respectively. During the three months ended May 4, 2024, there were no grants, expirations or forfeitures, or exercises of stock options.

Restricted Stock Units

A summary of restricted stock unit activity for the three months ended May 4, 2024 is as follows:

	Restricted Stock Units	Weighted Average Grant Date Fair Value
Non-vested restricted stock units at February 3, 2024	474,103	$ 7.07
Granted	—	$ —
Vested	(375)	$ 8.25
Forfeited	(55,961)	$ 9.43
Non-vested restricted stock units at May 4, 2024	417,767	$ 6.76

Share-Based Compensation Expense

The Company recognized share-based compensation expense of $(5) and $420, including expense of $74 and $54 related to non-employees, during the three months ended May 4, 2024 and April 29, 2023, respectively.

Note 8. Stockholders' Equity

At-the-Market Offering

On September 9, 2021, the Company filed a shelf registration statement on Form S-3, which was declared effective on September 21, 2021 (the "Registration Statement"). Under the Registration Statement, the Company may offer and sell up to 3,000,000 shares of common stock from time to time in one or more offerings at prices and terms to be determined at the time of the sale.

On June 30, 2023, the Company entered into a Sales Agreement with Virtu Americas LLC ("Virtu"), as sales agent and/or principal (the "Virtu At-the-Market Offering") under which, the Company may sell from time to time through Virtu shares of the Company's common stock, par value $0.01 per share, having an offering price of up to $7,825. Any shares will be issued pursuant to the Company's Registration Statement. During the three months ended May 4, 2024, the Company did not make any offerings or sales of shares of common stock under the Virtu At-the-Market Offering. At May 4, 2024, $7,825 was available under the Virtu At-the-Market Offering.

The Company previously entered into an Open Market Sale Agreement℠ with Jefferies LLC ("Jefferies At-the-Market Offering"), under which the Company was able to offer and sell, from time to time, up to 1,000,000 shares of common stock, par value $0.01 per share, which shares were included in the securities registered pursuant to the Registration Statement. Effective June 29, 2023, the Company terminated the Jefferies At-the-Market Offering. During the three months ended April 29, 2023, The Company did not make any offerings or sales of shares of common stock under the Jefferies At-the-Market Offering.

Note 9. Earnings (Loss) Per Share

Basic earnings (loss) per share is calculated by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the period. Except when the effect would be anti-dilutive, diluted earnings (loss) per share is calculated based on the weighted average number of shares of common stock outstanding plus the dilutive effect of share-based awards calculated under the treasury stock method. In periods when the Company incurs a net loss, share-based awards are excluded from the calculation of earnings per share as their inclusion would have an anti-dilutive effect.

The following is a reconciliation of weighted average basic shares to weighted average diluted shares outstanding:

	Three Months Ended	
	May 4, 2024	April 29, 2023
Weighted-average shares—basic	12,507,561	12,342,355
Effect of dilutive equity securities	104,340	—
Weighted-average shares—diluted	12,611,901	12,342,355

For the three months ended May 4, 2024, 233,125 weighted average shares of share-based compensation were excluded from the computation of weighted average shares for diluted earnings per share, as their effect would have been anti-dilutive.

Because the Company incurred a net loss for the three months ended April 29, 2023, weighted-average basic shares and weighted-average diluted shares outstanding are equal for this period.

Note 10. Commitments and Contingencies

Litigation

The Company is a party to legal proceedings, compliance matters, environmental, as well as wage and hour and other labor claims that arise in the ordinary course of business. Although the outcome of such items cannot be determined with certainty, management believes that the ultimate outcome of these items, individually and in the aggregate, will not have a material adverse impact on the Company's financial position, results of operations or cash flows.

Note 11. Income Taxes

The Company provides for income taxes at the end of each interim period based on the estimated effective tax rate for the full fiscal year. In interim periods where the entity is experiencing losses, an entity must make assumptions concerning its future taxable income and determine whether the realization of future tax benefits is more likely than not.

The benefit for income taxes of $887 for the three months ended May 4, 2024 was primarily driven by $1,681 of discrete tax benefit primarily recognized from the reversal of a portion of the non-cash deferred tax liability related to the Company's equity method investment, which a portion can now be used as a source of income to support the realization of certain deferred tax assets related to the Company's net operating losses. This was partially offset by tax expense of $794 due to the impact of applying the Company’s estimated effective tax rate for the fiscal year to the three-month pre-tax loss excluding discrete items.

The benefit for income taxes of $5,285 for the three months ended April 29, 2023 is due to a $6,127 discrete tax impact from the change in classification of the Company's Vince tradename indefinite-lived intangibles to Assets Held for Sale, partially offset by $842 of tax expense from applying the Company's estimated effective tax rate for the fiscal year to the three-months pre-tax loss excluding discrete items. The change in classification of the Company's Vince tradename indefinite-lived intangibles resulted in a reversal of the non-cash deferred tax liability previously created by the amortization of indefinite-lived tradename intangible asset recognized for tax but not for book purposes as this non-cash deferred tax liability can now be used as a source to support the realization of certain deferred tax assets related to the Company's net operating losses.

Each reporting period, the Company evaluates the realizability of its deferred tax assets and has maintained a full valuation allowance against its deferred tax assets. These valuation allowances will be maintained until there is sufficient positive evidence to conclude that it is more likely than not that these deferred tax assets will be realized.

Note 12. Leases

The Company determines if a contract contains a lease at inception. The Company has operating leases for real estate (primarily retail stores, storage and office spaces) some of which have initial terms of 10 years, and in many instances can be extended for an additional term, while the Company's more recent leases are subject to shorter terms as a result of the implementation of the strategy to pursue shorter lease terms. The Company will not include renewal options in the underlying lease term unless the Company is reasonably certain to exercise the renewal option. Substantially all of the Company's leases require a fixed annual rent, and most require the payment of additional rent if store sales exceed a negotiated amount. These percentage rent expenses are considered as variable lease costs and are recognized in the consolidated financial statements when incurred. In addition, the Company's real estate leases may also require additional payments for real estate taxes and other occupancy-related costs which it considers as non-lease components.

ROU assets and operating lease liabilities are recognized based upon the present value of the future lease payments over the lease term. As the Company's leases do not provide an implicit borrowing rate, the Company uses an estimated incremental borrowing rate based upon a combination of market-based factors, such as market quoted forward yield curves and company specific factors, such as the Company's credit rating, lease size and duration to calculate the present value.

Total lease cost is included in SG&A expense in the accompanying Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) and is recorded net of immaterial sublease income. Some leases have a non-cancelable lease term of less than one year and therefore, the Company has elected to exclude these short-term leases from its ROU asset and lease liabilities. Short term lease costs were immaterial for the three months ended May 4, 2024 and April 29, 2023. The Company's lease cost is comprised of the following:

	Three Months Ended	
(in thousands)	**May 4, 2024**	**April 29, 2023**
Operating lease cost	$ 5,472	$ 3,797
Variable operating lease cost	98	28
Total lease cost	$ 5,570	$ 3,825

The operating lease cost for the three months ended April 29, 2023, included a benefit of $779 for the correction of an error recorded within SG&A expenses related to a lease modification that occurred during fiscal 2022 for a Vince retail store, leading to an overstatement of the ROU assets and an overstatement of the lease obligations in fiscal 2022.

As of May 4, 2024, the future maturities of lease liabilities were as follows:

(in thousands)	**May 4, 2024**
Fiscal 2024	15,985
Fiscal 2025	19,005
Fiscal 2026	15,274
Fiscal 2027	11,490
Fiscal 2028	10,603
Thereafter	29,769
Total lease payments	102,126
Less: Imputed interest	(20,532)
Total operating lease liabilities	$ 81,594

The operating lease payments do not include any renewal options as such leases are not reasonably certain of being renewed as of May 4, 2024, and do not include $2,274 of legally binding minimum lease payments for leases signed but not yet commenced.

Note 13. Segment Financial Information

The Company has identified three reportable segments, as further described below. Management considered both similar and dissimilar economic characteristics, internal reporting and management structures, as well as products, customers, and supply chain logistics to identify the following reportable segments:

•Vince Wholesale segment—consists of the Company's operations to distribute Vince brand products to major department stores and specialty stores in the United States and select international markets;

•Vince Direct-to-consumer segment—consists of the Company's operations to distribute Vince brand products directly to the consumer through its Vince branded full-price specialty retail stores, outlet stores, e-commerce platform and its subscription service Vince Unfold; and

•Rebecca Taylor and Parker segment—consisted of the Company's operations to distribute Rebecca Taylor and Parker brand products to high-end department and specialty stores in the U.S. and select international markets, directly to the consumer through their own branded e-commerce platforms and Rebecca Taylor retail and outlet stores, and through its subscription service Rebecca Taylor RNTD.

On September 12, 2022, the Company announced its decision to wind down the Rebecca Taylor business. On December 22, 2022, the Company's indirectly wholly owned subsidiary, Rebecca Taylor, Inc., completed the sale of its intellectual property and certain related ancillary assets to RT IPCO, LLC, an affiliate of Ramani Group. Substantially all Rebecca Taylor inventory was liquidated as of January 28, 2023. Additionally, all Rebecca Taylor retail and outlet stores operated by the Company were closed as of January 28, 2023 and the e-commerce site operated by the Company ceased in December 2022.

On May 3, 2024, Vince, LLC completed the sale of all outstanding shares of Rebecca Taylor, Inc., which held the Rebecca Taylor business prior to the wind-down, to Nova Acquisitions, LLC. See Note 2 "Recent Transactions" for further information.

On February 17, 2023, the Company's indirectly wholly owned subsidiary, Parker Lifestyle, LLC, completed the sale of its intellectual property and certain related ancillary assets to Parker IP Co. LLC, an affiliate of BCI Brands.

The accounting policies of the Company's reportable segments are consistent with those described in Note 1 to the audited consolidated financial statements of VHC for the fiscal year ended February 3, 2024 included in the 2023 Annual Report on Form 10-K. Unallocated corporate expenses are related to the Vince brand and are comprised of SG&A expenses attributable to corporate and administrative activities (such as marketing, design, finance, information technology, legal and human resource departments), and other charges that are not directly attributable to the Company's Vince Wholesale and Vince Direct-to-consumer reportable segments. Unallocated corporate assets are related to the Vince brand and are comprised of the carrying values of the Company's goodwill, equity method investment and other assets that will be utilized to generate revenue for the Company's Vince Wholesale and Vince Direct-to-consumer reportable segments.

Summary information for the Company's reportable segments is presented below.

(in thousands)	Vince Wholesale	Vince Direct-to-consumer	Rebecca Taylor and Parker	Unallocated Corporate	Total
Three Months Ended May 4, 2024					
Net Sales	$ 30,257	$ 28,914	$ —	$ —	$ 59,171
Income (loss) before income taxes and equity in net loss of equity method investment (1)	10,184	(64)	7,633	(13,795)	3,958
Three Months Ended April 29, 2023					
Net Sales (2)	$ 32,467	$ 31,508	$ 81	$ —	$ 64,056
Income (loss) before income taxes and equity in net loss of equity method investment (3)(4)	8,571	1,101	1,192	(16,530)	(5,666)

(in thousands)	Vince Wholesale	Vince Direct-to-consumer	Rebecca Taylor and Parker	Unallocated Corporate	Total
May 4, 2024					
Total Assets	$ 51,768	$ 86,559	$ —	$ 84,752	$ 223,079
February 3, 2024					
Total Assets	$ 51,489	$ 87,648	$ —	$ 86,012	$ 225,149

(1) Income (loss) before income taxes and equity in net loss of equity method investment for the Rebecca Taylor and Parker reportable segment for the three months ended May 4, 2024 primarily consists of the gain recognized on the sale of Rebecca Taylor. See Note 2 "Recent Transactions" for further information.

(2) Net sales for the Rebecca Taylor and Parker reportable segment for the three months ended April 29, 2023 consisted of $81 through wholesale distribution channels of residual revenue contracted prior to the sale of the Rebecca Taylor tradename.

(3) Rebecca Taylor and Parker reportable segment includes a $765 gain associated with the sale of the Parker tradename, a net benefit of $624 from the wind down of the Rebecca Taylor business, primarily related to the release of operating lease liabilities as a result of lease terminations, and $150 of transaction related expenses associated with the sale of the Parker tradename. See Note 2 "Recent Transactions" for further information.

(4) Unallocated Corporate includes $2,741 of transaction related expenses associated with the Asset Sale. See Note 2 "Recent Transactions" for further information.

Note 14. Related Party Transactions

Operating Agreement

On May 25, 2023, Vince, LLC and ABG Vince entered into the Operating Agreement, which, among other things, provides for the management of the business and the affairs of ABG Vince, the allocation of profits and losses, the distribution of cash of ABG Vince among its members and the rights, obligations and interests of the members to each other and to Vince, LLC. See Note 2 "Recent Transactions" for further information.

During the three months ended May 4, 2024, the Company received $607 of cash distributions under the Operating Agreement.

License Agreement

On May 25, 2023, Vince, LLC and ABG Vince entered into the License Agreement, whereby Vince, LLC is required to pay ABG Vince a royalty on net sales of Licensed Products and committed to an annual guaranteed minimum royalty of $11,000. See Note 2 "Recent Transactions" for further information.

During the three months ended May 4, 2024, the Company paid $4,761 under the License Agreement. At May 4, 2024, $1,712 was included within Prepaid expenses and other current assets on the Condensed Consolidated Balance Sheets.

Third Lien Credit Agreement

On December 11, 2020, Vince, LLC entered into the $20,000 Third Lien Credit Facility pursuant to the Third Lien Credit Agreement, by and among Vince, LLC, as the borrower, SK Financial, as agent and lender, and other lenders from time-to-time party thereto. SK Financial is an affiliate of Sun Capital, whose affiliates own, as of May 4, 2024, approximately 68% of the Company's common stock. The Third Lien Credit Facility was reviewed and approved by the Special Committee of the Company's Board of Directors, consisting solely of directors not affiliated with Sun Capital, which committee was represented by independent legal advisors.

See Note 5 "Long-Term Debt and Financing Arrangements" for additional information.

Tax Receivable Agreement

VHC entered into a Tax Receivable Agreement with the Pre-IPO Stockholders on November 27, 2013, which expired in November of 2023 with no outstanding obligations due from the Company. The Company and its former subsidiaries generated certain tax benefits (including net operating losses and tax credits) prior to the Restructuring Transactions consummated in connection with the Company's IPO and will generate certain section 197 intangible deductions (the "Pre-IPO Tax Benefits"), which would reduce the actual liability for taxes that the Company might otherwise be required to pay. The Tax Receivable Agreement provided for payments to the Pre-IPO Stockholders in an amount equal to 85% of the aggregate reduction in taxes payable realized by the Company and its subsidiaries from the utilization of the Pre-IPO Tax Benefits. The Tax Receivable Agreement terminated per its terms on February 3, 2024, and the Company has no obligations under this agreement.

Sun Capital Consulting Agreement

On November 27, 2013, the Company entered into an agreement with Sun Capital Management to (i) reimburse Sun Capital Management Corp. ("Sun Capital Management") or any of its affiliates providing consulting services under the agreement for out-of-pocket expenses incurred in providing consulting services to the Company and (ii) provide Sun Capital Management with customary indemnification for any such services.

During the three months ended May 4, 2024 and April 29, 2023, the Company incurred expenses of $9 and $3, respectively, under the Sun Capital Consulting Agreement.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This discussion summarizes our consolidated operating results, financial condition and liquidity. The following discussion and analysis should be read in conjunction with our Condensed Consolidated Financial Statements and related notes included elsewhere in this Quarterly Report on Form 10-Q (this "Quarterly Report"). All amounts disclosed are in thousands except store counts, share and per share data and percentages. See Note 1 "Description of Business and Basis of Presentation" within the notes to the Condensed Consolidated Financial Statements in this Quarterly Report for further information.

This discussion contains forward-looking statements involving risks, uncertainties and assumptions that could cause our results to differ materially from expectations. For a discussion of the risks facing our business see "Item 1A—Risk Factors" of this Quarterly Report as well as in our 2023 Annual Report on Form 10-K.

Executive Overview

We are a global retail company that operates the Vince brand women's and men's ready to wear business. We serve our customers through a variety of channels that reinforces our brand image. Previously, we also owned and operated the Rebecca Taylor and Parker brands until the sale of the respective intellectual property was completed, as discussed below.

Vince, established in 2002, is a leading global luxury apparel and accessories brand best known for creating elevated yet understated pieces for every day effortless style. Vince operates 47 full-price retail stores, 15 outlet stores, the e-commerce site, *vince.com*, and the subscription service Vince Unfold, *vinceunfold.com.* Vince is also available through premium wholesale channels globally.

On April 21, 2023 the Company entered into a strategic partnership ("Authentic Transaction") with Authentic Brands Group, LLC ("Authentic"), a global brand development, marketing and entertainment platform, whereby the Company will contribute its intellectual property to a newly formed Authentic subsidiary ("ABG Vince") for cash consideration and a membership interest in ABG Vince. The Company closed the Asset Sale on May 25, 2023. On May 25, 2023, in connection with the Authentic Transaction, Vince, LLC, entered into a License Agreement (the "License Agreement") with ABG Vince, which provides Vince, LLC with an exclusive, long-term license to use the Licensed Property in the Territory to the Approved Accounts (each as defined in the License Agreement). See Note 2 "Recent Transactions" within the notes to the Condensed Consolidated Financial Statements in this Quarterly Report for further information.

Rebecca Taylor, founded in 1996 in New York City, was a contemporary womenswear line lauded for its signature prints, romantic detailing and vintage inspired aesthetic, reimagined for a modern era. On September 12, 2022, the Company announced its decision to wind down the Rebecca Taylor business. On December 22, 2022, the Company's indirectly wholly owned subsidiary, Rebecca Taylor, Inc., completed the sale of its intellectual property and certain related ancillary assets to RT IPCO, LLC, an affiliate of Ramani Group. On May 3, 2024, Vince, LLC completed the sale of all outstanding shares of Rebecca Taylor, Inc. to Nova Acquisitions, LLC. See Note 2 "Recent Transactions" within the notes to the Condensed Consolidated Financial Statements in this Quarterly Report for further information.

Parker, founded in 2008 in New York City, was a contemporary women's fashion brand that was trend focused. During the first half of fiscal 2020 the Company decided to pause the creation of new products to focus resources on the operations of the Vince and Rebecca Taylor brands. On February 17, 2023, the Company's indirectly wholly owned subsidiary, Parker Lifestyle, LLC, completed the sale of its intellectual property and certain related ancillary assets to Parker IP Co. LLC, an affiliate of BCI Brands. See Note 2 "Recent Transactions" within the notes to the Condensed Consolidated Financial Statements in this Quarterly Report for further information.

The Company has identified three reportable segments: Vince Wholesale, Vince Direct-to-consumer and Rebecca Taylor and Parker.

Transformation Program

The Company is implementing a transformation program focused on driving enhanced profitability through an improved gross margin profile and optimized expense structure, beginning in the current fiscal year. The transformation program is focused on improving the Company’s gross margin profile and driving cost efficiencies. The Company expects to achieve these goals primarily through streamlining manufacturing and production operations, reducing promotional activity and optimizing the breadth and depth of markdowns, and enhancing efficiencies within store operations, corporate overhead and third-party spend.

Results of Operations

Comparable Sales

Comparable sales include our e-commerce sales in order to align with how we manage our brick-and-mortar retail stores and e-commerce online store as a combined single direct-to-consumer channel of distribution. As a result of our omni-channel sales and inventory strategy, as well as cross-channel customer shopping patterns, there is less distinction between our brick-and-mortar retail stores and our e-commerce online store and we believe the inclusion of e-commerce sales in our comparable sales metric is a more meaningful representation of these results and provides a more comprehensive view of our year over year comparable sales metric.

A store is included in the comparable sales calculation after it has completed 13 full fiscal months of operations and includes stores, if any, that have been remodeled or relocated within the same geographic market the Company served prior to the relocation. Non-comparable sales include new stores which have not completed 13 full fiscal months of operations, sales from closed stores, and relocated stores serving a new geographic market. For 53-week fiscal years, we adjust comparable sales to exclude the additional week. There may be variations in the way in which some of our competitors and other retailers calculate comparable sales.

The following table presents, for the periods indicated, our operating results as a percentage of net sales, as well as earnings (loss) per share data:

	Three Months Ended			
	May 4, 2024		April 29, 2023	
(in thousands, except per share data and percentages)	**Amount**	**% of Net Sales**	**Amount**	**% of Net Sales**
Statements of Operations:				
Net sales	$ 59,171	100.0%	$ 64,056	100.0%
Cost of products sold	29,258	49.4%	34,464	53.8%
Gross profit	29,913	50.6%	29,592	46.2%
Gain on sale of intangible assets	—	0.0%	(765)	(1.2)%
Gain on sale of subsidiary	(7,634)	(12.9)%	—	0.0%
Selling, general and administrative expenses	31,943	54.0%	32,733	51.1%
Income (loss) from operations	5,604	9.5%	(2,376)	(3.7)%
Interest expense, net	1,646	2.8%	3,290	5.1%
Income (loss) before income taxes and equity in net loss of equity method investment	3,958	6.7%	(5,666)	(8.8)%
Benefit for income taxes	(887)	(1.5)%	(5,285)	(8.2)%
Income (loss) before equity in net loss of equity method investment	4,845	8.2%	(381)	(0.6)%
Equity in net loss of equity method investment	(465)	(0.8)%	—	0.0%
Net income (loss)	$ 4,380	7.4%	$ (381)	(0.6)%
Earnings (loss) per share:				
Basic earnings (loss) per share	$ 0.35		$ (0.03)	
Diluted earnings (loss) per share	$ 0.35		$ (0.03)	

Three Months Ended May 4, 2024 Compared to Three Months Ended April 29, 2023

Net sales for the three months ended May 4, 2024 were $59,171, decreasing $4,885, or 7.6%, versus $64,056 for the three months ended April 29, 2023.

Gross profit increased 1.1% to $29,913 for the three months ended May 4, 2024 from $29,592 in the prior year first quarter. As a percentage of sales, gross margin was 50.6%, compared with 46.2% in the prior year first quarter. The total gross margin rate increase was primarily driven by the following factors:

- The favorable impact from lower promotional activity in the Direct-to-consumer segment and lower discounting, which contributed approximately 770 basis points;
- The favorable impact from lower product costing, freight costs, and higher pricing which contributed positively by approximately 240 basis points; partly offset by
- The unfavorable impact from royalty expense associated with the License Agreement with ABG Vince contributed negatively by approximately 460 basis points; and
- The unfavorable impact of adjustments to inventory reserves contributed negatively by approximately 100 basis points.

Gain on sale of intangible assets for the three months ended April 29, 2023 was $765 related to the sale of the Parker intellectual property and certain related ancillary assets. See Note 2 "Recent Transactions" to the Condensed Consolidated Financial Statements in this Quarterly Report for further information.

Gain on sale of subsidiary for the three months ended May 4, 2024 was $7,634 related to the sale of Rebecca Taylor. See Note 2 "Recent Transactions" to the Condensed Consolidated Financial Statements in this Quarterly Report for further information.

Selling, general and administrative ("SG&A") expenses for the three months ended May 4, 2024 were $31,943, decreasing $790, or 2.4%, versus $32,733 for the three months ended April 29, 2023. SG&A expenses as a percentage of sales were 54.0% and 51.1% for the three months ended May 4, 2024 and April 29, 2023, respectively. The change in SG&A expenses compared to the prior fiscal year period was primarily due to:

- $2,741 decrease due to transaction-related expenses associated with the Asset Sale in the first quarter of fiscal 2023;
- $314 of decreased third-party costs; and
- $268 decrease in total SG&A expenses resulting from the wind down of the Rebecca Taylor brand; partly offset by
- $1,952 increase in rent and occupancy primarily due to lease modifications effective in the first quarter of fiscal 2023; and
- $585 of increased compensation and benefits, partly offset by lower equity-based compensation.

Interest expense, net decreased $1,644, or 50.0%, to $1,646 in the three months ended May 4, 2024 from $3,290 in the three months ended April 29, 2023, due to an overall reduction of debt primarily through the termination of the term loan credit facility in the second quarter of fiscal 2023 and lower levels of debt under the revolving credit facilities, partially offset by an increase in interest expense related to the Third Lien credit facility.

Provision (benefit) for income taxes for the three months ended May 4, 2024 was a benefit of $887, which was primarily driven by $1,681 of discrete tax benefit primarily recognized from the reversal of a portion of the non-cash deferred tax liability related to the Company's equity method investment, which a portion can now be used as a source of income to support the realization of certain deferred tax assets related to the Company's net operating losses. This was partially offset by tax expense of $794 due to the impact of applying the Company's estimated effective tax rate for the fiscal year to the three-month pre-tax loss excluding discrete items.

The benefit for income taxes was $5,285 for the three months ended April 29, 2023 and primarily reflected the impact of a decrease in the Company's estimated effective tax rate for the full fiscal year. The Company's estimated effective tax rate for the fiscal year was driven by the non-cash deferred tax expense created by the current period amortization of indefinite-lived goodwill and intangible assets for tax but not for book purposes. See Note 11 "Income Taxes" to the Condensed Consolidated Financial Statements in this Quarterly Report for further information.

Equity in net loss of equity method investment for the three months ended May 4, 2024 was a loss of $465 related to the Company's 25% membership interest in ABG Vince.

Performance by Segment

The Company has identified three reportable segments as further described below:

- Vince Wholesale segment—consists of the Company's operations to distribute Vince brand products to major department stores and specialty stores in the United States and select international markets;
- Vince Direct-to-consumer segment—consists of the Company's operations to distribute Vince brand products directly to the consumer through its Vince branded full-price specialty retail stores, outlet stores, and e-commerce platform, and its subscription service Vince Unfold; and
- Rebecca Taylor and Parker segment—consisted of the Company's operations to distribute Rebecca Taylor and Parker brand products to major department stores and specialty stores in the U.S. and select international markets, directly to the consumer through their own branded e-commerce platforms and Rebecca Taylor retail and outlet stores, and through its subscription service Rebecca Taylor RNTD.

On September 12, 2022, the Company announced its decision to wind down the Rebecca Taylor business. On December 22, 2022, the Company's indirectly wholly owned subsidiary, Rebecca Taylor, Inc., completed the sale of its intellectual property and certain related ancillary assets to RT IPCO, LLC, an affiliate of Ramani Group. Substantially all Rebecca Taylor inventory was liquidated as of January 28, 2023. Additionally, all Rebecca Taylor retail and outlet stores operated by the Company were closed as of January 28, 2023 and the e-commerce site operated by the Company ceased in December 2022.

On May 3, 2024, Vince, LLC completed the sale of all outstanding shares of Rebecca Taylor, Inc., which held the Rebecca Taylor business prior to the wind-down, to Nova Acquisitions, LLC.

On February 17, 2023, the Company's indirectly wholly owned subsidiary, Parker Lifestyle, LLC, completed the sale of its intellectual property and certain related ancillary assets to Parker IP Co. LLC, an affiliate of BCI Brands. See Note 2 "Recent Transactions" to the Condensed Consolidated Financial Statements in this Quarterly Report for additional information.

Unallocated corporate expenses are related to the Vince brand and are comprised of SG&A expenses attributable to corporate and administrative activities (such as marketing, design, finance, information technology, legal and human resource departments), and other charges that are not directly attributable to the Company's Vince Wholesale and Vince Direct-to-consumer reportable segments. In addition, unallocated corporate includes the transaction related expenses associated with the Asset Sale.

	Three Months Ended	
(in thousands)	May 4, 2024	April 29, 2023
Net Sales:		
Vince Wholesale	$ 30,257	$ 32,467
Vince Direct-to-consumer	28,914	31,508
Rebecca Taylor and Parker	—	81
Total net sales	$ 59,171	$ 64,056
Income (loss) from operations:		
Vince Wholesale	$ 10,184	$ 8,571
Vince Direct-to-consumer	(64)	1,101
Rebecca Taylor and Parker	7,633	1,192
Subtotal	17,753	10,864
Unallocated corporate	(12,149)	(13,240)
Total income (loss) from operations	$ 5,604	$ (2,376)

Vince Wholesale

	Three Months Ended		
(in thousands)	May 4, 2024	April 29, 2023	$ Change
Net sales	$ 30,257	$ 32,467	$ (2,210)
Income from operations	10,184	8,571	1,613

Net sales from our Vince Wholesale segment decreased $2,210, or 6.8%, to $30,257 in the three months ended May 4, 2024 from $32,467 in the three months ended April 29, 2023, primarily due to lower off-price sales, partially offset by increases in full-price sales.

Income from operations from our Vince Wholesale segment increased $1,613, or 18.8%, to $10,184 in the three months ended May 4, 2024 from $8,571 in the three months ended April 29, 2023, primarily due to improved gross margin which was unfavorably impacted by royalty expenses associated with the License Agreement with ABG Vince.

Vince Direct-to-consumer

	Three Months Ended		
(in thousands)	May 4, 2024	April 29, 2023	$ Change
Net sales	$ 28,914	$ 31,508	$ (2,594)
(Loss) Income from operations	(64)	1,101	(1,165)

Net sales from our Vince Direct-to-consumer segment decreased $2,594, or 8.2%, to $28,914 in the three months ended May 4, 2024 from $31,508 in the three months ended April 29, 2023. Comparable sales decreased $1,023, or 3.6%, including e-commerce, primarily due to a decrease in e-commerce volume. Non-comparable sales declined $1,571, which includes new stores which have not completed 13 full fiscal months of operations and Vince Unfold. Since April 29, 2023, five net stores have closed bringing our total retail store count to 62 (consisting of 47 full price stores and 15 outlet stores) as of May 4, 2024, compared to 67 (consisting of 50 full price stores and 17 outlet stores) as of April 29, 2023.

Our Vince Direct-to-consumer segment had a loss from operations of $64 in the three months ended May 4, 2024 compared to income from operations of $1,101 in the three months ended April 29, 2023. The change was primarily driven by an increase in SG&A expenses, due mainly to lower rent expense in the prior comparative quarter related to lease modifications, which was partially offset by an improved gross margin that was unfavorably impacted by royalty expenses associated with the License Agreement with ABG Vince.

Rebecca Taylor and Parker

(in thousands)	May 4, 2024	April 29, 2023	$ Change
	Three Months Ended		
Net sales	$ —	$ 81	$ (81)
Income from operations	7,633	1,192	6,441

Net sales from our Rebecca Taylor and Parker segment decreased $81, or 100.0%, to $0 in the three months ended May 4, 2024 from $81 in the three months ended April 29, 2023, as a result of the wind down of the Rebecca Taylor and Parker businesses.

Our Rebecca Taylor and Parker segment had a gain from operations of $7,633 in the three months ended May 4, 2024 compared to a gain from operations of $1,192 in the three months ended April 29, 2023. The change was driven by the gain on sale of Rebecca Taylor.

Liquidity and Capital Resources

Our sources of liquidity are cash and cash equivalents, cash flows from operations, if any, borrowings available under the 2023 Revolving Credit Facility and our ability to access the capital markets, including our Sales Agreement entered into with Virtu Americas LLC in June 2023 (see Note 8 "Stockholders' Equity" to the Condensed Consolidated Financial Statements in this Quarterly Report for further information). Our primary cash needs are funding working capital requirements, including royalty payments under the License Agreement, meeting our debt service requirements, and capital expenditures for new stores and related leasehold improvements. The most significant components of our working capital are cash and cash equivalents, accounts receivable, inventories, accounts payable and other current liabilities. Based on our current expectations, we believe that our sources of liquidity will generate sufficient cash flows to meet our obligations during the next twelve months from the date these financial statements are issued.

Operating Activities

	Three Months Ended	
(in thousands)	May 4, 2024	April 29, 2023
Operating activities		
Net income (loss)	$ 4,380	$ (381)
Add (deduct) items not affecting operating cash flows:		
Depreciation and amortization	1,013	1,366
Provision for bad debt	(51)	126
Gain on sale of intangible assets	—	(765)
Gain on sale of subsidiary	(7,634)	
Loss on disposal of property and equipment	10	—
Amortization of deferred financing costs	79	519
Deferred income taxes	(1,346)	(5,285)
Share-based compensation expense	(5)	420
Capitalized PIK Interest	1,131	913
Equity in net loss of equity method investment, net of distributions	1,072	—
Changes in assets and liabilities:		
Receivables, net	(1,527)	3,235
Inventories	2,100	9,974
Prepaid expenses and other current assets	(1,952)	(683)
Accounts payable and accrued expenses	(871)	(1,723)
Other assets and liabilities	(277)	(2,438)
Net cash (used in) provided by operating activities	$ (3,878)	$ 5,278

Net cash used in operating activities during the three months ended May 4, 2024 was $3,878, which consisted of net income of $4,380, impacted by non-cash items of $(5,731) consisting primarily of the gain on sale of subsidiary, and cash used in working capital of $2,527. Net cash used in working capital primarily resulted from cash outflows in prepaid expenses and other current assets of $1,952, primarily due to prepaid royalty expenses, an increase in receivables driven by the timing of sales, and cash outflows in accounts payable and accrued expenses of $871, primarily due to the timing of payments to vendors, partially offset by a reduction in inventory of $2,100.

Net cash provided by operating activities during the three months ended April 29, 2023 was $5,278, which consisted of a net loss of $381, impacted by non-cash items of $(2,706) and cash used in working capital of $8,365. Net cash provided by working capital primarily resulted from a cash inflow in inventory of $9,974 primarily due to conservative inventory management and the sell-through of excess inventory, a cash inflow in receivables, net of $3,235 primarily due to the timing of collections, partly offset by a cash outflow in accounts payable and accrued expenses of $1,723 primarily due to the timing of payments to vendors.

Investing Activities

(in thousands)	Three Months Ended May 4, 2024	Three Months Ended April 29, 2023
Investing activities		
Payments for capital expenditures	$ (740)	$ (115)
Proceeds from sale of intangible assets	—	1,025
Net cash (used in) provided by investing activities	$ (740)	$ 910

Net cash used in investing activities of $740 during the three months ended May 4, 2024 represents capital expenditures primarily related to retail store buildouts, including leasehold improvements and store fixtures.

Net cash provided by investing activities of $910 during the three months ended April 29, 2023 primarily represents the proceeds received from the sale of the Parker intangible assets (see Note 2 "Recent Transactions" to the Condensed Consolidated Financial Statements in this Quarterly Report for additional information).

Financing Activities

(in thousands)	Three Months Ended May 4, 2024	Three Months Ended April 29, 2023
Financing activities		
Proceeds from borrowings under the Revolving Credit Facilities	$ 46,400	$ 63,827
Repayment of borrowings under the Revolving Credit Facilities	(41,400)	(68,841)
Repayment of borrowings under the Term Loan Facilities	—	(1,713)
Tax withholdings related to restricted stock vesting	(2)	(8)
Proceeds from stock option exercises, restricted stock vesting, and issuance of common stock under employee stock purchase plan	7	15
Financing fees	(2)	(125)
Net cash provided by (used in) financing activities	$ 5,003	$ (6,845)

Net cash provided by financing activities was $5,003 during the three months ended May 4, 2024, primarily consisting of $5,000 of net borrowings under the Company's revolving credit facilities.

Net cash used in financing activities was $6,845 during the three months ended April 29, 2023, primarily consisting of $5,014 of net repayments of borrowings under the 2018 Revolving Credit Facility and the repayment of $1,713 of borrowings under the Term Loan Credit Facility (as defined below).

Term Loan Credit Facility

On September 7, 2021, Vince, LLC entered into a $35,000 senior secured term loan credit facility (the "Term Loan Credit Facility") pursuant to a Credit Agreement (the "Term Loan Credit Agreement"), as amended from time to time, by and among Vince, LLC, as the borrower, the guarantors named therein, PLC Agent, LLC, as administrative agent and collateral agent, and the other lenders from time to time party thereto. Vince Holding Corp. and Vince Intermediate Holding, LLC ("Vince Intermediate") were guarantors under the Term Loan Credit Facility. The Term Loan Credit Facility would have matured on the earlier of September 7, 2026, and 91 days after the maturity date of the 2018 Revolving Credit Facility.

On May 25, 2023, utilizing proceeds from the Asset Sale, the Company repaid all outstanding amounts of $28,724, which included accrued interest and a prepayment penalty of $553 (which is included within financing fees on the Condensed Consolidated Statements of Cash Flows), under the Term Loan Credit Facility. The Term Loan Credit Facility was terminated. The Company also repaid $850 of fees due in accordance with an amendment entered into on September 30, 2022. Additionally, the Company recorded expense of $1,755 during fiscal 2023, related to the write-off of the remaining deferred financing costs. Prior to May 25, 2023, on an inception to date basis, the Company had made repayments of $7,335 on the Term Loan Credit Facility.

2023 Revolving Credit Facility

On June 23, 2023, Vince, LLC, entered into a new $85,000 senior secured revolving credit facility (the "2023 Revolving Credit Facility") pursuant to a Credit Agreement (the "2023 Revolving Credit Agreement") by and among Vince, LLC, the guarantors named therein, Bank of America, N.A. ("BofA"), as Agent, the other lenders from time to time party thereto, and BofA Securities, Inc., as sole lead arranger and sole bookrunner.

All outstanding amounts under the 2018 Revolving Credit Facility (as defined below) were repaid in full and such facility was terminated pursuant to the terms thereof as a result of all parties completing their obligations under such facility.

The 2023 Revolving Credit Facility provides for a revolving line of credit of up to the lesser of (i) the Borrowing Base (as defined in the 2023 Revolving Credit Agreement) and (ii) $85,000, as well as a letter of credit sublimit of $10,000. The 2023 Revolving Credit Agreement also permits Vince, LLC to request an increase in aggregate commitments under the 2023 Revolving Credit Facility of up to $15,000, subject to customary terms and conditions. The 2023 Revolving Credit Facility matures on the earlier of June 23, 2028, and 91 days prior to the earliest maturity date of any Material Indebtedness (as defined in the 2023 Revolving Credit Agreement), including the subordinated indebtedness pursuant to the Third Lien Credit Agreement.

Interest is payable on the loans under the 2023 Revolving Credit Facility, at Vince LLC's request, either at Term SOFR, the Base Rate, or SOFR Daily Floating Rate, in each case, with applicable margins subject to a pricing grid based on an average daily excess availability calculation. The "Base Rate" means, for any day, a fluctuating rate per annum equal to the highest of (i) the Federal Funds Rate for such day, plus 0.5%; (ii) the rate of interest in effect for such day as publicly announced from time to time by BofA as its prime rate; (iii) the SOFR Daily Floating Rate on such day, plus 1.0%; and (iv) 1.0%. During the continuance of certain specified events of default, at the election of BofA in its capacity as Agent, interest will accrue at a rate of 2.0% in excess of the applicable non-default rate.

The applicable margins for SOFR Term and SOFR Daily Floating Rate Loans are: (i) 2.0% when the average daily Excess Availability (as defined in the 2023 Revolving Credit Agreement) is greater than 66.7% of the Loan Cap (as defined in the 2023 Revolving Credit Agreement); (ii) 2.25% when the average daily Excess Availability is greater than or equal to 33.3% but less than or equal to 66.7% of the Loan Cap; and (iii) 2.5% when the average daily Excess Availability is less than 33.3% of the Loan Cap. The applicable margins for Base Rate Loans are: (a) 1.0% when the average daily Excess Availability is greater than 66.7% of the Loan Cap; (b) 1.25% when the average daily Excess Availability is greater than or equal to 33.3% but less than or equal to 66.7% of the Loan Cap; and (c) 1.5% when the average daily Excess Availability is less than 33.3% of the Loan Cap.

The 2023 Revolving Credit Facility contains a financial covenant requiring Excess Availability at all times to be no less than the greater of (i) 10.0% of the Loan Cap in effect at such time and (ii) $7,500.

The 2023 Revolving Credit Facility contains representations and warranties, covenants and events of default that are customary for this type of financing, including limitations on the incurrence of additional indebtedness, liens, burdensome agreements, investments, loans, asset sales, mergers, acquisitions, prepayment of certain other debt, the repurchase of capital stock, transactions with affiliates, and the ability to change the nature of its business or its fiscal year. The 2023 Revolving Credit Facility generally permits dividends in the absence of any default or event of default (including any event of default arising from a contemplated dividend), so long as (i) after giving pro forma effect to the contemplated dividend and on a pro forma basis for the 30-day period immediately preceding such dividend, Excess Availability will be at least the greater of 20.0% of the Loan Cap and $15,000 and (ii) after giving pro forma effect to the contemplated dividend, the Consolidated Fixed Charge Coverage Ratio (as defined in the 2023 Revolving Credit Agreement) for the 12 months preceding such dividend will be greater than or equal to 1.0 to 1.0.

All obligations under the 2023 Revolving Credit Facility are guaranteed by the Company and Vince Intermediate and any future subsidiaries of the Company (other than Excluded Subsidiaries as defined in the 2023 Revolving Credit Agreement) and secured by a lien on substantially all of the assets of the Company, Vince, LLC and Vince Intermediate and any future subsidiary guarantors, other than among others, equity interests in ABG Vince, as well as the rights of Vince, LLC under the License Agreement.

The Company incurred a total of $8 and $1,150 of financing costs during the quarter ended May 4, 2024 and the fiscal year 2023, respectively. In accordance with ASC Topic 470, "Debt", these financing costs were recorded as deferred debt issuance costs (which is presented within Other assets on the Condensed Consolidated Balance Sheets) and are amortized over the term of the 2023 Revolving Credit Facility.

As of May 4, 2024, the Company was in compliance with applicable covenants. As of May 4, 2024, $25,909 was available under the 2023 Revolving Credit Facility, net of the Loan Cap, and there were $19,227 of borrowings outstanding and $5,560 of letters of credit outstanding under the 2023 Revolving Credit Facility. The weighted average interest rate for borrowings outstanding under the 2023 Revolving Credit Facility as of May 4, 2024 was 8.2%.

2018 Revolving Credit Facility

On August 21, 2018, Vince, LLC entered into an $80,000 senior secured revolving credit facility (the "2018 Revolving Credit Facility") pursuant to a credit agreement, as amended and restated from time to time, by and among Vince, LLC, as the borrower, VHC and Vince Intermediate, as guarantors, Citizens Bank, N.A. ("Citizens"), as administrative agent and collateral agent, and the other lenders from time to time party thereto. On January 31, 2023, the Company repaid $125 of fees due in accordance with an amendment entered into on September 30, 2022. Upon the contemporaneous consummation of the Asset Sale, the lenders' commitments to extend credit was reduced to $70,000. The 2018 Revolving Credit Facility would have matured on June 30, 2024.

On June 23, 2023, all outstanding amounts under the 2018 Revolving Credit Facility were repaid in full and the 2018 Revolving Credit Facility was terminated pursuant to the terms thereof as a result of all parties completing their obligations under the 2018 Revolving Credit Facility. The Company recorded expense of $828 during fiscal 2023, related to the write-off of the remaining deferred financing costs. Certain letters of credit remain in place with Citizens which were secured with restricted cash, totaling $262 as of May 4, 2024. Restricted cash is included in Prepaid Expenses and other current assets in the Condensed Consolidated Balance Sheets.

Third Lien Credit Facility

On December 11, 2020, Vince, LLC entered into a $20,000 subordinated term loan credit facility (the "Third Lien Credit Facility") pursuant to a credit agreement (the "Third Lien Credit Agreement"), as amended from time to time, dated December 11, 2020, by and among Vince, LLC, as the borrower, VHC and Vince Intermediate, as guarantors, and SK Financial Services, LLC ("SK Financial"), as administrative agent and collateral agent, and other lenders from time to time party thereto. The proceeds were received on December 11, 2020 and were used to repay a portion of the borrowings outstanding under the 2018 Revolving Credit Facility.

SK Financial is an affiliate of Sun Capital Partners, Inc. ("Sun Capital"), whose affiliates own, as of May 4, 2024, approximately 68% of the Company's common stock. The Third Lien Credit Facility was reviewed and approved by the Special Committee of the Company's Board of Directors, consisting solely of directors not affiliated with Sun Capital, which committee was represented by independent legal advisors.

Interest on loans under the Third Lien Credit Facility is payable in kind at a rate revised in connection with the Third Lien Third Amendment (as defined and discussed below) to be equal to the Daily Simple SOFR, subject to a credit spread adjustment of 0.10% per annum, plus 9.0%. During the continuance of certain specified events of default, interest may accrue on the loans under the Third Lien Credit Facility at a rate of 2.0% in excess of the rate otherwise applicable to such amount.

The Company incurred $485 in deferred financing costs associated with the Third Lien Credit Facility of which a $400 closing fee is payable in kind and was added to the principal balance. These deferred financing costs are recorded as deferred debt issuance costs which will be amortized over the remaining term of the Third Lien Credit Facility.

All obligations under the Third Lien Credit Facility are guaranteed by the Company, Vince Intermediate and the Company's existing material domestic restricted subsidiaries as well as any future material domestic restricted subsidiaries and are secured on a junior basis relative to the 2023 Revolving Credit Facility by a lien on substantially all of the assets of the Company, Vince Intermediate, Vince, LLC and the Company's existing material domestic restricted subsidiaries as well as any future material domestic restricted subsidiaries.

On April 21, 2023, Vince, LLC entered into that certain Consent and Third Amendment to Credit Agreement (the "Third Lien Third Amendment"), which, among other things, (a) permitted the sale of the intellectual property of the Vince Business contemplated in the Asset Sale, (b) replaced LIBOR as an interest rate benchmark in favor of Daily Simple SOFR, subject to a credit spread adjustment of 0.10% per annum, plus 9.0% (c) amended the Third Lien Credit Agreement's maturity date to the earlier of (i) March 30, 2025 and (ii) 180 days after the maturity date under the 2018 Revolving Credit Facility, (d) reduced the capacity to incur indebtedness and liens, make investments, restricted payments and dispositions and repay certain indebtedness and (e) modified certain representations and warranties, covenants and events of default in respect of documentation related to the Asset Sale. The Third Lien Third Amendment became effective upon the consummation of the Asset Sale, the prepayment of the Term Loan Credit Facility in full and other transactions contemplated by the Asset Purchase Agreement.

On June 23, 2023, Vince, LLC entered into the Fourth Amendment (the "Third Lien Fourth Amendment") to the Third Lien Credit Agreement which, among other things, (a) extended the Third Lien Credit Agreement's maturity date to the earlier of (i) September 30, 2028 and (ii) 91 days prior to the earliest maturity date of any Material Indebtedness (as defined therein) other than the 2023 Revolving Credit Facility and (b) modified certain representations and warranties, covenants and events of default in respect of documentation conforming to the terms of the 2023 Revolving Credit Facility.

Seasonality

The apparel and fashion industry in which we operate is cyclical and, consequently, our revenues are affected by general economic conditions and the seasonal trends characteristic to the apparel and fashion industry. Purchases of apparel are sensitive to a number of factors that influence the level of consumer spending, including economic conditions and the level of disposable consumer income, consumer debt, interest rates and consumer confidence as well as the impact of adverse weather conditions. In addition, fluctuations in the amount of sales in any fiscal quarter are affected by the timing of seasonal wholesale shipments and other events affecting direct-to-consumer sales; as such, the financial results for any particular quarter may not be indicative of results for the fiscal year. We expect such seasonality to continue.

Critical Accounting Estimates

Management's discussion and analysis of financial condition and results of operations relies on our condensed consolidated financial statements, as set forth in Part I, Item 1 of this Quarterly Report, which are prepared based on certain critical accounting policies that require management to make judgments and estimates that are subject to varying degrees of uncertainty. While we believe that these accounting policies are based on reasonable measurement criteria, actual future events can and often do result in outcomes materially different from these estimates.

A summary of our critical accounting estimates is included in the Management's Discussion and Analysis of Financial Condition and Results of Operations section of our 2023 Annual Report on Form 10-K. As of May 4, 2024, there have been no material changes to the critical accounting estimates contained therein.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a "smaller reporting company," as defined by Rule 12b-2 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), we are not required to provide the information in this Item.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Attached as exhibits to this Quarterly Report on Form 10-Q are certifications of our interim Chief Executive Officer and Chief Financial Officer. Rule 13a-14 of the Exchange Act requires that we include these certifications with this report. This Controls and Procedures section includes information concerning the disclosure controls and procedures referred to in the certifications. You should read this section in conjunction with the certifications.

Under the supervision and with the participation of our interim Chief Executive Officer and Chief Financial Officer, management has evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) as of May 4, 2024.

Based upon that evaluation, our interim Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were not effective due to the material weakness in our internal control over financial reporting as described below.

As a result of the material weakness identified, we performed additional analysis, substantive testing and other post-closing procedures intended to ensure that our condensed consolidated financial statements were prepared in accordance with U.S. GAAP. Accordingly, management believes that the condensed consolidated financial statements and related notes thereto included in this Quarterly Report on Form 10-Q fairly state, in all material respects, the Company's financial condition, results of operations and cash flows for the periods presented.

Material Weakness in Internal Control over Financial Reporting

As described in Management's Annual Report on Internal Control Over Financial Reporting in Part II, Item 9A of our Annual Report on Form 10-K for the year ended February 3, 2024, we did not maintain adequate user access controls to ensure appropriate segregation of duties and to adequately restrict access to financial applications and data.

This material weakness did not result in a material misstatement to the annual or interim consolidated financial statements. However, this material weakness could impact the effectiveness of IT-dependent controls (such as automated controls that address the risk of material misstatement to one or more assertions, along with the IT controls and underlying data that support the effectiveness of system-generated data and reports) that could result in a misstatement impacting account balances or disclosures that would result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected.

Remediation Efforts to Address the Material Weakness

To date, we made continued progress on our comprehensive remediation plan related to this material weakness by implementing the following controls and procedures:

- The Company modified its system access rights to limit the use of generic IDs, particularly in instances where those ID's possessed privileged access rights; and
- The Company effectively designed and implemented a full recertification of AX user access rights.

To fully address the remediation of deficiencies related to segregation of duties, we will need to fully remediate the deficiencies regarding systems access.

Management continues to follow a comprehensive remediation plan to fully address this material weakness. The remediation plan includes implementing and effectively operating controls related to the routine reviews of user system access and user re-certifications, inclusive of those related to users with privileged access, as well as to ensure user's access rights to systems are removed timely upon termination.

While we have reported a material weakness that is not yet remediated, we believe we have made continued progress in addressing financial, compliance, and operational risks and improving controls across the Company. Until the material weakness is remediated, we will continue to perform additional analysis, substantive testing, and other post-closing procedures to ensure that our consolidated financial statements are prepared in accordance with U.S. GAAP.

Limitations on the Effectiveness of Disclosure Controls and Procedures

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Accordingly, our disclosure controls and procedures are designed to provide reasonable, not absolute, assurance that the objectives of our disclosure system are met. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the fiscal quarter ended May 4, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are a party to legal proceedings, compliance matters, environmental, as well as wage and hour and other labor claims that arise in the ordinary course of our business. Although the outcome of such items cannot be determined with certainty, we believe that the ultimate outcome of these items, individually and in the aggregate will not have a material adverse impact on our financial position, results of operations or cash flows.

ITEM 1A. RISK FACTORS

The risk factors disclosed in the Company's 2023 Annual Report on Form 10-K, in addition to the other information set forth in this Quarterly Report on Form 10-Q, could materially affect the Company's business, financial condition or results.

The Company’s risk factors have not changed materially from those disclosed in its 2023 Annual Report on Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None of our directors or officers adopted, modified or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement during the quarter ended May 4, 2024.

ITEM 6. EXHIBITS

Exhibit Number	Exhibit Description
10.1	Confidential Severance Agreement and Release, dated March 26, 2024, by and between the Company and Jonathan Schwefel
10.2	Amendment No. 2 to License Agreement, dated as of February 21, 2024 (*incorporated by reference to Exhibit 10.54 to the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on May 2, 2024*).
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	Inline XBRL Instance - *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
101.CAL	Inline XBRL Taxonomy Extension Calculation
101.PRE	Inline XBRL Taxonomy Extension Presentation
101.LAB	Inline XBRL Taxonomy Extension Labels
101.DEF	Inline XBRL Taxonomy Extension Definition
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

SIGNATURE

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

Date		Vince Holding Corp.
June 18, 2024	By:	/s/ John Szczepanski John Szczepanski Executive Vice President, Chief Financial Officer (as duly authorized officer, and principal financial officer)

Exhibit 10.1

CONFIDENTIAL SEVERANCE AGREEMENT AND GENERAL RELEASE

In consideration of the covenants undertaken and releases contained in this CONFIDENTIAL SEVERANCE AGREEMENT AND GENERAL RELEASE (hereinafter referred to as "Agreement"), the undersigned ("Employee") on the one hand, and Vince Holding Corp. (the "Company") on the other side, agree as follows:

1. Documents Incorporated. All exhibits attached hereto and/or referenced herein are hereby incorporated into this Agreement by reference and shall form part of this Agreement. All capitalized terms otherwise not defined in the body of this Agreement shall have the meanings ascribed to them in **Exhibit A** attached hereto.

2. Denial of Liability. This Agreement shall not in any way be construed as an admission by the Company or by Employee of any breaches of contract, statutory violations, wrongful acts or acts of discrimination whatsoever against or by Employee or any other person, and the Company specifically disclaims any liability to, or discrimination against Employee or any other person, on the part of itself, its employees, or its agents.

3. Termination of Employment. Employee's employment with the Company terminated effective as of March 26, 2024 (the "Termination Date"). All salary, compensation, and perquisites of employment will cease as of the Termination Date. Employee is also hereby removed and terminated from, and hereby resigns, effective as of the Termination Date, from all other positions, titles, duties, authorities and responsibilities (including without limitation from any board positions) with, arising out of or relating to Employee's employment with the Company and its subsidiaries and affiliates and agrees to execute all additional documents and take such further steps as may be required to effectuate such removal and termination.

4. Severance Payment. In exchange for Employee's agreement to the terms of this Agreement and any covenants contained in the Employment Agreement, and provided Employee does not revoke this Agreement as set forth in Section 34 of this Agreement, the Company shall provide Employee only with the following payments and benefits (collectively, the "Severance Payment"):

The Company shall pay Employee at the Severance Rate, less tax withholdings and authorized deductions, pursuant to the Company's normal payroll practices and procedures, during the Severance Period following the seven (7) day revocation period referred to in Section 34 of this Agreement (provided, that, this Agreement is not revoked), as set forth in **Exhibit A** attached hereto, or, if earlier, until Employee starts other employment, consulting, freelance, or any other compensated role or position which pays Employee a base salary equal to or greater than the Severance Rate. In the event Employee obtains other employment, consulting, freelance, or any other compensated role which pays Employee a base salary less than the Severance Rate, then Employee's severance payments shall immediately become subject to offset by the amount of

Employee's new base salary and guaranteed incentive compensation, if any, from such other employment that is received by Employee during the Severance Period. If Employee receives other employment, consulting, freelance, or any other compensated role or position during the Severance Period, Employee must immediately notify the Company of the start and end dates and compensation for the role.

Employee's right to receive any payments described in this Section 4, which are not already required by law, is expressly conditioned upon: (i) the absence of any breach by Employee of this Agreement and the terms of the Employment Agreement, including but not limited to the non- compete (as amended by this Agreement), confidentiality, non-solicit and non-disparagement provisions of the Employment Agreement and this Agreement, if any, and (ii) the absence of any misconduct by Employee on or after the date of termination that is harmful to the Company, its property, its goodwill, or its customers (such as, by way of example but not limitation, vandalism by Employee to Company property).

By signing this Agreement, Employee acknowledges and agrees that Employee shall not accrue or be entitled to any payments or benefits beyond the Termination Date except for the Severance Payment set forth in this Section 4 of the Agreement. Employee acknowledges that the Severance Payment is given in consideration for Employee's promises in this Agreement and the Employment Agreement, and that such Severance Payment is contingent upon Employee's execution of this Agreement and the satisfaction of any other conditions set forth in this Agreement and the Employment Agreement.

5.Receipt of Compensation Due. Employee acknowledges and agrees that Employee has not suffered any on-the-job injury for which Employee has not already filed a claim, that Employee has been reasonably accommodated and provided with the opportunity to engage in the interactive process with respect to any injury or disability the Company has been made aware of, that Employee has been properly provided any leave of absence due to Employee's or a family member's health condition, and that Employee has not been subjected to any improper treatment, conduct or actions due to or related to any request by Employee for or taking of any leave of absence because of Employee's own or a family member's health condition, nor has Employee been denied any leave requested under the Family and Medical Leave Act of 1993, as amended.

6.Equity Grants. All equity grants, if any, that are unvested as of the Termination Date shall expire as of the Termination Date, and Employee shall have no right or claim with respect to such grants.

7.Restrictions. Employee hereby agrees and reaffirms the covenants and agreements set forth in the Employment Agreement, including without limitation any non-compete, non- solicitation and non-interference covenants contained in the Employment Agreement, including Section 9 of the Employment Agreement provided that to the extent there is any conflict between the covenants and agreements in this Agreement, on the one hand, and the terms of the Employment Agreement, on the other hand, the terms of this Agreement shall apply. Employee acknowledges that such covenants, including covenants set forth in Section 9 of the Employment Agreement, shall survive beyond the Termination Date. Notwithstanding the foregoing and anything to the contrary in the Employment Agreement, the covenants and restrictions contained in Section 9 of the Employment Agreement shall only continue for the duration of the Severance Period and the references to competitive brands in Section 9(b) shall be replaced with the following and shall be considered exhaustive: ALC, Veronica Beard, Theory, Helmut Lang, DVF, James Perse, Joie, Rag and Bone, Alice & Olivia, Nilli Lotan, Khaite and Ulla Johnson.

8.Remedies. The Parties acknowledge and agree that Employee's breach or threatened breach of any of the restrictions referenced in Section 7 of this Agreement may result in irreparable and continuing damage to the Company for which there may be no adequate remedy at law and that the Company shall be entitled to seek equitable relief, including specific performance and injunctive relief as remedies for any such breach or threatened or attempted breach. Employee hereby consents to the grant of a temporary restraining order or an injunction (temporary or otherwise) against Employee or the entry of any other court order against Employee prohibiting and enjoining Employee from violating, or directing Employee to comply with, any provision of Section 7. Employee also agrees that such remedies shall be in addition to any and all remedies, including damages, available to the Company and its subsidiaries and affiliates against Employee for such breaches or threatened or attempted breaches. Notwithstanding anything to the contrary contained herein and in the Employment Agreement, in the event of any breach or threatened breach of any of the restrictions referenced in Section 7 of this Agreement or any other provisions of this Agreement, the Company agrees to provide Employee with written notice of such breach or threatened breach and allow Employee at least five (5) business days to cure such breach and engage in good faith discussions to resolve any such breach prior to initiating any dispute or seeking injunctive or equitable relief described above.

9.Neutral Job Reference. In accordance with the Company's standard policy, the Company agrees to provide Employee with a neutral job reference for all written and telephone requests to include only the following: job title and dates of employment.

10.Return of Company Property. Employee agrees to turn over to the Company by no later than the Termination Date (or a later date if agreed by the Company), all Company property, including but not limited to Company laptop and mobile phone, and shall acknowledge such if requested by the Company.

11.Confidentiality.

(a)Employee represents and agrees that Employee will keep the terms, amount and fact of this Agreement and circumstances relating to the termination of Employee's employment with the Company confidential, and will keep Employee's claims and allegations against the Company or any of its affiliates or subsidiaries, if any, confidential. Employee further represents that Employee will not hereafter disclose any information concerning Employee claims or this Agreement to anyone, including, but by no means limited to, any past, present or prospective employee or applicant for employment of the Company or any of its affiliates or subsidiaries. Furthermore, Employee shall not provide any mass media (including industry media) or social media statements, on- or off- record, that include any information referenced above or regarding the Company or its business in general. Nothing herein shall prevent Employee from disclosing any part of this Agreement or the information contained herein to Employee's legal counsel, tax advisor, or immediate family, so long as such disclosure is accompanied by a warning that the recipient must keep the information confidential. Further, nothing shall prohibit Employee from making disclosures while engaging in the activities referenced in Paragraph 14(b) of this Agreement.

(b)The Company represents and agrees that it will, and will strictly instruct members of its management, board of directors, representatives, agents, consultants or any of its subsidiaries or affiliates, or management, board of directors or managers, representatives, agents, consultants of each such subsidiary or affiliate, to, keep the terms, amount and fact of this Agreement and circumstances relating to the termination of Employee's employment with the Company confidential, unless disclosure is required by law (including by laws and regulations of the United States Securities and Exchange Commission) or an order of a court or governmental agency with jurisdiction, or in proceedings relating to Employee's activities referenced in Paragraph 14(b) of this Agreement. Nothing herein shall prevent the Company from disclosing any part of this Agreement or the information contained herein to the Company's legal counsel or tax advisor, so long as such disclosure is accompanied by a warning that the recipient must keep the information confidential.

12.Use of Agreement in Proceedings. This Agreement may not be used in evidence in any proceedings of any kind, except in an action alleging a breach of this Agreement. It shall not be a breach of this Agreement for either party to comply with a valid court order or subpoena requiring the disclosure of any information about this Agreement, so long as, in the case of Employee, Employee notifies the Company of such court order in writing, and allows it the opportunity to move to quash such order.

13.Confidential Information. Employee acknowledges that Employee has been provided with or exposed to confidential and proprietary information and trade secrets of the Releasees (as defined below) and other entities and individuals with which a Releasee does business, including but not limited to non-public information, data and documents relating to the Company's business plans, finances, strategies, processes, procedures, designs, customers, construction plans, photographs, techniques, and other non-public information regarding the Company's business ("Confidential Information"). During and following his or her employment with the Company, Employee agrees not to disclose (without the express written authorization of the Company) any Confidential Information which Employee acquired, learned or developed as an employee of the Company, to any other person or entity, including media, or to use such information in any manner that is detrimental to the interests of the Company or entities or individuals with whom the Company does business, for so long as such Confidential Information may remain confidential; however, nothing shall prohibit Employee from making disclosures while engaging in the activities referenced in Paragraph 14(b) of this Agreement. Employee hereby confirms that Employee has delivered to the Company and retained no copies of any written materials, records and documents (including those that are electronically stored) made by Employee or coming into Employee's possession during the course of Employee's employment with the Company which contain or refer to any such proprietary or confidential information. Employee further confirms that Employee has delivered to the Company any and all property and equipment of the Company, including laptop computers, smartphones, identification cards, and keys, etc., which may have been in Employee's possession.

14.General Release. See **Exhibit B** attached hereto.

15.Voluntary Waiver. Employee further understands and acknowledges that this Agreement constitutes a voluntary waiver of any and all rights and claims Employee has against the Company as of the date of the execution of this Agreement, and Employee has expressly waived rights or claims pursuant to this Agreement in exchange for consideration, the value of which exceeds payment or remuneration to which Employee was already entitled.

16.Workers' Compensation. Employee represents and warrants that Employee has not suffered any workplace injury other than such injuries, if any, that Employee has previously reported to the Company in writing.

17.Non-Disparagement Clause.

(a)Employee agrees not to make any negative or derogatory remarks or statements, whether orally or in writing, or otherwise engage in any act that is intended or may be reasonably be expected to harm the reputation, business, prospects or other operations of the Company, any member of its management, board of directors, representatives, agents, consultants or any of its subsidiaries or affiliates, or management, board of directors or managers, representatives, agents, consultants of each such subsidiary or affiliate, or any investor or shareholder in the Company, unless as required by law or an order of a court or governmental agency with jurisdiction, or while engaging in activities referenced in Paragraph 14(b) of this Agreement.

(b)The Company agrees, and shall strictly instruct members of its management, board of directors, employees (aware of any circumstances leading up to the termination of Employee's employment with the Company), representatives, agents, consultants or any of its subsidiaries or affiliates, or management, board of directors or managers, representatives, agents, consultants of each such subsidiary or affiliate, not to make any negative or derogatory remarks or statements, whether orally or in writing, or otherwise engage in any act that is intended or may be reasonably be expected to harm the reputation of the Employee, unless as required by law (including laws and regulations of the United States Securities and Exchange Commission) or an order of a court or governmental agency with jurisdiction, or in proceedings relating to Employee's activities referenced in Paragraph 14(b) of this Agreement.

(c)The terms of this Section 17 supersede any other non-disparagement covenant agreed to by Employee.

18.Employee's Cooperation Obligations. Employee agrees to cooperate in the defense of the Company against any threatened or pending litigation or in any investigation or proceeding that relates to any events or actions which occurred during or prior to the term of Employee's employment with the Company. Furthermore, Employee agrees to cooperate in the prosecution of any claims and lawsuits brought by the Company or any of its affiliates that are currently outstanding or that may in the future be brought relating to matters which occurred during or prior to the term of Employee's employment with the Company. The Company's request for any such cooperation shall take into consideration Employee's business and personal commitments and the amount of notice provided to Employee by the Company. From and after the Termination Date, except as requested by the Company or as required by law, Employee shall not comment upon any

(i) threatened or pending claim or litigation (including investigations or arbitrations) involving the Company or (ii) threatened or pending government investigation involving the Company. In addition, Employee shall not disclose any confidential or privileged information in connection with any pending litigation or investigation or proceeding without the consent of the Company and shall give prompt notice to the Company of any request therefor If Employee is required to cooperate in accordance with this Section 18, the Company shall pay Employee a reasonable per diem fee, in addition to any expense reimbursement, for such assistance, based on Employee's annual base salary rate immediately preceding the Termination Date.

19. Compliance with Law. This Agreement is intended to comply with applicable law. Without limiting the foregoing, this Agreement is intended to comply with the requirements of section 409A of the Internal Revenue Code ("409A"), and, specifically, with the separation pay and short term deferral exceptions of 409A. Notwithstanding anything herein to the contrary, separation may only be made upon a "separation from service" under 409A and only in a manner permitted by 409A. In no event may Employee, directly or indirectly, designate the calendar year of payment. All reimbursements and in-kind benefits provided in this Agreement shall be made or provided in accordance with the requirements of 409A (including, where applicable, the reimbursement rules set forth in the regulations issued under 409A). If under this Agreement an amount is to be paid in installments, each installment shall be treated as a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii). Notwithstanding any provision of this Agreement to the contrary, to the extent that execution and nonrevocation of this Agreement spans two taxable years, payment of any deferred compensation under this Agreement shall be paid or commence in the second taxable year if required under 409A.

20. Tax Withholding. Each payment under this Agreement is set forth as a gross amount and is subject to all applicable tax withholdings. The Company is hereby authorized to withhold from any payment due hereunder the amount of withholding taxes due any federal, state or local authority in respect of such payment and to take such other action as may be necessary to satisfy all Company obligations for the payment of such withholding taxes.

21. [Reserved].

22. Integration Clause. This document and the Employment Agreement constitute the complete and entire Agreement between the parties pertaining to the subject matter hereof, and the final, complete and exclusive expression of the terms and conditions of their Agreement. Any and all prior agreements, representations, negotiations, and understandings between the parties, oral or written, express or implied, are hereby superseded and merged herein.

23. Modification of Agreement. This Agreement may be amended, changed, or modified only by a written document signed by all parties hereto. No waiver of this Agreement or of any of the promises, obligations, terms, or conditions hereof shall be valid unless it is written and signed by the party against whom the waiver is to be enforced.

24.Warranty Regarding Non-Assignment. Employee represents that Employee has not heretofore assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim or any portion thereof or interest therein. If any Claim should be made or instituted against the Releasees, or any of them, because of any such purported assignment, Employee agrees to indemnify and hold harmless the Releasees, and each of them, against any such Claim, including necessary expenses of investigation, attorneys' fees and costs.

25.Governing Law. This Agreement is made and entered into in the State of New York, and shall in all respects be interpreted, enforced and governed under the laws of said State. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against any of the parties, by virtue of the identity, interest or affiliation of its preparer.

26.[Reserved].

27.Severability and Enforceability. Should any provision of this Agreement be declared or be determined by any court to be illegal or invalid, the validity of the remaining parts, terms or provisions shall not be affected thereby and said illegal or invalid part, term or provision shall be deemed not to be part of this Agreement.

28.Singular/Plural. As used in this Agreement, the singular or plural number shall be deemed to include the other whenever the content so indicates or requires.

29.Attorneys' Fees. In any action or other proceeding to enforce rights hereunder, the prevailing party shall receive an award of costs and expenses related to such proceeding, including attorneys' fees.

30.Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Faxed signatures shall be deemed valid as if they were inked originals.

31.No Reliance By Employee. Employee represents and acknowledges that in executing this Agreement Employee does not rely and has not relied upon any representation or statement made by any of the Releasees or by any of the Releasees' agents, representatives or attorneys with regard to the subject matter, basis or effect of this Agreement or otherwise.

32.Successors. This Agreement will be binding on the Company and its successors and will also be binding on Employee and Employee's heirs, administrators, executors and assigns.

33.Employee Review Period. Employee specifically acknowledges that: (i) the Company has advised Employee to retain counsel to have this Agreement reviewed and explained to Employee; (ii) Employee was allowed a period of up to at least twenty-one (21) days to review and consider this Agreement, and has had the opportunity to make counter-proposals to the Agreement; (iii) the Company has advised Employee to retain a translator or interpreter as necessary to have this Agreement reviewed and explained to Employee, and has advised Employee that a translator or interpreter can be provided at the Company's expense for the purposes of doing so; and (iv) Employee fully understands the language set forth in this Agreement as written, translated or interpreted, and by signing below, Employee acknowledges that she has taken any steps she believes to be necessary for her to fully comprehend all portions of this Agreement. If

Employee should execute it prior to the expiration of the twenty-one (21) day consideration period, knowingly waives Employee's right to consider this Agreement for twenty-one (21) days.

34. Seven-Day Revocation Period. Employee acknowledges that Employee may, for a period of seven (7) calendar days following the date of execution of this Agreement by Employee, revoke Employee's acceptance of this Agreement. Employee's execution of this Agreement shall not become effective until after expiration of this seven-day period. Any revocation of Employee's acceptance of this Agreement must be done in writing and delivered to a management employee of the Company before the close of business on the seventh calendar day.

35. Miscellaneous Provisions.

a. The Parties agree irrevocably to submit to the exclusive jurisdiction of the federal courts or, if no federal jurisdiction exists, the state courts, located in the County of New York, NY, for the purposes of any suit, action or other proceeding brought by any Party arising out of any breach of any of the provisions of this Agreement and hereby waive, and agree not to assert by way of motion, as a defense or otherwise, in any such suit, action, or proceeding, any claim that it is not personally subject to the jurisdiction of the above-named courts, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper, or that the provisions of this Agreement may not be enforced in or by such courts. **SUBJECT TO APPLICABLE LAW, THE PARTIES HEREBY WAIVE THEIR RIGHT TO A JURY TRIAL WITH RESPECT TO ANY DISPUTE ARISING FROM THIS AGREEMENT.**

b. Under no circumstances shall Employee execute this Agreement prior to the Termination Date.

c. Any notice or other communication required or which may be given hereunder shall be in writing and shall be delivered personally, telegraphed, telexed, sent by facsimile transmission or sent by certified, registered or express or overnight mail, postage prepaid, and shall be deemed given when so delivered personally, telegraphed, telexed, or sent by facsimile transmission (with written confirmation received) or, if mailed, four (4) days after the date of mailing or the next day after overnight mail, as follows:

(i) If the

Company, to: c/o Vince, LLC
500 Fifth Avenue, 20th Fl New York, NY 10110
Attention: General Counsel Telephone: 212-515-2695

(ii)If Employee, to Employee's home and office addresses reflected in the Company's records

[Signature page to follow]

WITNESS WHEREOF, the undersigned have read and understand the consequences of this Agreement and voluntarily sign it. The undersigned declare under penalty of perjury under the laws of the State of New York that the foregoing is true and correct. The effective date of this Agreement is the date that Employee signs it below.

/s/ Jonathan Schwefel

Jonathan Schwefel

DATED: 3/26/2024 VINCE HOLDING CORP.

By: /s/ Lee Meiner Lee Meiner
Chief People Officer

Exhibit A

Severance Summary

Employee Name:	Jonathan Schwefel
Employment Agreement:	Employment Agreement, dated March 8, 2021, by and between Employee and the Company Restricted Stock Unit Agreement, dated March 29, 2021, by and between Employee and the Company
Termination Date:	March 26, 2024
Severance Rate:	$800,000 per annum For clarity, a total of $266,667 paid over eight payrolls (unless other employment is earlier secured)
Severance Period:	4 months (or until other employment is earlier secured)

Exhibit B

General Release

(a)Employee understands and agrees that, by signing this Agreement, in exchange for the Severance Payment that Employee will receive under Paragraph 4 in this Agreement, Employee is irrevocably and unconditionally waiving, releasing and forever discharging, and promising not to sue the Company and each of the Company's past and present owners, shareholders, predecessors, successors, assigns, agents, directors, officers, employees, representatives, attorneys, divisions, subsidiaries, franchisees, affiliates (and agents, directors, officers, employees, representatives and attorneys of such divisions, subsidiaries and affiliates), and all persons acting by, under or in concert with any of them (collectively "Releasees"), and each of them, from any and all claims, wages, demands, actions, class actions, rights, liens, agreements, contracts, covenants, suits, causes of action, charges, grievances, obligations, debts, costs, expenses, penalties, attorneys' fees, damages, judgments, orders and liabilities of any kind, known or unknown, suspected or unsuspected, and whether or not concealed or hidden, arising out of or in any way connected with Employee's employment relationship with, or the termination of Employee's employment with, any of the Released Parties, including but in no way limited to, any act or omission committed or omitted prior to the date of execution of this Agreement. This general release of claims includes, but is in no way limited to, any and all wage and hour claims, claims for wrongful discharge, breach of contract, violation of public policy, tort, or violation of any statute, constitution or regulation, including but not limited to any violation of Title VII of the Civil Rights Act of 1964, as amended; Age Discrimination in Employment Act of 1967, as amended ("ADEA"); the Americans with Disabilities Act, as amended; the Family and Medical Leave Act, as amended; the Fair Labor Standards Act, as amended; Employee Retirement Income Security Act of 1974, as amended; 42 U.S.C. Section 1981; the Older Workers Benefit Protection Act; the Civil Rights Act of 1866, 1871, 1964, and 1991; the Rehabilitation Act of 1973; the Equal Pay Act of 1963; the Vietnam Veteran's Readjustment Assistance Act of 1974; the Occupational Safety and Health Act; the Immigration Reform and Control Act of 1986, as amended; the New York Human Rights Law; the Worker Adjustment and Retraining Notification ("WARN") Act of 1988, as amended; the New York State WARN Act, as amended; the New York State Human Rights Law, as amended; the New York City Administrative Code (including the New York City Human Rights Law), as amended; the New York State Labor Law, as amended; the New York State Paid Family Leave Law; the New York City Earned Safe and Sick Time Act; the Genetic Information Nondiscrimination Act of 2008, as amended; and/or any other alleged violations of any federal, state or local law, regulation or ordinance, and/or contract, including without limitation, tort law or public policy claims, having any bearing whatsoever on Employee's employment by and the termination of Employee's employment with the Company, including, but not limited to, any claim for wrongful discharge, back pay, vacation pay, sick pay, wage, commission or bonus payment, attorneys' fees, costs, and/or future wage loss.

The foregoing release does not extend to Employee's right to (i) raise claims under the ADEA that may arise after the date Employee signs this Agreement; or (ii) claims for breach or enforceability of this Agreement; (iii)indemnification or defense under Section 5(d) of the Employment Agreement or under the Company's policies, bylaws or law; or (iv) receive any other rights or claims under applicable federal, state or local law that cannot be waived or released by private agreement as a matter of law. Employee understands that nothing in the release shall preclude Employee from filing a claim for unemployment or workers' compensation insurance.

This release applies to claims or rights that Employee may possess either individually or as a class member, and Employee waives and releases any right to participate in or receive money or benefits from any class action settlement or judgment after the date this Agreement is signed that relates in any way to Employee's employment with Company.

The obligations stated in this release are intended as full and complete satisfaction of any and all claims Employee has now, or has had in the past. By signing this release, Employee specifically represents that Employee has made reasonable effort to become fully apprised of the nature and consequences of this release, and that Employee understands that if any facts with respect to any matter covered by this release are found to be different from the facts Employee now believes to be true, Employee accepts and assumes that risk and agrees that this release shall be effective notwithstanding such differences. Employee expressly agrees that this release shall extend and apply to all unknown, unsuspected and unanticipated injuries and damages.

Employee promises not to pursue any claim that Employee has settled by this release. If Employee breaks this promise, Employee agrees to pay all of the Company's costs and expenses (including reasonable attorneys' fees) related to the defense of any claims.

Employee, in consideration of the Severance Payment as described in Section 4 of this Agreement, agree and acknowledge that this Agreement constitutes a knowing and voluntary waiver of all rights or claims Employee has or may have against the Company as set forth herein, including, but not limited to, all rights or claims arising under the ADEA, including, but not limited to, all claims of age discrimination in employment and all claims of retaliation in violation of the ADEA, and Employee has no physical or mental impairment of any kind that has interfered with Employee's ability to read and understand the meaning of this Agreement or its terms. Employee acknowledges that Employee has been given a reasonable period of time to consider this Agreement, that Employee has freely, knowingly, and voluntarily decided to accept these benefits, and that this Agreement has binding legal effect, and that Employee is not acting under the influence of any medication or mind-altering chemical of any type in entering into this Agreement.

(b)Nothing in this Agreement, including, but not limited to, any paragraphs pertaining to confidentiality and non-disclosure, a release of claims, or non-disparagement, prohibits Employee from (i) reporting possible violations of United States federal law or regulation to any criminal or civil law enforcement agency or the attorney general or administrative or regulatory (including any self-regulatory) agency or authority, including, but not limited to, the Securities and Exchange Commission, the Financial Industry Regulatory Authority, the Commodity Futures Trading Commission, the Consumer Financial Protection Bureau, the Occupational Safety and Health Administration, the Department of Justice, the U.S. Congress, any agency Inspector General, the EEOC, the National Labor Relations Board, the New York State Division of Human Rights ("NYSDHR"), the New York City Commission on Human Rights ("NYCCHR"), or any other state or local commission on human rights or agency enforcing anti-discrimination laws ("Government Agencies"), (ii) speaking with an attorney retained by Employee, or (iii) making other disclosures that are protected under the whistleblower provisions of United States federal law or regulation; provided, that Employee will use his or her reasonable best efforts to (1) disclose only information that is reasonably related to such possible violations or that is requested by such agency or entity, and (2) request that such agency or entity treat such information as confidential. Employee does not need the prior authorization from the Company to make any such reports or disclosures and is not required to notify the Company that Employee has made such reports or disclosures. Employee further understands that this Agreement does not limit Employee's ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency. This Agreement does not limit Employee's right to receive an award for information provided to any Government Agencies. Nothing in this Agreement is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by 18 U.S.C. § 1833(b). 18 U.S.C. § 1833(b) provides that "An individual shall 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."

(c)In consideration of the benefits described herein and for other good and valuable consideration, the Company, including its current and former parents, subsidiaries and affiliates, hereby releases and forever discharges, and by this instrument releases and forever discharges Employee, from all debts, obligations, promises, covenants, agreements, contracts, endorsements, bonds, controversies, suits, actions, causes of action, judgments, damages, expenses, claims or demands, in law or in equity, which it ever had, now has, or which may arise in the future regarding any matter arising on or before the date of its execution of this Agreement, including but not limited to all claims (whether known or unknown) regarding Employee's employment with the Company and/or any claim for equitable relief or recovery of punitive, compensatory, or other damages or monies, and attorneys' fees, provided, however, that nothing contained herein shall act as a waiver of (a) Employee's obligations under this Agreement; (b) Employee's obligations under any equity based awards and/or deferred compensation plan; (c) claims for breach or enforceability of this Agreement; or (d) any other liabilities, claims and/or demands which directly or indirectly result from any illegal conduct, act of fraud, theft or material violation of any policy, regulation or law committed by Employee in connection with Employee's employment with the Company and/or any of its subsidiaries or affiliates.

(d)This release is binding on Employee's heirs, family members, dependents, beneficiaries, executors, administrators, successors and assigns and on the Company's successors and assigns.

Exhibit 31.1

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002
(15 U.S.C. SECTION 1350)

I, David Stefko, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Vince Holding Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ David Stefko
David Stefko
Interim Chief Executive Officer
(principal executive officer)
June 18, 2024

Exhibit 31.2

**CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002
(15 U.S.C. SECTION 1350)**

I, John Szczepanski, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Vince Holding Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize, and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

/s/ John Szczepanski
John Szczepanski
Chief Financial Officer
(principal financial and accounting officer)

June 18, 2024

Exhibit 32.1

**CERTIFICATIONS OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)**

In connection with the Quarterly Report of Vince Holding Corp. (the “Company”), on Form 10-Q for the quarter ended May 4, 2024 as filed with the Securities and Exchange Commission (the “Report”), David Stefko, Principal Executive Officer of the Company, does hereby certify, pursuant to § 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. § 1350), that:

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

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company at the dates and for the periods indicated in the Report.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

The undersigned expressly disclaims any obligation to update the foregoing certification except as required by law.

/s/ David Stefko
David Stefko
Interim Chief Executive Officer
(principal executive officer)

June 18, 2024

Exhibit 32.2

**CERTIFICATIONS OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)**

In connection with the Quarterly Report of Vince Holding Corp. (the "Company"), on Form 10-Q for the quarter ended May 4, 2024 as filed with the Securities and Exchange Commission (the “Report”), John Szczepanski, Principal Financial Officer of the Company, does hereby certify, pursuant to § 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. § 1350), that:

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

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company at the dates and for the periods indicated in the Report.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

The undersigned expressly disclaims any obligation to update the foregoing certification except as required by law.

/s/ John Szczepanski
John Szczepanski
Chief Financial Officer
(principal financial and accounting officer)

June 18, 2024