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EmployerIdentification Number)10855 South River Front ParkwaySouth Jordan, Utah 84095(351) 0633(Address, including zip code, and telephone number, including area code, of Registrantâ" principal executive offices)Securities registered pursuant to Section 12(b) of the Act:Title of each classTrading Symbol(s)Name of each exchange on which registeredClass A Common Stock, par value \$0.001 per shareCRCTThe Nasdaq Global Select MarketIndicate 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. Â A Â A YesÂ A â" NoÂ A â"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 (Â§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).Â A Â A YesÂ A â" Â A Â A NoÂ A â"Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of âœlarge accelerated filer,âœ âœaccelerated filer,âœ âœsmaller reporting company,âœ and âœemerging growth companyâœ in Rule 12b-2 of the Exchange Act.â"Large accelerated filerâ"Accelerated filerâ"Non-accelerated filerâ"SmallerÂ reportingÂ companyâ"EmergingÂ growthÂ companyIf 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. â"Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).Â A Â A YesÂ A â" Â A Â A NoÂ A â"As of OctoberÂ 29, 2024, the registrant had 53,395,799 shares of Class A Common Stock, and 161,051,577 shares of Class B Common Stock, outstanding, TABLE OF CONTENTSPAGENOTE REGARDING FORWARD-LOOKING STATEMENTS2PART I.FINANCIAL INFORMATION4Item 1.Financial Statements (unaudited)4Condensed Consolidated Balance Sheets (unaudited)4Condensed Consolidated Statements of Operations and Comprehensive Income (unaudited)5Condensed Consolidated Statements of Changes in Stockholdersâ" Equity (unaudited)6Condensed Consolidated Statements of Cash Flows (unaudited)8Notes to Condensed Consolidated Financial Statements9Item 2.Management's Discussion and Analysis of Financial Condition and Results of Operations22Item 3.Quantitative and Qualitative Disclosures About Market Risk32Item 4.Controls and Procedures32PART II.OTHER INFORMATION34Item 1.Legal Proceedings34Item 1A.Risk Factors34Item 2.Unregistered Sales of Equity Securities and Use of Proceeds34Item 3.Default Upon Senior Securities34Item 4.Mine Safety Disclosures35Item 5.Other Information35Item 6.Exhibits36Signatures37NOTE REGARDING FORWARD-LOOKING STATEMENTSThis Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the âœSecurities Actâœ) and Section 21E of the Securities Exchange Act of 1934, as amended (the âœExchange Actâœ), which statements involve substantial risk and uncertainties. These forward-looking statements, which are subject to a number of risks, uncertainties and assumptions about us, generally relate to future events or our future financial or operating performance. In some cases, you can identify these statements by forward-looking words such as âœbelieve,âœ âœmay,âœ âœwill,âœ âœestimate,âœ âœcontinue,âœ âœanticipate,âœ âœdesign,âœ âœintend,âœ âœexpect,âœ âœcould,âœ âœplan,âœ âœpotential,âœ âœpredict,âœ âœseek,âœ âœshould,âœ âœwould,âœ âœtarget,âœ âœprojectâœ or âœcontemplateâœ or the negative version of these words and other comparable terminology that concern our expectations, strategy, plans, intentions or projections. Forward-looking statements contained in this Quarterly Report on Form 10-Q include, but are not limited to, statements about:âœour ability to attract and engage users and attract and expand our relationships with brick-and-mortar and online retail partners and distributors; âœour future results of operations, including trends in revenue, costs, operating expenses and key metrics; âœour ability to compete successfully in competitive markets; âœour expectations and management of future growth; âœour ability to manage our supply chain, manufacturing, distribution and fulfillment, including the ability to forecast demand and manage our inventory; âœour ability to enter new markets and manage our expansion efforts, including internationally; âœour ability to attract and retain management, key employees and qualified personnel; âœour ability to effectively and efficiently protect our brand; âœour ability to maintain, protect and enhance our intellectual property and not infringe upon othersâ" intellectual property; âœour continued use of open source software; âœour estimated Serviceable Addressable Market, or SAM, and Total Addressable Market, or TAM; âœour ability to prevent serious errors, defects or vulnerabilities in our products and software; âœthe adequacy of our capital resources to fund operations and growth; âœour ability to remain in compliance with laws and regulations that currently apply or become applicable to our business both domestically and internationally; âœPetrusâ" significant influence over us and our status as a âœcontrolled companyâ under the rules of the Nasdaq Global Select Market, or the Exchange; âœexpectations regarding the financial condition of our brick-and-mortar and online retail partners, online and e-commerce channels and users; âœrisks related to general socio-economic and political conditions, consumer confidence, as well as current macro-economic and post-COVID-19 factors; andâ"the other factors identified under, or incorporated by reference in, the section titled âœRisk Factorsâ appearing elsewhere in this Quarterly Report on Form 10-Q.We caution you that the foregoing list may not contain all of the forward-looking statements made in this Quarterly Report on Form 10-Q.You should not rely upon forward-looking statements as predictions of future events. These statements are only predictions based primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, results of operations and prospects. There are important factors that could cause our actual results, events or circumstances to differ materially from the results, events or circumstances expressed or implied by the forward-looking statements, including those factors discussed, or incorporated by reference, in the section titled âœRisk Factorsâ and elsewhere in this Quarterly Report on Form 10-Q.You should specifically consider the numerous risks outlined, or incorporated by reference, in the section titled âœRisk Factors.â Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained, or incorporated by reference, in this Quarterly Report on Form 10-Q.Neither we nor any other person assumes responsibility for the accuracy and completeness of any of these forward-looking statements. Moreover, the forward-looking statements made in this Quarterly Report on Form 10-Q relate only to events as of the date on which the statements are made. We undertake no obligation to update any of these forward-looking statements after the date of this Quarterly Report on Form 10-Q to reflect events or circumstances after the date of this Quarterly Report on Form 10-Q or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments we may make.In addition, statements that âœwe believeâ and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this Quarterly Report on Form 10-Q, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.3PART I â" FINANCIAL INFORMATIONITEM 1. FINANCIAL STATEMENTSCricut, Inc.Condensed Consolidated Balance Sheets(in thousands, except share and per share)As of September 30, 2024As of December 31, 2023(unaudited)AssetsCurrent assets:Cash and cash equivalents\$142,376Â \$142,187Â Marketable securities104,566Â 102,952Â Accounts receivable, net93,302Â 111,247Â Inventories167,503Â 244,469Â Prepaid expenses and other current assets33,010Â 19,114Â Total current assets540,757Â 619,969Â Property and equipment, net39,792Â 47,614Â Operating lease right-of-use asset9,047Â 12,353Â Deferred tax assets46,839Â 34,823Â Other assets27,330Â 35,363Â Total assets\$663,765Â \$750,122Â Liabilities and Stockholdersâ" EquityCurrent liabilities:Accounts payable\$45,524Â \$76,860Â Accrued expenses and other current liabilities77,437Â 71,933Â Deferred revenue, current portion43,376Â 40,304Â Operating lease liabilities, current portion4,595Â 5,230Â Dividends payable, current portion379Â 2,137Â Total current liabilities171,311Â 196,464Â Operating lease liabilities, net of current portion5,864Â 8,938Â Deferred revenue, net of current portion2,530Â 2,931Â Other non-current liabilities8,224Â 6,916Â Total liabilities187,929Â 215,249Â Commitments and contingencies (Note 11)Stockholdersâ" equity:Preferred stock, par value \$0.001 per share, 100,000,000 shares authorized, no shares issued and outstanding as of SeptemberÂ 30, 2024 and DecemberÂ 31, 2023.â"Â A Common stock, par value \$0.001 per share, 1,250,000,000 shares authorized as of SeptemberÂ 30, 2024, 214,422,477 shares issued and outstanding as of SeptemberÂ 30, 2024; 1,250,000,000 shares authorized as of DecemberÂ 31, 2023, 217,915,713 shares issued and outstanding as of DecemberÂ 31, 2023.214Â 218Â Additional paid-in capital463,717Â 505,864Â Retained earnings11,488Â 28,514Â Accumulated other comprehensive income417Â 277Â Total stockholdersâ" equity475,836Â 534,873Â Total liabilities and stockholdersâ" equity\$663,765Â \$750,122Â Â A Â See accompanying notes to these unaudited condensed consolidated financial statements.4Cricut, Inc.Condensed Consolidated Statements of Operations and Comprehensive Income(unaudited)(in thousands, except share and per share amounts)Three Months Ended September 30,Nine Months Ended September 30,2024202320242023Revenue:Platform\$77,674Â \$77,455Â \$233,609Â \$231,082Â Products90,216Â 97,454Â 269,620Â 302,819Â Total revenue167,890Â 174,909Â 503,229Â 533,901Â Cost of revenue:Platform10,000Â 8,276Â 27,647Â 24,045Â Products80,527Â 84,699Â 216,785Â 263,601Â Total cost of revenue90,527Â 92,975Â 244,432Â 287,646Â Gross profit77,363Â 81,934Â 258,797Â 246,255Â Operating expenses:Research and development15,240Â 15,910Â 44,408Â 50,057Â Sales and marketing35,278Â 28,375Â 101,662Â 87,398Â General and administrative16,249Â 13,962Â 50,494Â 55,334Â Total operating expenses66,767Â 58,247Â 196,564Â 192,789Â Income from operations10,596Â 23,687Â 62,233Â 53,466Â Other income (expense):Interest income7,718Â 1,340Â 8,189Â 6,211Â Interest expense(84)(81)(245)(240)Other income932Â 569Â 2,067Â 1,863Â Total other income, net3,566Â 1,828Â 10,011Â 7,834Â Income before provision for income taxes14,162Â 25,515Â 72,244Â 61,300Â Provision for income taxes2,674Â 8,290Â 21,340Â 18,952Â Net income\$11,488Â \$17,225Â \$50,904Â \$42,348Â Other comprehensive income:Change in net unrealized gains (losses) on marketable securities, net of tax\$46Â \$76Â \$â"Â \$(54)Change in foreign currency translation adjustment, net of tax229Â (56)140Â (88)Comprehensive income\$11,763Â \$17,245Â \$51,044Â \$42,206Â Earnings per share, basic\$0.05Â \$0.08Â \$0.24Â \$0.20Â Earnings per share, diluted\$0.05Â \$0.08Â \$0.24Â \$0.19Â Weighted-average common shares outstanding, basic214,769,065Â 217,737,089Â 214,706,773Â 216,771,051Â Weighted-average common shares outstanding,

diluted215,749,745Â \$220,424,691Â 215,281,337Â 219,920,343Â See accompanying notes to these unaudited condensed consolidated financial statements.5Cricut, Inc. Condensed Consolidated Statements of Stockholders' Equity(unaudited)(in thousands, except share amounts)Common StockAdditional Paid-In Capital Retained EarningsAccumulated Other Comprehensive Income (Loss)Total Stockholders' EquitySharesAmount Balance as of December 31, 2023217,915,713Â \$218Â \$505,864Â \$28,514Â \$277Â \$534,873Â Net incomeâ€"Â â€"Â â€"Â 19,647Â â€"Â 19,647Â Issuance of common stock upon vesting or exercise of stock-based awards, net of withholding tax548,344Â 1A (2,324)â€"Â â€"Â (2,323)Forfeiture of unvested common stock and dividend equivalents(64,001)â€"Â 73Â â€"Â 73Â Repurchase of common stock(1,697,272)(2)(10,793)â€"Â â€"Â (10,795)Stock-based compensationâ€"Â â€"Â 11,473Â â€"Â 11,473Â Other comprehensive lossâ€"Â â€"Â â€"Â (376)(376)Balance as of March 31, 2024216,702,784Â \$217Â \$504,293Â \$48,161Â \$(99)\$552,572Â Net incomeâ€"Â â€"Â â€"Â 19,769Â â€"Â 19,769Â Issuance of common stock upon vesting or exercise of stock-based awards, net of withholding tax880,919Â 1A (4,426)â€"Â â€"Â (4,425)Forfeiture of unvested common stock and dividend equivalents(24,629)â€"Â 48Â â€"Â 48Â Repurchase of common stock(1,473,061)(2)(9,306)â€"Â â€"Â (9,308)Dividends declaredâ€"Â â€"Â (53,727)(67,930)â€"Â (121,657)Stock-based compensationâ€"Â â€"Â 11,304Â â€"Â â€"Â 11,304Â Other comprehensive incomeâ€"Â â€"Â â€"Â 241Â 241Â Balance as of June 30, 2024216,086,013Â \$216Â \$448,186Â \$â€"Â 142Â \$448,544Â Net incomeâ€"Â â€"Â â€"Â 11,488Â â€"Â 11,488Â Issuance of common stock upon vesting or exercise of stock-based awards, net of withholding tax124,753Â â€"Â (379)â€"Â â€"Â (379)Forfeiture of unvested common stock and dividend equivalents(2,819)â€"Â 9Â â€"Â 9Â Repurchase of common stock(1,785,470)(2)(10,378)â€"Â â€"Â (10,380)Dividend equivalents issued and otherâ€"Â â€"Â 13,685Â â€"Â 13,685Â Stock-based compensationâ€"Â â€"Â 12,594Â â€"Â 12,594Â Other comprehensive incomeâ€"Â â€"Â 13,685Â â€"Â 13,685Â Balance as of September 30, 2024214,422,477Â \$214Â \$463,717Â \$11,488Â \$417Â \$475,836Â 6Common StockAdditional Paid-In Capital Retained EarningsAccumulated Other Comprehensive LossTotal Stockholders' EquitySharesAmount Balance as of December 31, 2022219,656,587Â \$220Â \$672,990Â \$â€"Â \$(475)\$672,735Â Net incomeâ€"Â â€"Â 9,099Â â€"Â 9,099Â Issuance of common stock upon vesting or exercise of stock-based awards, net of withholding tax43,671Â 1A (169)â€"Â 169(169)Forfeiture of unvested common stock and dividend equivalents(103,906)â€"Â 275Â â€"Â 275Â Repurchase of common stock(346,699)(1)(3,243)â€"Â â€"Â (3,244)Dividend equivalents issuedâ€"Â â€"Â 4,366Â â€"Â 4,366Â Stock-based compensationâ€"Â â€"Â 10,895Â â€"Â 10,895Â Other comprehensive incomeâ€"Â â€"Â 10,895Â â€"Â 10,895Â Balance as of March 31, 2023219,249,653Â \$219Â \$685,114Â \$9,099Â \$(269)\$694,163Â Net incomeâ€"Â â€"Â 16,024Â â€"Â 16,024Â Issuance of common stock upon vesting or exercise of stock-based awards, net of withholding tax844,619Â 1A (4,583)â€"Â 4,583(4,583)Forfeiture of unvested common stock and dividend equivalents(199,898)â€"Â 120Â â€"Â 120Â Repurchase of common stock(104,070)â€"Â 120Â 120(104,070)Dividends declaredâ€"Â â€"Â (209,502)(25,123)â€"Â (234,625)Stock-based compensationâ€"Â â€"Â 12,542Â â€"Â 12,542Â Other comprehensive lossâ€"Â â€"Â 12,542Â 12,542Â Balance as of June 30, 2023219,830,304Â \$220Â \$482,724Â \$â€"Â \$(637)\$482,307Â Net incomeâ€"Â â€"Â 17,225Â â€"Â 17,225Â Issuance of common stock upon vesting or exercise of stock-based awards, net of withholding tax76,041Â 1A (1,000)â€"Â 1,000(1,000)Forfeiture of unvested common stock and dividend equivalents(12,154)â€"Â 6Â 6Â Repurchase of common stock(38,758)â€"Â (348)â€"Â 348(348)Dividend equivalents issued14,803Â 14,803Â Stock-based compensationâ€"Â â€"Â 13,258Â â€"Â 13,258Â Other comprehensive incomeâ€"Â â€"Â 13,258Â 13,258Â Balance as of September 30, 2023219,855,433Â \$220Â \$509,443Â \$17,225Â \$(617)\$526,271Â See accompanying notes to these unaudited condensed consolidated financial statements.7 Cricut, Inc. Condensed Consolidated Statements of Cash Flows(unaudited)(in thousands)Nine Months Ended September 30, 20242023Cash flows from operating activities:Net income\$50,904Â \$42,348Â Adjustments to reconcile net income to net cash and cash equivalents provided by operating activities:Depreciation and amortization (including amortization of debt issuance costs)22,308Â 22,072Â Bad debt expense (benefit)(454)2,144Â Impairmentsâ€"Â 1,960Â Stock-based compensation33,255Â 34,789Â Deferred income tax(12,016)(11,938)Non-cash lease expense3,805Â 3,727Â Unrealized foreign currency loss304Â 950Â Provision for inventory obsolescence110Â 17,942Â Other(1,810)(1,846)Changes in operating assets and liabilities:Accounts receivable18,061Â 41,200Â Inventories86,238Â 37,488Â Prepaid expenses and other current assets(13,673)7,490Â Other assets(605)274Â Accounts payable(30,635)17,102Â Accrued expenses and other current liabilities and other non-current liabilities7,574Â (17,437)Operating lease liabilities(4,197)(4,056)Deferred revenue2,671Â 1,817Â Net cash and cash equivalents provided by operating activities161,885Â 196,026Â Cash flows from investing activities:Purchases of marketable securities(110,521)(44,256)Proceeds from maturities of marketable securities110,527Â 19,200Â Purchases of property and equipment, including capitalized software development costs(14,442)(18,942)Net cash and cash equivalents used in investing activities(14,436)(43,998)Cash flows from financing activities:Repurchases of common stock(30,483)(4,558)Proceeds from exercise of stock optionsâ€"Â 382Â Employee tax withholding payments on stock-based awards(7,144)(6,328)Cash dividend(109,775)(293,820)Net cash and cash equivalents used in financing activities(147,402)(304,324)Effect of exchange rate on changes on cash and cash equivalents142Â 95(Net increase (decrease) in cash and cash equivalents)189Â (152,391)Cash and cash equivalents at beginning of period142,187Â 224,943Â Cash and cash equivalents at end of period\$142,376Â \$72,552Â Supplemental disclosures of cash flow information:Cash paid during the period for interest\$â€"Â 142,376Â Cash paid during the period for income taxes\$34,898Â \$21,590Â Supplemental disclosures of non-cash investing and financing activities:Right-of-use assets obtained in exchange for new operating lease liabilities\$477Â 477Â Property and equipment included in accounts payable and accrued expenses and other current liabilities\$1,479Â \$2,764Â Tax withholdings on stock-based awards included in accrued expenses and other current liabilities\$436Â \$1,129Â Stock-based compensation capitalized for software development costs\$1,121Â \$1,520Â Dividends declared but unpaid\$410Â 410Â See accompanying notes to these unaudited condensed consolidated financial statements.8Cricut, Inc. Notes to Condensed Consolidated Financial Statements(unaudited)1.Description of Business and Basis of PresentationNature of BusinessCricut, Inc. (â€œCricutâ€ or the â€œCompanyâ€) is a designer and marketer of a creativity platform that enables users to turn ideas into professional-looking handmade goods. Using the Companyâ€™s platform, versatile connected machines, and accessories and materials, users create everything from personalized birthday cards, mugs and T-shirts to large-scale interior decorations. The Companyâ€™s subscription services, connected machines and related accessories and materials are primarily marketed under the Cricut brand in the United States, as well as Europe and other countries around the world. Headquartered in South Jordan, Utah, the Company is an innovator in its industry, focused on bringing innovative technology (automation and consumerization of industrial tools) to the craft, DIY, and home decor categories. The Companyâ€™s condensed consolidated financial statements include the operations of its wholly owned subsidiaries, which are located throughout Europe and in the Asia-Pacific region. The Company designs, markets, and distributes the Cricut family of products, including the platform, connected machines, and accessories and materials. In addition, Cricut sells a broad line of images, fonts, and projects for purchase à la carte. During the year ended December 31, 2023 and prior periods, we had three reportable segments: Connected Machines, Subscriptions, and Accessories and Materials. As of January 2024, we realigned our operating segment structure and now have two reportable segments: Platform and Products. The change in operating segments is based on how the Companyâ€™s chief operating decision maker (â€œCODMâ€) makes operating decisions and assesses business performance. Prior period segment information has been recast retrospectively to reflect the realignment. See Note 16, Segment Information, for further discussion of the Companyâ€™s segment reporting structure.Basis of Presentation and ConsolidationThe accompanying condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States (â€œGAAPâ€) and applicable rules and regulations of the U.S. Securities and Exchange Commission ("SEC") regarding interim financial reporting. Certain information and note disclosures normally included in the financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. Therefore, these unaudited interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes included in the annual report on Form 10-K for the fiscal year ended December 31, 2023 (the â€œAnnual Reportâ€). However, the Company believes that the disclosures provided herein are adequate to prevent the information presented from being misleading. The condensed consolidated financial statements include the accounts of Cricut, Inc. and its wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. The condensed consolidated balance sheet as of December 31, 2023 was derived from the audited consolidated financial statements as of that date but does not include all disclosures including certain notes required by GAAP on an annual reporting basis. In the opinion of management, the accompanying interim condensed consolidated financial statements reflect all normal recurring adjustments necessary to present fairly the financial position, results of operations, cash flows and the changes in equity for the interim periods. The results for the three and nine months ended September 30, 2024 are not necessarily indicative of the results to be expected for any subsequent quarter, the fiscal year ending December 31, 2024, or any other period. Recently Issued Accounting Pronouncements In March 2024, the Financial Accounting Standards Board (â€œFASBâ€) issued Accounting Standards Update (â€œASUâ€) Compensation-Stock Compensation (Topic 718). The ASU clarifies how an entity determines whether a profits interest or similar award is (1) within the scope of ASC 718 or (2) not a share-based payment arrangement and therefore within the scope of other guidance. The guidance in ASU 2024-01 applies to all entities that issue profits interest awards as compensation to employees or non-employees in exchange for goods or services. Public business entities must apply the ASUâ€™s guidance to annual periods beginning after December 15, 2025. The Company is currently evaluating the impact of this standard on the consolidated financial statements. In December, 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. This ASU establishes new income tax disclosure requirements in addition to modifying and eliminating certain existing requirements. Under the new guidance, entities must consistently categorize and provide greater disaggregation of information in the rate reconciliation. They must also further disaggregate income taxes paid. Public business entities must apply the ASUâ€™s guidance to annual periods beginning after December 15, 2024 (2025 for calendar-year-end Public business entities). The Company is currently evaluating the impact of this standard on the consolidated financial statements. In November 2023, the Financial Accounting Standards Board (â€œFASBâ€) issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. This ASU improves reportable segment disclosure requirements, primarily through enhanced disclosures about significant expenses, and is effective for fiscal years beginning after December 15, 2023 on a retrospective basis. The Company is currently evaluating the impact of this standard on the consolidated financial statements.2. Summary of Significant Accounting PoliciesUse of EstimatesThe preparation of consolidated financial statements in conformity with GAAP 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 consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. For revenue recognition, examples of estimates and judgments include: determining the nature and timing of satisfaction of performance obligations, determining the standalone selling price of performance obligations, and estimating variable consideration such as sales incentives and product returns. Other estimates include the warranty reserve, allowance for credit losses, inventory reserve, intangible assets and other long-lived assets valuation, legal contingencies, stock-based compensation, income taxes, deferred tax assets valuation and developed software, among others. These estimates and assumptions are based on the Companyâ€™s best estimates and judgment. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including any effects of the economic environment, which management believes to be reasonable under the circumstances. Management adjusts such estimates and assumptions when facts and circumstances dictate. Actual results could differ from these estimates.Fair Value MeasurementThe Company measures at fair value certain of its financial and non-financial assets and liabilities by using a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Money market funds and certain marketable securities are highly liquid investments and are actively traded. The pricing information for these assets is readily available and can be independently validated as of the measurement date. This approach results in the classification of these securities as Level 1 of the fair value hierarchy. Other marketable securities such as U.S. Treasury securities are valued using observable inputs from similar assets, or from observable data in markets that are not active; these assets are classified as Level 2 of the fair value hierarchy. There were no transfers between Levels 1, 2 or 3 for any of the periods presented. There were no liabilities measured at fair value on a recurring basis as of September 30, 2024 and December 31, 2023. Earnings Per ShareEarnings per share is computed using the two-class method required for multiple classes of common stock and participating securities. The rights, including the liquidation and dividend rights and sharing of losses, of the Class A common stock and Class B common stock are identical, other than voting rights. As the liquidation and dividend rights and sharing of profits are identical, the undistributed earnings are allocated on a proportionate basis and the resulting net income per share will, therefore, be the same for both Class A and Class B common stock on an individual or combined basis.

classified awards 13 Å 10 Å 35 Å 36 Å Total stock-based compensation \$12,608 Å \$13,268 Å \$35,406 Å \$36,731 Å The following table sets forth the total stock-based compensation cost included in the Company's condensed consolidated statements of operations and comprehensive income or capitalized to assets for the periods indicated: Three Months Ended September 30, Nine Months Ended September 30, 2024 2023 2022 2021 (in thousands) Cost of revenue Platform \$341 Å \$422 Å \$833 Å \$751 Å Products 170 Å 322 Å 566 Å 1,220 Å Total cost of revenue 511 Å 744 Å 1,399 Å 1,971 Å Research and development 4,266 Å 4,732 Å 11,519 Å 13,355 Å Sales and marketing 3,474 Å 3,156 Å 9,398 Å 9,362 Å General and administrative 3,628 Å 3,850 Å 10,939 Å 10,101 Å Total stock-based compensation expense \$11,879 Å \$12,482 Å \$33,255 Å \$34,789 Å Capitalized for software development costs 426 Å 545 Å 1,122 Å 1,520 Å Capitalized to inventories 303 Å 241 Å 1,029 Å 422 Å Total stock-based compensation \$12,608 Å \$13,268 Å \$35,406 Å \$36,731 Å As of September 30, 2024, there was \$79.1 million of unrecognized stock-based compensation cost related to service-based awards which is expected to be recognized over a weighted-average period of 2.4 years. The total unrecognized compensation expense related to unvested PRSUs was approximately \$195.3 Å million as of September 30, 2024. 2021 Equity Incentive Plan In March 2021, the Company's 2021 Equity Incentive Plan became effective. The 2021 Equity Incentive Plan provides for the grant of incentive stock options to employees and for the grant of non-statutory stock options, restricted stock, restricted stock units, stock appreciation rights, performance units and performance shares to our employees, directors and consultants and our parent and subsidiary corporations' employees and consultants. As of September 30, 2024, 50,764,570 shares of Class A common stock were reserved for issuance under this plan including shares reserved for previously granted awards discussed below as well as shares reserved for issuance of future awards under the plan. 16. A summary of the Company's service-based restricted stock unit (RSU) activity under the 2021 Equity Incentive Plan is as follows: Number of RSUs Weighted-Average Grant Date Fair Value (per share) Outstanding at December 31, 2023 893,831 Å \$14.38 Å Granted 5,340,981 Å \$5.88 Å Dividend equivalent grants 499,066 Å Å Vested (2,656,423) Å \$16.08 Å Forfeited / cancelled (666,797) Å \$12.42 Å Outstanding at September 30, 2024 11,410,658 Å \$10.10 Å The Company has granted PRSUs under the 2021 Equity Incentive Plan to certain employees of the Company that represent shares potentially issuable in the future. In July 2024, the Company granted PRSUs by which the first tranche of 30% and the second tranche of 70% will vest upon the Company achieving certain adjusted operating income targets during any four consecutive quarters of the respective performance periods, subject to employees remaining with the Company through the vesting date. The performance periods for the first and second tranches is 4 and 5.0 years, respectively. Adjusted operating income means GAAP operating income adjusted to exclude stock-based compensation expense and payroll expense specifically related to these PRSU awards. In 2022, the Company granted PRSUs that vest in two equal tranches subject to the Company achieving certain cumulative adjusted earnings per share over eight quarters at any point during the 5-year performance period, subject to employees remaining with the Company through the vesting date. Adjusted earnings per share means GAAP net income adjusted to exclude income tax expenses, as well as stock-based compensation expense and payroll tax expense specifically related to these PRSU awards. A summary of the Company's PRSU activity under the 2021 Equity Incentive Plan is as follows: Number of PRSUs (a) Weighted-Average Grant Date Fair Value (per share) Outstanding at December 31, 2023 6,766,001 Å \$23.32 Å Granted 9,808,000 Å \$5.55 Å Dividend equivalent grants 1,366,343 Å Å Forfeited / cancelled (360,081) Å \$22.18 Å Outstanding at September 30, 2024 17,580,263 Å \$12.60 Å a. Represents the maximum number of PRSUs assuming all performance targets are achieved. The expense recognized each period for the PRSUs is primarily dependent upon the Company's estimate of the probability of achieving the performance targets. At September 30, 2024, the Company determined it was not probable any performance conditions would be achieved so no stock-based compensation was recorded for the PRSUs during the nine months ended September 30, 2024. Options under the 2021 Equity Incentive Plan have a contractual term of 10 years. The exercise price of an incentive stock option and non-qualified stock option shall not be less than 100% of the fair market value of the shares on the date of grant. 17. A summary of the Company's stock option activity under the 2021 Equity Incentive Plan is as follows: Number of Options Weighted-Average Exercise Price Weighted-Average Remaining Term (Years) Aggregate Intrinsic Value (in thousands) Outstanding at December 31, 2023 2,999,085 Å \$18.65 Å 3.5 Å Forfeited / cancelled (223,245) Å \$18.54 Å Outstanding at September 30, 2024 2,775,840 Å \$18.25 Å 2.4 Å Vested and exercisable at September 30, 2024 2,744,200 Å \$18.25 Å 2.4 Å During the nine months ended September 30, 2024 and 2023, no options were granted. Certain employees received restricted stock unit equivalents (RSU equivalents) which upon vesting are settled for a cash payment equal to the difference between the Company's stock price on the vesting date less the base price specified at the time of the grant. As of September 30, 2024, the total recognized liability for these awards was immaterial. Unvested Class B Common Stock The Company's unvested Class B common stock resulted from the corporate reorganization in March 2021 and is not part of the 2021 Equity Incentive Plan. Activity related to Class B common stock subject to future vesting for the nine months ended September 30, 2024 is as follows: Number of Unvested Shares Weighted-Average Grant Date Fair Value (per share) Outstanding at December 31, 2023 1,656,679 Å \$20.00 Å Vested (1,343,776) Å \$20.00 Å Forfeited / cancelled (91,449) Å \$20.00 Å Outstanding at September 30, 2024 2,211,454 Å \$20.00 Å Options to Purchase Class B Common Stock The Company's options to purchase Class B common stock resulted from the corporate reorganization in March 2021 and are not part of the 2021 Equity Incentive Plan. A summary of the Company stock option activity for the options to purchase shares of Class B common stock is as follows: Number of Options Weighted-Average Exercise Price Weighted-Average Remaining Term (Years) Aggregate Intrinsic Value (in thousands) Outstanding at December 31, 2023 2,529,425 Å \$7.69 Å 1.9 Å Forfeited / cancelled (48,000) Å \$7.62 Å Outstanding at September 30, 2024 2,421,425 Å \$7.29 Å 1.1 Å Vested and exercisable at September 30, 2024 2,421,425 Å \$7.29 Å 1.1 Å During the nine months ended September 30, 2024 and 2023, the total intrinsic value of options exercised was immaterial. 2021 Employee Stock Purchase Plan In March 2021, the Company's 2021 Employee Stock Purchase Plan (ESPP) became effective. Subject to any limitations contained therein, the 2021 ESPP allows eligible employees to contribute, through payroll deductions, up to 15% of their eligible compensation to purchase the Company's Class A common stock at a discounted price per share. As of September 30, 2024, 10,602,602 shares of our Class A common stock were available for sale under the 2021 ESPP. No offerings have been authorized to date by the administrator under the 2021 ESPP. If the administrator authorizes an offering period under the 2021 ESPP, the administrator will establish the duration of offering periods and purchase periods, including the starting and ending dates of offering periods and purchase periods, provided that no offering period may have a duration exceeding 27 months. 11. Commitments and Contingencies Litigation The Company is subject to certain outside claims and litigation arising in the ordinary course of business. Management is not aware of any contingencies which it believes will have a material effect on its financial position, results of operations or liquidity. 12. Leases The Company leases office space with lease terms ranging from one to six years. These leases require monthly lease payments that may be subject to annual increases throughout the lease term. Certain of these leases also include renewal options at the election of the Company to renew or extend the lease. The Company has determined its leases should be classified as operating leases. Variable lease costs are comprised primarily of the Company's proportionate share of operating expenses, property taxes, and insurance and are classified as lease cost due to the Company's election to not separate lease and non-lease components. The Company incurred operating lease costs of \$1.3 million and \$4.0 Å million for the three and nine months ended September 30, 2024, respectively, and \$1.3 Å million and \$4.0 Å million, respectively for the three and nine months ended September 30, 2023. The Company also incurred variable lease costs of \$0.1 million and \$0.3 Å million for the three and nine months ended September 30, 2024, respectively, and \$0.1 Å million and \$0.2 Å million, for the three and nine months ended September 30, 2023, respectively. Cash paid for amounts included in the measurement of operating lease liabilities was \$1.5 million for both the three months ended September 30, 2024 and 2023, and \$4.5 Å million for both the nine months ended September 30, 2024 and 2023. These amounts were included in net cash provided by operating activities in the Company's consolidated statements of cash flows. As of September 30, 2024, the maturities of the Company's operating lease liabilities were as follows: Å Year Ended December 31, Operating Leases (in thousands) 2024 (remainder of the year) \$1,241 Å 2025 4,611 Å 2026 3,997 Å 2027 967 Å Total lease payments \$10,816 Å Less: imputed interest \$ (357) Present value of operating lease liabilities \$10,459 Å Operating lease liabilities, current \$4,595 Å Operating lease liabilities, non-current \$5,864 Å The weighted average remaining operating lease term Å and the weighted average discount rate used to determine the operating lease liability were as follows: As of September 30, 2024 As of December 31, 2023 Weighted-average remaining lease term of operating leases 2.3 years 2.9 years Weighted-average discount rate of operating leases 3.0 Å % 2.5 Å % 19.13. Restructuring During the three months ended March 31, 2024, and March 31, 2023, the Company undertook restructuring plans to improve efficiency and streamline operations. Costs for each plan were primarily settled within the first fiscal quarter of 2023 and 2024, respectively. During the nine months ended September 30, 2024, the Company recognized severance costs of \$0.9 Å million, of which \$0.4 Å million, \$0.4 Å million and \$0.1 Å million were recorded within research and development, selling and marketing, and general and administrative expense, respectively. During the nine months ended September 30, 2023, the Company recognized severance costs of \$1.2 Å million, of which \$0.7 Å million, \$0.3 Å million, \$0.2 Å million were recorded within research and development, selling and marketing, and general and administrative expense, respectively. 14. Employee Benefit Plan The Company sponsors a 401(k) plan for the benefit of its employees who have attained at least 18 years of age. The Company matches 50% of the first 12% of an employee's salary contributed to the plan on the first day of the month following their hire date. The Company contributed \$0.6 million and \$0.5 Å million for the three months ended September 30, 2024 and 2023, respectively, and \$1.8 Å million and \$1.9 Å million for the nine months ended September 30, 2024 and 2023, respectively. 15. Net Income Per Share The computation of net income per share is as follows: Three Months Ended September 30, Nine Months Ended September 30, 2024 2023 (in thousands, except share and per share amounts) Basic earnings per share: Net income \$11,488 Å \$17,225 Å \$50,904 Å \$42,348 Å Shares used in computation: Weighted-average common shares outstanding, basic 214,769,065 Å 217,737,089 Å 214,706,773 Å 216,771,051 Å Earnings per share, basic \$0.05 Å \$0.08 Å \$0.24 Å \$0.20 Å Diluted earnings per share: Net income \$11,488 Å \$17,225 Å \$50,904 Å \$42,348 Å Shares used in computation: Weighted-average common shares outstanding, basic 214,769,065 Å 217,737,089 Å 214,706,773 Å 216,771,051 Å Weighted-average effect of potentially dilutive securities: Unvested Class B common stock subject to forfeiture 155,639 Å 1,524,534 Å 379,998 Å 2,029,734 Å Employee stock options Å 42,039 Å Å 24,903 Å Restricted stock units 825,041 Å 1,121,029 Å 194,566 Å 1,094,655 Å Diluted weighted-average common shares outstanding 215,749,745 Å 220,424,691 Å 215,281,337 Å 219,920,343 Å Diluted net income per share \$0.05 Å \$0.08 Å \$0.24 Å \$0.19 Å 20. The following potentially dilutive shares were excluded from the computation of diluted earnings per share for the periods presented because including them would have had an anti-dilutive effect: Three Months Ended September 30, Nine Months Ended September 30, 2024 2023 Employee stock options 2,987,265 Å 3,001,077 Å 2,987,265 Å 3,001,077 Å Restricted stock units 5,480,606 Å 4,605,725 Å 6,173,601 Å 4,630,993 Å Unvested Class B common stock subject to forfeiture 125,115 Å 315,858 Å 221,454 Å 367,133 Å As of September 30, 2024, 17,580,263 PRSUs were not assessed for inclusion in diluted earnings per share, and any potential antidilutive shares were excluded from the table above because they are subject to performance conditions that were not achieved as of such date. 16. Segment Information In January 2024, the Company reevaluated its operating segments in order to better align with how the CODM evaluates performance and allocates resources. The key factor evaluated by the Company resulted from the growth and expansion of Design Space, the Company's digital platform. Since its initial public offering, the Company's digital platform has evolved and grown considerably. Key enhancements to the platform include the size of its images, fonts, and projects library, the introduction of advanced design tools, the software support for several new cutting machines, and the creation of enhanced subscriptions offerings. The change in operating segments reflects the Company's strategy to focus on continuing to expand revenue and margin generated from its digital platform and Paid Subscribers. At the same time, a number of product related factors also contributed to this decision, including the relative importance of physical products to the platform, including bundles (comprised of several combinations of machines, accessories, and materials), and changes in our Accessories and Materials business. Based on these changes, the Company has determined that it was appropriate to reduce its reportable segments from three to two, combining its Subscriptions and digital content businesses into one Platform segment, and its Connected Machines and Accessories and Materials businesses into one Product segment. Prior period segment results have been retrospectively recast to reflect the new reportable segments. The CODM reviews revenue and gross profit for each of the reportable segments. Gross profit is defined as revenue less cost of revenue incurred by the segment. The Company considered the provisions of ASC 280-10-50 as it relates to the information provided to and used by the CODM for evaluating performance and allocating resources to operating segments. The Company does not allocate assets at the reportable segment level as these are managed on an entity wide group basis. As of September 30, 2024, long-lived assets located outside the United States, primarily located in Malaysia and China, were \$5.2 million. The Platform segment derives revenue primarily from monthly and annual subscription fees, digital content, and a portion of the revenue allocated to unspecified future upgrades and enhancements related to the essential software and access to the Company's cloud-based services. For the nine months ended September 30, 2024, upfront digital

content revenue comprised 1% of Platform revenue. The remaining Platform revenue consists of ratably recognized subscription revenue. The Products segment derives revenue primarily from the sale of its connected machine hardware, and sale of craft, DIY, home dÃ©cor products and extensions. There are no internal revenue transactions between the Companyâ€™s segments.21Key financial performance measures of the segments including revenue, cost of revenue and gross profit are as follows:Three Months Ended September 30,Nine Months Ended September 30,2024202320242023(in thousands)Platform:Revenue\$77,674Â \$77,455Â \$233,609Â \$231,082Â Cost of revenue10,000Â 8,276Â 27,647Â 24,045Â Gross profit\$67,674Â \$69,179Â \$205,962Â \$207,037Â Products:Revenue\$90,216Â \$97,454Â \$269,620Â \$302,819Â Cost of revenue80,527Â 84,699Â 216,785Â 263,601Â Gross profit\$9,689Â \$12,755Â \$52,835Â \$39,218Â Consolidated:Revenues167,890Â \$174,909Â \$503,229Â \$533,901Â Cost of revenue90,527Â 92,975Â 244,432Â 287,646Â Gross profits\$77,363Â \$81,934Â \$258,797Â \$246,255Â 17.Subsequent Events On November 1, 2024, the Board of Directors approved a recurring semi-annual dividend of \$0.10 per share on its Class A and Class B common stock, payable on January 21, 2025 to shareholders of record as of January 7, 2025. ITEM 2. MANAGEMENTâ€™S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONSThe following discussion and analysis of our financial condition and results of operations should be read together with our interim condensed consolidated financial statements and related notes and other financial information appearing elsewhere in this Quarterly Report on Form 10-Q and our audited consolidated financial statements included in our Annual Report. This discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results could differ materially from these forward-looking statements as a result of many factors, including those discussed, or incorporated by reference, in the sections titled â€œRisk Factorsâ€ and â€œNote Regarding Forward-Looking Statements.â€Overview of Our Business and HistoryAt Cricut, our mission is to help people lead creative lives. We have designed and built a creativity platform that enables our engaged and loyal community of nearly 5.9 million Active Users to turn ideas into professional-looking handmade goods. We define â€œActive Userâ€ as a registered user of at least one registered connected machine who has utilized their connected machine to create a project in the last 365 days. With our highly versatile Design Space Platform and our products, including our connected machines and accessories and materials, our users create everything from personalized birthday cards, mugs and T-shirts, to large-scale interior decorations. Our usersâ€™ journeys typically begin with the purchase of a connected machine. We currently sell a portfolio of connected machines that cut, write, score and create other decorative effects using a wide variety of materials including paper, vinyl, iron-on vinyl, pens, and more. Our connected machines are designed for a wide range of uses and are available at a variety of price points (MSRP by machine family as of SeptemberÂ 30, 2024):â€¢Cricut Joy family for personalization, organization, and customization, \$149.00 - \$199.00 MSRPâ€¢Cricut Explore family for cutting, writing and scoring, \$249.00 - \$319.00 MSRP22â€¢Cricut Maker family for cutting, writing, scoring and adding decorative effects to a wider range of materials, \$399.00 - \$429.00 MSRPâ€¢Cricut Venture for cutting, writing, and scoring large-format projects at professional speeds, \$999.00 MSRPOur platform integrates our design apps and connected machines, allowing our users to create and share seamlessly. Our software is cloud-based, meaning that users can access and work on their projects anywhere, at any time, across desktops or mobile devices. We enable our users to be inspired, to create and share projects with the Cricut community and to follow others doing the same. On our platform, users can find inspiration, purchase or upload content like fonts and images, design a project from scratch or find a vast array of ready-to-make projects. Users can leverage the full power of our platform by using our connected machines together with our free design apps, in-app purchases and subscription offerings to design and complete projects. All users can access a select number of free images, fonts and projects from our design apps or upload their own. In addition, we offer a wider selection of images, fonts and projects for purchase Â la carte, including licensed content from partners with well-known brands and characters, like major motion picture studios. We also have two subscription offerings: â€¢Cricut Access: Provides a subscription to images, fonts and projects as well as other member benefits, including exclusive software features and functionality, discounts, and priority Cricut Member Care. Cricut Access is billed monthly for \$9.99 per month or annually for \$95.88 per year. â€¢Cricut Access Premium: Includes all of the benefits of Cricut Access as well as additional discounts and preferred shipping and is billed annually for \$119.88 per year. As of SeptemberÂ 30, 2024, we had over 2.8 million Paid Subscribers to Cricut Access and Cricut Access Premium. We sell a broad range of accessories and materials that bring our usersâ€™ designs to life, from advanced tools like heat presses to Cricut-branded rulers, scoring tools, pens, paper and iron-on vinyl, all designed to work seamlessly with our connected machines. Designing and completing projects drives repeat purchases of Cricut-branded accessories and materials. We design and develop our software and hardware products, and we work with third-party contract manufacturers to source components and finished goods and with third-party logistics companies to warehouse and distribute our products. We sell our connected machines and accessories and materials through our brick-and-mortar and online retail partners, as well as through our website at cricut.com. Our partners include Amazon, Hobby Lobby, HSN, Jo-Ann, Michaels, Target, Walmart and many others. We also sell our products and subscriptions to Cricut Access and Cricut Access Premium on cricut.com. Historically, we have experienced the highest revenue levels in the fourth quarter of the year, coinciding with the holiday shopping season in the United States. For example, in 2021, 2022 and 2023, our fourth quarter represented 30%, 32% and 30% of total revenue for the year, respectively. Our promotional discounting activity is higher in the fourth quarter as well, which negatively impacts gross margin during this period. For example, gross margin in the fourth quarter of 2023 was 42%, compared to gross margin of 45% for all of 2023. Additionally, sales of accessories and materials typically rise and fall with seasonal holiday crafting periods. The yearly seasonality patterns experienced in 2021, 2022, and 2023 are not representative of our typical historical patterns due to the unique aspects of the pandemic and condition of the global economy. For example, we experienced unusually high demand in the first and second quarters of 2021, which is inconsistent with normal seasonality patterns. In 2022, we experienced a deceleration of sales post-Q1 due to the global economic slowdown which drove a deviation from our typically expected seasonality. As the impact of the pandemic and global economic challenges on behaviors abate, we expect to return to a more normal seasonality pattern. As we continue to grow internationally, we expect we may experience seasonality in additional markets, which may differ from the seasonality experienced in the United States. In January 2024, the Company reevaluated its operating segments in order to better align with how the CODM evaluates performance and allocates resources. The key factor evaluated by the Company resulted from the growth and expansion of Design Space, the Companyâ€™s digital platform. Since its initial public offering, the Companyâ€™s digital platform has evolved and grown considerably. Key enhancements to the platform include the size 23of its images, fonts, and projects library, the introduction of advanced design tools, the software support for several new cutting machines, and the creation of enhanced subscriptions offerings. In 2020, revenue and gross profit generated from the platform represented 12% and 31% of total, respectively. In 2023, revenue and gross profit generated from the platform represented 40% and 80% of total, respectively. Over this same time period, Paid Subscribers on the platform grew 115% from 1.3 million to nearly 2.8 million. The change in operating segments reflects the Companyâ€™s strategy to focus on continuing to expand revenue and margin generated from its digital platform and Paid Subscribers. At the same time, a number of product related factors also contributed to this decision, including the relative importance of physical products to the platform, including bundles (comprised of several combinations of machines, accessories, and materials), and changes in our Accessories and Materials business. Based on these changes, the Company has determined that it was appropriate to reduce its reportable segments from three to two, combining its Subscriptions and digital content businesses into one Platform segment, and its Connected Machines and Accessories and Materials businesses into one Product segment. Prior period segment results have been retrospectively recast to reflect the new reportable segments. For more information regarding our business model, factors affecting our performance, and seasonality, please see â€œManagementâ€™s Discussion and Analysis of Financial Condition and Results of Operationsâ€ in our Annual Report, which is incorporated herein by reference. Key Business MetricsIn addition to the measures presented in our interim condensed consolidated financial statements, we use the following key metrics to evaluate our business, measure our performance, identify trends and make strategic decisions. As of September 30, 20242023Active Users (in thousands)5,8945,92990-Day Engaged Users (in thousands)3,5323,641Paid Subscribers (in thousands)2,8382,699Three Months Ended September 30, 20242023Platform ARPU\$52.86Â \$51.20Â Active UsersWe define Active Users as registered users of at least one registered connected machine who have utilized their connected machine to create a project in the last 365 days. One user may own multiple registered connected machines but is only counted once if that user registers those connected machines by using the same email address. If possession of a connected machine is transferred to a new owner and registered by that new owner, the new owner is added to the total Active Users and the prior owner is removed from the total Active Users if the prior owner does not own any other registered connected machines. Active Users is a key indicator of the health of our business, because changes in the number of Active Users excludes non-users to better represent opportunities for us to drive additional platform and accessories and materials revenue. 90-Day Engaged UsersWe define 90-Day Engaged Users as registered users of at least one registered connected machine who have utilized their connected machine to create a project in the last 90 days. One user may own multiple registered connected machines but is only counted once if that user registers those connected machines by using the same email address. If possession of a connected machine is transferred to a new owner and registered by that new owner, the new owner is added to the total 90-Day Engaged Users and the prior owner is removed from the total 90-Day Engaged Users if the prior owner does not own any other registered connected machines. 90-Day Engaged Users excludes non-users to better represent opportunities for us to drive additional platform and accessories and materials revenue. 24Paid SubscribersWe define Paid Subscribers as the number of users with a subscription to Cricut Access or Cricut Access Premium, excluding cancelled, unpaid or free trial subscriptions, as of the end of a period. Paid Subscribers is a key metric to track growth in our Platform revenue and potential leverage in our gross margin. Platform ARPUWe define Platform ARPU as Platform revenue in a 12-month period divided by Active Users. Platform ARPU allows us to forecast Platform revenue over time and is an indicator of our ability to expand with users and of user engagement with our subscription offerings. Components of our Results of OperationsWe operate and manage our business in two reportable segments: Platform and Products. We identify our reportable segments based on the information used by management to monitor performance and make operating decisions. See Note 16 to our unaudited consolidated financial statements included elsewhere in this filing for additional information regarding our reportable segments. RevenuePlatformWe generate Platform revenue primarily from sales of subscriptions to Cricut Access and Cricut Access Premium, digital content, and a minimal amount of revenue allocated to the unspecified future upgrades and enhancements related to the essential software and access to our cloud-based services. For a monthly or annual subscription fee, Cricut Access includes a subscription to images, fonts and projects as well as other member benefits, including exclusive software features and functionality, discounts, and priority Cricut Member Care. For our annual subscription fee, Cricut Access Premium includes all the benefits of Cricut Access as well as additional discounts and preferred shipping. Digital content includes Â la carte digital content purchases, including fonts, images and projects. Platform revenue is recognized on a ratable basis over time, during the subscription term for subscriptions, and at the point in time when control is transferred for Â la carte digital content. ProductsWe generate Products revenue from sales of connected machines and ancillary products, net of sales discounts, incentives and returns, and includes amounts allocated to the material right for discounts on materials and accessories available only to Paid Subscribers. Our connected machines portfolio consists of machines in four product families: Cricut Maker, which includes Maker and Maker 3; Cricut Explore, which includes Explore Air 2 and Explore 3; Cricut Joy, which includes Joy and Joy Xtra; and Cricut Venture. Our ancillary products include Cricut EasyPress, Cricut MugPress, hand tools, machine replacement tools and blades, and project materials such as vinyl and iron-on. Products revenue is recognized at the point in time when control is transferred, which is either upon shipment or delivery to the customer in accordance with the terms of each customer contract. Cost of RevenuePlatform Cost of revenue related to Platform consists primarily of hosting fees, digital content costs, amortization of capitalized software development costs and software maintenance costs. We expect our cost of revenue related to Platform as a percentage of revenue to fluctuate in the near term as we expand our content offerings, including localized content for international target markets, and decrease over time as we drive greater scale and efficiency in our business. ProductsCost of revenue related to Products consists of product costs, including costs of components, cost of contract manufacturers for production, inspecting and packaging, shipping, receiving, handling, warehousing and fulfillment, duties and other applicable import costs, warranty replacement, excess and obsolete inventory write-downs, tooling and equipment depreciation and royalties. We expect our cost of revenue related to Products as a percentage of revenue to fluctuate in the near term as we continue selling through end of life machines, address 25global supply chain challenges and continue to invest in the growth of our business and decrease over the long term as we drive greater scale and efficiency in our business. Operating ExpensesResearch and DevelopmentResearch and development expenses consist primarily of costs associated with the development of our platform and products, including personnel-related expenses for engineering, product development and quality assurance, as well as prototype costs, service fees incurred by contracting with vendors and allocated overhead. We expect our research and development expenses to fluctuate in the near term as we refine our product roadmaps. We expect to produce gross savings of approximately \$3.2 million during 2024 as a result of the Q1 2024 restructuring plan. Sales and MarketingSales and marketing expenses consist primarily of the advertising and marketing of our products, third-party payment processing fees,

personnel-related expenses, including salaries and bonuses, benefits and stock-based compensation expense, as well as sales incentives, professional services, promotional items, and allocated overhead costs. We expect our sales and marketing expenses as a percentage of revenue to fluctuate in the near term. We expect to produce gross savings of approximately \$2.5 million during 2024 as a result of the Q1 2024 restructuring plan. General and Administrative General and administrative expenses consist of personnel-related expenses for our finance, legal, human resources and administrative personnel, including salaries and bonuses, benefits and stock-based compensation expense, as well as the costs of professional services, any allocated overhead, information technology, impairment charges of unused equipment, and other administrative expenses. We expect our general and administrative expenses as a percentage of revenue to increase in the near term as we expand our operations, invest in systems enhancements, and incur expenses required of a public company. We expect to produce gross savings of approximately \$0.6 million during 2024 as a result of the Q1 2024 restructuring plan. Other Income, Net Other income, net consists primarily of interest income from our investments in marketable securities, offset by interest expense associated with our debt financing arrangements and amortization of debt issuance costs. Provision for Income Taxes Provision for income taxes consists of income taxes in the United States and certain state and foreign jurisdictions in which we conduct business. We have not recorded a valuation allowance against our deferred tax assets as we have concluded that it is more likely than not that the deferred tax assets will be realized. 26 Results of Operations The following tables set forth the components of our interim condensed consolidated statements of operations for each of the periods presented and as a percentage of our revenue for those periods. The period-to-period comparison of results of operations is not necessarily indicative of results of future periods. The following table is presented in thousands:

Three Months Ended September 30, Nine Months Ended September 30, 2024	2023	Change
Revenue:		
Platform \$77,674 Å \$77,455 Å \$233,609 Å \$231,082 Å Products 90,216 Å 97,454 Å 269,620 Å 302,819 Å Total revenue 167,890 Å 174,909 Å 503,229 Å 533,901 Å Cost of revenue:	Platform (1) 10,000 Å 8,276 Å 27,647 Å 24,045 Å Products (1) 80,527 Å 84,699 Å 216,785 Å 263,601 Å Total cost of revenue 90,527 Å 92,975 Å 244,432 Å 287,646 Å Gross profit 77,363 Å 81,934 Å 258,794 Å 246,255 Å Operating expenses:	Research and development (1) 15,240 Å 15,910 Å 44,408 Å 50,057 Å Sales and marketing (1) 35,278 Å 28,375 Å 101,662 Å 87,398 Å General and administrative (1) 16,249 Å 13,962 Å 50,494 Å 55,334 Å Total operating expenses 66,767 Å 58,247 Å 196,564 Å 192,789 Å Income from operations 10,596 Å 23,687 Å 62,233 Å 53,466 Å Other income, net 3,566 Å 1,828 Å 10,011 Å 7,834 Å Income before provision for income taxes 14,162 Å 25,515 Å 72,244 Å 61,300 Å Provision for income taxes 2,674 Å 8,290 Å 21,340 Å 18,952 Å Net income \$11,488 Å \$17,225 Å \$50,904 Å \$42,348 Å (1) Å Å Å Includes stock-based compensation expense as follows:
Three Months Ended September 30, Nine Months Ended September 30, 2024	2023	Change
Cost of revenue:	Platform \$341 Å \$422 Å \$833 Å \$751 Å Products 170 Å 322 Å 566 Å 1,220 Å Total cost of revenue 511 Å 744 Å 1,399 Å 1,971 Å Research and development 4,266 Å 4,732 Å 11,519 Å 13,355 Å Sales and marketing 3,474 Å 3,156 Å 9,398 Å 9,362 Å General and administrative 3,628 Å 3,850 Å 10,939 Å 10,101 Å Total stock-based compensation expense \$11,879 Å \$12,482 Å \$33,255 Å \$34,789 Å 27 Comparison of the Three and Nine Months Ended September Å 30, 2024 and 2023 Revenue Three Months Ended September 30, Change Nine Months Ended September 30, Change 2024 2023 % 2024 2023 % (dollars in thousands):	(\$1,278)
Revenue:	Platform \$77,674 Å \$77,455 Å \$219 Å Å Å % 233,609 Å \$231,082 Å \$2,527 Å 1 Å % Products 90,216 Å 97,454 Å (7,238) (7) % 269,620 Å 302,819 Å (33,199) (11) % Total revenue \$167,890 Å \$174,909 Å \$7,019 Å (4) % \$503,229 Å \$533,901 Å \$30,672 Å (6) % Three Months Ended September 30, 2024 and 2023 Platform revenue increased by \$0.2 million, or 0%, to \$77.7 million for the three months ended September Å 30, 2024 from \$77.5 million for the three months ended September Å 30, 2023. The increase was driven by an increase in the number of paid subscribers which increased from 2.7 million as of September Å 30, 2024 to 2.8 million as of September Å 30, 2023. Products revenue decreased by \$7.2 million, or 7%, to \$90.2 million for the three months ended September Å 30, 2024 from \$97.5 million for the three months ended September Å 30, 2023. The decrease was primarily driven by increased promotional activity on similar gross sales. Nine Months Ended September 30, 2024 and 2023 Platform revenue increased by \$2.5 Å million, or 1%, to \$233.6 Å million for the nine months ended September Å 30, 2024 from \$231.1 Å million for the nine months ended September Å 30, 2023. The increase was driven by an increase in the number of paid subscribers which increased from 2.7 million as of September Å 30, 2023 to 2.8 million as of September Å 30, 2024. Products revenue decreased by \$33.2 Å million, or 11%, to \$269.6 Å million for the nine months ended September Å 30, 2024 from \$302.8 Å million for the nine months ended September Å 30, 2023. The decrease was primarily driven by fewer units of Accessories & Materials sold and increased promotional activity during the period. Cost of Revenue, Gross Profit and Gross Margin Three Months Ended September 30, Change Nine Months Ended September 30, Change 2024 2023 % 2024 2023 % (dollars in thousands):	(\$1,278)
Revenue:	Platform \$10,000 Å \$8,276 Å \$1,724 Å 21 Å % \$27,647 Å \$24,045 Å \$3,602 Å 15 Å % Products 80,527 Å 84,699 Å (4,172) (5) % 216,785 Å 263,601 Å (46,816) (18) % Total cost revenue 90,527 Å \$92,975 Å (2,448) (3) % \$244,432 Å 287,646 Å (43,214) (15) % Gross Profit: Platform 67,674 Å 69,179 Å (1,505) (2) % 205,962 Å 2207,037 Å (1,075) (1) % Products 9,689 Å 12,755 Å (3,066) (24) % 52,835 Å 39,218 Å 13,617 Å 35 Å % Total gross profit \$77,363 Å \$81,934 Å (4,571) (6) % \$258,797 Å \$246,255 Å \$12,542 Å 5 Å % Gross Margin: Platform 87 Å % 89 Å % 88 Å % 90 Å % Products 11 Å % 13 Å % 20 Å % 13 Å % 28 % Three Months Ended September 30, 2024 and 2023 Platform cost of revenue increased by \$1.7 million, or 21%, to \$10.0 million for the three months ended September 30, 2024 from \$8.3 million for the three months ended September 30, 2023. The increase was primarily driven by increases in hosting fees, external digital content costs, and software development expenses. Gross margin for Platform was 87% for the three months ended September 30, 2024 and 89% for the three months ended September 30, 2023. The decrease was primarily driven by increases in hosting fees, external digital content costs, and software development expenses. Products cost of revenue decreased by \$4.2 million, or 5%, to \$80.5 million for the three months ended September 30, 2024 from \$84.7 million for the three months ended September 30, 2023. The decrease was primarily driven by a reduction in inventory impairment charges compared to prior year. Gross margin for Products was 11% for the three months ended September 30, 2024 and 13% for the three months ended September 30, 2023. The decrease was primarily driven by increased promotional activity, partially offset by a reduction in inventory impairment charges compared to prior year. Nine Months Ended September 30, 2024 and 2023 Platform cost of revenue increased by \$3.6 Å million, or 15%, to \$27.6 Å million for the nine months ended September 30, 2024 from \$24.0 Å million for the nine months ended September Å 30, 2023. The increase was primarily driven by increases in amortization of capitalized software costs, software development expenses, and hosting fees. Gross margin for Platform was 88% for the nine months ended September 30, 2024 and 90% for the nine months ended September Å 30, 2023. The decrease was primarily driven by increases in amortization of capitalized software costs and software development expenses. Products cost of revenue decreased by \$46.8 Å million, or 18%, to \$216.8 Å million for the nine months ended September 30, 2024 from \$263.6 Å million for the nine months ended September Å 30, 2023. The decrease was primarily driven by a reduction in inventory impairment charges compared to prior year and fewer units of Accessories & Materials sold during the period. Gross margin for Products was 20% for the nine months ended September 30, 2024 and 13% for the nine months ended September Å 30, 2023. The increase was primarily driven by a reduction in inventory impairment charges compared to prior year, partially offset by increased promotional activity. Operating Expenses: Research and Development Three Months Ended September 30, Change Nine Months Ended September 30, Change 2024 2023 % 2024 2023 % (dollars in thousands):	(\$1,278)
Research and development:	Platform \$15,240 Å \$15,910 Å (\$670) (4) % \$44,408 Å \$50,057 Å (\$5,649) (11) % As a percentage of total revenue 9 Å % 9 Å % 9 Å % Research and development expenses decreased by \$0.7 million, or 4%, to \$15.2 million for the three months ended September 30, 2024 from \$15.9 million for the three months ended September 30, 2023. The decrease was primarily due to a \$1.1 million decrease in personnel-related expense, partially offset by an increase in professional services expense. Research and development expenses decreased by \$5.6 Å million, or 11%, to \$44.4 Å million for the nine months ended September 30, 2024 from \$50.1 Å million for the nine months ended September Å 30, 2023. The decrease was primarily due to a \$4.2 million decrease in personnel-related expense and a \$1.6 million decrease in product development expenses for future products. 29 Sales and Marketing Three Months Ended September 30, Change Nine Months Ended September 30, Change 2024 2023 % 2024 2023 % (dollars in thousands):	(\$1,278)
Sales and marketing:	Platform \$35,278 Å \$28,375 Å \$6,903 Å 24 Å % \$101,662 Å \$87,398 Å 14,264 Å 16 Å % As a percentage of total revenue 21 Å % 16 Å % 20 Å % 16 Å % Sales and marketing expenses increased by \$6.9 million, or 24%, to \$35.3 million for the three months ended September 30, 2024 from \$28.4 million for the three months ended September 30, 2023. The increase was primarily due to a \$5.7 million increase in advertising and other marketing costs and a \$1.7 million increase in personnel-related expense, partially offset by a decrease in software and website subscriptions expense. Sales and marketing expenses increased by \$14.3 Å million, or 16%, to \$101.7 Å million for the nine months ended September 30, 2024 from \$87.4 Å million for the nine months ended September Å 30, 2023. The increase was primarily due to a \$11.2 million increase in advertising and other marketing costs and a \$3.6 million increase in personnel-related expense, partially offset by a decrease in software and website subscriptions expense. General and Administrative Three Months Ended September 30, Change Nine Months Ended September 30, Change 2024 2023 % 2024 2023 % (dollars in thousands):	(\$1,278)
General and administrative:	Platform \$16,249 Å \$13,962 Å \$50,494 Å \$55,334 Å (\$4,840) (9) % As a percentage of total revenue 10 Å % 8 Å % 10 Å % 10 Å % General and administrative expenses increased by \$2.3 million, or 16%, to \$16.2 million for the three months ended September 30, 2024 from \$14.0 million for the three months ended September 30, 2023. The increase was primarily driven by a \$4.5 million net reversal of bad debt expense in Q3 2023. This was partially offset by a loss on foreign currency translation and decreases in impairment of unused equipment, software, and inventory. General and administrative expenses decreased by \$4.8 Å million, or 9%, to \$50.5 Å million for the nine months ended September 30, 2024 from \$55.3 Å million for the nine months ended September Å 30, 2023. The decrease was primarily due to a \$2.8 million decrease in bad debt expense and a \$1.6 million decrease in professional services. Other Income, Net Three Months Ended September 30, Change Nine Months Ended September 30, Change 2024 2023 % 2024 2023 % (dollars in thousands):	(\$1,278)
Other income, net:	Platform \$3,566 Å \$1,828 Å \$1,738 Å 95 Å % \$10,011 Å \$7,834 Å \$2,177 Å 28 Å % Other income, net increased by \$1.7 million or 95% to \$3.6 Å million for the three months ended September 30, 2024 from \$1.8 million for the three months ended September 30, 2023. The increase was primarily driven by an increase in interest income due to an increase in maturities of marketable securities in 2024. Other income, net increased by \$2.2 Å million or 28% to \$10.0 Å million for the nine months ended September 30, 2024 from \$7.8 Å million for the nine months ended September Å 30, 2023. The increase was primarily driven by an increase in interest income due to an increase in maturities of marketable securities in 2024. 30 Income Tax Expense Three Months Ended September 30, Change Nine Months Ended September 30, Change 2024 2023 % 2024 2023 % (dollars in thousands):	(\$1,278)
Provision for income taxes:	Platform \$2,674 Å \$8,290 Å (\$5,616) (68) % \$21,340 Å \$18,952 Å \$2,388 Å 13 Å % Provision for income taxes decreased by \$5.6 million, or 68%, to \$2.7 million for the three months ended September 30, 2024 from \$8.3 million for the three months ended September 30, 2023. The decrease was primarily due to a reduction in unfavorable prior-period adjustments due to the filing of the prior-year tax returns in Q3, increases in the foreign derived intangible income deduction, and a decrease from discrete items related to stock-based compensation. Provision for income taxes increased by \$2.4 Å million, or 13%, to \$21.3 Å million for the nine months ended September 30, 2024 from \$19.0 Å million for the nine months ended September Å 30, 2023. The increase was primarily due to an increase in stock-based compensation difference attributable to the decrease in stock price upon vesting versus the stock price at the grant date, and a decrease to the research and development credit. Liquidity and Capital Resources Our operations during the periods presented have been financed primarily through cash flow from operating activities. We believe our balances of cash and cash equivalents and marketable securities, which totaled \$142.4 Å million and \$104.6 Å million, respectively, as of September Å 30, 2024, along with forecasted cash expected to be generated by ongoing operations and \$300.0 Å million in available borrowings and the option to increase the aggregate amount of our credit facility by up to an additional \$150.0 Å million (see Note 7) will be sufficient to satisfy our cash requirements over the next 12 months and beyond. Except for the dividends announced in May and November 2024 and the share repurchase program announced in May 2024, our cash requirements have not changed materially since our Annual Report. During the nine months ended September 30, 2024 and 2023, we paid a dividend of \$109.8 Å million and \$293.8 Å million to holders of Class A and Class B common stock, respectively. Our future capital requirements may vary materially from those currently planned and will depend on many factors, including our rate of revenue growth, the timing and extent of spending on research and development efforts and other growth initiatives, the expansion of sales and marketing activities, the timing of new product introductions, market acceptance of our products and overall economic conditions. To the extent that current and anticipated future sources of liquidity are insufficient to fund our future business activities and requirements, we may be required to seek additional equity or debt financing. The sale of additional equity would result in additional dilution to our stockholders. The incurrence of debt financing would result in debt service obligations, and the instruments governing such debt could provide for operating and financing covenants that would restrict our operations. There can be no assurances that we will be able to raise additional capital. The inability to raise capital would adversely affect our ability to achieve our business objectives. Cash Flows Nine Months Ended September 30, 2024 2023 (in thousands): Net cash flows provided by operating activities \$161,885 Å \$196,026 Å Net cash flows used in investing activities (14,436) (43,998) Net cash flows used in financing activities (147,402) (304,324) Operating Activities The change in net cash flows from operating activities for the nine months ended September Å 30, 2024 compared to the nine months ended September Å 30, 2023 is primarily due to a decrease in the	(\$1,278)

provision for obsolete inventory, a smaller reduction in accounts receivable in 2024 compared to 2023, an increase in prepaid balances due to estimated tax payments made in 2024, and a decrease in accounts payable driven by a decrease in foreign 31trade payables due to lower inventory purchases in 2024, offset by a decrease in inventory from current year sales and the inventory replenishment rate decreasing as the Company works to reduce inventory levels and an increase in accrued liabilities related to income taxes payable. Investing Activities The change in net cash flows from investing activities for the nine months ended SeptemberÂ 30, 2024 compared to the nine months ended SeptemberÂ 30, 2023 was due to an increase in proceeds from the maturities of marketable securities in 2024. Financing ActivitiesThe change in net cash flows from financing activities for the nine months ended SeptemberÂ 30, 2024 compared to nine months ended SeptemberÂ 30, 2023 was primarily due to dividend payments of \$293.8Â million in 2023 compared to the dividend payment in 2024 of \$109.8Â million, offset by an increase in the repurchase of common stock in 2024. Critical Accounting EstimatesOur managementâ™s discussion and analysis of our financial condition and results of operations is based on our condensed consolidated financial statements, which have been prepared in accordance with United States generally accepted accounting principles (â€œGAAPâ€). The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported revenues and expenses incurred during the reporting periods. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. The critical accounting policies that reflect our more significant judgments and estimates used in the preparation of our condensed consolidated financial statements include those described in Note 2 of the notes to our condensed consolidated financial statements in the section titled â€œSummary of Significant Accounting Policiesâ€ in Part I, Item 1 of this Quarterly Report on Form 10-Q and in our Annual Report. ITEM 3. QUALITATIVE AND QUANTITATIVE DISCLOSURES ABOUT MARKET RISKFor a discussion of the Companyâ™s market risk, please refer to Part II, Item 7A, â€œQuantitative and Qualitative Disclosures About Market Riskâ€ in our Annual Report. There have been no material changes to the Companyâ™s market risk during the three and nine months ended SeptemberÂ 30, 2024. ITEM 4. CONTROLS AND PROCEDURESEvaluation of Disclosure Controls and ProceduresAs required by Rule 13a-15(b) under the Exchange Act, our management, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this Quarterly Report on Form 10-Q, our disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SECâ™s rules and forms and to provide reasonable assurance that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer. Changes in Internal Control over Financial ReportingThere were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the period covered by this Quarterly Report on Form 10-Q that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. Inherent Limitations on Effectiveness of ControlsOur management, including our Chief Executive Officer and Chief Financial Officer, do not expect that our disclosure controls or our internal control over financial reporting will prevent all errors and all fraud. A control 32system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been or would be detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.33PART II - OTHER INFORMATIONITEM 1. LEGAL PROCEEDINGSWe are not presently a party to any material pending legal proceedings. We are, from time to time, subject to legal proceedings and claims arising from the normal course of business activities, and an unfavorable resolution of any of these matters could materially affect our business, results of operations, financial condition or cash flows. Litigation may be necessary, among other things, to defend ourselves or our users by determining the scope, enforceability and validity of third-party proprietary rights, to establish our proprietary rights, or to address royalty payments we make. The results of any current or future litigation cannot be predicted with certainty, and regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors. ITEM 1A. RISK FACTORSIn addition to the other information set forth in this report, you should carefully consider the risk factors discussed in â€œPart II, Item 1A â€œ Risk Factorsâ€ in our quarterly report on Form 10-Q for the period ended March 31, 2024, filed on May 7, 2024, which are hereby incorporated by reference. The risks and uncertainties described in such risk factors and elsewhere in this report have the potential to materially affect our business, financial condition, results of operations, cash flows, projected results and future prospects. We do not believe that there have been any material changes to the risk factors previously disclosed in our recent SEC filings, including our previously filed Form 10-Q, as referenced above, as updated by our Quarterly Report on Form 10-Q for the quarter ended June 30, 2024, filed on August 6, 2024. ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDSSales of Unregistered SecuritiesNone. Purchases of Equity Securities by the Issuer and Affiliated PurchasersThe following table provides information regarding share repurchases made by Cricut during the three months ended September 30, 2024:PeriodTotal Number of Shares Purchased(Average Price Paid Per ShareTotal Number of Shares Purchased as Part of Publicly Announced ProgramMaximum Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program (in thousands)July 1, 2024 through July 31, 20241,022,603\$5,561,022,603\$35,501August 1, 2024 through August 31, 2024â€¢\$35,501September 1, 2024 through September 30, 2024762,867\$6,11762,867\$30,839Total1,785,470\$5,791,785,470\$30,839(1) On August 9, 2022, we announced that our Board of Directors approved a common stock repurchase program to purchase shares of our outstanding Class A common stock up to an aggregate transactional value of \$50 million. On May 6, 2024, the Board of Directors approved an additional \$50 million for the share repurchase program, to purchase shares of our outstanding Class A common stock depending on our continuing analysis of market, financial, and other factors. The share repurchase program may be suspended or discontinued at any time and does not have a predetermined expiration date. ITEM 3. DEFAULTS UPON SENIOR SECURITIESNot applicable. 34ITEM 4. MINE SAFETY DISCLOSURESNot applicable. ITEM 5. OTHER INFORMATIONSecurities Trading Plans of Directors and Executive OfficersDuring our last fiscal quarter, the following directors and officer, each as defined in Rule 16a-1(f), adopted a â€œRule 10b5-1 trading arrangement,â€ as defined in Regulation S-K Item 408, as follows:On August 29, 2024, Len Blackwell, a member of our Board of Directors, adopted a Rule 10b5-1 trading arrangement providing for the sale from time to time of an aggregate of up to 447,867 shares of our Class A common stock. The trading arrangement is intended to satisfy the affirmative defense in Rule 10b5-1(c). The duration of the trading arrangement is until September 2, 2025, or earlier if all transactions under the trading arrangement are completed. On August 19, 2024, Ashish Arora, our Chief Executive Officer and a member of our Board of Directors, adopted a Rule 10b5-1 trading arrangement providing for the sale from time to time of an aggregate of up to 2,030,000 shares of our Class A common stock. The trading arrangement is intended to satisfy the affirmative defense in Rule 10b5-1(c). The duration of the trading arrangement is until October 17, 2025, or earlier if all transactions under the trading arrangement are completed. No other officers or directors, as defined in Rule 16a-1(f), adopted and/or terminated a â€œRule 10b5-1 trading arrangementâ€ or a â€œnon-Rule 10b5-1 trading arrangement,â€ as defined in Regulation S-K Item 408, during the last fiscal quarter.35ITEM 6. EXHIBITSThe documents listed below are incorporated by reference or are filed with this Quarterly Report on Form 10-Q, in each case as indicated therein (numbered in accordance with ItemÂ 601 of Regulation S-K).EXHIBIT INDEXExhibitNumberDescription31.1*Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.31.2*Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.31.1*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*â€¢ 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.INSInline 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 is embedded within the Inline XBRL document or included within the Exhibit 101 attachments* Filed herewith+ Indicates management contract or compensatory plan.â€ The certifications furnished in Exhibits 32.1 and 32.2 hereto are deemed to accompany this Quarterly Report on Form 10-Q and will not be deemed "filed" for purposes of Section 18 or the Securities Exchange Act of 1934, as amended, except to the extent that the registrant specifically incorporates it by reference.36SIGNATURESPursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized. Date: November 5, 2024 By:/s/Â Ashish Arora Name: Ashish Arora Title: Chief Executive Officer(Principal Executive Officer) Date: November 5, 2024 By:/s/Â Kimball Shill Name: Kimball Shill Title: Chief Financial Officer(Principal Financial Officer) Date: November 5, 2024 By:/s/Â Ryan Harmer Name: Ryan Harmer Title: VP of Accounting, Corporate Controller(Principal Accounting Officer)37DocumentExhibit 31.1CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14a OF THE SECURITIES EXCHANGE ACT OF 1934AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES OXLEY ACT OF 2002I, Ashish Arora, certify that: 1.I have reviewed this Quarterly Report on Form 10-Q of Cricut, Inc.; 2.Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report; 3.Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report; 4.The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have: (a)Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared; (b)Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles; (c)Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and (d)Disclosed in this report any change in the registrantâ™s internal control over financial reporting that occurred during the registrantâ™s most recent fiscal quarter (the registrantâ™s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrantâ™s internal control over financial reporting; and 5.The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions): (a)All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and (b)Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting. CRICUT, INC. Date: NovemberÂ 5, 2024/s/ Ashish Arora Ashish Arora Chief Executive Officer(Principal Executive Officer) DocumentExhibit 31.2CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14a OF THE SECURITIES EXCHANGE ACT OF 1934AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES OXLEY ACT OF 2002I, Kimball Shill, certify that: 1.I have reviewed this Quarterly Report on Form 10-Q of Cricut, Inc.; 2.Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to

state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;3.Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;4.The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:(a)Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared; (b)Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;(c)Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and(d)Disclosed in this report any change in the registrantâ™s internal control over financial reporting that occurred during the registrantâ™s most recent fiscal quarter (the registrantâ™s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrantâ™s internal control over financial reporting; and5.The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):(a)All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and(b)Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.CRICUT, INC.Date: NovemberÂ 5, 2024/s/ Kimball ShillKimball ShillChief Financial Officer(Principal Financial Officer)DocumentExhibit 32.1CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. SECTION 1350,AS ADOPTED PURSUANT TO SECTION 906OF THE SARBANES-OXLEY ACT OF 2002I, Ashish Arora, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of Cricut, Inc. for the fiscal quarter ended SeptemberÂ 30, 2024 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Cricut, Inc.CRICUT, INC.Date: NovemberÂ 5, 2024/s/ Ashish AroraAshish AroraChief Executive Officer(Principal Executive Officer)DocumentExhibit 32.2CERTIFICATION OF PRINCIPAL FINANCIAL OFFICERPURSUANT TO 18 U.S.C. SECTION 1350,AS ADOPTED PURSUANT TO SECTION 906OF THE SARBANES-OXLEY ACT OF 2002I, Kimball Shill, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of Cricut, Inc. for the fiscal quarter ended SeptemberÂ 30, 2024 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Cricut, Inc.CRICUT, INC.Date: NovemberÂ 5, 2024/s/ Kimball ShillKimball ShillChief Financial Officer(Principal Financial Officer)