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DXLG - DESTINATION XL GROUP, INC

10-Q - OCTOBER 28, 2023 COMPARED TO 10-Q - JULY 29, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	1205
CHANGES	263
DELETIONS	563
ADDITIONS	379

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended July 29, October 28, 2023

OR

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

Commission File Number: 01-34219

DESTINATION XL GROUP, INC.
(Exact Name of Registrant as Specified in its Charter)

Delaware	**04-2623104**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
555 Turnpike Street	
Canton, MA	**02021**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (781) 828-9300

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

Title of each class	Trading symbol(s)	Name of each exchange on which registered

Common Stock, $0.01 par value	DXLG	The Nasdaq Stock Market LLC

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

As of August 16, 2023 November 8, 2023, the registrant had 60,389,665 60,182,080 shares of common stock, $0.01 par value per share, outstanding.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

DESTINATION XL GROUP, INC.

CONSOLIDATED BALANCE SHEETS

(In thousands, except share data)

(Unaudited)

	July 29, 2023 (Fiscal 2023)	January 28, 2023 (Fiscal 2022)	October 28, 2023 (Fiscal 2023)	January 28, 2023 (Fiscal 2022)
ASSETS				
Current assets:				
Cash and cash equivalents	19,24	52,07	10,72	52,07
	$ 6	$ 4	$ 3	$ 4
Short-term investments	43,53		49,63	
	6	—	2	—
Accounts receivable	884	1,720	2,955	1,720
	87,53	93,00	99,85	93,00
Inventories	2	4	8	4
Prepaid expenses and other current assets	6,754	7,214	7,332	7,214
	157,9	154,0	170,5	154,0
Total current assets	52	12	00	12
Non-current assets:				
Property and equipment, net of accumulated depreciation	35,39	39,06	38,42	39,06
and amortization	7	2	9	2
	132,9	124,3	139,9	124,3
Operating lease right-of-use assets	30	56	07	56
	23,96	31,45	22,22	31,45
Deferred income taxes, net of valuation allowance	6	5	3	5
Intangible assets	1,150	1,150	1,150	1,150
Other assets	565	563	451	563
	351,9	350,5	372,6	350,5
Total assets	$ 60	$ 98	$ 60	$ 98
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
	20,89	27,54	28,25	27,54
Accounts payable	$ 9	$ 8	$ 6	$ 8
	27,50	36,87	31,94	36,87
Accrued expenses and other current liabilities	6	5	5	5

Operating leases, current	37,727	37,329	40,838	37,329
Total current liabilities	86,132	101,752	101,039	101,752
Long-term liabilities:				
Operating leases, non-current	111,907	106,912	119,502	106,912
Other long-term liabilities	3,821	4,706	1,352	4,706
Total long-term liabilities	115,728	111,618	120,854	111,618
Commitments and contingencies				
Stockholders' equity:				
Preferred stock, $0.01 par value, 1,000,000 shares authorized, none issued	—	—	—	—
Common stock, $0.01 par value, 125,000,000 shares authorized, 78,605,837 and 78,229,861 shares issued at July 29, 2023 and January 28, 2023, respectively	786	782		
Common stock, $0.01 par value, 125,000,000 shares authorized, 78,885,187 and 78,229,861 shares issued at October 28, 2023 and January 28, 2023, respectively			789	782
Additional paid-in capital	323,512	321,516	324,141	321,516
Treasury stock at cost, 17,874,322 shares at July 29, 2023 and 15,625,172 shares at January 28, 2023	(116,291)	(105,386)		
Treasury stock at cost, 18,712,467 shares at October 28, 2023 and 15,625,172 shares at January 28, 2023			(120,356)	(105,386)
Accumulated deficit	(56,156)	(74,756)	(52,136)	(74,756)
Accumulated other comprehensive loss	(1,751)	(4,928)	(1,671)	(4,928)
Total stockholders' equity	150,100	137,228	150,767	137,228

Total liabilities and stockholders' equity	$ 351,9 60	$ 350,5 98	$ 372,6 60	$ 350,5 98

The accompanying notes are an integral part of the consolidated financial statements.

DESTINATION XL GROUP, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data)

(Unaudited)

	For the Three Months Ended		For the Six Months Ended		For the Three Months Ended		For the Nine Months Ended	
	July 29, 2023 (Fiscal 2023)	July 30, 2022 (Fiscal 2022)	July 29, 2023 (Fiscal 2023)	July 30, 2022 (Fiscal 2022)	October 28, 2023 (Fiscal 2023)	October 29, 2022 (Fiscal 2022)	October 28, 2023 (Fiscal 2023)	October 29, 2022 (Fiscal 2022)
Sales	$ 140, 043	$ 144, 634	$ 265, 485	$ 272, 289	$ 119, 188	$ 129, 671	$ 384, 673	$ 401, 960
Cost of goods sold including occupancy costs	69,6 64	69,3 16	134, 190	133, 104	62,5 77	64,8 56	196, 767	197, 960
Gross profit	70,3 79	75,3 18	131, 295	139, 185	56,6 11	64,8 15	187, 906	204, 000
Expenses:								
Selling, general and administrative	47,4 46	49,4 61	95,7 27	96,0 58	47,9 62	48,3 83	143, 689	144, 441
Impairment (gain) of assets	—	(47)	—	(39 8)	—	—	—	(398)
Depreciation and amortization	3,46 8	3,99 2	6,94 5	7,97 9	3,39 3	3,76 9	10,3 38	11,7 48

Total expenses	50,914	53,406	102,672	103,639	51,355	52,152	154,027	155,791
Operating income	19,465	21,912	28,623	35,546	5,256	12,663	33,879	48,209
Loss on termination of pension plan	(4,174)	—	(4,174)	—				
Loss on termination of retirement plans					(57)	—	(4,231)	—
Interest income (expense), net	505	(100)	844	(243)	564	(107)	1,408	(350)
Income before provision (benefit) for income taxes	15,796	21,812	25,293	35,303	5,763	12,556	31,056	47,859
Provision (benefit) for income taxes	4,163	(35,130)	6,693	(35,027)	1,743	2,083	8,436	(32,944)
Net income	$ 11,633	$ 56,942	$ 18,600	$ 70,330	$ 4,020	$ 10,473	$ 22,620	$ 80,803
Net income per share - basic	$ 0.19	$ 0.91	$ 0.30	$ 1.11	$ 0.07	$ 0.17	$ 0.37	$ 1.28
Net income per share - diluted	$ 0.18	$ 0.85	$ 0.28	$ 1.04	$ 0.06	$ 0.16	$ 0.35	$ 1.20

Weighted-average number of common shares outstanding:								
Basic	61,977	62,688	62,334	63,384	60,169	62,016	61,612	62,928
Diluted	65,449	66,670	65,829	67,519	63,464	66,229	64,995	67,106

The accompanying notes are an integral part of the consolidated financial statements.

DESTINATION XL GROUP, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands)

(Unaudited)

	For the Three Months Ended		For the Six Months Ended		For the Three Months Ended		For the Nine Months Ended	
	July 29, 2023 (Fiscal 2023)	July 30, 2022 (Fiscal 2022)	July 29, 2023 (Fiscal 2023)	July 30, 2022 (Fiscal 2022)	October 28, 2023 (Fiscal 2023)	October 29, 2022 (Fiscal 2022)	October 28, 2023 (Fiscal 2023)	October 29, 2022 (Fiscal 2022)
Net income	$ 11,633	$ 56,942	$ 18,600	$ 70,330	$ 4,020	$ 10,473	$ 22,620	$ 80,803
Other comprehensive income before taxes:								
Foreign currency translation	—	(3)	—	(7)	—	(3)	—	(10)
Pension plans	65	68	131	135				
Recognized loss on termination of pension plan	4,174	—	4,174	—				
Retirement plans					66	68	197	203

Recognized loss on termination of retirement plans					31	—	4,20 5	—
Other comprehensive income before taxes	4,23 9	65	4,3 05	128	97	65	4,40 2	193
Tax provision related to items of other comprehensive income	(1,1 11)	—	(1,1 28)	—				
Tax effect related to items of other comprehensive income					(17)	—	(1,14 5)	—
Other comprehensive income, net of tax	3,12 8	65	3,1 77	128	80	65	3,25 7	193
Comprehensive income	$ 14,7 61	$ 57,0 07	$ 21, 777	$ 70, 458	$ 4,10 0	$ 10,5 38	$ 25,8 77	$ 80,9 96

The accompanying notes are an integral part of the consolidated financial statements.

DESTINATION XL GROUP, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

(In thousands)

(Unaudited)

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	Common Stock Shares	Common Stock Amounts	Additional Paid-in Capital	Treasury Stock Shares	Treasury Stock Amounts	Accumulated Deficit	Other Comprehensive Loss	Total	Common Stock Shares	Common Stock Amounts	Additional Paid-in Capital	Treasury Stock Shares	Treasury Stock Amounts	Accumulated Deficit	Other Comprehensive Loss	Total
Balance at January 28, 2023	78,230	$ 782	$ 321,516	(15,625)	$ (105,386)	$ (74,756)	$ (4,928)	$ 137,228	78,230	$ 782	$ 321,516	(15,625)	$ (105,386)	$ (74,756)	$ (4,928)	$ 137,228
Board of directors' compensation	15	—	108	—	—	—	—	108	15	—	108	—	—	—	—	108
Stock compensation expense	—	—	404	—	—	—	—	404	—	—	404	—	—	—	—	404
Restricted stock units (RSUs) granted for achievement of performance-based compensation, reclassified from liability to equity	—	—	1,146	—	—	—	—	1,146	—	—	1,146	—	—	—	—	1,146
Issuance of common stock, upon RSUs release	251	3	(3)	—	—	—	—	—	251	3	(3)	—	—	—	—	—

Shares withheld for taxes related to net share settlement	(81)	(1)	(445)	—	—	—	—	(446)	(81)	(1)	(445)	—	—	—	—	(446)
Exercise of stock options	81	1	215	—	—	—	—	216	81	1	215	—	—	—	—	216
Other comprehensive income, net of taxes	—	—	—	—	—	—	49	49	—	—	—	—	—	—	49	49
Net income	—	—	—	—	—	6,967	—	6,967	—	—	—	—	—	6,967	—	6,967
Balance at April 29, 2023	78,496	$ 785	$ 322,941	(15,625)	$ (105,386)	$ (67,789)	$ (4,879)	$ 145,672	78,496	$ 785	$ 322,941	(15,625)	$ (105,386)	$ (67,789)	$ (4,879)	$ 145,672
Board of directors' compensation	25	—	112	—	—	—	—	112	25	—	112	-	—	—	—	112
Stock compensation expense	—	—	411	—	—	—	—	411	—	—	411	-	—	—	—	411
Exercise of stock options	85	1	48	—	—	—	—	49	85	1	48	-	—	—	—	49

Repurchase of common stock, including excise tax	—	—	—	(2,249)	(10,905)	—	—	(10,905)	—	—	—	(2,249)	(10,905)	—	—	(10,905)
Other comprehensive income, net of taxes	—	—	—	—	—	—	3,128	3,128	—	—	—	—	—	—	3,128	3,128
Net income	—	—	—	—	—	11,633		11,633	—	—	—	—	—	11,633		11,633
Balance at July 29, 2023	78,606	$ 786	$ 323,512	(17,874)	$ (116,291)	$ (56,156)	$ (1,751)	$ 150,100	78,606	$ 786	$ 323,512	(17,874)	$ (116,291)	$ (56,156)	$ (1,751)	$ 150,100
Board of directors' compensation									22	—	112	—	—	—	—	112
Stock compensation expense									—	—	800	—	—	—	—	800
Exercise of stock options									44	1	31	—	—	—	—	32
Issuance of common stock, upon RSUs release									285	3	(3)	—	—	—	—	—

Shares withheld for taxes related to net share settlement	(72)	(1)	(311)	—	—	—	—	(312)
Repurchase of common stock, including excise tax	—	—	—	(838)	(4,065)	—	—	(4,065)
Other comprehensive income, net of taxes	—	—	—	—	—	—	80	80
Net income	—	—	—	—	—	4,020	—	4,020
Balance at October 28, 2023	78,885	$ 789	$ 324,141	(18,712)	$ (120,356)	$ (52,136)	$ (1,671)	$ 150,767

The accompanying notes are an integral part of the consolidated financial statements.

DESTINATION XL GROUP, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

(In thousands)

(Unaudited)

	Common Stock		Additional Paid-in Capital	Treasury Stock		Accumulated Deficit	Accumulated Other Comprehensive Loss		Common Stock		Additional Paid-in Capital	Treasury Stock		Accumulated Deficit	Accumulated Other Comprehensive Loss	
	Shares	Amounts		Shares	Amounts			Total	Shares	Amounts		Shares	Amounts			Total
Balance at January 29, 2022	77,025	$ 770	$ 319,511	(12,755)	$ (92,658)	$ (163,879)	$ (5,525)	$ 58,219	77,025	$ 770	$ 319,511	(12,755)	$ (92,658)	$ (163,879)	$ (5,525)	$ 58,219
Board of directors' compensation	29	—	125	—	—	—	—	125	29	—	125	—	—	—	—	125
Stock compensation expense	—	—	366	—	—	—	—	366	—	—	366	—	—	—	—	366
RSUs granted for achievement of performance-based compensation, reclassified from liability to equity	—	—	1,138	—	—	—	—	1,138	—	—	1,138	—	—	—	—	1,138

Issuance of common stock, upon RSUs release	313	3	(3)	—	—	—	—	—	313	3	(3)	—	—	—	—	—
Shares withheld for taxes related to net share settlement	(85)	(1)	(414)	—	—	—	—	(415)	(85)	(1)	(414)	—	—	—	—	(415)
Exercise of stock options	41	1	22	—	—	—	—	23	41	1	22	—	—	—	—	23
Repurchase of common stock	—	—	—	(946)	(4,847)	—	—	(4,847)	—	—	—	(946)	(4,847)	—	—	(4,847)
Other comprehensive income	—	—	—	—	—	—	63	63	—	—	—	—	—	—	63	63
Net income	—	—	—	—	—	13,388	—	13,388	—	—	—	—	—	13,388	—	13,388
Balance at April 30, 2022	77,323	$ 773	$ 320,745	(13,702)	$ (97,505)	$ (150,491)	$ (5,462)	$ 68,060	77,323	$ 773	$ 320,745	(13,702)	$ (97,505)	$ (150,491)	$ (5,462)	$ 68,060

Board of directors' compensation	25	1	125	—	—	—	—	126	25	1	125	—	—	—	—	126
Stock compensation expense			386	—	—	—	—	386	—	—	386	—	—	—	—	386
Issuance of common stock, upon RSUs release	5	—	—	—	—	—	—	—	5	—	—	—	—	—	—	—
Shares withheld for taxes related to net share settlement	—	—	(6)	—	—	—	—	(6)	—	—	(6)	—	—	—	—	(6)
Exercise of stock options	7	—	3	—	—	—	—	3	7	—	3	—	—	—	—	3
Repurchase of common stock	—	—	—	(2,249)	(10,813)	—	—	(10,813)	—	—	—	(1,923)	(7,881)	—	—	(7,881)
Other comprehensive income	—	—	—	—	—	—	65	65	—	—	—	—	—	—	65	65
Net income	—	—	—	—	—	56,942	—	56,942	—	—	—	—	—	56,942	—	56,942

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Balance at July 30, 2022	77,360	$ 774	$ 321,253	(15,951)	$ (108,318)	$ (93,549)	$ (5,397)	$ 114,763	77,360	$ 774	$ 321,253	(15,625)	$ (105,386)	$ (93,549)	$ (5,397)	$ 117,695
Board of directors' compensation									31	—	124	—	—	—	—	124
Stock compensation expense									—	—	301	—	—	—	—	301
Issuance of common stock, upon RSUs release									266	3	(3)	—	—	—	—	—
Exercise of stock options									705	7	203	—	—	—	—	210
Shares withheld for taxes related to net share settlement									(305)	(3)	(1,421)	—	—	—	—	(1,424)
Other comprehensive income									—	—	—	—	—	—	65	65

Net income	—	—	—	—	—	10,473	—	10,473
Balance at October 29, 2022	78,057	$ 781	$ 320,457	(15,625)	$ (105,386)	$ (83,076)	$ (5,332)	$ 127,444

The accompanying notes are an integral part of the consolidated financial statements.

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DESTINATION XL GROUP, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

(Unaudited)

	For the Six Months Ended		For the Nine Months Ended	
	July 29, 2023 (Fiscal 2023)	July 30, 2022 (Fiscal 2022)	October 28, 2023 (Fiscal 2023)	October 29, 2022 (Fiscal 2022)
Cash flows from operating activities:				
Net income	$ 18,600	$ 70,330	$ 22,620	$ 80,803
Adjustments to reconcile net income to net cash provided by operating activities:				
Amortization of deferred debt issuance costs	38	38	57	57
Impairment (gain) of assets	—	(398)	—	(398)
Loss on pension plan termination	4,174	—		
Loss on retirement plan terminations			4,231	—
Gain from the sale of equipment	(129)	—	(136)	—
Depreciation and amortization	6,945	7,979	10,338	11,748
Deferred taxes, net of valuation allowance	7,489	(35,538)	9,232	(33,480)
Stock compensation expense	815	752	1,615	1,053
Board of directors' stock compensation	220	251	332	375
Changes in operating assets and liabilities:				

Accounts receivable	836	660	(1,994)	1,094
Inventories	5,472	(14,964)	(6,854)	(25,052)
Prepaid expenses and other current assets	460	(1,889)	(118)	(1,892)
Other assets	(40)	(46)	55	(61)
Accounts payable	(6,649)	2,797	708	1,399
Operating leases, net	(3,181)	(3,268)	548	(5,590)
Accrued expenses and other liabilities	(8,811)	(2,855)	(7,533)	113
Net cash provided by operating activities	26,239	23,849	33,101	30,169
Cash flows from investing activities:				
Additions to property and equipment, net	(4,665)	(4,056)	(10,404)	(7,853)
Proceeds from sale of equipment	129	—	136	—
Purchase of short-term investments	(43,536)	—	(69,880)	—
Maturity of short-term investments			21,007	—
Net cash used for investing activities	(48,072)	(4,056)	(59,141)	(7,853)
Cash flows from financing activities:				
Repurchase of common stock	(10,814)	(12,728)	(14,850)	(12,728)
Tax withholdings paid related to net share settlements	(446)	(421)	(758)	(1,845)
Proceeds from the exercise of stock options	265	26	297	236
Net cash used for financing activities	(10,995)	(13,123)	(15,311)	(14,337)
Net increase (decrease) in cash and cash equivalents	(32,828)	6,670	(41,351)	7,979
Cash and cash equivalents:				
Beginning of period	52,074	15,506	52,074	15,506
End of period	$ 19,246	$ 22,176	$ 10,723	$ 23,485

The accompanying notes are an integral part of the consolidated financial statements.

DESTINATION XL GROUP, INC.

Notes to Consolidated Financial Statements

(Unaudited)

1. Basis of Presentation

In the opinion of management of Destination XL Group, Inc., a Delaware corporation (collectively with its subsidiaries, referred to as the "Company"), the accompanying unaudited Consolidated Financial Statements contain all adjustments necessary for a fair presentation of the interim financial statements. These financial statements do not include all disclosures associated with annual financial statements and, accordingly, should be read in conjunction with the notes to the Company's audited Consolidated Financial Statements for the fiscal year ended January 28, 2023 included in the Company's Annual Report on Form 10-K, which was filed with the Securities and Exchange Commission on March 16, 2023.

The information set forth in these statements may be subject to normal year-end adjustments. The information reflects all adjustments that, in the opinion of management, are necessary to present fairly the Company's results of operations, financial position and cash flows for the periods indicated. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to 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 and the reported amounts of revenues and expenses during the reporting period. The Company's business historically has been seasonal in nature, and the results of the interim periods presented are not necessarily indicative of the results to be expected for the full year.

The Company's fiscal year is a 52- or 53- week period ending on the Saturday closest to January 31. Fiscal 2023 is a 53-week period ending on February 3, 2024, and fiscal 2022 was a 52-week period which ended on January 28, 2023.

Segment Information

The Company has two principal operating segments: its stores and its direct business. The Company considers its stores and direct operating segments to be similar in terms of economic characteristics, production processes and operations, and has therefore aggregated them into one reportable segment, retail segment, consistent with its omni-channel business approach.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash in banks and short-term investments, which have a maturity of ninety days or less when acquired. Included in cash equivalents are credit card and debit card receivables from banks, which generally settle within two to four business days.

Short-Term Investments

Short-term investments consist of those investments that have a maturity date, when acquired, that is greater than three months and twelve months or less. These investments are classified as held-to-maturity and are carried at amortized cost, which approximates fair value due to the short period between purchase and maturity.

Concentration of Credit Risk

Cash and cash equivalents include amounts due from third party financial institutions, which from time to time, may be in excess of the Federal Deposit Insurance Corporation ("FDIC") insurance limits. The Company is potentially exposed to a concentration of credit risk when cash and cash equivalent deposits in these financial institutions are in excess of FDIC limits. The Company considers the credit risk associated with these financial instruments to be minimal as cash and cash equivalents are held by financial institutions with high credit ratings and it has not historically sustained any credit losses associated with its cash and cash equivalents balances. In addition, the Company's cash and cash equivalents include money market accounts with Citizens Bank, N.A. and investments in U.S. government-backed securities held with Fidelity Investments.

Fair Value of Financial Instruments

ASC Topic 825, *Financial Instruments*, requires disclosure of the fair value of certain financial instruments. ASC Topic 820, "*Fair Value Measurements and Disclosures*," defines fair value, establishes a framework for measuring fair value and enhances disclosures about fair value measurements.

The valuation techniques utilized are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect internal market assumptions. These two types of inputs create the following fair value hierarchy:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the related assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of assets or liabilities.

The Company utilizes observable market inputs (quoted market prices) when measuring fair value whenever possible.

The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable and accrued expenses approximate fair value because of the short maturity of these instruments. See Note 11 10 - *Fair Value Measurement* for information regarding the fair value of certain financial assets.

Accumulated Other Comprehensive Income (Loss) - ("AOCI")

Other comprehensive income (loss) includes amounts related to foreign currency and pension retirement plans and is reported in the Consolidated Statements of Comprehensive Income (Loss). Other comprehensive income (loss) and reclassifications from AOCI for the three and six nine months ended July 29, 2023 October 28, 2023 and July 30, 2022 October 29, 2022 were as follows:

For the three months ended:	July 29, 2023			July 30, 2022			October 28, 2023			October 29, 2022		
	(in thousands)						(in thousands)					
	Pension Plans	Foreign Currency	Total	Pension Plans	Foreign Currency	Total	Retirement Plans	Foreign Currency	Total	Retirement Plans	Foreign Currency	Total
Balance at beginning of the quarter	$ (4,879)	$ —	$ (4,879)	$ (5,399)	$ (63)	$ (5,462)	$ (1,751)	$ —	$ (1,751)	$ (5,331)	$ (66)	$ (5,397)
Other comprehensive income (loss) before reclassifications, net of taxes	23	—	23	76	(3)	73	14	—	14	77	(3)	74
Recognition of loss on pension termination, net of taxes (1)	3,080	—	3,080	—	—	—						
Recognition of loss on retirement plan termination, net of taxes (1)							31		31			
Amounts reclassified from accumulated other comprehensive income, net of taxes (2)	25	—	25	(8)	—	(8)	35	—	35	(9)	—	(9)

Other comprehensive income (loss) for the period	3,128	—	3,128	68	(3)	65	80	—	80	68	(3)	65
Balance at end of quarter	$ (1,751)	$ —	$ (1,751)	$ (5,331)	$ (66)	$ (5,397)	$ (1,671)	$ —	$ (1,671)	$ (5,263)	$ (69)	$ (5,332)

	July 29, 2023			July 30, 2022			October 28, 2023			October 29, 2022		
For the six months ended:				*(in thousands)*								
For the nine months ended:									*(in thousands)*			
	Pension Plans	Foreign Currency	Total	Pension Plans	Foreign Currency	Total	Retirement Plans	Foreign Currency	Total	Retirement Plans	Foreign Currency	Total
Balance at beginning of fiscal year	$ (4,928)	$ —	$ (4,928)	$ (5,466)	$ (59)	$ (5,525)	$ (4,928)	$ —	$ (4,928)	$ (5,466)	$ (59)	$ (5,525)
Other comprehensive income (loss) before reclassifications, net of taxes	29	—	29	155	(7)	148	43	—	43	232	(10)	222
Recognition of loss on pension termination, net of taxes (1)	3,080		3,080	—	—	—						

Recognition of loss on retirement plan termination, net of taxes (1)							3,111		3,111	—	—	—
Amounts reclassified from accumulated other comprehensive income, net of taxes (2)	68	—	68	(20)	—	(20)	103	—	103	(29)	—	(29)
Other comprehensive income (loss) for the period	3,177	—	3,177	135	(7)	128	3,257	—	3,257	203	(10)	193
Balance at end of quarter	$ (1,751)	$ —	$ (1,751)	$ (5,331)	$ (66)	$ (5,397)	$ (1,671)	$ —	$ (1,671)	$ (5,263)	$ (69)	$ (5,332)

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(1) In connection with the Company's decision to terminate its pension plan, during frozen retirement plans, the second Company completed a termination of its Supplemental Executive Retirement Plan ("SERP") in the third quarter of fiscal 2023 and recognized the Company completed a loss in AOCI of $31,000, with no related tax effect. Results for the nine months ended October 28, 2023 also reflect the partial settlement and accordingly recognized a pro-rated portion of AOCI the Pension Plan which resulted in the amount recognition of $4.2 million loss on termination, or $3.1 million net of taxes.

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(2) Includes the amortization of the unrecognized loss on pension retirement plans, which was charged to “Selling, General and Administrative” Expense on the Consolidated Statements of Operations for all periods presented. The Company recognized expense of $34,000 47,000, or $25,000 35,000 net of taxes, for the three months ended July 29, 2023 October 28, 2023 and expense of $92,000 139,000, or $68,000 103,000 net of taxes, for the six nine months ended July 29, 2023 October 28, 2023. For the three and six nine months ended July 30, 2022 October 29, 2022, the Company recognized income of $8,000 9,000 and $20,000 29,000, respectively, as a result of a change in

amortization from average remaining future service to average remaining lifetime. There was no related tax effect for the three and six nine months ended July 30, 2022 October 29, 2022.

Stock-based Compensation

All share-based payments, including grants of employee stock options and restricted stock, are recognized as an expense in the Consolidated Statements of Operations based on their fair values and vesting periods. The fair value of stock options is determined using the Black-Scholes valuation model and requires the input of subjective assumptions. These assumptions include estimating the length of time employees will retain their vested stock options before exercising them (the "expected term"), the estimated volatility of the Company's common stock price over the expected term and the number of options that will ultimately not complete their vesting requirements ("forfeitures"). The Company reviews its valuation assumptions at each grant date and, as a result, is likely to change its valuation assumptions used to value employee stock-based awards granted in future periods. The values derived from using the Black-Scholes model are recognized as an expense over the vesting period, net of estimated forfeitures. The estimation of stock-based awards that will ultimately vest requires judgment. Actual results and future changes in estimates may differ from the Company's current estimates.

The fair value of each stock option grant is estimated on the date of grant using the Black-Scholes option-pricing model based on the assumptions in the table below as it relates to stock options granted during the first six nine months of fiscal 2023 and fiscal 2022.

	July 29, 2023	July 30, 2022	October 28, 2023	October 29, 2022
Expected volatility	86.3% - 92.1%	109.0% - 123.7%	86.3% - 92.1%	87.9% - 123.7%
Risk-free interest rate	3.71%-4.42%	2.52% - 2.87%	3.71%-4.42%	2.52% - 4.41%
Expected term	2.5 yrs.	2.5 - 3.5 yrs.	2.5 yrs.	2.0 - 3.5 yrs.
Dividend rate	—	—	—	—
Weighted average fair value of options granted	$ 3.24	$ 4.98	$ 3.24	$ 3.46

During the third quarter of fiscal 2023, the Company granted performance stock units (PSUs) with a market condition. The respective grant-date fair value and derived service periods assigned to the PSUs were determined using a Monte Carlo model. The valuation included assumptions with respect to the volatility, risk-free rate and cost of equity are discussed in Note 6, "*Stock-Based Compensation*."

Impairment of Long-Lived Assets

The Company reviews its long-lived assets for events or changes in circumstances that might indicate the carrying amount of the assets may not be recoverable. The Company's judgment regarding the identification of impairment indicators is based on operational performance at the store level. Factors considered by the Company that could result in an impairment triggering event include significant changes in the use of assets, a current period operating or cash flow loss, underperformance of a store relative to historical or expected operating results, and an accumulation of costs significantly in excess of the amount originally expected for the construction of the long-lived store assets. The Company assesses the recoverability of the assets by determining whether the carrying value of such assets over their respective remaining lives can be recovered through projected undiscounted future cash flows. The model for undiscounted future cash flows includes assumptions, at the individual store level, with respect to expectations for future sales and gross margin rates as well as an estimate for occupancy costs used to estimate the fair value of the respective store's operating lease right-of-use asset. The amount of impairment, if any, is measured based on projected discounted future cash flows using a discount rate reflecting the Company's average cost of funds.

There were no impairments or non-cash gains recognized in the three months and six nine months ended July 29, 2023 October 28, 2023 or for the three months ended October 29, 2022. For the three months and six nine months ended July 30, 2022 October 29, 2022, the Company recognized a non-cash gains gain of $0.1 million and $0.6 million, respectively. These million. The non-cash gains gain related to the Company's decision to close certain retail stores, which resulted in a revaluation of the existing lease liabilities. The portion of the gains gain that related to previously recorded impairment charges against the operating lease right-of-use asset were was included as an offset to previously recorded asset impairment charges. Accordingly, for the three months and six nine months ended July 30, 2022 October 29, 2022, $0.1 million and $0.4 million respectively, were was included as an offset to asset impairment charges. The remaining gains gain for the three months and six nine months ended July 30, 2022 were October 29, 2022 was included as a reduction of store occupancy costs.

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Leases

The Company determines if an arrangement contains a lease at the inception of a contract. Right-of-use assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Right-of-use ("ROU") assets and lease liabilities are recognized at the commencement date based on the present value of the remaining future minimum lease payments, initial direct costs and any lease incentives are included in the value of those right-of use ROU assets. As the interest rate implicit in the Company's leases is not readily determinable, the Company utilizes its incremental borrowing rate, based on information available at the lease measurement date, to determine the present value of future payments. The Company elected the lessee non-lease component separation practical expedient, which permits the Company to not separate non-lease components from the lease components to which they relate. The Company also made an accounting policy election that the recognition

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requirement of ASC 842 will not be applied to certain, if any, non-store leases, with a term of 12 months or less, recognizing those lease payments on a straight-line basis over the lease term. At July 29, 2023 October 28, 2023, the Company had no short-term leases.

The Company’s store leases typically contain options that permit renewals for additional periods of up to five years each. In general, for store leases with an initial term of 10 years or more, the options to extend are not considered reasonably certain at lease commencement. For store leases with an initial term of 5 years, the Company evaluates each lease independently and, when the Company considers it reasonably certain that it will exercise an option to extend, the associated payment of that option will be included in the measurement of the right-of-use ROU asset and lease liability. Renewal options are not included in the lease term for automobile and equipment leases because they are not considered reasonably certain of being exercised at lease commencement. Renewal options were not considered for the Company’s corporate headquarters and distribution center lease, which was entered into in 2006 and was for an initial 20-year term. At the end of the initial term, the Company will have the opportunity to extend this lease for six additional successive periods of five years.

For store leases, the Company accounts for lease components and non-lease components as a single lease component. Certain store leases may require additional payments based on sales volume, as well as reimbursement for real estate taxes, common area maintenance and insurance, and are expensed as incurred as variable lease costs. Other store leases contain one periodic fixed lease payment that includes real estate taxes, common area maintenance and insurance. These fixed payments are considered part of the lease payment and included in the right-of-use ROU assets and lease liabilities. Tenant allowances are included as an offset to the right-of-use asset and amortized as reductions to rent expense over the associated lease term.

See Note 4, "*Leases*" for additional information.

Recently Issued Accounting Pronouncements - Adopted

In September 2022, the FASB issued Accounting Standards Update ("ASU") 2022-04, *Liabilities – Supplier Finance Programs,* which is intended to enhance the transparency surrounding the use of supplier finance programs in connection with the purchase of goods and services. The guidance requires companies that use supplier finance programs to make annual disclosures about the program’s key terms, the balance sheet presentation of related amounts, the confirmed amount outstanding at the end of the period and associated rollforward information. The new standard does not affect the recognition, measurement, or financial statement presentation of supplier finance program obligations. ASU 2022-04 was adopted in the first quarter of fiscal 2023, with the exception of the rollforward information, which is not effective until fiscal 2024. The adoption of ASU 2022-04 did not have a material effect on the Company's Consolidated Financial Statements as the Company does not participate in supplier finance programs.

Recently Issued Accounting Pronouncements - Not Yet Adopted

In July 2023, the FASB issued ASU 2023-03, *Presentation of Financial Statements (Topic 205), Income Statement - Reporting Comprehensive Income (Topic 220), Distinguishing Liabilities from Equity (Topic 480), Equity (Topic 505), and Compensation - Stock Compensation (Topic 718): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 120, SEC Staff Announcement at the March 24, 2022 EITF Meeting, and Staff Accounting Bulletin Topic 6.B, Accounting Series Release 280 - General Revision of Regulation S-X: Income or Loss Applicable to Common Stock,* which amends or supersedes various SEC paragraphs within the Accounting Standards Codification to conform to past SEC announcements and guidance issued by the SEC. The ASU does not provide any new guidance, and as such, there is no transition effective date. ASU *2023-03* is not expected to have a material impact on the Company's Consolidated Financial Statements.

There were no other new accounting pronouncements, issued or effective during the first six nine months of fiscal 2023, which had or are expected to have a significant impact on the Company's Consolidated Financial Statements.

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2. Revenue Recognition

The Company operates as a retailer of big and tall men's clothing, which includes stores and direct. Revenue is recognized by the operating segment that initiates a customer's order. Store sales are defined as sales that originate and are fulfilled directly at the store level. Direct sales are defined as sales that originate online, including those initiated online at the store level, on its website or on third-party marketplaces. Generally, all revenues are recognized when control of the promised goods is transferred to customers, in an amount that reflects the consideration in exchange for those goods. Sales tax collected from customers and remitted to taxing authorities is excluded from revenue and is included as part of accrued expenses on the Consolidated Balance Sheets.

Unredeemed Gift Cards, Gift Certificates, and Credit Vouchers. Upon issuance of a gift card, gift certificate, or credit voucher, a liability is established for its cash value. The liability is relieved and net sales are recorded upon redemption by the customer. Based on historical redemption patterns, the Company can reasonably estimate the amount of gift cards, gift certificates, and credit vouchers for which redemption is remote, which is referred to as "breakage." Breakage is recognized over two years in proportion to historical redemption trends and is recorded as sales in the Consolidated Statements of Operations. The gift card liability, net of breakage, was $2.3 2.0 million and $3.4 million at July 29, 2023 October 28, 2023 and January 28, 2023, respectively.

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Unredeemed Loyalty Coupons. The Company offers a free loyalty program to its customers for which points accumulate based on the purchase of merchandise. Under ASC 606, *Revenue from Contracts with Customers*, these loyalty points provide the customer with a material right and a distinct performance obligation with revenue deferred and recognized when the points are expected to redeem or expire. The cycle of earning and redeeming loyalty points is generally under one year in duration. The loyalty accrual, net of breakage, was $1.7 million and $1.6 million at July 29, 2023 October 28, 2023 and at January 28, 2023., respectively.

Shipping. Shipping and handling costs are accounted for as fulfillment costs and are included in cost of sales for all periods presented. Amounts related to shipping and handling that are billed to customers are recorded in sales, and the related costs are recorded in cost of goods sold, including occupancy costs, in the Consolidated Statements of Operations.

Disaggregation of Revenue

As noted above under *Segment Information* in Note 1, the Company's business consists of one reportable segment, its retail segment. Substantially all of the Company's revenue is generated from its stores and direct businesses. Results for the second quarter and first six nine months of fiscal 2022 ended October 29, 2022 included operating results from the wholesale segment, which was discontinued in the first quarter of fiscal 2022. Accordingly, the Company has determined that the following sales channels depict the nature, amount, timing, and uncertainty of how revenue and cash flows are affected by economic factors:

(in thousands)	For the Three Months Ended				For the Six Months Ended				For the Three Months Ended				For the Nine Months Ended			
	July 29, 2023		July 30, 2022		July 29, 2023		July 30, 2022		October 28, 2023		October 29, 2022		October 28, 2023		October 29, 2022	
Store sales	$ 97,445	*69.6%*	$ 100,924	*69.8%*	$ 184,742	*69.6%*	$ 189,203	*69.6%*	$ 82,997	*69.6%*	$ 91,770	*70.8%*	$ 267,739	*69.6%*	$ 280,973	*70.0%*
Direct sales	42,598	*30.4%*	43,693	*30.2%*	80,743	*30.4%*	82,687	*30.4%*	36,191	*30.4%*	37,901	*29.2%*	116,934	*30.4%*	120,588	*30.0%*
Retail segment	$ 140,043		$ 144,617		$ 265,485		$ 271,890		$ 119,188		$ 129,671		$ 384,673		$ 401,561	
Wholesale segment	—		17		—		399		—		—		—		399	
Total sales	$ 140,043		$ 144,634		$ 265,485		$ 272,289		$ 119,188		$ 129,671		$ 384,673		$ 401,960	

3. Debt

Credit Agreement with Citizens Bank, N.A.

On October 28, 2021, the Company entered into a credit facility with Citizens Bank, N.A. On April 20, 2023, the Company entered into the First Amendment to Credit Agreement which provided for the replacement of the London Interbank Offering Rate ("LIBOR") interest rate options with the secured overnight financing rate ("SOFR") based options (as amended, the "Credit Facility").

The Credit Facility provides for a $125.0 million secured, asset-based credit facility with a maturity date of October 28, 2026. The maximum committed borrowing of $125.0 million includes a sublimit of $20.0 million for commercial and standby letters of credit and a sublimit of up to $15.0 million for swing line loans. The Company's ability to borrow under the Credit Facility is determined using an availability formula based on eligible assets.

As of Effective April 20, 2023, borrowings under the Credit Facility bear interest at either a Base Rate loan or Daily Simple SOFR rate, at the Company's option. Base Rate loans will bear interest at a rate equal to (i) the greater of: (a) the Prime Rate, (b) the Federal Funds effective rate plus 0.50% per annum and (c) the Daily Simple SOFR rate plus 1.00% per annum (provided the Base Rate shall never be less than the Floor (as defined in the Credit Facility)), plus (ii) a varying percentage, based on the Company's average excess availability, of either 0.25% or 0.50% (the "Applicable Margin"). Daily Simple SOFR loans will bear interest at a rate equal to (i) the Daily Simple SOFR rate plus an adjustment of 0.10% (provided the Daily Simple SOFR rate shall never be less than the Floor), plus (ii) the Applicable Margin. Any swingline loan will continue to bear interest at a rate equal to the Base Rate plus the Applicable Margin. The Company is subject to an unused line fee of 0.25%.

The Company's obligations under the Credit Facility are secured by a lien on substantially all of its assets. If the Company's availability under the Credit Facility at any time is less than the greater of (i) 10% of the Revolving Loan Cap (the lesser of the aggregate revolving commitments or the borrowing base) and (ii) $7.5 million, then the Company is required to maintain a minimum consolidated fixed charge coverage ratio of 1.0:1.0 until such time as availability has exceeded the greater of (1) 10% of the Revolving Loan Cap and (2) $7.5 million for 30 consecutive days.

At July 29, 2023 October 28, 2023, the Company had no borrowings outstanding under the Credit Facility and unused availability was $81.8 87.6 million. The Company had no borrowings during the first six nine months of fiscal 2023, resulting in an average unused excess availability of approximately $85.6 84.3 million. Outstanding standby letters of credit were $4.0 4.3 million and outstanding documentary letters were $1.2 0.4 million at July 29, 2023 October 28, 2023. At July 29, 2023 October 28, 2023, the Company's prime-based interest rate was 8.75%.

4. Leases

The Company leases all of its store locations and its corporate headquarters, which also includes its distribution center, under operating leases. The store leases typically have initial terms of 5 years to 10 years, with options that usually permit renewal for additional five-year periods. The initial term of the lease for the corporate headquarters is for 20 years, with the opportunity to extend for six additional

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consecutive periods of five years, beginning in fiscal 2026. The Company also leases certain equipment and other assets under operating leases, typically with initial terms of 3 to 5 years. The Company is generally obligated for the cost of property taxes, insurance and common area maintenance fees relating to its leases, which are considered variable lease costs and are expensed as incurred.

ASC 842 requires the assessment of any lease modification to determine if the modification should be treated as a separate lease and if not, modification accounting would be applied. Lease modification accounting requires the recalculation of the ROU asset, lease liability and lease expense over the respective lease term. As of July 29, 2023 October 28, 2023, the Company's operating leases liabilities represent the present value of the remaining future minimum lease payments updated based on concessions and lease modifications.

Lease costs related to store locations are included in cost of goods sold including occupancy costs on the Consolidated Statements of Operations, and expenses and lease costs related to the corporate headquarters and equipment leases are included in selling, general and administrative expenses on the Consolidated Statements of Operations.

The following table is a summary of the Company's components of net lease cost for the three and six nine months ended July 29, 2023 October 28, 2023 and July 30, 2022 October 29, 2022:

	For the three months ended		For the six months ended		For the three months ended		For the nine months ended	
	July 29, 2023	July 30, 2022	July 29, 2023	July 30, 2022	October 28, 2023	October 29, 2022	October 28, 2023	October 29, 2022
(in thousands)								
Operating lease cost	$ 11,374	$ 10,744	$ 22,041	$ 21,758	$ 11,420	$ 11,365	$ 33,461	$ 33,123
Variable lease costs(1)	3,293	3,119	6,458	6,273	3,190	3,261	9,648	9,534
Total lease costs	$ 14,667	$ 13,863	$ 28,499	$ 28,031	$ 14,610	$ 14,626	$ 43,109	$ 42,657

(1) Variable lease costs include the cost of property taxes, insurance and common area maintenance fees related to leases.

Supplemental cash flow and balance sheet information related to leases for the first six nine months ended July 29, 2023 October 28, 2023 and July 30, 2022 October 29, 2022 was as follows:

(dollars in thousands)	For the six months ended		For the nine months ended	
Cash paid for amounts included in the measurement of lease liabilities:	July 29, 2023	July 30, 2022	October 28, 2023	October 29, 2022
Operating cash flows for operating leases (1)	$ 24,513	$ 28,281	$ 34,121	$ 42,001
Non-cash operating activities:				
Right-of-use assets obtained in exchange for operating lease liabilities	$ 23,533	$ 14,167	$ 39,119	$ 20,667
Weighted average remaining lease term	4.4 yrs.	4.4 yrs.	4.8 yrs.	4.3 yrs.
Weighted average discount rate	6.41%	6.56%	6.48 %	6.45 %

(1) The cash paid for the first six nine months of fiscal 2023 and fiscal 2022 included prepaid rent of $3.7 0.6 million and $3.6 4.1 million, respectively.

The table below reconciles the undiscounted cash flows for each of the first five years and total of the remaining years to the operating lease liabilities recorded on the Consolidated Balance Sheet as of July 29, 2023 October 28, 2023:

(in thousands)		
2023 (remaining)	$ 21,518	$ 12,086
2024	47,118	49,316
2025	38,081	41,254
2026	25,440	28,561
2027	17,863	21,131
Thereafter	21,902	34,591
Total minimum lease payments	$ 171,922	$ 186,939
Less: amount of lease payments representing interest	22,288	26,599
Present value of future minimum lease payments	$ 149,634	$ 160,340
Less: current obligations under leases	37,727	40,838
Long-term lease obligations	$ 111,907	$ 119,502

As of July 29, 2023 October 28, 2023, the Company had entered into a ten-year store lease that has not yet commenced with aggregated estimated future lease payments of approximately $3.0 1.5 million, which are not included in the above table. The lease is expected to commence in the fall first quarter of fiscal 2023 2024.

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5. Long-Term Incentive Plans

The following is a summary of the Company's Long-Term Incentive Plan ("LTIP"). All equity awards granted under long-term incentive plans are issued from the Company's stockholder-approved 2016 Incentive Compensation Plan. See Note 6, *Stock-Based Compensation*.

The LTIPs are granted annually and each LTIP covers a three-year performance period. Each participant in the LTIP participates based on that participant's "Target Cash Value" which is defined as the participant's annual base salary (on the participant's effective date) multiplied by his or her LTIP percentage. Under each LTIP, 50% of each participant's Target Cash Value is subject to time-based vesting and 50% is subject to performance-based vesting. Awards for any achievement of performance targets are not granted until the performance targets are achieved and then are subject to additional vesting through August 31 following the end of the applicable performance period.

<u>2020-2022 LTIP</u>

The performance targets for the Company's 2020-2022 LTIP were approved by the Compensation Committee of the Board of Directors (the "Compensation Committee") on June 11, 2020, and covered a three-year period performance period, which ended on January 28, 2023. The time-vested portion of the 2020-2022 LTIP vests in four annual installments, with the remaining installment vesting on April 1, 2024.
On March 6, 2023, the Compensation Committee approved a grant of awards equal to $2.8 million for the achievement of the performance target for the 2020-2022 LTIP. The awards were granted on March 23, 2023, following completion of the audited financial statements, in a combination of 50% cash and 50% restricted stock units ("RSUs"). All awards are were subject to further vesting through August 31, 2023. In connection with the grant of 267,219 RSUs, the Company reclassified $1.1 million of its liability accrual from "Accrued expenses and other current liabilities" to "Additional paid-in capital". See the Consolidated Statement of Changes in Stockholders' Equity.

<u>Active LTIPs</u>

At July 29, 2023 October 28, 2023, the Company had three active LTIPs: the 2021-2023 LTIP, the 2022-2024 LTIP and the 2023-2025 LTIP. The time-based awards under the 2021-2023 LTIP were granted in a combination of 25% stock options and 75% cash, and the time-based awards under the 2022-2024 LTIP and the 2023-2025 LTIP were granted in a combination of 50% RSUs and 50% cash.

Performance targets for the 2021-2023 LTIP, 2022-2024 LTIP and the 2023-2025 LITP were established and approved by the Compensation Committee on March 8, 2021, April 9, 2022 and May 1, 2023, respectively. The performance period for each LTIP is three years. Awards for any achievement of performance targets will not be granted until the performance targets are achieved and then will be subject to an additional service requirement through August 31, 2024, August 31, 2025 and August 31, 2026, respectively. The time-based awards under the 2021-2023 LTIP, 2022-2024 LTIP and 2023-2025 LTIP vest in four equal installments through April 1, 2025, April 1, 2026 and April 1, 2027, respectively. Assuming that the Company achieves the performance targets at target levels and all time-based awards vest, the compensation expense associated with the 2021-2023 LTIP, 2022-2024 LTIP and 2023-2025 LTIP is estimated to be approximately $4.1 million, $4.7 million and $4.9 million, respectively. Approximately half of the compensation expense for each LTIP relates to the time-based awards, which are being expensed straight-line over 49 months, 48 months and 47 months, respectively.

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At July 29, 2023 October 28, 2023, the Company had accrued $2.0 2.3 million under the 2021-2023 LTIP and $1.4 million under the 2022-2024 LTIP for the performance awards. At July 29, 2023 October 28, 2023, the Company had no accrual for the performance-based awards under the 2023-2025 LTIP.

6. Stock-Based Compensation

The Company has one active stock-based compensation plan: the 2016 Incentive Compensation Plan (as amended, the “2016 Plan”). The initial share reserve under the 2016 Plan was 5,725,538 shares of common stock. A grant of a stock option award or stock appreciation right will reduce the outstanding reserve on a one-for-one basis, meaning one share for every share granted. A grant of a full-value award, including, but not limited to, restricted stock, restricted stock units and deferred stock, will reduce the outstanding reserve by a fixed ratio of 1.9 shares for every share granted. The Company’s shareholders approved amendments to increase the share reserve by At October 28, 2023, 2,800,000 15,120,538 shares on August 8, 2019, an additional 1,740,000 shares on August 12, 2020, and an additional 4,855,000 on August 5, 2021. At July 29, 2023, the Company had 3,374,231 shares available were authorized under the 2016 Plan. Plan, of which 2,288,734 shares remained available for grant.

In accordance with the terms of the 2016 Plan, any shares outstanding under the previous 2006 Incentive Compensation Plan (the “2006 Plan”) at August 4, 2016 that subsequently terminate, expire or are cancelled for any reason without having been exercised or paid are added back and become available for issuance under the 2016 Plan, with stock options being added back on a one-for-one basis and full-value awards being added back on a 1 to 1.9 basis. At July 29, 2023 October 28, 2023, 90,487 stock options remained outstanding under the 2006 Plan.

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The 2016 Plan is administered by the Compensation Committee. The Compensation Committee is authorized to make all determinations with respect to amounts and conditions covering awards. Options are not granted at a price less than fair value on the date of the grant. Except with respect to 5% of the shares available for awards under the 2016 Plan, no award will become exercisable unless such award has been outstanding for a minimum period of one year from its date of grant.

The following tables summarize the share activity and stock option activity for the first six nine months of fiscal 2023:

Shares	RSUs (1)	Deferred shares (2)	Performance Share Units (3)	Fully-Vested Shares (4)	Total number of shares	Weighted-average grant-date fair value	RSUs (1)	Deferred shares (2)	Performance Share Units (3)	Fully-Vested Shares (4)	Total number of shares	Weighted-average grant-date fair value
Outstanding non-vested shares at beginning of year	520,008	435,568	240,000	—	1,195,576	$ 2.51	520,008	435,568	240,000	—	1,195,576	$ 2.51
Shares granted	547,294	—	—	11,924	559,218	$ 4.79	547,294	—	573,000	19,772	1,140,066	$ 4.50
Shares vested and/or issued	(251,053)	—	—	(11,924)	(262,977)	$ 2.76	(535,786)	—	—	(19,772)	(555,558)	$ 4.07
Shares expired	—	—	(240,000)	—	(240,000)	$ 1.07	—	—	(240,000)	—	(240,000)	$ 1.07
Shares forfeited	(50,612)	—	—	—	(50,612)	$ 7.35	(50,612)	—	—	—	(50,612)	$ 7.35
Outstanding non-vested shares at end of quarter	765,637	435,568	—	—	1,201,205	$ 3.60	480,904	435,568	573,000	—	1,489,472	$ 3.52

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(1) During the first six nine months of fiscal 2023, the Company granted RSUs for the achievement of performance metrics under the 2020-2022 LTIP that are were subject to additional vesting through August 31, 2023 and time-based RSUs under its 2023-2025 LTIP. LTIPs. See Note 5, *Long-Term Incentive Plans*. As a result of net share settlements, of the 251,053 535,786 RSUs that vested, only 169,825 383,174 shares of common stock were issued.

(2) The outstanding deferred shares will be issued upon the director's separation from service.

(3) Represented On August 11, 2023, the remaining Company granted 573,000 performance share units ("PSUs" ("PSUs") granted in connection with the extension of Mr. Kanter's employment agreement. The award consists of nine tranches, with the first tranche vesting if and when the 30-day volume-weighted closing price of the Company's common stock is equal to Mr. Kanter or greater than $6.50 per share. Each subsequent tranche will vest upon achievement of the 30-day volume-weighted closing price of the Company's common stock in February 2019 $0.25 installments with the ninth tranche vesting when such price is equal to or greater than $8.50 per share. The PSUs are subject to a one-year minimum vesting period, and any unvested PSUs will expire on August 11, 2026. The $2.4 million fair value is being expensed over the respective derived service periods of each tranche which expired unvested range from 12 to 13 months. The respective fair value and derived service periods assigned to the PSUs were determined using a Monte Carlo model based on: a weighted historical volatility of 57.8%, a term of 3 years, stock price on April 1, 2023 the date of grant of $4.98 per share, a risk-free rate of 4.6% and a cost of equity of 11.0%.

(4) Represented compensation, with a fair value of $60,746 101,242, to certain directors, who are required to receive shares, in lieu of cash, in order to satisfy their minimum equity ownership under the Non-Employee Director Compensation Plan. Voluntary shares received, in lieu of cash, are reported below under *Non-Employee Director Compensation Plan*.

	Number of shares	Weighted-average exercise price per option	Weighted-average remaining contractual term	Aggregate intrinsic value	Number of shares	Weighted-average exercise price per option	Weighted-average remaining contractual term	Aggregate intrinsic value
Stock Options								
Outstanding options at beginning of year	3,556,434	$ 0.83	7.4 years	$ 23,238,665	3,556,434	$ 0.83	7.4 years	$ 23,238,665

Options granted	1,317	$ 5.91	—	—	1,317	$ 5.91	—	—
Options exercised	(165,878)	$ 1.60		567,537	(210,225)	$ 1.41		729,318
Options expired and canceled	(31,007)	$ 3.95	—	49,037				
Options expired					(18,115)	$ 5.04		—
Options forfeited					(12,892)	$ 2.42	—	49,037
Outstanding options at end of quarter	3,360,866	$ 0.76	6.9 years	$ 14,904,397	3,316,519	$ 0.76	6.7 years	$ 10,973,281
Options exercisable at end of quarter	2,102,251	$ 0.81	6.8 years	$ 9,216,556	2,062,614	$ 0.82	6.5 years	$ 6,729,437

For the first six nine months of fiscal 2023, the Company granted stock options to purchase an aggregate of 1,317 shares of common stock, 547,294 restricted stock units and 11,924 19,772 fully-vested shares. For the first six nine months of fiscal 2022, the Company granted stock options to purchase an aggregate of 3,640 15,747 shares of common stock, 496,467 563,691 restricted stock units and 17,532 27,386 fully-vested shares.

Subsequent to the end of the second quarter of fiscal 2023, on August 11, 2023, in connection with the extension of Mr. Kanter's employment agreement, the Company granted 573,000 PSUs to Mr. Kanter. The award consists of nine tranches, with the first tranche vesting if and when the 30-day volume-weighted closing price of the Company's common stock is equal to or greater than $6.50 per share. Each subsequent tranche will vest in $0.25 increments with the ninth tranche vesting when the 30-day volume-weighted closing price of the Company common stock is equal to or greater than $8.50 per share. The PSUs are subject to a one-year minimum vesting period, and any unvested PSUs will expire on August 11, 2026.

Non-Employee Director Compensation Plan

The Company granted 28,349 42,156 shares of common stock, with a fair value of approximately $159,357 230,601, to certain of its non-employee directors as compensation in lieu of cash in the first six nine months of fiscal 2023. These shares are in addition to any shares that may be granted under the 2016 Plan related to the requirement to receive equity if a director has not yet satisfied his or her minimum equity ownership requirement under the Non-Employee Director Compensation Plan.

Stock Compensation Expense

The Company recognized total stock-based compensation expense of $0.8 1.6 million and $1.1 million for the first six nine months of both fiscal 2023 and fiscal 2022. 2022, respectively. The total compensation cost related to time-vested stock options, RSU awards, and RSU PSU awards not yet recognized as of July 29, 2023 October 28, 2023 was approximately $2.5 4.1 million, net of estimated forfeitures, which will be expensed over a weighted average remaining life of 34 22 months.

7. Equity and Earnings per Share

The following table provides a reconciliation of the number of shares outstanding for basic and diluted earnings per share:

	For the three months ended		For the six months ended		For the three months ended		For the nine months ended	
	July 29, 2023	July 30, 2022	July 29, 2023	July 30, 2022	October 28, 2023	October 29, 2022	October 28, 2023	October 29, 2022
(in thousands)								
Common stock outstanding:								
Basic weighted average common shares outstanding	61,977	62,688	62,334	63,384	60,169	62,016	61,612	62,928
Common stock equivalents – stock options, restricted stock units and deferred stock	3,472	3,982	3,495	4,135	3,295	4,213	3,383	4,178
Diluted weighted average common shares outstanding	65,449	66,670	65,829	67,519	63,464	66,229	64,995	67,106

The following potential common stock equivalents were excluded from the computation of diluted earnings per share in each period, because the exercise price of such options was greater than the average market price per share of common stock for the respective periods or because the unearned compensation associated with stock options or restricted stock units had an anti-dilutive effect.

	For the three months ended	For the six months ended	For the three months ended	For the nine months ended

(in thousands, except exercise prices)	July 29, 2023	July 30, 2022	July 29, 2023	July 30, 2022	October 28, 2023	October 29, 2022	October 28, 2023	October 29, 2022
Stock options	100	306	100	306	104	31	99	256
Restricted stock units	179	490	24	488	41	55	17	65
Range of exercise prices of such options	$4.48-$ 6.59	$4.48 - $5.50	$4.48 - $6.59	$4.48 - $5.50	$4.48-$6 .59	$4.48 - $6.59	$4.48 - $6.59	$4.48 - $6.59

The above options, which were outstanding at July 29, 2023 October 28, 2023, expire from January 29, 2024 to March 20, 2033.

Deferred Excluded from the computation of basic and diluted earnings per share were 573,000 shares for the third quarter and first nine months of fiscal 2023 and 240,000 shares for the third quarter and first nine months of fiscal 2022 of unvested performance stock units. These performance-based awards are included in the computation of basic and diluted earnings per share if, and when, the respective performance targets are achieved. In addition, 435,568 shares of deferred stock at July 29, 2023 October 28, 2023 and at July 30, 2022 was October 29, 2022 were

excluded from the computation of basic earnings per share. Shares of deferred stock are not considered issued and outstanding until the vesting date of the deferral period.

8. Income Taxes

In the second quarter of fiscal 2022, the Company determined that it was more likely than not that it would be able to realize the benefits of substantially all of its deferred tax assets in the United States. Accordingly, in the second quarter of fiscal 2022, the Company released substantially all of its deferred tax valuation allowance. As a result of the valuation allowance being released, the Company returned to a normal tax provision for fiscal 2023.

The Company's tax provision for income taxes for interim periods is determined using an estimate of its annual effective tax rate, adjusted for discrete items, if any. Each quarter, the Company updates its estimate of the annual effective taxrate and makes a year-to-date adjustment to the provision.

For the third quarter and first nine months of fiscal 2023, the Company’s effective tax rate was 30.2% and 27.2%, respectively.

For the third quarter of fiscal 2022, the effective tax rate was 16.6% and primarily reflected a $2.0 million discrete tax expense to adjust the release of valuation allowance. For the first nine months of fiscal 2022, the Company recognized an income tax benefit of $32.9 million, which included a discrete tax benefit of $33.5 million for the release of the valuation allowance discussed above.

The Company made tax payments of $0.7 million and $0.3 million for the first nine months of fiscal 2023 and fiscal 2022, respectively.

9. Termination of Retirement Plans

Noncontributory Pension Plan

In connection with the acquisition of Casual Male Corp. in May 2002, the Company assumed the assets and liabilities of the Casual Male Noncontributory Pension Plan "Casual Male Corp. Retirement Plan", which was previously known as the J. Baker, Inc. Qualified Plan (the "Pension Plan"). Casual Male Corp. froze all future benefits under this plan on May 1, 1997.

On May 3, 2023, the Audit Committee approved the termination of the Pension Plan, which was then approved and ratified by the Board of Directors on May 4, 2023 with a final termination approval on June 8, 2023. On July 1, 2023, the Company completed a partial settlement through the purchase of nonparticipating annuities. The Company made a cash contribution during the first nine months of fiscal 2023 of $1.7 million. The remaining pension liability, net of plan assets, at October 28, 2023 was approximately $0.1 million. The remaining plan assets are invested in short-term investments and cash equivalents.

Results for the nine months ended October 28, 2023, included a charge of $4.2 million recorded in the second quarter, representing a pro-rata portion of the unrealized loss in "Accumulated Other Comprehensive Loss" on the Consolidated Balance Sheet. The Company expects to settle the remaining obligation under the Pension Plan by the end of fiscal 2023, at which time the Company will recognize the remaining unrealized loss, including any remaining tax effects, that is part of "Accumulated Other Comprehensive Loss."

Net periodic pension cost for the three and nine months ended October 28, 2023 and October 29, 2022 was as follows:

	For the three months ended		For the nine months ended	
	October 28, 2023	October 29, 2022	October 28, 2023	October 29, 2022
Net periodic pension cost:		*(in thousands)*		
Interest cost on projected benefit obligation	$ 131	$ 102	$ 392	$ 309
Expected return on plan assets	(150)	(179)	(450)	(541)
Amortization of unrecognized loss	66	68	197	203
Loss on pension plan termination		—	4,174	—
Net periodic pension cost (income)	$ 47	$ (9)	$ 4,313	$ (29)

Assumptions used were as follows:

	For the three and nine months ended	
	October 28, 2023	October 29, 2022

Discount rate	5.2 %	3.0 %
Expected return on plan assets	5.1 %	6.5 %

Supplemental Executive Retirement Plan ("SERP")

In connection with the acquisition of Casual Male Corp. in May 2002, the Company also assumed the liability of the Casual Male Supplemental Executive Retirement Plan.

On May 3, 2023, the Audit Committee approved the termination of the SERP, which was then approved and ratified by the Board of Directors on May 4, 2023**.** During the third quarter of fiscal 2023, the Company completed the termination of the SERP though the purchase of a nonparticipating annuity. In connection with that termination, during the third quarter of fiscal 2023, the Company made a cash contribution of $0.4 million and recognized a loss on the termination of the plan of $57,000, which included the recognition of the unrealized loss of $31,000 in Accumulated Other Comprehensive Loss.

10. Fair Value Measurement

At October 28, 2023 and January 28, 2023, the Company held U.S. treasury bills which were classified as held-to maturity and carried at amortized cost.

		Fair Value		
(in thousands)	Carrying value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
At October 28, 2023:				
Short-term investments:				
U.S. Treasury Bills	49,632	49,652	—	—
At January 28, 2023				
Cash equivalents:				
U.S. Treasury Bills	29,076	29,071	—	—

11. Stock Repurchase Program and Subsequent Event

On March 14, 2023, the Company's Board of Directors ("Board") approved a stock repurchase program, effective March 16, 2023. Under the program, the Company is was initially authorized to repurchase up to $15.0 million of its common stock, including excise tax, through open market and privately negotiated transactions. The Company completed the initial authorization during the third quarter of fiscal 2023.

Subsequent to the end of the third quarter, on November 15, 2023, the Board approved an amendment to the stock repurchase program to increase the amount authorized under the program from $15.0 million to $25.0 million, effective November 17, 2023. The timing and the amount of any repurchases of common stock will be determined based on the Company's evaluation of market conditions and other factors. The stock repurchase program will expire on March 16, 2024, but may be suspended, terminated or modified at any time for any reason. The Company expects to finance the any repurchases from cash generated from operations.

During the second quarter first nine months of fiscal 2023, the Company repurchased 2.2 3.1 million shares at an aggregate cost of $10.8 14.9 million, excluding excise taxes. The Inflation Reduction Act of 2022 imposed a nondeductible 1% excise tax on the net value of certain share repurchases made after December 31, 2022. Beginning in fiscal year 2023, the applicable excise tax is being charged to additional paid-in capital in the Company's Consolidated Balance Sheet as part of the cost basis of the shares repurchased, with the corresponding liability for the excise tax payable recorded in accrued expenses and other current liabilities. This liability is partially offset by a 1% credit permitted under the rules for the fair value of shares issued by the Company. For the six nine months ended July 29, 2023 October 28, 2023, the Company has accrued $0.1 million for the payment of excise taxes.

9. Income Taxes

In the second quarter of fiscal 2022, the Company determined that it was more likely than not that it would be able to realize the benefits of substantially all of its deferred tax assets in the United States. Accordingly, in the second quarter of fiscal 2022, the Company released substantially all of its deferred tax valuation allowance. As a result of the valuation allowance being released, the Company returned to a normal tax provision for fiscal 2023.

For the second quarter and first six months of fiscal 2023, the Company's effective tax rate was 26.4% and 26.5%, respectively.

During the second quarter and first six months of fiscal 2022, the Company recorded an income tax benefit of $35.1 million and $35.0 million, respectively. Excluding the release of $35.5 million in valuation allowance, the Company recorded income tax expense of $408,000 and $511,000, respectively, primarily related to income tax in states where NOL usage was statutorily limited.

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The Company made tax payments of $0.3 million for the first six months of fiscal 2023, and no tax payments for the first six months of fiscal 2022.

10. Termination of Noncontributory Pension Plan

In connection with the acquisition of Casual Male Corp. in May 2002, the Company assumed the assets and liabilities of the Casual Male Noncontributory Pension Plan "Casual Male Corp. Retirement Plan", which was previously known as the J. Baker, Inc. Qualified Plan (the "Pension Plan"). Casual Male Corp. froze all future benefits under this plan on May 1, 1997.
On May 3, 2023, the Audit Committee approved the termination of the Pension Plan, which was then approved and ratified by the Board of Directors on May 4, 2023 with a final termination approval on June 8, 2023. On July 1, 2023, the Company completed a partial settlement through the purchase of nonparticipating annuities. The Company made a cash contribution during the first six months of fiscal 2023 of $1.6 million. The remaining pension liability, net of plan assets, at

July 29, 2023 is approximately $0.2 million. The remaining plan assets are invested in short-term investments and cash equivalents.

In the second quarter of fiscal 2023, the Company recognized a charge of $4.2 million, representing a pro-rata portion of the unrealized loss in "Accumulated Other Comprehensive Loss" on the Consolidated Balance Sheet. The Company expects to settle the remaining obligation and terminate the Pension Plan by the end of fiscal 2023, at which time the Company will recognize the remaining unrealized loss that is part of "Accumulated Other Comprehensive Loss."

Net periodic pension cost for the three and six months ended July 29, 2023 and July 30, 2022 was as follows:

	For the three months ended		For the six months ended	
	July 29, 2023	July 30. 2022	July 29, 2023	July 30. 2022
Net periodic pension cost:	*(in thousands)*			
Interest cost on projected benefit obligation	$ 129	$ 102	$ 261	$ 207
Expected return on plan assets	(160)	(178)	(300)	(362)
Amortization of unrecognized loss	65	68	131	135
Loss on pension plan termination	4,174	—	4,174	—
Net periodic pension cost (income)	$ 4,208	$ (8)	$ 4,266	$ (20)

Assumptions used were as follows:

	For the six months ended	
	July 29, 2023	July 30. 2022
Discount rate	5.2 %	3.0 %
Expected return on plan assets	5.1 %	6.5 %

11. Fair Value Measurement

At July 29, 2023 and January 28, 2023, the Company held U.S. treasury bills which were classified as held-to maturity and carried at amortized cost.

		Fair Value		
(in thousands)	Carrying value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
At July 29, 2023:				
Cash equivalents:				
U.S. Treasury Bills	5,058	5,061	—	—
Short-term investments:				
U.S. Treasury Bills	43,536	43,513	—	—

At January 28, 2023				
Cash equivalents:				
U.S. Treasury Bills	29,076	29,071	—	—

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

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Quarterly Report on Form 10-Q constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995. In some cases, forward-looking statements can be identified by the use of forward-looking terminology such as "may," "will," "estimate," "intend," "plan," "continue," "believe," "expect" or "anticipate" or the negatives thereof, variations thereon or similar terminology. The forward-looking statements contained in this Quarterly Report are generally located in the material set forth under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations," but may be found in other locations as well, and include statements regarding our long-range strategic growth plan and our ability to achieve accelerated growth in the future; the expected impact of our strategic initiatives, including with respect to raising brand awareness, store development, website replatform and future alliances and collaborations; expected marketing costs, gross margin rates and expected capital expenditures in 2023; expected timing of stock repurchases under our board-approved stock repurchase program; and expected changes in our store portfolio and long-term plans for new or relocated stores. These forward-looking statements generally relate to plans and objectives for future operations and are based upon management's reasonable estimates of future results or trends. The forward-looking statements in this Quarterly Report should not be regarded as a representation by us or any other person that our objectives or plans will be achieved. The following discussion of our financial condition and results of operations should be read in conjunction with the unaudited Consolidated Financial Statements and notes to those statements included elsewhere in this Quarterly Report and our audited Consolidated Financial Statements for the year ended January 28, 2023, included in our Annual Report on Form 10-K for the year ended January 28, 2023, as filed with the Securities and Exchange Commission on March 16, 2023 (our "Fiscal 2022 Annual Report").

Numerous factors could cause our actual results to differ materially from such forward-looking statements. This discussion sets forth certain risks and uncertainties that may have an impact on future results and direction of our Company, including, without limitation, risks related to inflationary pressures, changes in consumer spending in response to economic factors, increased labor costs and potential labor shortages, the continuing economic impact of the Russian invasion of Ukraine and the war in the Middle East, our ability to manage appropriate inventory levels, our ability to successfully execute on our strategic initiatives, our ability to predict customer tastes and fashion trends, our ability to grow market share, our ability to forecast sales growth trends and compete in the market, and the other risks and uncertainties set forth in the "Risk Factors" section in Part I, Item 1A of our Fiscal 2022 Annual Report.

All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the foregoing. These forward-looking statements speak only as of the date of the document in which they are made. We disclaim any obligation or undertaking to provide any updates or revisions to any forward-looking statement to reflect any change in our expectations or any change in events, conditions or circumstances in which the forward-looking statement is based.

BUSINESS SUMMARY

Destination XL Group, Inc., together with our consolidated subsidiaries (the "Company"), is the largest specialty retailer of big and tall men's clothing with retail and direct operations in the United States. We operate under the trade names of Destination XL®, DXL®, DXL Outlets, Casual Male XL® and Casual Male XL Outlets. At July 29, 2023 October 28, 2023, we operated 219 226 Destination XL stores, 16 DXL outlet stores, 27 21 Casual Male XL retail stores, 19 Casual Male XL outlet stores and a digital business, including an e-commerce site at dxl.com and a mobile site, m.destinationXL.com, mobile app and third-party marketplaces.

Unless the context indicates otherwise, all references to "we," "our," "us" and "the Company" refer to Destination XL Group, Inc. and our consolidated subsidiaries. We refer to our fiscal years, which end on February 3, 2024, January 28, 2023 and January 29, 2022 as "fiscal 2023", "fiscal 2022," and "fiscal 2021" respectively. Fiscal 2023 is a 53-week period and fiscal 2022 and fiscal 2021 were 52-week periods.

SEGMENT REPORTING

We currently have two principal operating segments: our stores and direct business. We consider our stores and direct business segments to be similar in terms of economic characteristics, production processes and operations, and have therefore aggregated them into one reportable segment, retail segment, consistent with our omni-channel business approach.

COMPARABLE SALES

Our customer's shopping experience continues to evolve across multiple channels, and we are continually adapting to meet the guest's needs. The majority of our stores have the capability of fulfilling online orders if merchandise is not available in the warehouse. As a result, we continue to see more transactions that begin online but are ultimately completed at the store level. Similarly, if a customer

visits a store and the item is out of stock, the associate can order the item through our website. A customer also has the ability to order online and pick-up in a store and at curbside. We define store sales as sales that originate and are fulfilled directly at the store level. Digital commerce sales, which we also refer to as direct sales, are defined as sales that originate online, whether through our website, at the store level or through a third-party marketplace.

Stores that have been open for at least 13 months are included in comparable sales. Stores that have been remodeled or re-located relocated during the period are also included in our determination of comparable stores sales. Stores that have been expanded by more than 25% are considered non-comparable for the first 13 months. If a store is temporarily closed for more than 7 days, it is removed from the calculation of comparable sales until it reopens and upon its anniversary is once again removed from the calculation until the reopen date. The method of calculating comparable sales varies across the retail industry and, as a result, our calculation of comparable sales is not necessarily comparable to similarly titled measures reported by other retailers.

EXECUTIVE SUMMARY

	For the three months ended		For the six months ended		For the three months ended		For the nine months ended	
	July 29, 2023	July 30, 2022	July 29, 2023	July 30, 2022	October 28, 2023	October 29, 2022	October 28, 2023	October 29, 2022
(in millions, except percentage of sales and per share data)								
Sales	$ 140.0	$ 144.6	$ 265.5	$ 272.3	$ 119.2	$ 129.7	$ 384.7	$ 402.0
Net income	$ 11.6	$ 56.9	$ 18.6	$ 70.3	$ 4.0	$ 10.5	$ 22.6	$ 80.8
Adjusted net income (Non-GAAP basis)	$ 14.8	$ 16.1	$ 21.8	$ 25.8	$ 4.2	$ 9.2	$ 25.8	$ 34.6
Adjusted EBITDA (Non-GAAP basis)	$ 22.9	$ 25.9	$ 35.6	$ 43.1	$ 8.6	$ 16.4	$ 44.2	$ 59.6
Gross margin. as a percentage of sales	50.3 %	52.1 %	49.5 %	51.1 %	47.5 %	50.0 %	48.8 %	50.8 %
SG&A expenses, as a percentage of sales	33.9 %	34.2 %	36.1 %	35.3 %	40.2 %	37.3 %	37.4 %	35.9 %

Per diluted share:								
Net income	$ 0.18	$ 0.85	$ 0.28	$ 1.04	$ 0.06	$ 0.16	$ 0.35	$ 1.20
Adjusted net income (Non-GAAP basis)	$ 0.23	$ 0.24	$ 0.33	$ 0.38	$ 0.07	$ 0.14	$ 0.40	$ 0.52

Our comparable sales for the second third quarter of fiscal 2023 decreased 1.4%, 6.7% with comparable sales from our first stores down 8.1% and our direct business down 3.2%. The decrease since the fourth quarter of fiscal 2020, as we compared against was primarily driven by a strong prior year second quarter. During the second quarter, we saw a decrease slowdown in dollars per transaction, a reflection of the continuing economic headwinds. However, traffic improved as the quarter progressed, resulting in a positive comp of 1.0% in July. traffic. Despite the this pressure on top-line growth, our top line results, we continue to proactively manage maintained a solid gross margin, managed our inventory operating expenses, and operating costs, which has resulted in a strong generated net income of $0.06 per diluted share and an adjusted EBITDA margin (a non-GAAP measure) for the quarter of 16.4% 7.3%. While Further, we saw improvement at the end of the second quarter, traffic has slowed during the first few weeks of the third quarter, up against a strong prior continued to strengthen our financial position, successfully managing our inventory levels, which are down 6.5% to last year, with comparable sales trending down and we generated $22.7 million in the mid-single digits.

In the second quarter of fiscal 2023, our Board approved the termination of our frozen, noncontributory pension plan. Given the current high interest rates, we saw this as an opportunistic use of excess free cash flow year to eliminate this variable liability. In connection with that decision, during the second quarter, we completed a partial settlement of our pension obligations through the purchase of nonparticipating annuities. As a result, during the second quarter of fiscal 2023, we recognized a loss of $4.2 million, representing a pro-rata portion of the unrealized loss in Accumulated Other Comprehensive Loss. We expect to complete the termination of the pension plan by the end of fiscal 2023.date.

Net income for the second third quarter of fiscal 2023 was $11.6 million $4.0 million, or $0.18 $0.06 per diluted share, as compared to net income of $56.9 million $10.5 million, or $0.85 $0.16 per diluted share, for the second third quarter of fiscal 2022.

For the first nine months of fiscal 2023, net income was $22.6 million, or $0.35 per diluted share, as compared to net income of $80.8 million, or $1.20 per diluted share, for the first nine months of fiscal 2022. Net income for the second quarter first nine months of fiscal 2022 included the release of substantially all of the valuation allowance against our deferred tax assets. Assuming a normalized tax rate and adjusting for the loss from the pension retirement plan termination terminations and asset impairments (gains), if any, on a non-GAAP basis, adjusted net income for the second quarter first nine months of fiscal 2023, was $14.8 million $25.8 million, or $0.23 per diluted share, as compared to adjusted net income of $16.1 million, or $0.24 per diluted share, for the second quarter of fiscal 2022.

For the first six months of fiscal 2023, net income was $18.6 million, or $0.28 $0.40 per diluted share, as compared to net income of $70.3 million $34.6 million, or $1.04 $0.52 per diluted share, for the first six nine months of fiscal 2022. Adjusted net income for the first six months of fiscal 2023, was $21.8 million, or $0.33 per diluted share, as compared to net income of $25.8 million, or $0.38 per diluted share, for the first six months of fiscal 2022.

As of July 29, 2023 October 28, 2023, we had cash and investments of $62.8 million $60.4 million as compared to $22.2 million $23.5 million at July 30, 2022 October 29, 2022. As of July 29, 2023 October 28, 2023, we had no debt outstanding, unused excess availability of $81.8 million $87.6 million, and no borrowings during the quarter. Our inventory was in a healthy position at quarter-end, down 9.5% as compared to July 30, 2022. Inventory turnover, as of July 29, 2023, has improved over 28% from fiscal 2019 levels. first nine months. With cash on hand, no outstanding debt and full availability under our credit facility, we are continuing to pursue our strategic initiatives this year to grow our business.

As discussed below, during Through the second quarter of fiscal 2023, nine months ended October 28, 2023, we repurchased 2.2 million 3.1 million shares at a total cost, including fees, of $10.8 million $14.9 million. Subsequent to the end of the third quarter of fiscal 2023, effective November 17, 2023 the Board of Directors amended the stock repurchase program to increase the number of shares authorized to be repurchased from $15.0 million to $25.0 million.

In May 2023, we also made the decision to terminate our frozen, noncontributory pension plan and the frozen supplemental executive retirement plan ("SERP"). Given the current high interest rates, we saw this as an opportunistic use of excess cash to eliminate these variable liabilities. In connection with that decision, during the second quarter, we completed a partial settlement of our pension obligations through the purchase of nonparticipating annuities. Our results for the nine months ended October 28, 2023 include a loss of $4.2 million, within representing a pro-rata portion of the Board's authorized $15.0 million share repurchase. unrealized loss in Accumulated Other Comprehensive Loss. We expect to complete the final settlement of the terminated pension plan by the end of fiscal 2023. In the third quarter, we completed the termination of the SERP plan, recognizing a loss for the three and nine months ended October 28, 2023 of $0.1 million.

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Our Future Growth Strategy

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Last quarter, we shared our long-term strategic plan to meaningfully accelerate the growth trajectory of the Company. We are actively working on these initiatives and continue to believe there is a substantial opportunity to take a greater share of market and grow our top line. Despite this more challenging quarter, we remain relentlessly disciplined and committed to our strategy and initiatives.

Our Company is in a fundamentally different position today than it was pre-pandemic. We have achieved a heightened level of operational excellence, recapitalized our balance sheet to provide a greater level of financial flexibility, made investments in our technical capabilities, and upgraded our leadership team. Since we repositioned DXL in fiscal 2019, we have grown comparable sales by more than 25% and more than doubled our adjusted EBITDA margin rate. This trajectory supports our strong belief in the longer-term opportunity for DXL in the men’s big & tall apparel category. As we look beyond fiscal 2023, we are excited about our long-term growth plan. Our goal is to meaningfully accelerate the trajectory of the Company meaningfully over the next three to five years, by focusing on three four specific growth initiatives: brand-building, store development, website replatform, brand building and alliances/collaborations.

Store Development: As we have stated before, we believe there are at least 50 net new store opportunities. New store development addresses another factor critical to our growth. While we have stores in every major metro market across the United States, there are voids in certain markets where big + tall consumers are not being serviced by a DXL. In our most recent research across 2,500 big + tall men, both customers and non-customers, 49% self-reported that they do not shop with us because a store is not near them, while 37% self-reported that they do not shop with us because a store location is not convenient. This quarter, we opened our first new DXL store since 2018 in Queens, NY. We expect to open two more new stores before year-end and plan to open another 10 new stores in fiscal 2024 and 15 to 20 new stores in fiscal 2025. We have also converted seven Casual Male stores to DXL this year and expect to convert three more by the end of 2023.

Website Replatform: We are upgrading our website from legacy infrastructure to a modern commerce platform, with features and functionality launching throughout 2024. We believe this modernization will offer immediate performance improvements and customer experience benefits, while positioning us to deliver a greater pace of change in the future.

Marketing and Brand-Building: We believe one of our greatest opportunities is to address our overall brand awareness levels. Over the past few years, we have transformed our brand position and differentiated ourselves in terms of experience, fit, and assortment. However, many of our target consumers simply do not know DXL. We now have the financial flexibility, informed consumer research, and the right messaging to invest in building our brand. For the past several years, our advertising-to-sales ratio has been between 5.0% to 6.0%. Our plan is to increase our advertising-to-sales ratio over the next few years. We expect over the next few years to invest more in brand building and top-of-funnel marketing to grow our customer file.

Store Development: As we We have stated before, we believe there begun a search for a creative agency to develop, build and execute a campaign that will drive an emotional connection to the brand and drive brand awareness. We are at least 50 net new store opportunities. New store development addresses another factor critical to our growth. While we have stores in every major metro market across the United States, there are voids in certain markets where big & tall consumers are not being serviced by targeting a DXL. In our most recent research across 2,500 big + tall men, both customers and non-customers, 49% self-reported that they do not shop with us because a store is not near them, while 37% self-reported that they do not shop with us because a store location is not convenient. This year, we expect to open our first three new stores since fiscal 2018, with plans to open another 10 new stores in fiscal campaign launch for late Spring 2024 and 15 we are prepared to 20 new stores in fiscal 2025. conservatively spend another 1.0% to 2.0% of sales to initially fund that initiative and, with results, fund our marketing and brand building initiatives at greater levels over time.

Alliances/Collaborations: We strongly believe that our "fit authority" is one of our biggest assets and that we can develop successful collaborations with other brands, who are interested in finding a cost-effective way to expand their offering to include big & + tall men's apparel. In September, During the third quarter, we will be launching Untuckit, launched UNTUCKit, Fit by DXL in partnership with Untuckit to be UNTUCKit which is being sold exclusively by DXL. In addition, we also are adding added Hugo Boss and Faherty to our list of national brands this Fall, quarter, each with a level of merchandise exclusivity that cannot be found elsewhere. All three programs have exceeded our initial expectations and we will look for door expansions in all three for fiscal 2024. We believe these examples are only the beginning, and we are working in real-time on additional retail brand alliances. Lastly, we also launched our new fit technology and size mapping in two twelve of our stores, with plans to expand to an additional 10 stores by the end of the month.stores.

RESULTS OF OPERATIONS

Sales

The following table presents sales by segment for the three and six nine months ended July 29, 2023 October 28, 2023 and July 30, 2022 October 29, 2022:

(in thousands)	For the Three Months Ended July 29, 2023		For the Three Months Ended July 30, 2022		For the Six Months Ended July 29, 2023		For the Six Months Ended July 30, 2022		For the Three Months Ended October 28, 2023		For the Three Months Ended October 29, 2022		For the Nine Months Ended October 28, 2023		For the Nine Months Ended October 29, 2022	
Store sales	$ 97,445	69.6%	$ 100,924	69.8%	$ 184,742	69.6%	$ 189,203	69.6%	$ 82,997	69.6%	$ 91,770	70.8%	$ 267,739	69.6%	$ 280,973	70.0%
Direct sales	42,598	30.4%	43,693	30.2%	80,743	30.4%	82,687	30.4%	36,191	30.4%	37,901	29.2%	116,934	30.4%	120,588	30.0%
Retail segment	$ 140,043		$ 144,617		$ 265,485		$ 271,890		$ 119,188		$ 129,671		$ 384,673		$ 401,561	
Wholesale segment	—		17		—		399		—		—		—		399	

Total sales	$ 140,043	$ 144,634	$ 265,485	$ 272,289	$ 119,188	$ 129,671	$ 384,673	$ 401,960

Total sales for the second third quarter of fiscal 2023 were $140.0 million $119.2 million, as compared to $144.6 million $129.7 million in the second third quarter of fiscal 2022. Comparable sales for the second third quarter decreased 1.4% 6.7% with comparable sales from our stores down 1.4% 8.1% and our direct business down 1.3% 3.2%. The remainder of the decrease was due to sales from closed stores and a decrease in non-comparable sales.

During Comparable sales in August decreased 6.5%, slightly improved in September to a decrease of 5.4%, but in October comparable sales decreased to 8.3%. Through the third quarter, we saw a decrease further slowdown in store traffic as consumer spending continues to be negatively impacted by the economy and inflationary pressures. Store traffic was down 5.9% while dollars per transaction and conversion combined were down approximately 2.0%, with dollars per transaction down more than conversion. Sales were particularly softer in categories that outperformed last year due to a resurgence of back-to-work and social events. The decrease of 3.2% in the direct business was primarily due to a decrease in marketplace sales. The DXL website, which we believe was the down 1.5%, performed better as a result of inflationary pressures impacting customer spending. These decreases were partially offset by an increase improvements in conversion. Despite these headwinds, during the quarter we saw comparable sales improve each month, with May down 2.8%, June down 1.7% and July up 1.0%. Both stores and our direct business improved throughout the quarter, driven largely by improvement in traffic to our stores email marketing and growth in from our mobile app and email marketing.app.

Sales for the first six nine months of fiscal 2023 were $265.5 million $384.7 million as compared to $272.3 million $402.0 million for the first six nine months of fiscal 2022. Comparable sales for the first six nine months of fiscal 2023 decreased 0.5% 2.5%, with comparable sales from our stores flat to the prior year period down 2.7% and direct down 1.5% 2.0%.

Gross Margin Rate

For the second third quarter of fiscal 2023, our gross margin rate, inclusive of occupancy costs, was 50.3% 47.5% as compared to a gross margin rate of 52.1% 50.0% for the second third quarter of fiscal 2022.

Our gross margin rate decreased by 180-basis 250-basis points, with a decrease in merchandise margin of 110-basis points and an increase of 70-basis 140-basis points in occupancy costs primarily due to the deleveraging of sales and increased rents as a result of lease extensions. The

decrease in merchandise margin of 110-basis points was due to continued cost pressures on certain private-label merchandise, much of which we continued to absorb rather than passing on to the customer through price increases. We also experienced increased shipping costs related to direct-to-consumer shipments and costs related to our loyalty program with more sales tendered with loyalty certificates, as compared to the second third quarter of fiscal 2022. These cost increases were partially offset by lower inbound freight costs. For the year, we expect gross margin rates to be approximately 100-basis points lower than fiscal 2022.

For the first six nine months of fiscal 2023, our gross margin rate, inclusive of occupancy costs, was 49.5% 48.8% as compared to a gross margin rate of 51.1% 50.8% for the first six nine months of fiscal 2022. The decrease of 160-basis 200-basis points was due to a decrease in merchandise margins of 110-basis 120-basis points and a 50-basis an 80-basis point increase in occupancy costs. Similar to the second third quarter merchandise margin, the decrease was due to cost pressures on certain private-label merchandise, increased direct-to-consumer shipping costs and costs related to our loyalty program. The 80-basis point increase in occupancy costs was due to a combination of the deleveraging of sales and increased rents as a result of lease extensions.

For fiscal 2023, we expect gross margin rates to be approximately 180-basis points lower than fiscal 2022, of which approximately half of this decrease being attributable to the expected deleveraging of occupancy costs on the lower sales base.

Selling, General and Administrative Expenses

As a percentage of sales, SG&A (selling, general and administrative) expenses for the second third quarter of fiscal 2023 were 33.9% 40.2% as compared to 34.2% 37.3% for the second third quarter of fiscal 2022. For the first six nine months of fiscal 2023, SG&A expenses, as a percentage of sales, were 36.1% 37.4% as compared to 35.3% 35.9% for the first six nine months of fiscal 2022.

On a dollar basis, SG&A expenses decreased by $2.0 million $0.4 million and $0.3 million $0.8 million for the second third quarter and first six nine months of fiscal 2023, respectively as compared to the second third quarter and first six nine months of fiscal 2022. The decreases were primarily due to a decrease in performance-based incentive accruals, and marketing costs, partially offset by an increase in payroll-related costs from new positions added in the past year to support our long-range growth initiatives.

Management views SG&A expenses through two primary cost centers: Customer Facing Costs and Corporate Support Costs. Customer Facing Costs, which include store payroll, marketing and other store and direct operating costs, represented 20.3% 21.0% of sales in the first six nine months of fiscal 2023 as compared to 19.8% 20.4% of sales in the first six nine months of fiscal 2022. Corporate Support Costs, which include the distribution center and corporate overhead costs, represented 15.8% 16.4% of sales in the first six nine months of fiscal 2023 as compared to 15.5% of sales in the first six nine months of fiscal 2022. Marketing costs for the first six nine months of fiscal 2023 were 5.3% 5.6% of sales as compared to 5.5% of sales for both fiscal 2023 and the first nine months of fiscal 2022. For fiscal 2023, marketing costs are expected to be approximately 5.7% of sales.

Impairment (Gain) of Assets

There were no impairments or non-cash gains recognized in the first six nine months of fiscal 2023. During For the second quarter and first six nine months ended October 29, 2022, we recognized a non-cash gain of fiscal 2022, we recorded $0.6 million. The non-cash gains of $0.1 million and $0.6 million gain related to the reduction of our operating lease liability in connection with our decision to close certain retail stores, which resulted in a revaluation of the existing lease liability. liabilities. The portion of the gain that related to a previously recorded impairment charge charges against the operating lease right-of-use asset was included as an offset to previously recorded asset impairment charge. charges. Accordingly, $0.1 million and for the nine months ended October 29, 2022, $0.4 million were was included in the Impairment (Gain) of Assets line of the Consolidated Statement of Operations for the second quarter and first six nine months of fiscal 2022. The remaining gain was recorded as a reduction to occupancy costs.

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Depreciation and Amortization

Depreciation and amortization for the second third quarter of fiscal 2023 decreased to $3.5 million $3.4 million as compared to $4.0 million $3.8 million for the second third quarter of fiscal 2022. For the first six nine months of fiscal 2023, depreciation and amortization decreased to $6.9 million $10.3 million as compared to $8.0 million $11.7 million for the first six nine months of fiscal 2022. The decrease was due to a lower depreciable cost base, especially from our store assets, due to our limited capital spending since fiscal 2020.

Loss from Termination of Pension Plan Retirement Plans

During the second quarter of fiscal 2023, we identified an opportunity to eliminate a variable liability by taking advantage of the current high-interest rate environment and terminating the frozen pension plan. We plan and SERP.

In the second quarter of fiscal 2023, we completed a partial settlement of the pension obligation in the second quarter through the purchase of nonparticipating annuities. We made a cash contribution to the plan during the first six nine months of fiscal 2023 of $1.6 million $1.7 million. The remaining pension liability as of July 29, 2023 October 28, 2023, was approximately $0.2 million $0.1 million. In For the second quarter of fiscal 2023, nine months ended October 28, 2023, we recognized a charge of $4.2 million, representing a pro-rata portion of the unrealized loss that is part of accumulated other comprehensive loss on the balance sheet. We expect to settle the remaining obligation and recognize the remaining unrealized loss and terminate from the terminated pension plan by the end of fiscal 2023.

In the third quarter of fiscal 2023, we completed the termination of the SERP through the purchase of a nonparticipating annuity. We made a cash contribution to the SERP during the first nine months of fiscal 2023 of $0.4 million and recognized a loss on the termination of $0.1 million, which is included in the Consolidated Statement of Operations for the three and nine months ended October 28, 2023.

Interest Income/Expense, Net

Net interest income for the second third quarter of fiscal 2023 was $0.5 million $0.6 million, as compared to net interest expense of $0.1 million for the second third quarter of fiscal 2022. For the first six nine months of fiscal 2023, net interest income was $0.8 million $1.4 million as compared to net interest expense of $0.2 million $0.4 million for the first six nine months of fiscal 2022. For the second third quarter and first six nine months of fiscal 2023, interest income was earned from investments in U.S. government-backed investments and money market accounts. Interest costs for both all periods were minimal immaterial because we had no outstanding debt and no borrowings under our credit facility during either any period.

Income Taxes

As a result of releasing substantially all of the valuation allowance against our deferred tax assets during fiscal 2022, we have returned to a normal tax provision for fiscal 2023. Our tax provision for income taxes for interim periods is determined using an estimate of our annual effective tax rate, adjusted for discrete items, if any. Each quarter, we update our estimate of the annual effective tax rate and make a year-to-date adjustment to the provision.

Accordingly, for the second third quarter and first six nine months of fiscal 2023, the Company's effective tax rate was 26.4% 30.2% and 26.5% 27.2%, respectively.

For the second third quarter of fiscal 2022, the effective tax rate was 16.6% and primarily reflected a $2.0 million discrete tax expense to adjust the release of valuation allowance. For the first six nine months of fiscal 2022, we the Company recognized a an income tax benefit of $35.1 million and $35.0 million $32.9 million, respectively, which reflects included a discrete tax benefit of $33.5 million for the release of approximately $35.5 million, or $0.53 per diluted share, in the valuation allowance against our deferred tax assets, partially offset by income tax expense of $0.4 million and $0.5 million, respectively, in states where our usage of net operating losses ("NOL") is limited.discussed above.

We are able to utilize our remaining NOL carryforwards to reduce our cash federal and state income taxes. We began the year with $78.9 million in federal NOL carryforwards.

Net Income

For the second third quarter of fiscal 2023, we recorded net income of $11.6 million $4.0 million, or $0.18 $0.06 per diluted share, as compared to net income of $56.9 million $10.5 million, or $0.85 $0.16 per diluted share, for the second third quarter of fiscal 2022. Net income for the first six nine months of fiscal 2023 was $18.6 million $22.6 million, or $0.28 $0.35 per diluted share, as compared to net income of $70.3 million $80.8 million, or $1.04 $1.20 per diluted share for the first six nine months of fiscal 2022.

On a non-GAAP basis, assuming a normalized tax rate of 26% 27% and adjusting for asset impairments (gains), if any, and for the loss on the termination of the pension plan, retirement plans, adjusted net income for the second third quarter of fiscal 2023 was $14.8 million $4.2 million, or $0.23 $0.07 per diluted share, as compared to adjusted net income of $16.1 million $9.2 million, or $0.24 $0.14 per diluted share for the second third quarter of fiscal 2022. For the first six nine months of fiscal 2023, adjusted net income was $21.8 million $25.8 million, or $0.33 $0.40 per diluted share, as compared to adjusted net income of $25.8 million $34.6 million, or $0.38 $0.52 per diluted share.share for the first nine months of fiscal 2022.

Inventory

As of July 29, 2023 October 28, 2023, our inventory decreased by approximately $9.2 million $7.0 million to $87.5 million $99.9 million, as compared to $96.7 million $106.8 million at July 30, 2022 October 29, 2022. Managing our inventory remains a primary focus for us given the impact that inflation appears to have had on consumer spending. discretionary spending for clothing. Based on the sales trends we started to see in March 2023, we took began taking proactive measures to manage our inventory and adjusted adjust our receipt plan. At July 29, 2023 October 28, 2023, our clearance inventory was 9.3% 9.7% of our total inventory, as compared to 6.9% 6.7% at July 30, 2022 October 29, 2022 and still below our historical benchmark of approximately 10.0%.

SEASONALITY

Historically, and consistent with the retail industry, we have experienced seasonal fluctuations as it relates to our operating income, net income, and free cash flow. Traditionally, a significant portion of our operating income, net income, and free cash flow is generated in the second and fourth quarters. Our inventory is typically at peak levels by the end of the third quarter, which represents a significant use of cash, which is then relieved in the fourth quarter as we sell-down our inventory through the holiday shopping season.

LIQUIDITY AND CAPITAL RESOURCES

Our primary sources of liquidity are our cash and cash equivalents, short-term investments, cash generated from operations and availability under our credit facility, which is discussed below. At July 29, 2023 October 28, 2023, we had no outstanding debt, including no borrowings under our credit facility during the first six nine months of fiscal 2023. Cash that is in excess of our forecasted needs may be invested in money market accounts and U.S. government-backed securities.

We believe that our cash and cash equivalent balances, short-term investments, cash generated from operations, and borrowings available to us under our credit facility will be adequate to meet our liquidity needs and capital expenditure requirements for at least the next 12 months. However, we remain cautious regarding the effect that the current macroeconomic conditions, including inflation and rising high interest costs, may have on consumer spending as well as the continuing geopolitical impact of Russia's invasion of Ukraine and the Israel-Hamas war on our business and the global economy. We also believe that cash flows from operating activities and cash on hand will be sufficient to satisfy our capital requirements in the longer-term, however, to the extent future capital requirements exceed cash on hand plus cash flows from operating activities, we anticipate that working capital will be financed by our credit facility, as discussed below.

For the first six nine months of fiscal 2023, cash flow from operations increased to $26.2 million $33.1 million as compared to $23.8 million $30.2 million for the first six nine months of fiscal 2022. Free cash flow, a non-GAAP measure, increased to $21.6 million $22.7 million for the first six nine months of fiscal 2023 as compared to $19.8 million $22.3 million for the first six nine months of fiscal 2022. The increase in free cash flow was primarily due to a decrease in merchandise purchases as we continue to proactively manage drive more productive inventory levels.utilization, partially offset by a decrease in operating income.

Cash flow used for investing activities increased by $44.0 million $51.3 million for the first six nine months of fiscal 2023 as compared to the first six nine months of fiscal 2022, primarily due to the purchase of $43.5 million short-term investments, net of short-term investments.

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maturities, of $48.9 million and an increase in capital expenditures of $2.4 million.

Cash flow used for financing activities for the first six nine months of fiscal 2023 decreased increased by $2.1 million $1.0 million as compared to the first six nine months of fiscal 2022, primarily due to a decrease an increase in shares repurchased as compared to the second quarter of fiscal 2022.repurchased.

Stock Repurchase Program

In March 2023, the Company's Board of Directors approved a stock repurchase program. Under the stock repurchase program, the Company may was initially authorized to repurchase up to $15.0 million of its common stock through open market and privately negotiated transactions. During Subsequent to the second end of the third quarter, the Board of fiscal 2023, we repurchased 2.2 million shares at a total cost, including fees of $10.8 million. Shares of repurchased common Directors approved an amendment to the stock are held as treasury stock. repurchase program to increase the amount authorized for repurchase from $15.0 million to $25.0 million, effective November 17, 2023. The timing and the amount of any remaining repurchases of common stock will be determined based on the Company's evaluation of market conditions and other factors. The stock repurchase program will expire on March 16, 2024 and , but may be suspended, terminated or modified at any time for any reason. The Company expects to finance any repurchases from cash generated from operations.

During the first nine months of fiscal 2023, we repurchased 3.1 million shares at a total cost, including fees, of $14.9 million. Shares of repurchased common stock are held as treasury stock.

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Credit Facility

On October 28, 2021, we entered into a $125.0 million revolving credit agreement with Citizens Bank, N.A., with a maturity date of October 28, 2026. On April 20, 2023, the Company entered into the First Amendment to Credit Agreement which provided for the replacement of the London Interbank Offering Rate ("LIBOR") interest rate options with the secured overnight financing rate ("SOFR") based options (as amended, the "Credit Facility"). The Credit Facility includes a sublimit of $20.0 million for commercial and standby letters of credit and a sublimit of up to $15.0 million for swingline loans. Effective April 20, 2023, borrowings under the Credit Facility bear interest at either a Base Rate loan or Daily Simple SOFR rate, at the Company's option. Base Rate loans will bear interest at a rate equal to (i) the greater of: (a) the Prime Rate, (b) the Federal Funds effective rate plus 0.50% per annum and (c) the Daily Simple SOFR rate plus 1.00% per annum (provided the Base Rate shall never be less than the Floor (as defined in the Credit Facility)), plus (ii) a varying percentage, based on the Company's average excess availability, of either 0.25% or 0.50% (the "Applicable Margin"). Daily Simple SOFR loans will bear interest at a rate equal to (i) the Daily Simple SOFR rate plus an adjustment of 0.10% (provided the Daily Simple SOFR rate shall never be less than the Floor), plus (ii) the Applicable Margin. Any swingline loan will continue to bear interest at a rate equal to the Base Rate plus the Applicable Margin. We are subject to an unused line fee of 0.25%.

We had no outstanding borrowings under the Credit Facility at July 29, 2023 October 28, 2023 and no borrowings during the first six nine months of fiscal 2023. At July 29, 2023 October 28, 2023, outstanding standby letters of credit were $4.0 million $4.3 million and outstanding documentary letters of credit were $1.2 million $0.4 million. The average unused excess availability during the first six nine months of fiscal 2023 was approximately $85.6 million $84.3 million and the unused excess availability at July 29, 2023 October 28, 2023 was $81.8 million $87.6 million.

Capital Expenditures

For fiscal 2023, we expect our capital expenditures to range from $19.0 million $15.5 million to $21.0 million $17.5 million, of which approximately $7.8 million is discretionary spending for new or improved stores with the remaining for non-discretionary, infrastructure improvements.

The following table sets forth the open stores and related square footage at July 29, 2023 October 28, 2023 and July 30, 2022 October 29, 2022, respectively:

Store Concept	July 29, 2023 Number of Stores	July 29, 2023 Square Footage	July 30, 2022 Number of Stores	July 30, 2022 Square Footage	October 28, 2023 Number of Stores	October 28, 2023 Square Footage	October 29, 2022 Number of Stores	October 29, 2022 Square Footage
(square footage in thousands)								
DXL Retail	219	1,666	218	1,664	226	1,694	218	1,664
DXL Outlets	16	80	16	80	16	80	16	80
Casual Male XL Retail	27	88	31	103	21	68	30	100
Casual Male Outlets	19	57	19	57	19	57	19	57
Total Stores	281	1,891	284	1,904	282	1,899	283	1,901

We have executed lease agreements for three During the third quarter of fiscal 2023, we opened a new DXL store in Queens, New York and expect to open two additional new stores with one in each of the Cincinnati market and one in the Los Angeles New York and Cincinnati markets. We expect these stores to open market by the end of fiscal 2023. During the second quarter, first nine months, we completed the conversion of one seven Casual Male store stores to the DXL store format. format and completed the remodel of one existing DXL store. By the end of fiscal 2023, we expect to open have opened a total of 3 new DXL stores and 10 Casual Male-to-DXL conversion stores and to have begun construction on at least 5 DXL remodels. Over the next three to five years, we believe we could potentially open 50 net new DXL stores across the United States.country which could average 6,000 square feet or 300,000 sq. ft. in total, a 15% increase over our current square footage.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

There have been no material changes to the critical accounting policies and estimates disclosed in our Fiscal 2022 Annual Report. See Note 1 to the Consolidated Financial Statements included in this report for information on recent accounting pronouncements and changes in accounting principles.

Non-GAAP Financial Measures

Free cash flow, adjusted net income, adjusted net income per diluted share, adjusted EBITDA and adjusted EBITDA margin are non-GAAP measures. These non-GAAP measures are not presented in accordance with GAAP and should not be considered superior to or as a substitute for net income or cash flows from operating activities or any other measure of performance derived in accordance with GAAP. In addition, all companies do not calculate non-GAAP financial measures in the same manner and, accordingly, the non-GAAP measures presented in this Quarterly Report may not be comparable to similar measures used by other companies. We believe that inclusion of these non-GAAP measures helps investors gain a better understanding of our performance, especially when

comparing such results to previous periods and that they are useful as an additional means for investors to evaluate our operating results, when reviewed in conjunction with our GAAP financial statements.

Reconciliations of these non-GAAP measures are presented in the following tables *(certain columns may not foot due to rounding)*:

Free Cash Flow. We define free cash flow as cash flow from operating activities less capital expenditures. Free cash flow excludes the mandatory and discretionary repayment of debt. Free cash flow is a metric that management uses to monitor liquidity. Management believes this metric is important to investors because it demonstrates the Company's ability to strengthen liquidity while supporting its capital projects and new store growth. We expect to fund our ongoing capital expenditures with cash flow from operations.

The following table reconciles free cash flow:

	For the six months ended		For the nine months ended	
(in millions)	July 29, 2023	July 30, 2022	October 28, 2023	October 29, 2022
Cash flow from operating activities (GAAP basis)	$ 26.2	$ 23.8	$ 33.1	$ 30.2
Capital expenditures	(4.7)	(4.1)	(10.4)	(7.9)
Free Cash Flow (non-GAAP basis)	$ 21.6	$ 19.8	$ 22.7	$ 22.3

Adjusted Net Income and Adjusted Net Income Per Diluted Share: Adjusted net income and adjusted net income per diluted share is calculated by excluding any asset impairment charge (gain) and the loss from the termination of the pension plan, retirement plans, subtracting the actual income tax provision (benefit) and applying an effective tax rate of 26% 27%. The Company believes that this comparability is useful in comparing the actual results period to period. Adjusted net income per diluted share is then calculated by dividing the adjusted net income by the weighted average shares outstanding for the respective period, on a diluted basis.

	For the three months ended				For the six months ended				For the three months ended				For the nine months ended			
	July 29, 2023		July 30, 2022		July 29, 2023		July 30, 2022		October 28, 2023		October 29, 2022		October 28, 2023		October 29, 2022	
	$	Per diluted share	$	Per diluted share	$	Per diluted share	$	Per diluted share	$	Per diluted share	$	Per diluted share	$	Per diluted share	$	Per diluted share
(in millions, except per share data)																
Net income (GAAP basis)	$ 11.6	$ 0.18	$ 56.9	$ 0.85	$ 18.6	$ 0.28	$ 70.3	$ 1.04	$ 4.0	$ 0.06	$ 10.5	$ 0.16	$ 22.6	$ 0.35	$ 80.8	$ 1.20
Adjust for impairment (gain) of assets	—		(0.0)		—		(0.4)		—		—		—		(0.4)	
Add back loss on termination of pension plan	4.2		—		4.2		—									
Add back actual income tax provision	4.2		(35.1)		6.7		(35.0)									

Add income tax provision, assuming a normal tax rate of 26%	(5.2)		(5.7)		(7.7)		(9.1)									
Add back loss on termination of retirement plans									0.1		—		4.2		—	
Add back actual income tax provision (benefit)									1.7		2.1		8.4		(32.9)	
Add income tax provision, assuming a normal tax rate of 27%									(1.6)		(3.4)		(9.5)		(12.8)	
Adjusted net income (non-GAAP basis)	$ 14.8	$ 0.23	16.1	$ 0.24	$ 21.8	$ 0.33	$ 25.8	$ 0.38	$ 4.2	$ 0.07	$ 9.2	$ 0.14	$ 25.8	$ 0.40	$ 34.6	$ 0.52
Weighted average number of common shares outstanding on a diluted basis		65.4		66.7		65.8		67.5		63.5		66.2		65.0		67.1

Adjusted EBITDA and Adjusted EBITDA Margin. Adjusted EBITDA is calculated as earnings before interest, taxes, depreciation and amortization and is before any loss from the termination of retirement plans or impairment of assets, if any. assets. Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by Sales. We believe that providing adjusted EBITDA and adjusted EBITDA margin is useful to investors in evaluating our performance and are key metrics to measure profitability and economic productivity. The following table reconciles adjusted EBITDA from net income and calculates adjusted EBITDA margin:

	For the three months ended		For the six months ended		For the three months ended		For the nine months ended	
	July 29, 2023	July 30, 2022	July 29, 2023	July 30, 2022	October 28, 2023	October 29, 2022	October 28, 2023	October 29, 2022
(in millions)								
Net income (GAAP basis)	$ 11.6	$ 56.9	$ 18.6	$ 70.3	$ 4.0	$ 10.5	$ 22.6	$ 80.8
Add back:								
Impairment (gain) of assets	—	(0.0)	—	(0.4)	—	—	—	(0.4)
Loss on termination of pension plan	4.2	—	4.2	—				
Loss on termination of retirement plans					0.1	—	4.2	—
Provision (benefit) for income taxes	4.2	(35.1)	6.7	(35.0)	1.7	2.1	8.4	(32.9)
Interest (income) expense	(0.5)	0.1	(0.8)	0.2	(0.6)	0.1	(1.4)	0.4
Depreciation and amortization	3.5	4.0	6.9	8.0	3.4	3.8	10.3	11.7
Adjusted EBITDA (non-GAAP basis)	$ 22.9	$ 25.9	$ 35.6	$ 43.1	$ 8.6	$ 16.4	$ 44.2	$ 59.6
Sales	$ 140.0	$ 144.6	$ 265.5	$ 272.3	$ 119.2	$ 129.7	$ 384.7	$ 402.0
Adjusted EBITDA margin (non-GAAP), as a percentage of sales	16.4 %	17.9 %	13.4 %	15.8 %	7.3 %	12.7 %	11.5 %	14.8 %

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

In the normal course of business, our financial position and results of operations are routinely subject to a variety of risks, including market risk associated with interest rate movements on borrowings. We regularly assess these risks and have established policies and business practices to protect against the adverse effects of these and other potential exposures.

There have not been any material changes to our interest rate previously disclosed in Part II, Item 7A of our Fiscal 2022 Annual Report.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15 under the Exchange Act, our management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of July 29, 2023 October 28, 2023. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of July 29, 2023 October 28, 2023, our disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting

We have not experienced any changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended July 29, 2023 October 28, 2023 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

We are subject to various legal proceedings and claims that arise in the ordinary course of business. Management currently believes that the resolution of these matters will not have a material adverse impact on our future results of operations or financial position.

Item 1A. Risk Factors.

There have been no material changes to the risk factors as previously disclosed in Part I, Item 1A of our Fiscal 2022 Annual Report.

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

On March 14, 2023, the Company's Board of Directors approved a stock repurchase program pursuant to which the Company may was initially authorized to repurchase up to $15.0 million of its common stock through open market and privately negotiated transactions. The initial authorization was completed during the third quarter of fiscal 2023. Subsequent to the end of the third quarter, on November 15, 2023, the Board of Directors approved an amendment to the stock repurchase program to increase the amount authorized under the program from $15.0 million to $25.0 million, effective November 17, 2023. The timing and the amount of any repurchases of common stock will be determined based on the Company's evaluation of market conditions and other factors. The stock repurchase program will expire in March 2024 and on March 16, 2024, but may be suspended, terminated or modified at any time for any reason.

Stock repurchase activity during the three months ended July 29, 2023 October 28, 2023 was as follows:

Period	(a) Total number of shares purchased		(b) Average price paid per share (1)	(c) Total number of shares purchased as part of publicly announced plan		(d) Approximate dollar value of shares that may yet be purchased under the plan (1)
April 30, 2023 to May 27, 2023	—	$	—	—	$	15,000,000
May 28, 2023 to July 1, 2023	1,595,897	$	4.70	1,595,897	$	7,500,001
July 2, 2023 to July 29, 2023	653,253	$	5.07	653,253	$	4,185,921
Total	2,249,150	$	4.81	2,249,150	$	4,185,921

Period	(a) Total number of shares purchased		(b) Average price paid per share (1)	(c) Total number of shares purchased as part of publicly announced plan		(d) Approximate dollar value of shares that may yet be purchased under the plan (1)(2)
July 30, 2023 to August 26, 2023	838,145	$	4.82	838,145	$	10,150,003
August 27, 2023 to September 30, 2023	—	$	—	—	$	10,150,003

October 1, 2023 to October 28, 2023	—	$ —	—	$ 10,150,003
Total	838,145	$ 4.82	838,145	$ 10,150,003

(1) Average price paid per share and the approximate dollar value of shares that may yet be purchased under the plan excludes the accrual of excise tax of $0.1 million as of July 29, 2023 October 28, 2023.

(2) Reflects the additional $10.0 million authorized in November 2023, subsequent to the end of the third quarter of fiscal 2023.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

c) Insider Trading Arrangements

Trading Plans

On June 30, August 29, 2023, Robert S. Molloy Jack Boyle, General Counsel and Secretary, enteredinto a 10b5director-1 sales plan (the " of the Company, terminated a previously adopted Rule 10b5-1 Sales Plan trading arrangement") intended with respect to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act. The 10b5-1 Sales Plan provides for the sale of up to 120,000 shares of the Company's common stock that are issuable upon exercise of vested stock options. The 10b5-1 Sales (the "Trading Plan"). Mr. Boyle's Trading Plan will was adopted on April 13, 2023, become effective on October 11, 2023 July 13, 2023 and will was to terminate on March 18, 2024, subject to the earlier termination upon of March 15, 2024 or the sale of all shares subject to the 10b5-1 Sales Trading Plan or as otherwise provided in (unless earlier terminated according to the 10b5-1 Sales terms of the Trading Plan). As of the date of termination of the Trading Plan, no shares of common stock had been sold pursuant to the Trading Plan.

No other Other than as noted above, during the three months ended October 28, 2023, none of our directors or executive officers (as defined in Rule 16a-1(f) of the Company Securities Exchange Act of 1934, as amended) adopted modified or terminated any contract, instruction a Rule 10b5-1 trading arrangement or written plan for the purchase or sale of the Company's securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any non-Rule 10b5 10b5-1 trading arrangement (as such terms are defined in Item 408(c) 408 of Regulation S-K) during S-K of the quarterly period covered by this report. Securities Act of 1933, as amended).

Item 6. Exhibits.

10.1	First Amendment to the Amended and Restated Employment Agreement between the Company and James Reath Harvey S. Kanter, dated August 11, 2023, which includes the Form of Performance Share Award Agreement (included as of May 10, 2023.* Exhibit 10.1 to the Company's Current Report on Form 8-K filed August 15, 2023, and incorporated herein by reference).
31.1	Certification of the Chief Executive Officer of the Company pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934*.
31.2	Certification of the Chief Financial Officer of the Company pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.*
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
101.INS	Inline XBRL Instance Document. The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File – The cover page interactive data file does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document.

* Filed herewith.

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SIGNATURES

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

DESTINATION XL GROUP, INC.

Date: August 24, 2023 November 17, 2023

By: /s/ John F. Cooney

John F. Cooney

Senior Vice President, Chief Accounting Officer and Corporate Controller (Duly Authorized Officer and Chief Accounting Officer)

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Exhibit 10.1

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This Amended and Restated Employment Agreement ("Amended Agreement") is made effective as of May 10, 2023 (the "Effective Date") between CMRG APPAREL, LLC, (the "Company"), a "Related Entity" as defined in the 2016 Incentive Compensation Plan (as amended), of Destination XL Group, Inc., a Delaware corporation with an office at 555 Turnpike Street, Canton, Massachusetts 02021 ("DXLG" which term includes any affiliates and subsidiaries), and JAMES REATH (the "Executive") having an address at 159 Watchung Ave., Montclair, NJ 07043.

WITNESSETH:

WHEREAS, the Company desires that Executive work for the Company and Executive desires to be so employed bythe Company as its Chief Marketing Officer.

WHEREAS, Executive and the Company desire to set forth in writing the terms and conditions of the Executive's employment with the Company from the date hereof.

NOW, THEREFORE, in consideration of the promises and the mutual promises, representations and covenants herein contained, the parties hereto agree as follows:

1. EMPLOYMENT

The Company hereby employs Executive and Executive hereby accepts such employment, subject to the terms and conditions herein set forth.

2. TERM

The term of employment under this Amended Agreement (the "Term of Employment") shall begin on the Effective Date and shall continue until terminated by either party as hereinafter set forth.

3. COMPENSATION

(a) During the Term of Employment, as compensation for the employment services to be rendered by Executive hereunder, the Company agrees to pay to Executive, and Executive agrees to accept, payable in equal bi-weekly installments in accordance with Company practice, an annual base salary of Four Hundred Thousand Dollars and 00/100 Cents ($400,000.00) (the "Base Salary") as of the Effective Date. The Base Salary shall be reviewed at least annually to ascertain whether, in the judgment of the Company, such Base Salary should be adjusted. If so, the adjusted Base Salary shall be adjusted for all purposes of this Amended Agreement.

(b) In addition to the Base Salary, during the Term of Employment, Executive is eligible to participate in the Company's Annual Incentive Plan. Such incentive shall be determined and payable in accordance with the Company's incentive program in effect at the time, subject to change from year to year in the Company's sole discretion. Executive will participate in the

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Company's incentive program and Executive's target bonus under such plan (if all individual and Company performance conditions are met) shall be 50% of Executive's actual annual base earnings (which shall be the total Base Salary as may be paid during the fiscal year ("Base Earnings")). The actual award under the incentive program, if any, may be more or less than the target and will be based on Executive's performance and the performance of the Company and payment will be made in accordance with and subject to the terms and conditions of the incentive program then in effect.

(c) In addition, during the Term of Employment, Executive is eligible to participate in the Company's Long-Term Incentive Plan ("LTIP"). Such incentive shall be determined and distributable in accordance with and subject to the terms and conditions as described in the LTIP documents in effect at the time of the award, subject to change from year-to-year in the Compensation Committee's sole discretion. Executive will participate in the Company's LTIP at a target incentive rate of 70% of Executive's Base Salary in effect on the Executive's Effective Date of Participation, for the incentive period, based upon the Company's targeted performance as defined in the LTIP documents in effect at the time of the award.

(d) In consideration for the promises in Paragraph 10 below, the Company shall pay Executive a sign-on award consisting of $150,000 cash payable as of October 7, 2022 (the "Sign-on Award" and an inducement grant of $200,000 of restricted stock units of the Common Stock of Destination XL Group, Inc. ("RSUs") effective October 7, 2022 (the "Inducement Award"). The RSUs granted in the Inducement Award shall be determined based on the close price of the Company's stock on Thursday, October 6, 2022 and shall vest ratably over three (3) years on the anniversary of the date of grant. Details will be provided in a formal Stand-Alone Inducement

Restricted Stock Unit Agreement. The Sign-on Award and Inducement Award are subject to clawback as set forth in Paragraph 7(j).

(e) Executive has requested that he not be required to relocate and the Company has agreed at this time. The Company already advanced $25,000 of the relocation allowance (the “Advance”) to Executive, but will not make any additional Advance to Executive pursuant to this Amended Agreement. In the event Executive ceases to be employed by the Company due to his voluntary termination (other than for Good Reason) prior to June 1, 2024, Executive shall repay such Advance to the Company within thirty (30) days following Executive’s termination of employment; provided, however, that the amount of the Advance that is required to be repaid shall be reduced by 1/12th of the Advance for each completed month that Executive is employed by the Company.

4. EXPENSES

The Company shall pay or reimburse Executive, in accordance with the Company's policies and procedures and upon presentment of suitable vouchers, for all reasonable business and travel expenses, which may be incurred or paid by Executive during the Term of Employment in connection with his employment hereunder. Executive shall be entitled to be reimbursed up to $25,000 per year for commuting expenses to/from the Company's offices in Canton, Massachusetts or at such other location as may be designated from time to time by the Company. Executive shall comply with such restrictions and shall keep such records as the Company may reasonably deem

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necessary to meet the requirements of the Internal Revenue Code of 1986, as amended from time to time, and regulations promulgated thereunder.

5. OTHER BENEFITS

(a) During the Term of Employment, Executive shall be entitled to such vacations and to participate in and receive any other benefits customarily provided by the Company to its management (including any profit sharing, pension, 401(k), short and long-term disability insurance, medical and dental insurance and group life insurance plans in accordance with and subject to the terms of such plans, including, without limitation, any eligibility requirements contained therein), all as determined from time to time by the Compensation Committee of the Board of Directors in its discretion.

(b)The Company will, during the Term of Employment, provide Executive with an automobile allowance in the total amount of Eight Thousand Four Hundred Dollarsand 00/100 ($8,400.00) annually, in equal bi-weekly payments in accordance with the Company’s normal payroll practices. Executive shall pay and be responsible for all insurance, repairs and maintenance costsassociated with operating the automobile. Executive is responsible for his gasoline, unless the gasoline expense is reimbursable under the Company's policies and procedures.

(b) Executive will be eligible to participate in the Company's annual performance appraisal process.

6. DUTIES

(a) Executive shall perform such duties and functions consistent with the position of Chief Marketing Officer and/or as the Company shall from time to time determine and Executive shall comply in the performance of his duties with the policies of, and be subject to, the direction of the Company.

(b) During the Term of Employment, Executive shall devote substantially all of his time and attention, vacation time and absences for sickness excepted, to the business of the Company, as necessary to fulfillhis duties. Executive shall perform the duties assigned to him with fidelity and to the best of his ability. Notwithstanding anything herein to the contrary, and subject to the foregoing and review by the Company's Board of Directors, Executive shall not be prevented from accepting positions in outside organizations so long as such activities do not interfere with Executive's performance of his duties hereunder and do not violate paragraph 10 hereof.

(c) The principal location at which the Executive shall perform his duties hereunder shall be in Montclair, New Jersey Notwithstanding the foregoing, Executive shall perform suchservices at such other locations as may be required for the proper performance of his duties hereunder, and Executive recognizes that such duties may involve travel.

7. TERMINATION OF EMPLOYMENT; EFFECT OF TERMINATION

(a) The Term of Employment may be terminated by the Company at any time:

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(i) upon the determination by the Company that Executive's performance of his duties has not been fully satisfactory for any reason which would not constitute justifiable cause (as hereinafter defined) or for other business reasons necessitating termination which do not constitute justifiable cause, in either case upon thirty (30) days' prior written notice to Executive; or

(ii) upon the determination of the Company that there is justifiable cause (as hereinafter defined) for such termination.

(b) The Term of Employment shall terminate upon:

(i) the death of Executive;

(ii) the date on which the Company elects to terminate the Term of Employment by reason of the "disability" of Executive (as hereinafter defined in subsection (c) herein) pursuant to subsection (g) hereof; or

(iii) Executive's resignation of employment.

(c) For the purposes of this Amended Agreement, the term "disability" shall mean Executive is physically or mentally incapacitated so as to render Executive incapable of performing the essentials of Executive's job, even with reasonable accommodation, as reasonably determined by the Company, which determination shall be final and binding.

(d) For the purposes hereof, the term "justifiable cause" shall mean: any failure or refusal to perform any of the duties pursuant to this Amended Agreement or any breach of this Amended Agreement by the Executive; Executive's breach of any material written policies, rules or regulations which have been adopted by the Company; Executive's repeated failure to perform his duties in a satisfactory manner; Executive's performance of any act or his failure to act, as to which if Executive were prosecuted and convicted, a crime or offense involving money or property of the Company or its subsidiaries or affiliates, or a crime or offense constituting a felony in the jurisdiction involved, would have occurred; any unauthorized disclosure by Executive to any person, firm or corporation of any confidential information or trade secret of the Company or any of its subsidiaries or affiliates; any attempt by Executive to secure any personal profit in connection with the business of the Company or any of its subsidiaries and affiliates; or the engaging by Executive in any business other than the business of the Company and its subsidiaries and affiliates which interferes with the performance of his duties hereunder. Upon termination of Executive's employment for justifiable cause, Executive shall not be entitled to any amounts or benefits hereunder other than such portion of Executive's Base Salary and reimbursement of expenses pursuant to paragraph 4 hereof as have been accrued through the date of his termination of employment.

(e) If the Company terminates this Amended Agreement without "justifiable cause" as provided in subsection 7(a)(i), the Company shall pay Executive his then current base salary for six months (that is, the one month notice period referenced in Paragraph 7(a)(i) and five months after the effectiveness of such termination), payable in equal payments in accordance with the Company's customary payroll practices commencing with the first payroll period that begins at least 30 days after the termination of the Executive's Term of Employment conditioned upon the

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Executive having provided the Company with an executed general release substantially in the form attached hereto as Exhibit A or such other form that is acceptable to the Company, in its sole discretion (the "General Release") and the time for Executive's revocation of the General Release having expired. Such payments shall be made in accordance with the Company's customary payroll practices until paid in full. Any payment pursuant to this paragraph 7(e) is contingent upon Executive's execution of the General Release within 21 days (or such longer period as may be authorized by the Company or otherwise required by applicable law) after termination of the Term of Employment (and the Executive's not revoking that General Release) and will be in lieu of payments to which Executive might have been entitled under any other severance plan of the Company.

(f) If Executive shall die during the term of his employment hereunder, this Amended Agreement shall terminate immediately. In such event, the estate of Executive shall thereupon be entitled to receive such portion of Executive's base annual salary and reimbursement of expenses pursuant to paragraph 4 as have been accrued through the date of his death.

(g) Upon Executive's "disability", the Company shall have the right to terminate Executive's employment. Any termination pursuant to this subsection (g) shall be effective on the earlier of (i) the date 30 days after which Executive shall have received written notice of the Company's election to terminate or (ii) the date he begins to receive long-term disability insurance benefits under the policy provided by the Company pursuant to paragraph 5 hereof.

(h) Upon the resignation of Executive in any capacity, that resignation will be deemed to be a resignation from all offices and positions that Executive holds with respect to the Company and any of its subsidiaries and affiliates. In the event of Executive's resignation, he shall be entitled only to receive such portion of his annual Base Salary and reimbursement of expenses pursuant to paragraph 4 as have been accrued through the date of his resignation.

(i) Change of Control. In the event the Term of Employment is terminated by the Company without justifiable cause (as defined herein) or Executive resigns with Good Reason (as defined herein) within one (1) year following a Change of Control of the Company has occurred, then, in such event, the Company shall pay Executive an amount equal to twelve (12) months of Base Salary in effect at the time of the termination. For the purposes of the foregoing, Change of Control shall have the meaning set forth in the Company's 2016 Incentive Compensation Plan (without regard to any subsequent amendments thereto). For purposes of the foregoing, *"Good Reason"* means the occurrence of any of the following: (i) a material diminution in the Executive's base compensation; (ii) a material diminution in the Executive's authority, duties, or responsibilities; (iii) a material change in the geographic location at which the Employee must perform the services under this Amended Agreement; or (iv) any other action or inaction that constitutes a material breach by the Company of this Amended Agreement. For purposes of this provision, Good Reason shall not be deemed to exist unless the Employee's termination of employment for Good Reason occurs within 2 years following the initial existence of one of the conditions specified in clauses (i) through (iv) above, the Employee provides the Company with written notice of the existence of such condition within 90 days after the initial existence of the condition, and the Company fails to remedy the condition within 30 days after its receipt of such notice. The Company shall pay the amount required under this paragraph 7(i) in a single payment thirty (30) days after termination of the Term of Employment, subject to and conditioned upon the Executive's execution of the General Release required pursuant to paragraph 7(k) hereof and such release becoming irrevocable. Any payments made pursuant to this paragraph 7(i) will be in lieu of payments to which Executive might have been entitled under paragraph 7(e) of this Amended Agreement or under any other severance plan of the Company. The payments under this Amended Agreement shall be reduced if and to the extent necessary to avoid any payments or benefits to Executive being treated as “excess parachute payments” within the meaning of Internal Revenue Code Section 280G(b)(i).

(j) Clawback of Certain Compensation and Benefits. If, after the termination of the Term of Employment for any reason other than by the Company for “justifiable cause”:

A. it is determined in good faith by the Company within twelve (12) months after the termination of the Term of Employment (the “Termination Date”) that the Executive’s employment could have been terminated by the Company for justifiable cause under paragraph 7(d) hereof (unless the Company knew or should have known that as of the Termination Date, the Executive’s employment could have been terminated for justifiable cause in accordance with paragraph 7(d) hereof); or

B. the Executive breaches any of the provisions of paragraph 10, then, in addition to any other remedy that may be available to the Company in law or equity and/or pursuant to any other provisions of this Amended Agreement, the Executive’s employment shall be deemed to have been terminated for justifiable cause retroactively to the Termination Date and the Executive also shall be subject to the following provisions:

1) the Executive shall be required to pay to the Company, immediately upon written demand by the Company, all amounts paid to Executive by the Company, whether or not pursuant to this Amended Agreement (other than such portion of Executive’s Base Salary and reimbursement of expenses pursuant to paragraph 4 hereof as have been accrued through the date of the termination of the Term of Employment), on or after the Termination Date (including the pre-tax cost to the Company of any benefits that are in excess of the total amount that the Company would have been required to pay to the Executive if the Executive’s employment with the Company had been terminated by the Company for justifiable cause in accordance with paragraph 7(d) above);

2) all vested and unvested Awards (as that term is defined in the 2016 Incentive Compensation Plan) then held by the Executive shall immediately expire; and

3) the Executive shall be required to pay to the Company, immediately upon written demand by the Company, an amount equal to any Gains resulting from the exercise or payment of any Awards (as that term is defined in the 2016 Incentive Compensation Plan) at any time on or after, or during the one year period prior to, the Termination Date. For these purposes, the term “Gain” shall mean (i) in the case of each stock

option or stock appreciation right ("SAR"), the difference between the fair market value per share of the Company's common stock underlying such option or SAR as of the date on which the Executive exercised the option or SAR, less the exercise price or grant price of the option or SAR; and (ii) in the case of any Award other than a stock option or SAR that is satisfied by the issuance of Common Stock of the Company, the value of such stock on the Termination Date, and (iii) in the case of any Award other than a stock option or SAR, that is satisfied in cash or any property other than Common Stock of the Company, the amount of cash and the value of the property on the payment date paid to satisfy the Award.

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(k) Any payment pursuant to paragraph 7(e) or 7(i) shall be contingent upon Executive's execution of the General Release within 21 days after termination of the Term of Employment (or such longer time as may be authorized by the Company or otherwise required by applicable law), and the Executive's not revoking that release.

8. COMPLIANCE WITH SECTION 409A

(a)General.It is the intention of both the Company and the Executive that the benefits and rights to which the Executive could be entitled pursuant to this Amended Agreement comply with Section 409A of the Code and the Treasury Regulations and other guidance promulgated or issued thereunder ("Section 409A"), to the extent that the requirements of Section 409A are applicable thereto, and the provisions of this Amended Agreement shall be construed in a manner consistent with that intention. If the Executive or the Company believes, at any time, that any such benefit or right that is subject to Section 409A does not so comply, it shall promptly advise the other and shall negotiate reasonably and in good faith to amend the timing of such benefits and rights such that they comply with Section 409A (with the most limited possible economic effect on the Executive).

(b) Distributions on Account of Separation from Service. If and to the extent required to comply with Section 409A, no payment or benefit required to be paid under this Amended Agreement on account of termination of the Executive's employment shall be made unless and until the Executive incurs a "separation from service" within the meaning of Section 409A.

(c) 6 Month Delay for "Specified Employees".

(i)If the Executive is a "specified employee", then no payment or benefit that is payable on account of the Executive's "separation from service", as that term is defined for purposes of Section 409A, shall be made before the date that is six months after the Executive's "separation from service" (or, if earlier, the date of the Executive's death) if and to the extent that such payment or benefit constitutes deferred compensation (or may be nonqualified deferred compensation) under Section 409A and such deferral is required to comply with the requirements of Section 409A. Any payment or benefit delayed by reason of the prior sentence shall be paid out or provided in a single lump sum at the end of such required delay period in order to catch up to the original payment schedule. There shall be added to any payments that are delayed pursuant to this provision interest at the prime rate as reported in the Wall Street Journal for the date of the Executive's separation from service. Such interest shall be calculated from the date on which the payment otherwise would have been made until the date on which the payment is made.

(ii) For purposes of this provision, the Executive shall be considered to be a "specified employee" if, at the time of his separation from service, the Executive is a "key employee", within the meaning of Section 416(i) of the Code, of the Company (or any person or entity with whom the Company would be considered a single employer under Section 414(b) or Section 414(c) of the Code) any stock in which is publicly traded on an established securities market or otherwise.

(d) No Acceleration of Payments. Neither the Company nor the Executive, individually or in combination, may accelerate any payment or benefit that is subject to Section 409A, except in compliance with Section 409A and the provisions of this Amended Agreement,

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and no amount that is subject to Section 409A shall be paid prior to the earliest date on which it may be paid without violating Section 409A.

(e) Treatment of Each Installment as a Separate Payment. For purposes of applying the provisions of Section 409A to this Amended Agreement, each separately identified amount to which the Executive is entitled under this Amended Agreement shall be treated as a separate payment. In addition, to the extent permissible under Section 409A, any series of installment payments under this Amended Agreement shall be treated as a right to a series of separate payments.

(f) Taxable Reimbursements.

(i)Any reimbursements by the Company to the Executive of any eligible expenses under this Amended Agreement that are not excludable from the Executive's income for Federal income tax purposes (the "Taxable Reimbursements") shall be made by no later than the earlier of the date on which they would be paid under the Company's normal policies and the last day of the taxable year of the Executive following the year in which the expense was incurred.

(ii) The amount of any Taxable Reimbursements to be provided to the Executive during any taxable year of the Executive shall not affect the expenses eligible for reimbursement to be provided in any other taxable year of the Executive.

(iii) The right to Taxable Reimbursements shall not be subject to liquidation or exchange for another benefit.

9. REPRESENTATION AND AGREEMENTS OF EXECUTIVE

(a) Executive represents and warrants that he is free to enter into this Amended Agreement and to perform the duties required hereunder, and that there are no employment contracts or understandings, restrictive covenants or other restrictions, whether written or oral, preventing the performance of his duties hereunder.

(b) Executive agrees to submit to a medical examination and to cooperate and supply such other information and documents as may be required by any insurance company in connection with the Company's obtaining life insurance on the life of Executive, and any other type of insurance or fringe benefit as the Company shall determine from time to time to obtain.

(c) Executive represents and warrants that he has never been convicted of a felony and he has not been convicted or incarcerated for a misdemeanor within the past five years, other than a firstconviction for drunkenness, simple assault, speeding, minor traffic violations, affray, or disturbance of the peace.

(d) Executive represents and warrants that he has never been a party to any judicial or administrative proceeding that resulted in a judgment, decree, or final order (i) enjoining his from future violations of, or prohibiting any violations of any federal or state securities law, or (ii) finding any violations of any federal or state securities law.

(e) Executive represents and warrants that he has never been accused of any impropriety in connection with any employment;

Any breach of any of the above representations and warranties is "justifiable cause" for termination under paragraph 7(d) of this Amended Agreement.

10. NON-COMPETITION

(a) In consideration for the Sign-On Award, the Inducement Award referenced in Paragraph 3(d), the Advance referenced in paragraph 3(e) and the potential to receive additional compensation pursuant to paragraph 7(a)(i) and 7(e) above,Executive further covenants and agrees that during the Term of Employment and during the one (1) year period immediately following the Termination Date (the "Non-Competitive Period"), Executive shall not, directly or indirectly, as owner, partner, joint venturer, stockholder, employee, broker, agent, principal, trustee, corporate officer, director, licensor, or in any capacity whatsoever, engage in, become financially interested in, be employed by, render any consultation or business advice with respect to, accept any competitive business on behalf of, or have any connection with any business which is competitive with products or services of the Company or any subsidiaries and affiliates, in any geographic area in which the Executive provided services or had a material presence or influence on behalf of the Company, whether in the United States, Canada, Europe or elsewhere during the two years prior to Executive's separation from the Company; provided, however, that Executive may own any securities of any corporation which is engaged in such business and is publicly owned and traded but in an amount not to exceed at any one time one percent (1%) of any class of stock or securities of such corporation. In addition, Executive shall not, during the Non-Competitive Period, directly or indirectly: (1) request or cause any suppliers or customers with whom the Company or any of its subsidiaries or affiliates has a business relationship to cancel or terminate any such business relationship with the Company or any of its subsidiaries or affiliates or otherwise compromise the Company's good will; or (2) solicit, hire, interfere with or entice from the Company or any of its subsidiaries or affiliates any employee (or former employee who has been separated from service for less than 12 months) of the Company or any of its subsidiaries or affiliates.

(b) If any portion of the restrictions set forth in this paragraph 10 should, for any reason whatsoever, be declared invalid by a court of competent jurisdiction, the validity or enforceability of the remainder of such restrictions shall not thereby be adversely affected. For the purposes of this paragraph 10, a business competitive with the products and services of the Company (or such subsidiaries and affiliates) is limited to a specialty retailer which primarily distributes, sells or markets so-called "big and tall" apparel of any kind for men or which utilizes the "big and tall" retail or wholesale marketing concept as part of its business.

(c) Executive acknowledges that the Company conducts business throughout the world, that Executive's duties and responsibilities on behalf of the Company are of a worldwide nature, that its sales and marketing prospects are for continued expansion throughout the world and therefore, the territorial and time limitations set forth in this paragraph 10 are reasonable and properly required for the adequate protection of the business of the Company and its subsidiaries and affiliates. In the event any such territorial or time limitation is deemed to be unreasonable by a court of competent jurisdiction, Executive agrees to the reduction of the territorial or time limitation to the area or period which such court shall deem reasonable.

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(d) The existence of any claim or cause of action (a claim or cause of action is defined as a claim or cause of action which results from a breach of the terms and provisions of this Amended Agreement by the Company, regardless of whether the breach is material) by Executive against the Company or any subsidiary or affiliate shall not constitute a defense to the enforcement by the Company or any subsidiary or affiliate of the foregoing restrictive covenants, but such claim or cause of action shall be litigated separately.

11. INVENTIONS AND DISCOVERIES

(a) Upon execution of this Amended Agreement and thereafter, Executive shall promptly and fully disclose to the Company, and with all necessary detail for a complete understanding of the same, all existing and future developments, know-how, discoveries, inventions, improvements, concepts, ideas, writings, formulae, processes and methods (whether copyrightable, patentable or otherwise) made, received, conceived, acquired or written during working hours, or otherwise, by Executive (whether or not at the request or upon the suggestion of the Company) during the period of his employment with, or rendering of advisory or consulting services to, the Company or any of its subsidiaries and affiliates, solely or jointly with others, in or relating to any activities of the Company or its subsidiaries and affiliates known to his as a consequence of his employment or the rendering of advisory and consulting services hereunder (collectively the "Subject Matter").

(b) Executive hereby assigns and transfers, and agrees to assign and transfer, to the Company, all his rights, title and interest in and to the Subject Matter, and Executive further agrees to deliver to the Company any and all drawings, notes, specifications and data relating to the Subject Matter, and to execute, acknowledge and deliver all such further papers, including applications for copyrights or patents, as may be necessary to obtain copyrights and patents for any thereof in any and all countries and to vest title thereto to the Company. Executive shall assist the Company in obtaining such copyrights or patents during the term of this Amended Agreement, and at any time thereafter on reasonable notice and at mutually convenient times, and Executive agrees to testify in any prosecution or litigation involving any of the Subject Matter; provided, however, after the Term of Employment that Executive shall be compensated in a timely manner at the rate of $250 per day (or portion thereof), plus out-of-pocket expenses incurred in rendering such assistance or giving or preparing to give such testimony if it is required after the termination of this Amended Agreement.

12. NON-DISCLOSURE OF CONFIDENTIAL INFORMATION

(a) Executive acknowledges that the Company possesses certain confidential and propriety information that has been or may be revealed to, or learned by, Executive during the course of Executive’s employment with the Company and that it would be unfair to use that information or knowledge to compete with or to otherwise disadvantage the Company. Executive shall not, during the Term of Employment or at any time following the Term of Employment, directly or indirectly, disclose or permit to be known (other than as is required in the regular course of his duties (including without limitation disclosures to the Company's advisors and consultants), as required by law (in which case Executive shall give the Company prior written notice of such required disclosure) or with the prior written consent of the Board of Directors, to any person, firm, corporation, or other entity, any confidential information acquired by him during the course of, or as an incident to, his employment or the rendering of his advisory or consulting services hereunder, relating to the Company or any of its subsidiaries or affiliates, the directors of the Company or its subsidiaries or affiliates, any supplier or customer of the Company or any of their subsidiaries or affiliates, or any corporation, partnership or other entity owned or controlled, directly or indirectly, by any of the foregoing, or in which any of the foregoing has a beneficial interest, including, but not limited to, the business affairs of each of the foregoing. Such confidential information shall include, but shall not be limited to, proprietary technology, trade secrets, patented processes, research and development data, know-how, market studies and forecasts, financial data, competitive analyses, pricing policies, employee lists, personnel policies, employee compensation and benefits information, the substance of agreements with customers, suppliers and others, marketing or dealership arrangements, servicing and training programs and arrangements, supplier lists, customer lists and any other documents embodying such confidential information. This confidentiality obligation shall not apply to any confidential information, which is or becomes publicly available other than pursuant to a breach of this paragraph 12(a) by Executive.

(b) All information and documents relating to the Company and its subsidiaries or affiliates as herein above described (or other business affairs) shall be the exclusive property of the Company, and Executive shall use commercially reasonable best efforts to prevent any publication or disclosure thereof. Upon termination of Executive's employment with the Company, all documents, records, reports, writings and other similar documents containing confidential information, including copies thereof then in Executive's possession or control shall be returned and left with the Company.

(c) In accordance with the Federal Defend Trade Secrets Act, Executive cannot be held criminally or civilly liable under any federal or state trade secret law for disclosing a trade secret (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law, or (ii) in a complaint or other document filed under seal in a lawsuit or other proceeding. Notwithstanding this immunity from liability, Executive may be held liable if Executive unlawfully accesses trade secrets by unauthorized means.

13. SPECIFIC PERFORMANCE

Executive agrees that if he breaches, or threatens to commit a breach of, any enforceable provision of paragraphs 10, 11 or 12 (the "Restrictive Covenants"), the Company shall have, inaddition to, and not in lieu of, any other rights and remedies available to the Company under law and in equity, the right to have the Restrictive Covenants specifically enforced by a court of competent jurisdiction, it being agreed that any such breach or threatened breach of the Restrictive Covenants would cause irreparable injury to the Company and that money damages would not provide an adequate remedy to the Company. Notwithstanding the foregoing, nothing herein shall constitute a waiver by Executive of his right to contest whether such a breach or threatened breach of any Restrictive Covenant has occurred. In the event of litigation between the parties to this Amended Agreement regarding their respective rights and obligations under paragraphs 10, 11, or 12 hereof, the prevailing party shall be entitled to recover from the other all attorneys' fees and expenses reasonably incurred in obtaining a ruling in the prevailing party's favor. Any such damages, attorneys' fees and costs shall be in addition to and not in lieu of any injunctive relief that may be available to the Company.

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14. AMENDMENT OR ALTERATION

No amendment or alteration of the terms of this Amended Agreement shall be valid unless made in writing and signed by both of the parties hereto.

15. GOVERNING LAW

This Amended Agreement shall be governed by, and construed and enforced in accordance with the substantive laws of the Commonwealth of Massachusetts, without regard to its principles of conflicts of laws.

16. SEVERABILITY

The holding of any provision of this Amended Agreement to be invalid or unenforceable by a court of competent jurisdiction shall not affect any other provision of this Amended Agreement, which shall remain in full force and effect.

17. NOTICES

Any notices required or permitted to be given hereunder shall be sufficient if in writing, and if delivered by hand or courier, or sent by certified mail, return receipt requested, to the addresses set forth above or such other address as either party may from time to time designate in writing to the other, and shall be deemed given as of the date of the delivery or of the placement of the notice in the mail.

18. WAIVER OF BREACH

It is agreed that a waiver by either party of a breach of any provision of this Amended Agreement shall not operate, or be construed as a waiver of any subsequent breach by that same party.

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19. ENTIRE AGREEMENT AND BINDING EFFECT

This Amended Agreement contains the entire agreement of the parties with respect to the subject matter hereof and shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, heirs, distributors, successors and assigns and supersedes any and all prior agreements between the parties whether oral or written. This Amended Agreement may not be modified except upon further written agreement executed by both parties. Executive agrees that the Company may in its sole discretion, during the term of Executive's employment with the Company and thereafter, provide copies of this Amended Agreement (or excerpts of the Amended Agreement) to others, including businesses or entities that may employ, do business with, or consider employing Executive in the future. Executive further agrees that any subsequent change or changes in his duties, compensation or areas of responsibility shall in no way affect the validity of this Amended Agreement or otherwise render inapplicable any of the provisions of paragraphs 10 through 13 of this Amended Agreement, which shall remain in full force and effect except as may be modified by a subsequent written agreement.

20. SURVIVAL

Except as otherwise expressly provided herein, the termination of Executive's employment hereunder or the expiration of this Amended Agreement shall not affect the enforceability of paragraphs 7 through 26 hereof, which shall survive the termination or expiration.

21. RESOLUTION OF DISPUTES

Any and all disputes arising under or in connection with this Amended Agreement shall be resolved in accordance with this paragraph 21 and paragraph 15.

The parties shall attempt to resolve any dispute, controversy or difference that may arise between them through good faith negotiations. In the event the parties fail to reach resolution of any such dispute within thirty (30) days after entering into negotiations, either party may proceed to institute action in any state or federal court located within the Commonwealth of Massachusetts, which courts shall have exclusive jurisdiction, and each party consents to the personal jurisdiction of any such state or federal court. Both parties waive their right to a trial by jury.

22. NON-DISPARAGEMENT

Executive agrees not to make disparaging, critical or otherwise detrimental comments to any person or entity concerning the Company, its officers, directors, trustees, and employees or the services or programs provided or to be provided by the Company and the Company agrees not to make any disparaging, critical or otherwise detrimental comments to any person or entity concerning Executive.

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23. FURTHER ASSURANCES

The parties agree to execute and deliver all such further documents, agreements and instruments and take such other and further action as may be necessary or appropriate to carry out the purposes and intent of this Amended Agreement.

24. SUBSIDIARIES AND AFFILIATES

For purposes of this Amended Agreement:

(a) “affiliate” means any entity that controls, is controlled by, or is under common control with, the Company, and “control” means the power to exercise a controlling influence over the management or policies of an entity, unless such power is solely the result of an official position with such entity; and

(b) “subsidiary” means any corporation or other entity in which the Company has a direct or indirect ownership interest of 50% or more of the total combined voting power of the then outstanding securities or interests of such corporation or other entity entitled to vote generally in the election of directors (or similar governing body of a non-corporate entity) or in which the Company has the right to receive 50% or more of the distribution of profits or 50% or more of the assets on liquidation or dissolution.

25. HEADINGS

The paragraph headings appearing in this Amended Agreement are for the purposes of easy reference and shall not be considered a part of this Amended Agreement or in any way modify, amend or affect its provisions.

26. COUNTERPARTS

This Amended Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Amended Agreement, under

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seal, as of the date and year first above written.

CMRG APPAREL, LLC

By: /s/ Harvey S. Kanter May 10, 2023

Name: Harvey S. Kanter

Its: President, Chief Executive Officer

/s/ James Reath May 10, 2023

James Reath

EXHIBIT A

FORM OF RELEASE OF CLAIMS

GENERAL RELEASE OF CLAIMS

1. James Reath, (“Executive”), for himself and his family, heirs, executors, administrators, legal representatives and their respective successors and assigns, in exchange for good and valuable consideration to be paid after the date of Executive’s termination as set forth in the Employment Agreement, to which a form of this release is attached as Exhibit A (the “Employment Agreement”), does hereby release and forever discharge, to the maximum extent

permitted by law, CMRG Apparel, LLC (the “Company”), its parent, its parent’s subsidiaries, affiliated companies, successors and assigns, and their respective current or former directors, officers, employees, shareholders or agents in such capacities (collectively with the Company, the “Released Parties”) from any and all actions, causes of action, suits, controversies, claims and demands whatsoever, for or by reason of any matter, cause or thing whatsoever, whether known or unknown including, but not limited to, the Employee Retirement Income Security Act of 1974, 29 U.S.C. §1001 et seq., the Civil Rights Act of 1964, 42 U.S.C. §2000e et seq., COBRA; the Equal Pay Act of 1963, 29 U.S.C. §206(d), the Civil Rights Act of 1991; the Age Discrimination in Employment Act (ADEA); the Americans with Disabilities Act, 42 U.S.C. §12101 et seq., the Family and Medical Leave Act (FMLA); the Civil Rights Act of 1866, 42 U.S.C. §1981 et seq., as amended, the Fair Credit Reporting Act, the Worker Adjustment and Retraining Notification Act, the Genetic Information Nondiscrimination Act of 2008, the Massachusetts Law Against Discrimination, G.L. c. 151B; the Massachusetts Privacy Statute, G.L. c. 214, § 1B, the Massachusetts Wage Payment Statute, G.L. c. 149, §§ 148, 148A, 148B, 149, 150,150A-150C, 151, 152, 152A, etseq.; the Massachusetts Wage and hour laws, G.L. c. 151§1A et seq; the Massachusetts Sexual Harassment Statute, G.L. c. 214 §1C, the Massachusetts Consumer Protection Act, G.L. c. 93A, the Massachusetts Civil Rights Act, G.L. c. 12, § 11, the Massachusetts Equal Rights Act, G.L. c. 93, the Massachusetts Civil Rights Act, G.L. c. 12, § 11; the Massachusetts Equal Rights Act, G.L. c. 93; the Massachusetts AIDS Testing statute, G.L. c. 111, §70F; the Massachusetts Employment Leave for Victims and Family Members of Abuse, G.L. c. 149, §52E, as amended; the Massachusetts Earned Sick Time Law, M.G.L. c. 149, § 148C; the Massachusetts Small Necessities Leave Act; and all claims under any applicable laws arising under or in connection with Executive’s employment or termination thereof, whether for tort, breach of express or implied employment contract, wrongful discharge, intentional infliction of emotional distress, or defamation or injuries incurred on the job or incurred as a result of loss of employment.

Executive acknowledges that Executive is specifically advised to consult with an attorney of Executive’s choosing before signing this General Release of Claims, and through this General Release of Claims advises Executive to consult with his attorney with respect to possible claims, including but not limited to claims under the ADEA, and that Executive understands that the ADEA is a Federal statute that, among other things, prohibits discrimination on the basis of age in employment and employee benefits and benefit plans. Without limiting the generality of the release provided above, Executive expressly waives any and all claims under ADEA that he may have as of the date hereof. Executive further understands that by signing this General Release of Claims he is in fact waiving, releasing and forever giving up any claim under the ADEA as well as all other laws within the scope of this paragraph 1 that may have existed on or prior to the date hereof. Notwithstanding anything in this paragraph 1 to the contrary, this General Release of

Claims shall not apply to (i) any rights to receive any payments pursuant to the Employment Agreement, or any accrued but unpaid benefits under any employee benefit plan maintained by the Company (ii) any rights or claims that may arise as a result of events occurring after this General Release of Claims is executed, (iii) any indemnification rights Executive may have as a former officer or director of the Company or its subsidiaries or affiliated companies, (iv) any claims for benefits under any directors' and officers' liability policy maintained by the Company or its subsidiaries or affiliated companies in accordance with the terms of such policy, (v) any rights as a holder of equity securities of the Company, and (vi) any rights or claims that, by law, may not be waived, including claims for unemployment compensation and workers' compensation. Nothing contained in this Agreement prevents Executive from filing a charge, cooperating with or participating in any investigation or proceeding before any federal or state Fair Employment Practices Agency, including, without limitation, the Equal Employment Opportunity Commission, except that Executive acknowledges that he will not be able to recover any monetary benefits in connection with any such claim, charge or proceeding.

2. Executive represents that he has not filed against the Released Parties any complaints, charges, or lawsuits arising out of his employment, or any other matter arising on or prior to the date of this General Release of Claims, and covenants and agrees that he will never individually or with any person file, or commence the filing of, any charges, lawsuits, complaints or proceedings with any governmental agency, or against the Released Parties with respect to any of the matters released by Executive pursuant to paragraph 1 hereof (a "Proceeding"); provided, however, Executive shall not have relinquished his right to commence a Proceeding to challenge whether Executive knowingly and voluntarily waived his rights under ADEA.

3. **Non-Competition**.

(a) In consideration for the consideration set forth in the Employment Agreement and the payment of severance benefits set forth in Section 7 of the Employment Agreement, Executive further covenants and agrees that during the Term of Employment and during the one (1) year period immediately following the Termination Date (the "Non-Competitive Period"), Executive shall not, directly or indirectly, as owner, partner, joint venturer, stockholder, employee, broker, agent, principal, trustee, corporate officer, director, licensor, or in any capacity whatsoever, engage in, become financially interested in, be employed by, render any consultation or business advice with respect to, accept any competitive business on behalf of, or have any connection with any business which is competitive with products or services of the Company or any subsidiaries and affiliates, in any geographic area in which the Executive provided services or had a material presence or influence on behalf of the Company, whether in the United States, Canada, Europe or elsewhere during the two years prior to Executive's separation from the Company; provided, however, that Executive may own any securities of any corporation which is engaged in such business and is publicly owned and traded but in an amount not to exceed at any one time one percent (1%) of any class of stock or securities of such corporation. In addition, Executive shall not, during the Non-Competitive Period, directly or indirectly: (1) request or cause any suppliers or customers with whom the Company or any of its subsidiaries or affiliates has a business relationship to cancel or terminate any such business relationship with the Company or any of its subsidiaries or affiliates or otherwise compromise the Company's good will; or (2) solicit, hire, interfere with or entice from the Company or any of its subsidiaries or affiliates any employee (or former employee who has been separated from service for less than 12 months) of the Company or any of its subsidiaries or affiliates.

(b) If any portion of the restrictions set forth in this paragraph 3 should, for any reason whatsoever, be declared invalid by a court of competent jurisdiction, the validity or enforceability of the remainder of such restrictions shall not thereby be adversely affected. For the purposes of this paragraph 3, a business competitive with the products and services of the Company (or such subsidiaries and affiliates) is limited to a specialty retailer which primarily distributes, sells or markets so-called "big and tall" apparel of any kind for men or which utilizes the "big and tall" retail or wholesale marketing concept as part of its business.

(c) Executive acknowledges that the Company conducts business throughout the world, that Executive's duties and responsibilities on behalf of the Company are of a worldwide nature, that its sales and marketing prospects are for continued expansion throughout the world and therefore, the territorial and time limitations set forth in this paragraph 3 are reasonable and properly required for the adequate protection of the business of the Company and its subsidiaries and affiliates. In the event any such territorial or time limitation is deemed to be unreasonable by a court of competent jurisdiction, Executive agrees to the reduction of the territorial or time limitation to the area or period which such court shall deem reasonable.

(d) The existence of any claim or cause of action (a claim or cause of action is defined as a claim or cause of action which results from a breach of the terms and provisions of this Agreement by the Company, regardless of whether the breach is material) by Executive against the Company or any subsidiary or affiliate shall not constitute a defense to the enforcement by the Company or any subsidiary or affiliate of the foregoing restrictive covenants, but such claim or cause of action shall be litigated separately.

4. **Inventions and Discoveries.**

(a) Upon execution of this General Release of Claims and thereafter, Executive shall promptly and fully disclose to the Company, and with all necessary detail for a complete understanding of the same, all existing and future developments, know-how, discoveries, inventions, improvements, concepts, ideas, writings, formulae, processes and methods (whether copyrightable, patentable or otherwise) made, received, conceived, acquired or written during working hours, or otherwise, by Executive (whether or not at the request or upon the suggestion of the Company) during the period of his employment with, or rendering of advisory or consulting services to, the Company or any of its subsidiaries and affiliates, solely or jointly with others, in or relating to any activities of the Company or its subsidiaries and affiliates known to him as a consequence of his employment or the rendering of advisory and consulting services hereunder (collectively the "Subject Matter").

(b) Executive hereby assigns and transfers, and agrees to assign and transfer, to the Company, all his rights, title and interest in and to the Subject Matter, and Executive further agrees to deliver to the Company any and all drawings, notes, specifications and data relating to the Subject Matter, and to execute, acknowledge and deliver all such further papers, including applications for copyrights or patents, as may be necessary to obtain copyrights and patents for any thereof in any and all countries and to vest title thereto to the Company. Executive shall assist the Company in obtaining such copyrights or patents during the term of this General Release Of Claims, and at any time thereafter on reasonable notice and at mutually convenient times, and Executive agrees to testify in any prosecution or litigation involving any of the Subject Matter; provided, however, that Executive shall be compensated in a timely manner at the rate of $250 per

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day (or portion thereof), plus out-of-pocket expenses incurred in rendering such assistance or giving or preparing to give such testimony.

5. **Non-Disclosure of Confidential Information.**

(a) Executive acknowledges that the Company possesses certain confidential and propriety information that has been revealed to him or learned by Executive during the course of Executive's employment with the Company and that it would be unfair to use that information or knowledge to compete with or to otherwise disadvantage the Company. Executive shall not, at any time following the end of Executive's employment with the Company, directly or indirectly, disclose or permit to be known (other than as is required in the regular course of his duties (including without limitation disclosures to the Company's advisors and consultants), as required by law (in which case Executive shall give the Company prior written notice of such required disclosure) or with the prior written consent of the Board of Directors, to any person, firm, corporation, or other entity, any confidential information acquired by him during the course of, or as an incident to, his employment or the rendering of his advisory or consulting services hereunder, relating to the Company or any of its subsidiaries or affiliates, the directors of the Company or its subsidiaries or affiliates, any supplier or customer of the Company or any of their subsidiaries or affiliates, or any corporation, partnership or other entity owned or controlled, directly or indirectly, by any of the foregoing, or in which any of the foregoing has a beneficial interest, including, but not limited to, the business affairs of each of the foregoing. Such confidential information shall include, but shall not be limited to, proprietary technology, trade secrets, patented processes, research and development data, know-how, market studies and forecasts, financial data, competitive analyses, pricing policies, employee lists, personnel policies, the substance of agreements with customers, suppliers and others, marketing or dealership arrangements, servicing and training programs and arrangements, supplier lists, customer lists and any other documents embodying such confidential information. This confidentiality obligation shall not apply to any confidential information, which is or becomes publicly available other than pursuant to a breach of this paragraph 5(a) by Executive.

(b) All information and documents relating to the Company and its subsidiaries or affiliates as herein above described (or other business affairs) shall be the exclusive property of the Company, and Executive shall use commercially reasonable best efforts to prevent any publication or disclosure thereof. Upon termination of Executive's employment with the Company, all documents, records, reports, writings and other similar documents containing confidential information, including copies thereof then in Executive's possession or control shall be returned and left with the Company.

(c) In accordance with the Federal Defend Trade Secrets Act, Executive cannot be held criminally or civilly liable under any federal or state trade secret law for disclosing a trade secret (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law, or (ii) in a complaint or other document filed under seal in a lawsuit or other proceeding. Notwithstanding this immunity from liability, Executive may be held liable if Executive unlawfully accesses trade secrets by unauthorized means.

6. **Specific Performance**. Executive agrees that if he breaches, or threatens to commit a breach of, any enforceable provision of paragraphs 3, 4 or 5 (the "Restrictive Covenants"), the

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Company shall have, inaddition to, and not in lieu of, any other rights and remedies available to the Company under law and in equity, the right to have the Restrictive Covenants specifically enforced by a court of competent jurisdiction, it being agreed that any such breach or threatened breach of the Restrictive Covenants would cause irreparable injury to the Company and that money damages would not provide an adequate remedy to the Company. Notwithstanding the foregoing, nothing herein shall constitute a waiver by Executive of his right to contest whether such a breach or threatened breach of any Restrictive Covenant has occurred. Any such damages, attorneys’ fees and costs shall be in addition to and not in lieu of any injunctive relief that may be available to the Company.

7. Executive is advised that Executive has up to twenty-one (21) calendar days to consider this General Release before signing it. Executive may knowingly and voluntarily waive

that up to twenty-one (21) day period by signing this General Release of Claims earlier. However, in the event Executive's employment terminated as part of a group termination within the meaning of the Older Workers Benefits Protection Act, the up to twenty-one (21) day consideration period shall be enlarged to up to forty-five (45) calendar days, and Executive shall be provided with additional disclosures required by the Older Workers Benefit Protection Act prior to the start of the up to forty-five (45) calendar day consideration period. In either case, Executive also shall have seven (7) business days following the date on which Executive signs this General Release of Claims within which to revoke it by providing a written notice of his revocation to the Company. Any such revocation shall be directed to the HR Director, Associate Relations & Compliance and must be delivered to the HR Director, Associate Relations & Compliance within that seven (7) day revocation period, or mailed to Destination XL Group, Inc., Attn: HR Director, Associate Relations & Compliance, 555 Turnpike Street, Canton, MA 02021 and postmarked within the seven (7) day revocation period.

8. Executive acknowledges that this General Release of Claims will be governed by and construed and enforced in accordance with the internal laws of the Commonwealth of Massachusetts applicable to contracts made and to be performed entirely within the Commonwealth.

9. Executive acknowledges that he has read this General Release of Claims, has been advised that he should consult with an attorney before executing this general release of claims, and that he understands all of its terms and executes it voluntarily and with full knowledge of its significance and the consequences thereof.

10. This General Release of Claims shall take effect on the eighth business day following Executive's execution of this General Release of Claims unless Executive's written

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revocation is delivered to the Company within seven (7) business days after such execution.

James Reath

Exhibit 31.1

CERTIFICATION

I, Harvey S. Kanter, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Destination XL Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a materi

fact necessary to make the statements made, in light of the circumstances under which such statements were made, n
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 all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the per presented in this report;

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

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

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting ar 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 ou conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covere 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 durin the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) th has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

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

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

Date:	August 24, 2023 November 17, 2023	By:	/s/ Harvey S. Kanter
			Harvey S. Kanter
			Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Peter H. Stratton, Jr., certify that:

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

Date: August 24, 2023 November 17, 2023

By: /s/ Peter H. Stratton, Jr.

Peter H. Stratton, Jr.

Exhibit 32.1

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

In connection with the Quarterly Report on Form 10-Q of Destination XL Group, Inc. (the “Company”) for the period ended July 29, 2023 October 28, 2023, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Harvey S. Kanter, Chief Executive Officer of the Company, certify pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

This certification is being furnished as an exhibit to the Report pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section. This certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing, except to the extent that the Company specifically incorporates this certification by reference.

Date: August 24, 2023 November 17, 2023 By: /s/ Harvey S. Kanter

Harvey S. Kanter

Chief Executive Officer

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.

Exhibit 32.2

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

In connection with the Quarterly Report on Form 10-Q of Destination XL Group, Inc. (the "Company") for the period ended July 29, 2023 October 28, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Peter H. Stratton, Jr., Chief Financial Officer of the Company, certify pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

This certification is being furnished as an exhibit to the Report pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section. This certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing, except to the extent that the Company specifically incorporates this certification by reference.

Date: August 24, November 17, 2023	By:	/s/ Peter H. Stratton, Jr.
		Peter H. Stratton, Jr.
		Chief Financial Officer

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.

DISCLAIMER

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