UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2026

OR

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

For the transition period from to

Commission File Number 001-40836

Brilliant Earth Group, Inc.

(Exact name of registrant as specified in its charter)

Nevada	**87-1015499**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
300 Grant Avenue, Third Floor San Francisco, CA	**94108**
(Address of principal executive offices)	(Zip Code)

(800) 691-0952

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, $0.0001 par value per share	BRLT	The Nasdaq Global Market

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

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

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

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

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

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

As of October 30, 2026, there were 17,266,337 shares of the registrant's Class A common stock, $0.0001 par value per share, outstanding, 35,744,923 shares of the registrant's Class B common stock, $0.0001 par value per share, outstanding, 49,119,976 shares of the registrant's Class C common stock, $0.0001 par value per share, outstanding and no shares of the registrant's Class D common stock, $0.0001 par value per share, outstanding.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q may be forward-looking statements. Statements regarding our future results of operations and financial position, business strategy, and management's plans and objectives for future operations, including, among others, statements regarding expected growth, introduction of new products, showroom and international expansion, market opportunity, capital expenditures, marketing and technology investments, liquidity and capital needs, tariff and macroeconomic impacts and any potential future declarations of cash dividends are forward-looking statements. In some cases, you can identify forward-looking statements by terms, such as "anticipate," "believe," "contemplate," "continue," "could," "estimate," "evolve," "expect," "intend," "may," "plan," "potential," "predict," "seek," "should," "strategy," "target," "will," or "would," or the negative of these terms or other similar expressions. Accordingly, we caution you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions, and uncertainties that are difficult to predict.

We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. Actual results may prove to be materially different from the results expressed or implied by the forward-looking statements. These forward-looking statements are subject to a number of risks, uncertainties, and assumptions, including, but not limited to risks related to: fluctuations in the pricing and supply of diamonds, other gemstones, and precious metals, particularly responsibly sourced natural and lab-grown diamonds and repurposed precious metals such as gold; increases in labor costs for manufacturing such as wage rate increases, as well as inflation, and energy prices; an overall decline in the health of the economy and other factors impacting consumer spending, such as recessionary or inflationary conditions, governmental instability, the impact of any changes in trade policy, including the imposition of new or increased tariffs on goods imported into the United States and any resulting retaliatory trade actions by other governments, war and fears of war, and natural disasters; our ability to cost-effectively turn existing customers into repeat customers or to acquire new customers; our rapid growth in recent years and limited operating experience at our current scale of operations and our ability to manage growth effectively; increased lead times, supply shortages and supply changes; our plans to expand showrooms in the United States; our ability to compete in the fine jewelry retail industry; our ability to maintain and enhance our brand and to engage or expand our customer base; our ability to expand our sales and marketing capabilities and achieve broader market acceptance of our e-commerce and omnichannel approach; our ability to manage our inventory balances and shrinkage; a decline in sales of Design Your Own rings; our ability to predict operating results; our heavy reliance on our information technology systems and those of our third-party vendors and service providers to safeguard confidential information and any significant failure, inadequacy or interruption of these systems, security breaches or loss of data; the impact of environmental, social, and governance matters on our business and reputation; risks related to our e-commerce and omnichannel business; our ability to anticipate and respond to changes in consumer preferences and shopping patterns, and introduce new products and programs; our dependence on distributions from Brilliant Earth, LLC to pay our taxes and expenses, including payments under the Tax Receivable Agreement; our obligations under the Tax Receivable Agreement, which confers certain benefits upon the Continuing Equity Owners that will not benefit holders of our Class A common stock to the same extent; risks related to our organizational structure; and the other risks, uncertainties and factors described in Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025 (the "2025 Form 10-K") filed with the Securities and Exchange Commission (the "SEC") on March 17, 2026. Other sections of this Quarterly Report on Form 10-Q, including Part I, Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations", include additional factors that could adversely impact our business and financial performance.

Moreover, we operate in a very competitive and rapidly changing environment and new risks emerge from time to time. In light of these risks, uncertainties, and assumptions, the future events and trends discussed in this Quarterly Report on Form 10-Q may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. This Quarterly Report on Form 10-Q and the documents that we have filed as exhibits should be read with the understanding that our actual

future results, levels of activity, performance and achievements may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements. These forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q. Except as required by applicable law, we undertake no obligation to update or revise any forward-looking statements contained in this Quarterly Report on Form 10-Q, whether as a result of any new information, future events or otherwise.

BASIS OF PRESENTATION

As used in this Quarterly Report on Form 10-Q, unless the context otherwise requires, references to:

- "we," "us," "our," the "Company," "Brilliant Earth," and similar references refer to Brilliant Earth Group, Inc., and, unless otherwise stated, all of its subsidiaries, including Brilliant Earth, LLC.
- "Continuing Equity Owners" refers collectively to holders of LLC Interests (as defined below) and our Class B common stock and Class C common stock, including our Founders (as defined below) and Mainsail (as defined below), who may exchange at each of their respective options, in whole or in part from time to time, their LLC Interests (along with an equal number of shares of Class B common stock or Class C common stock (and such shares shall be immediately cancelled), as applicable), for, at our election (determined solely by our independent directors (within the meaning of the Nasdaq rules) who are disinterested), cash or newly-issued shares of our Class A common stock or Class D common stock, as applicable.
- "Founders" refers to Beth Gerstein, our Co-Founder and Chief Executive Officer, Eric Grossberg, our Co-Founder and Executive Chairman, and Just Rocks, Inc., a Delaware corporation, which is jointly owned and controlled by our Founders.
- "LLC Interests" or "LLC Units" refers to the common units of Brilliant Earth, LLC, including those that we purchased with the net proceeds from our initial public offering ("IPO"), which occurred on September 23, 2021.
- "LLC Agreement" refers to Brilliant Earth, LLC's amended and restated limited liability company agreement, which became effective prior to the consummation of the IPO.
- "Mainsail" refers to Mainsail Partners III, L.P., our sponsor and a Delaware limited partnership, and certain funds affiliated with Mainsail Partners III, L.P., including Mainsail Incentive Program, LLC, and Mainsail Co-Investors III, L.P.
- "SVB Credit Agreement" refers to the credit agreement entered into on May 24, 2022, and as subsequently amended, by Brilliant Earth, LLC, as borrower, and Silicon Valley Bank, as administrative agent and collateral agent for the lenders, which provides for a secured term loan credit facility of $65.0 million (the "SVB Term Loan") and a secured revolving credit facility in an amount of up to $40.0 million (the "SVB Revolving Facility", and together with the SVB Term Loan, the "SVB Credit Facilities"). In August 2025, the Company prepaid all principal amounts outstanding of $34.8 million under the SVB Term Loan and terminated all commitments outstanding under the SVB Credit Agreement.
- "TRA" refers to the Tax Receivable Agreement with Brilliant Earth, LLC and the Continuing Equity Owners that provides for the payment by Brilliant Earth Group, Inc. to the Continuing Equity Owners of 85% of the amount of tax benefits, if any, that Brilliant Earth Group, Inc. actually realizes (or in some circumstances is deemed to realize) related to certain tax basis adjustments and payments made under the TRA.

Part I - Financial Information

Item 1. Financial Statements

Brilliant Earth Group, Inc.
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in thousands, except per share amounts)

	September 30, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 76,176	$ 79,089
Restricted cash	127	349
Inventories, net	50,332	53,238
Prepaid expenses and other current assets	12,841	12,052
Total current assets	139,476	144,728
Property and equipment, net	17,640	19,622
Operating lease right of use assets	36,434	31,879
Other assets	3,374	4,674
Total assets	$ 196,924	$ 200,903
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 27,874	$ 24,804
Accrued expenses and other current liabilities	28,078	35,732
Deferred revenue	24,133	22,671
Current portion of operating lease liabilities	7,517	6,896
Total current liabilities	87,602	90,103
Operating lease liabilities	35,158	31,163
Total liabilities	122,760	121,266
Commitments and contingencies (Note 9)		
Stockholders' equity		
Preferred stock, $0.0001 par value, 10,000,000 shares authorized, none issued and outstanding at September 30, 2026 and December 31, 2025, respectively	—	—
Class A common stock, $0.0001 par value, 1,200,000,000 shares authorized; 17,841,014 shares issued and 17,266,337 shares outstanding at September 30, 2026; 16,092,701 shares issued and 15,518,024 shares outstanding at December 31, 2025	2	2
Class B common stock, $0.0001 par value, 150,000,000 shares authorized; 35,744,923 shares outstanding at September 30, 2026 and 35,822,342 shares outstanding at December 31, 2025, respectively	4	4
Class C common stock, $0.0001 par value, 150,000,000 shares authorized; 49,119,976 shares outstanding at September 30, 2026 and December 31, 2025, respectively	5	5
Class D common stock, $0.0001 par value, 150,000,000 shares authorized; none issued and outstanding at September 30, 2026 and December 31, 2025, respectively	—	—
Additional paid-in capital	17,576	16,024
Treasury stock, at cost; 574,677 and 574,677 shares at September 30, 2026 and December 31, 2025, respectively	(1,094)	(1,094)
Accumulated deficit	(3,955)	(2,640)
Stockholders' equity attributable to Brilliant Earth Group, Inc.	12,538	12,301
Non-controlling interests attributable to Brilliant Earth, LLC	61,626	67,336
Total stockholders' equity	74,164	79,637
Total liabilities and stockholders' equity	$ 196,924	$ 200,903

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Brilliant Earth Group, Inc.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in thousands, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Net sales	$ 112,808	$ 110,252	$ 327,423	$ 313,072
Cost of sales	45,437	46,801	139,340	131,075
Gross profit	67,371	63,451	188,083	181,997
Operating expenses:				
Marketing and advertising	26,319	26,132	76,076	75,365
General and administrative	39,129	37,939	118,519	111,988
Total operating expenses	65,448	64,071	194,595	187,353
Income (loss) from operations	1,923	(620)	(6,512)	(5,356)
Interest expense	—	(272)	—	(2,282)
Other income, net	478	837	1,302	3,215
Loss on extinguishment of debt	—	(573)	—	(573)
Income (loss) before income taxes	2,401	(628)	(5,210)	(4,996)
Income tax expense	—	(44)	—	(56)
Net income (loss)	2,401	(672)	(5,210)	(5,052)
Net income (loss) allocable to non-controlling interest	2,225	(565)	(3,895)	(4,313)
Net income (loss) allocable to Brilliant Earth Group, Inc.	$ 176	$ (107)	$ (1,315)	$ (739)
Earnings per share:				
Basic	$ 0.01	$ (0.01)	$ (0.08)	$ (0.05)
Diluted	$ 0.02	$ (0.01)	$ (0.08)	$ (0.05)
Weighted average shares of common stock outstanding:				
Basic	17,082,831	14,993,768	16,453,713	14,555,854
Diluted	102,095,687	14,993,768	16,453,713	14,555,854

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Brilliant Earth Group, Inc.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(Dollars in thousands)

	Brilliant Earth Group, Inc. Stockholders' Equity										Non-Controlling Interest		
	Class A Common Stock		Class B Common Stock		Class C Common Stock								
	Shares	Amount	Shares	Amount	Shares	Amount	Additional Paid-In Capital	Treasury Stock	Accumulated Deficit	Stockholders' Equity	Units	Amounts	Total Stockholders' Equity
Balance, January 1, 2026	**15,518,024**	**$ 2**	**35,822,342**	**$ 4**	**49,119,976**	**$ 5**	**$ 16,024**	**$ (1,094)**	**$ (2,640)**	**$ 12,301**	**84,942,318**	**$ 67,336**	**$ 79,637**
Distributions to members	—	—	—	—	—	—	—	—	—	—	—	**(1,365)**	**(1,365)**
RSU vesting during period	**644,968**	—	—	—	—	—	—	—	—	—	—	—	—
Equity-based compensation	—	—	—	—	—	—	**1,528**	—	—	**1,528**	—	—	**1,528**
Net loss	—	—	—	—	—	—	—	—	**(1,511)**	**(1,511)**	—	**(6,942)**	**(8,453)**
Rebalancing of controlling and non-controlling interest	—	—	—	—	—	—	**(913)**	—	—	**(913)**	—	**913**	—
Balance, March 31, 2026	**16,162,992**	**$ 2**	**35,822,342**	**$ 4**	**49,119,976**	**$ 5**	**$ 16,639**	**$ (1,094)**	**$ (4,151)**	**$ 11,405**	**84,942,318**	**$ 59,942**	**$ 71,347**
Distributions to members	—	—	—	—	—	—	—	—	—	—	—	**(155)**	**(155)**
RSU vesting during period	**717,485**	—	—	—	—	—	—	—	—	—	—	—	—
Equity-based compensation	—	—	—	—	—	—	**1,278**	—	—	**1,278**	—	—	**1,278**
Net income	—	—	—	—	—	—	—	—	**20**	**20**	—	**822**	**842**
Rebalancing of controlling and non-controlling interest	—	—	—	—	—	—	**(549)**	—	—	**(549)**	—	**549**	—
Balance, June 30, 2026	**16,880,477**	**$ 2**	**35,822,342**	**$ 4**	**49,119,976**	**$ 5**	**$ 17,368**	**$ (1,094)**	**$ (4,131)**	**$ 12,154**	**84,942,318**	**$ 61,158**	**$ 73,312**
Distributions to members	—	—	—	—	—	—	—	—	—	—	—	**(2,693)**	**(2,693)**
RSU vesting during period	**308,441**	—	—	—	—	—	—	—	—	—	—	—	—
Conversion of Class B to Class A common stock	**77,419**	—	**(77,419)**	—	—	—	—	—	—	—	**(77,419)**	—	—
Equity-based compensation	—	—	—	—	—	—	**1,144**	—	—	**1,144**	—	—	**1,144**
Net income	—	—	—	—	—	—	—	—	**176**	**176**	—	**2,225**	**2,401**
Rebalancing of controlling and non-controlling interest	—	—	—	—	—	—	**(936)**	—	—	**(936)**	—	**936**	—
Balance, September 30, 2026	**17,266,337**	**$ 2**	**35,744,923**	**$ 4**	**49,119,976**	**$ 5**	**$ 17,576**	**$ (1,094)**	**$ (3,955)**	**$ 12,538**	**84,864,899**	**$ 61,626**	**$ 74,164**

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Brilliant Earth Group, Inc.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(Dollars in thousands)

	Brilliant Earth Group, Inc. Stockholders' Equity										Non-Controlling Interest		
	Class A Common Stock		Class B Common Stock		Class C Common Stock								
	Shares	Amount	Shares	Amount	Shares	Amount	Additional Paid-In Capital	Treasury Stock	Retained Earnings	Stockholders' Equity	Units	Amounts	Total Stockholders' Equity
Balance, January 1, 2025	**13,843,944**	**$ 1**	**35,820,912**	**$ 4**	**49,119,976**	**$ 5**	**$ 11,169**	**$ (638)**	**$ 4,788**	**$ 15,329**	**84,940,888**	**$ 94,053**	**$ 109,382**
Distributions to members	—	—	—	—	—	—	—	—	—	—	—	**(5,349)**	**(5,349)**
Conversion of Class B to Class A common stock	**2,700**	—	**(2,700)**	—	—	—	—	—	—	—	**(2,700)**	—	—
RSU vesting during period	**661,156**	—	—	—	—	—	—	—	—	—	—	—	—
Repurchases of common stock	**(102,460)**	—	—	—	—	—	—	**(163)**	—	**(163)**	—	—	**(163)**
Class B shares issued upon vesting of LLC units	—	—	**21,191**	—	—	—	—	—	—	—	**21,191**	—	—
Equity-based compensation	—	—	—	—	—	—	**2,342**	—	—	**2,342**	—	**27**	**2,369**
Net loss	—	—	—	—	—	—	—	—	**(466)**	**(466)**	—	**(2,801)**	**(3,267)**
Rebalancing of controlling and noncontrolling interests	—	—	—	—	—	—	**(2,114)**	—	—	**(2,114)**	—	**2,114**	—
Balance, March 31, 2025	**14,405,340**	**$ 1**	**35,839,403**	**$ 4**	**49,119,976**	**$ 5**	**$ 11,397**	**$ (801)**	**$ 4,322**	**$ 14,928**	**84,959,379**	**$ 88,044**	**$ 102,972**
Distributions to members	—	—	—	—	—	—	—	—	—	—	—	**(1,308)**	**(1,308)**
RSU vesting during period	**581,177**	—	—	—	—	—	—	—	—	—	—	—	—
Repurchases of common stock	**(132,124)**	—	—	—	—	—	—	**(197)**	—	**(197)**	—	—	**(197)**
Class B shares issued upon vesting of LLC units	—	—	**3,712**	—	—	—	—	—	—	—	**3,712**	—	—
Equity-based compensation	—	—	—	—	—	—	**2,318**	—	—	**2,318**	—	**10**	**2,328**
Net loss	—	—	—	—	—	—	—	—	**(166)**	**(166)**	—	**(947)**	**(1,113)**
Rebalancing of controlling and noncontrolling interests	—	—	—	—	—	—	**(1,602)**	—	—	**(1,602)**	—	**1,602**	—
Balance, June 30, 2025	**14,854,393**	**$ 1**	**35,843,115**	**$ 4**	**49,119,976**	**$ 5**	**$ 12,113**	**$ (998)**	**$ 4,156**	**$ 15,281**	**84,963,091**	**$ 87,401**	**$ 102,682**
Dividends and distributions to members	—	—	—	—	—	—	—	—	—	—	—	**(21,323)**	**(21,323)**
Conversion of Class B to Class A common stock	**20,773**	—	**(20,773)**	—	—	—	—	—	—	—	**(20,773)**	—	—
RSU vesting during period	**353,159**	**1**	—	—	—	—	**(1)**	—	—	—	—	—	—
Repurchases of common stock	**(58,112)**	—	—	—	—	—	—	**(96)**	—	**(96)**	—	—	**(96)**
Equity-based compensation	—	—	—	—	—	—	**2,256**	—	—	**2,256**	—	—	**2,256**
Net loss	—	—	—	—	—	—	—	—	**(107)**	**(107)**	—	**(565)**	**(672)**
Dividends paid on Class A common stock	—	—	—	—	—	—	—	—	**(3,793)**	**(3,793)**	—	—	**(3,793)**
Rebalancing of controlling and noncontrolling interests	—	—	—	—	—	—	**(1,562)**	—	—	**(1,562)**	—	**1,562**	—
Balance, September 30, 2025	**15,170,213**	**$ 2**	**35,822,342**	**$ 4**	**49,119,976**	**$ 5**	**$ 12,806**	**$ (1,094)**	**$ 256**	**$ 11,979**	**84,942,318**	**$ 67,075**	**$ 79,054**

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Brilliant Earth Group, Inc.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands)

	Nine Months Ended September 30,	
	2026	**2025**
Operating activities		
Net loss	$ (5,210)	$ (5,052)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	4,979	4,581
Impairment of cloud computing implementation costs	1,793	—
Equity-based compensation	3,950	6,953
Non-cash operating lease cost	5,277	4,812
Loss on extinguishment of debt	—	573
Amortization of debt issuance costs	—	179
Deferred tax expense	—	56
Other	218	223
Changes in assets and liabilities:		
Inventories	2,709	(11,063)
Prepaid expenses and other current assets	(373)	(1,766)
Other assets	(493)	(617)
Accounts payable, accrued expenses and other current liabilities	(4,921)	2,200
Deferred revenue	1,462	6,750
Operating lease liabilities	(5,632)	(5,278)
Net cash provided by operating activities	**3,759**	**2,551**
Investing activities		
Purchases of property and equipment	(2,646)	(2,493)
Net cash used in investing activities	**(2,646)**	**(2,493)**
Financing activities		
Dividends paid on Class A common stock	—	(3,793)
Payments on SVB Term Loan	—	(56,063)
Repurchases of common stock	—	(456)
Payment of debt issuance costs	—	(131)
Distributions and TRA payments to members	(4,248)	(27,980)
Net cash used in financing activities	**(4,248)**	**(88,423)**
Net decrease in cash, cash equivalents and restricted cash	**(3,135)**	**(88,365)**
Cash, cash equivalents and restricted cash at beginning of period	79,438	162,141
Cash, cash equivalents and restricted cash at end of period	**$ 76,303**	**$ 73,776**
Reconciliation of cash, cash equivalents and restricted cash		
Cash and cash equivalents	$ 76,176	$ 73,429
Restricted cash	127	347
Total cash, cash equivalents, and restricted cash	$ 76,303	$ 73,776
Non-cash investing and financing activities		
Right-of-use assets obtained in exchange for operating lease liabilities	$ 10,248	$ 3,669
Change in deferred tax assets associated with redemption of LLC Units	—	(1)
TRA Obligation associated with redemption of LLC Units	—	2
Purchases of property and equipment included in accounts payable and accrued liabilities	372	404

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Brilliant Earth Group, Inc.
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Brilliant Earth Group, Inc. was formed as a Delaware corporation on June 2, 2021 for the purpose of facilitating an initial public offering ("IPO") and executing other related organizational transactions to acquire and carry on the business of Brilliant Earth, LLC. During the year ended December 31, 2025, Brilliant Earth Group, Inc.'s state of incorporation changed from the State of Delaware to the State of Nevada. Brilliant Earth, LLC was originally incorporated in Delaware on August 25, 2005, and subsequently converted to a limited liability company on November 29, 2012. Brilliant Earth Group, Inc., the sole managing member of Brilliant Earth, LLC, consolidates Brilliant Earth, LLC and both are collectively referred to herein as the "Company".

The Company designs, procures and sells ethically sourced diamonds, gemstones and jewelry online and through showrooms operating within the United States ("U.S.").

Basis of Presentation

The unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and the requirements of the Securities and Exchange Commission (the "SEC") for interim reporting. As permitted under those rules, certain footnotes or other financial information that are normally required by GAAP can be condensed or omitted. These interim results are not necessarily indicative of the results to be expected for the fiscal year ending December 31, 2026, or for any other interim period or for any other future year.

The condensed consolidated balance sheet as of December 31, 2025 has been derived from the audited consolidated financial statements of the Company, which are included in the Company's Annual Report on Form 10-K for the year ended December 31, 2025 (the "2025 Form 10-K"). In the opinion of management, the unaudited condensed consolidated financial statements reflect all adjustments consisting only of normal recurring adjustments necessary to state fairly the financial position, results of operations and cash flows for the periods presented in conformity with GAAP applicable to interim periods. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the related notes thereto as of and for the year ended December 31, 2025, as disclosed in the 2025 Form 10-K.

There have been no material changes or updates to the Company's significant accounting policies from those described in the audited consolidated financial statements included in the 2025 Form 10-K except for any updates noted below.

Principles of Consolidation and Non-Controlling Interest

The unaudited condensed consolidated financial statements include the accounts of the Company and its controlled subsidiary, Brilliant Earth, LLC. All intercompany balances and transactions have been eliminated in consolidation.

The non-controlling interest on the unaudited condensed consolidated statements of operations represents the portion of income or loss attributable to the economic interest in Brilliant Earth, LLC held

by the Continuing Equity Owners. The non-controlling interest on the unaudited condensed consolidated balance sheets represents the portion of net assets of the Company attributable to the Continuing Equity Owners, based on the portion of the LLC Interests owned by such unit holders. As of September 30, 2026, the non-controlling interest was 83.1%. At the end of each reporting period, equity related to Brilliant Earth, LLC that is attributable to Brilliant Earth Group, Inc. and the Continuing Equity Owners is rebalanced to reflect Brilliant Earth Group, Inc.'s and the Continuing Equity Owners' ownership in Brilliant Earth, LLC.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Some of the more significant estimates include inventory valuation, allowance for sales returns, useful lives and depreciation of long-lived assets, estimates of current and deferred income taxes, and deferred income tax valuation allowances. Actual results could differ materially from those estimates. On an ongoing basis, the Company reviews its estimates to ensure that they appropriately reflect changes in its business or new information available.

Fair Value Measurements

The Company is required to disclose its estimate of the fair value of material financial instruments, including those recorded as assets or liabilities in its financial statements, in accordance with GAAP.

At September 30, 2026 and December 31, 2025, there were no material financial instruments (assets or liabilities) measured at fair value on a recurring basis.

The carrying amounts of cash and cash equivalents, restricted cash, accounts payable and accrued expenses and other current liabilities approximate fair value due to their short-term maturities.

Cash and Cash Equivalents

As of September 30, 2026 and December 31, 2025, money market fund accounts included in cash equivalents were $57.6 million and $33.9 million, respectively, and classified as Level 1 financial instruments as defined in the fair value hierarchy. The Company recognized interest income of $0.5 million and $1.3 million for the three and nine months ended September 30, 2026, respectively, and $0.8 million and $3.2 million for the three and nine months ended September 30, 2025, respectively. Interest income is included in other income, net in the unaudited condensed consolidated statements of operations.

Segment Information

The Company operates in one operating and reporting segment, which is the retail sale of diamonds, gemstones and jewelry. See Note 3, *Revenue*, for disclosure of total net sales by geography. The Company’s chief operating decision maker (“CODM”), the Chief Executive Officer (“CEO”), has chosen to review financial information presented on a consolidated basis for purposes of making

operating decisions and assessing financial performance. The CODM utilizes net (loss) income to assess financial performance and allocate resources.

The CODM is provided with and uses the consolidated balance sheet information as is presented in the unaudited condensed consolidated balance sheets.

The CODM is provided with and uses the consolidated statement of operations information as is presented in the unaudited condensed consolidated statements of operations.

Recent Accounting Pronouncements

Accounting Pronouncements Issued but Not Yet Adopted

In November 2024, the FASB issued authoritative guidance related to disclosure of additional information about specific expense categories related to cost of sales and operating expenses in the notes to financial statements at interim and annual reporting periods. This guidance will be effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted and should be applied on a prospective basis. We do not expect this standard to have a material impact on our consolidated financial statements, but will require increased disclosures within the notes to our financial statements.

2. EARNINGS PER SHARE

Basic earnings per share is computed by dividing net income (loss) applicable to Brilliant Earth Group, Inc. by the weighted average shares of Class A common stock outstanding (and Class D common stock, if outstanding) during the period. Diluted earnings per share is computed by adjusting the net loss available to Brilliant Earth Group, Inc. and the weighted average shares outstanding to give effect to potentially dilutive securities. Shares of Class B and Class C common stock are not entitled to receive any distributions or dividends and are therefore excluded from this presentation since they are not participating securities.

Basic and diluted earnings per share of Class A common stock have been computed as follows (in thousands, except share and per share amounts):

	Three Months Ended September 30,		Nine Months Ended September 30,	
Numerator:	**2026**	**2025**	**2026**	**2025**
Net income (loss) attributable to Brilliant Earth Group, Inc., BASIC	$ 176	$ (107)	$ (1,315)	$ (739)
Add: Net income (loss) impact from assumed redemption of all LLC Units to common stock	2,225	—	—	—
Add (less): Income tax benefit (expense) on net (loss) income attributable to NCI	(560)	—	—	—
Net income (loss) attributable to Brilliant Earth Group, Inc., after adjustment for assumed conversion, DILUTED	$ 1,841	$ (107)	$ (1,315)	$ (739)
Denominator:				
Weighted average shares of common stock outstanding, BASIC	17,082,831	14,993,768	16,453,713	14,555,854
Dilutive effects of:				
Vested LLC Units that are exchangeable for common stock	84,887,480	—	—	—
RSUs	125,376	—	—	—
Weighted average shares of common stock outstanding, DILUTED	102,095,687	14,993,768	16,453,713	14,555,854
BASIC earnings per share	$ 0.01	$ (0.01)	$ (0.08)	$ (0.05)
DILUTED earnings per share	$ 0.02	$ (0.01)	$ (0.08)	$ (0.05)

For the three months ended September 30, 2026, net income attributable to the non-controlling interest is added back to net income in the fully dilutive computation and has been adjusted for income taxes which would have been expensed had the income been recognized by Brilliant Earth Group, Inc., a taxable entity. The weighted average common shares outstanding in the diluted computation per share assumes all outstanding LLC Units are converted and the Company will elect to issue shares of common stock upon redemption rather than cash-settle.

For the three and nine months ended September 30, 2025 and the nine months ended September 30, 2026, the dilutive earnings per share calculation excludes the loss impact from assumed redemption of all LLC Units and any income tax impact on the net loss attributable to the non-controlling interest since the Company is in a net loss position and these adjustments would be antidilutive.

For the three and nine months ended September 30, 2025 and the nine months ended September 30, 2026, the dilutive impact of LLC Units, unvested LLC Units, and RSUs was not included in the computation of diluted earnings per share as the effect would be anti-dilutive.

For the three months ended September 30, 2026, the dilutive impact of LLC Units convertible into common stock was included in the computation of diluted earnings per share under the if-converted method, except where the effect would be anti-dilutive. The dilutive impact of RSUs was included using the treasury stock method, except when the effect would be anti-dilutive.

The following table presents the securities for the three and nine months ended September 30, 2026 and 2025, that have been excluded from the computations of earnings per share because such impact would have been anti-dilutive:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Vested LLC Units	—	84,944,802	84,923,838	84,951,274
RSUs	1,893,030	4,097,173	2,337,672	4,006,162
Stock options	655,873	665,905	656,502	665,905
Unvested LLC Units	—	—	—	6,330

3. REVENUE

Disaggregation of Revenue

The following table discloses total net sales by geography for the three and nine months ended September 30, 2026 and 2025 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
United States	$ 108,990	$ 105,758	$ 318,028	$ 301,715
International	3,818	4,494	9,395	11,357
Total net sales	$ 112,808	$ 110,252	$ 327,423	$ 313,072

Contract Balances

Transactions where payment has been received from customers, but control has not transferred, are recorded as customer deposits in deferred revenue and revenue recognition is deferred until delivery has occurred.

As of September 30, 2026, December 31, 2025, and December 31, 2024, total deferred revenue that includes our contract balances was $24.1 million, $22.7 million, and $18.9 million, respectively.

During the three months ended September 30, 2026 and 2025, the Company recognized $25.1 million and $19.9 million, respectively, of revenue that was deferred as of June 30, 2026 and June 30, 2025, respectively.

During the nine months ended September 30, 2026 and 2025, the Company recognized $21.9 million and $18.4 million, respectively, of revenue that was deferred as of December 31, 2025 and December 31, 2024, respectively.

Sales Returns and Allowances

As of September 30, 2026 and December 31, 2025, refund liabilities balances were $1.6 million and $3.5 million, respectively, and are included as a provision for sales returns and allowances within accrued expenses and other current liabilities in the unaudited condensed consolidated balance sheets.

As of September 30, 2026 and December 31, 2025, returns asset balances were $0.6 million and $1.5 million, respectively, and are included within prepaid expenses and other current assets in the unaudited condensed consolidated balance sheets.

4. INVENTORIES, NET

Inventories, net consist of the following (in thousands):

	September 30, 2026	December 31, 2025
Loose diamonds	$ 9,723	$ 11,834
Fine jewelry and other	41,589	42,187
Allowance for inventory obsolescence	(980)	(783)
Total inventories, net	**$ 50,332**	**$ 53,238**

The allowance for inventory obsolescence consists of the following (in thousands):

	Nine Months Ended September 30,	
	2026	2025
Balance at beginning of period	$ (783)	$ (537)
Change in allowance for inventory obsolescence	(197)	(223)
Balance at end of period	**$ (980)**	**$ (760)**

As of September 30, 2026 and December 31, 2025, the Company had $16.5 million and $12.6 million, respectively, in consigned inventory held on behalf of suppliers which is not recorded in the unaudited condensed consolidated balance sheets.

5. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consist of the following (in thousands):

	September 30, 2026	December 31, 2025
Vendor expenses	$ 9,971	$ 13,681
Accrued payroll expenses	7,527	7,571
Sales and other tax payable accrual	3,065	4,705
Provision for sales returns and allowances	1,557	3,520
Current portion of TRA	—	35
Other	5,958	6,220
Total accrued expenses and other current liabilities	**$ 28,078**	**$ 35,732**

Included in accrued expenses and other current liabilities is a provision for sales returns and allowances. Returns are estimated based on past experience and current expectations and are recorded as an adjustment to revenue.

The provision for sales returns and allowances consists of the following (in thousands):

	Nine Months Ended September 30,	
	2026	2025
Balance at beginning of period	$ 3,520	$ 2,869
Provision	22,235	20,572
Returns and allowances	(24,198)	(21,921)
Balance at end of period	**$ 1,557**	**$ 1,520**

6. LEASES

Total operating lease costs were as follows (in thousands):

		Three Months Ended September 30,		Nine Months Ended September 30,	
	Classification	2026	2025	2026	2025
Operating lease costs	General and administrative expense	$ 2,367	$ 2,221	$ 6,913	$ 6,571
Operating lease costs	Cost of sales	91	69	255	205
Variable lease costs	General and administrative expense	491	478	1,576	1,429
Variable lease costs	Cost of sales	49	44	144	142
Sublease income	General and administrative expense	(53)	(53)	(159)	(159)
Total lease costs		**$ 2,945**	**$ 2,759**	**$ 8,729**	**$ 8,188**

Cash paid for amounts included in the measurement of lease liabilities was $7.6 million and $7.2 million for the nine months ended September 30, 2026 and 2025, respectively.

The maturity analysis of the operating lease liabilities as of September 30, 2026 was as follows (in thousands):

	Amount
For the remainder of the year ending December 31, 2026	$ 1,800
Years ending December 31,	
2027	10,971
2028	10,119
2029	8,924
2030	7,237
2031	5,647
Thereafter	6,223
Total minimum lease payments	50,921
Less: imputed interest	(8,246)
Net present value of operating lease liabilities	**42,675**
Less: current portion	(7,517)
Long-term portion	**$ 35,158**

The weighted-average remaining lease term and weighted-average discount rate on long-term leases were as follows:

	Nine Months Ended September 30,	
	2026	**2025**
Weighted-average remaining lease term - operating leases	5.2 years	5.6 years
Weighted-average discount rate - operating leases	6.5 %	6.1 %

7. EQUITY-BASED COMPENSATION

Grants of Restricted Stock Units

The following table summarizes the activity related to the Company's restricted stock units (“RSUs”) for the nine months ended September 30, 2026:

	Number of RSUs	Weighted average grant date fair value
Balance as of December 31, 2025, unvested	3,611,467	$ 2.62
Granted	1,455,963	$ 1.32
Vested	(1,670,894)	$ 2.76
Forfeited	(247,374)	$ 2.24
Balance as of September 30, 2026, unvested	3,149,162	$ 1.96

Total compensation expense for RSUs was $1.1 million and $3.9 million for the three and nine months ended September 30, 2026, respectively, and $2.3 million and $6.8 million for the three and nine months ended September 30, 2025, respectively, and is included in general and administrative expenses in the unaudited condensed consolidated statements of operations.

As of September 30, 2026, total compensation cost related to unvested RSUs not yet recognized is $5.4 million and is expected to be recognized over a weighted-average period of approximately 2 years.

8. INCOME TAXES AND TAX RECEIVABLE AGREEMENT

Overview of Income Taxes

Brilliant Earth Group, Inc. is taxed as a subchapter C corporation and is subject to federal and state income taxes. Brilliant Earth Group, Inc.'s sole material asset is its ownership interest in Brilliant Earth, LLC, which is a limited liability company that is taxed as a partnership for U.S. federal and certain state and local income tax purposes. Brilliant Earth, LLC's net taxable income or loss and related tax credits, if any, are passed through to its members on a pro-rata basis and included in the member's tax returns. The income tax burden on the income taxed to the non-controlling interest holders is not reported by the Company in its unaudited condensed consolidated financial statements under GAAP.

The Company files U.S. federal and certain state income tax returns. The income tax returns of the Company are subject to examination by U.S. federal and state taxing authorities for various time periods, depending on those jurisdictions' rules, generally after the income tax returns are filed.

Tax Provision and Deferred Tax Asset

At the end of each interim period, Brilliant Earth Group, Inc. estimates the effective tax rate expected to be applicable for the full fiscal year. This differs from the method utilized at the end of an annual period. The Company's effective tax rates of 0% and (1.12)% for the nine months ended September 30, 2026 and 2025, respectively, differ from the U.S. federal statutory tax rate of 21% primarily due to income associated with the non-controlling interest, state tax expense and other permanent items.

The Company recognized a net change to its deferred tax asset and the related deferred tax asset valuation allowance of $0.2 million during the nine months ended September 30, 2026. The decrease primarily related to changes in the outside basis difference of Brilliant Earth Group, Inc.'s investment in Brilliant Earth, LLC.

In assessing the realizability of deferred tax assets for the nine months ended September 30, 2026, management determined that it was more likely than not that the deferred tax assets will not be realized, and accordingly, has continued to record a full valuation allowance.

Tax Receivable Agreement

As each of the Continuing Equity Owners elects to convert their LLC Interests into Class A common stock or Class D common stock, as applicable, Brilliant Earth Group, Inc. will succeed to their aggregate historical tax basis which will create a net tax benefit to the Company. These tax benefits are expected to be amortized over 15 years pursuant to Sections 743(b) and 197 of the Internal Revenue Code of 1986, as amended. The Company will only recognize a deferred tax asset for financial reporting purposes when it is more likely than not that the tax benefit will be realized.

In addition, as part of the IPO, the Company entered into the TRA with the Continuing Equity Owners to pay 85% of the tax savings from the tax basis adjustment to them as such savings are realized.

Amounts payable under the TRA are contingent upon, among other things, generation of sufficient future taxable income during the term of the TRA. The amounts to be recorded for both the deferred tax assets and the liability for our obligations under the TRA will be estimated at the time of any purchase or redemption as a reduction to stockholders' equity, and the effects of changes in any of our estimates after this date will be included in net loss. Similarly, the effect of subsequent changes in the enacted tax rates will be included in net loss. In connection with the Company concluding it was more likely than not that its deferred tax assets would not be realized and a full valuation allowance for its deferred tax assets was required, it was also determined a TRA liability was not probable at the current time.

9. COMMITMENTS AND CONTINGENCIES

Legal Proceedings

In the ordinary course of business, the Company may be subject from time to time to various proceedings, lawsuits, disputes or claims. In addition, the Company is regularly subject to examination by various tax authorities. Although the Company cannot predict with assurance the outcome of any litigation or audit, it does not believe there are currently any such actions that, if resolved unfavorably, would have a material impact on the Company's financial condition, results of operations or cash flows. The Company accrues for loss contingencies when losses become probable and are reasonably estimable. If the reasonable estimate of the loss is a range and no amount within the range is a better estimate, the minimum amount of the range is recorded as a liability. The Company does not accrue for contingent losses that, in its judgment, are considered to be reasonably possible, but not probable; however, to the extent possible, the Company discloses the range of such reasonably possible losses.

Cusimano v. Brilliant Earth

On December 5, 2022, plaintiff Veronica Cusimano, a former employee of the Company, filed a representative action against the Company pursuant to the Private Attorneys General Act of 2004 in California Superior Court, Los Angeles County. The complaint alleges, on behalf of the plaintiff and similarly situated employees and former employees in California, various claims under the California Labor Code related to wages, overtime, meal and rest breaks, reimbursement of business expenses, wage statements and records, and other similar allegations. The parties reached an agreement to resolve the matter and, as of March 26, 2026, executed a stipulation of settlement and release of claims. On July 28, 2026, the court preliminarily approved the stipulation of settlement and scheduled a hearing on final approval for December 2, 2026. There can be no assurance that the settlement will receive final approval from the court. If the settlement receives final approval, the Company does not expect the resolution of this matter to have a material adverse effect on its consolidated financial position, results of operations, or cash flows. If the settlement is not approved, the Company intends to continue to vigorously defend against the alleged individual and representative claims.

Eguiarte v. Brilliant Earth, LLC

On September 9, 2026, plaintiff Elisa Eguiarte filed a putative class action against Brilliant Earth, LLC, a subsidiary of the Company, in the U.S. District Court for the Northern District of California. The plaintiff is a California resident who alleges she purchased products on the Company’s website, and that third-party advertising and analytics technologies on the Company’s website, including those provided by Meta, Google, TikTok, and OpenAI, intercepted and disclosed to those parties certain information without consent and in violation of California and federal law. The complaint purports to assert claims on

behalf of putative classes of U.S. and California residents who accessed the website, for violations of the Electronic Communications Privacy Act and the California Invasion of Privacy Act, the California Comprehensive Computer Data Access and Fraud Act, and the California Constitution. The complaint purports to seek, among other things, statutory, compensatory, and punitive damages; equitable, declaratory, and injunctive relief; as well as interest, attorneys' fees, and costs. As of the date of this filing, the Company's response to the complaint is not yet due. The Company intends to vigorously defend the claims. Litigation is inherently uncertain, however, and at this time the Company is unable to predict the outcome of this matter or to estimate the amount or range of any potential loss.

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the information presented in the unaudited condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q, as well as our audited consolidated financial statements and related notes for the fiscal year ended December 31, 2025, as disclosed in our 2025 Form 10-K. In addition to historical information, the following discussion contains forward-looking statements, such as statements regarding our expectation for future performance, growth, liquidity and capital resources, that involve risks, uncertainties and assumptions that could cause actual results to differ materially from our expectations. Our actual results may differ materially from those contained in or implied by any forward-looking statements. Factors that could cause such differences include those identified below and those described in "Cautionary Note Regarding Forward-Looking Statements," and "Risk Factors" in this Quarterly Report on Form 10-Q and Part I, Item 1A. "Risk Factors" in our 2025 Form 10-K. We assume no obligation to update any of these forward-looking statements.

Company Overview

Brilliant Earth is an innovative, digitally native omnichannel jewelry company, and a global leader in ethically sourced fine jewelry. We offer exclusive designs with superior craftsmanship and supply chain transparency, delivered to customers through a highly personalized omnichannel experience.

Our extensive collection of premium-quality diamond engagement and wedding rings, gemstone rings, and fine jewelry is conceptualized by our leading in-house design studio and then brought to life by expert jewelers. From our award-winning jewelry designs to our responsibly sourced materials, at Brilliant Earth we aspire to exceptional standards in everything we do.

Our mission is to create a more transparent, sustainable, compassionate, and inclusive jewelry industry, and we are proud to offer customers distinctive and thoughtfully designed products that they can truly feel good about wearing.

We were founded in 2005 as an e-commerce company with an ambitious mission and a single showroom in San Francisco. We have rapidly scaled our business while remaining focused on our mission and elevating the omnichannel customer experience. Through our intuitive digital commerce platform and personalized individual appointments in our showrooms, we cater to the shopping preferences of tech-savvy next-generation consumers. We create an educational, joyful, and approachable experience that is unique in the jewelry industry. Today, Brilliant Earth has sold to consumers in over 50 countries.

Throughout our history, we have invested in technology to create a seamless customer experience, inform our data-driven decision-making, improve efficiencies, and advance our mission. Our technology enables dynamic product visualization, augmented reality try-on, blockchain-verified transparency, and rapid fulfillment of our flagship Design Your Own product, a custom design process. We leverage data capabilities to improve our marketing and operational efficiencies, personalize the customer experience, curate showroom inventory and merchandising, inform real estate decisions, and develop new product designs that reflect consumer preferences. We believe the Brilliant Earth digital experience drives higher satisfaction, engagement, and conversion both online and in-showroom.

Below is a summary of our performance for the three months ended September 30, 2026:

- Net sales of $112.8 million, up 2.3% compared to $110.3 million for the three months ended September 30, 2025;
- Net income of $2.4 million, up 457.3% compared to net loss of $0.7 million for the three months ended September 30, 2025;
- Net income margin of 2.1%, compared to net loss margin of 0.6% for the three months ended September 30, 2025;
- Adjusted EBITDA of $5.1 million, up 43.7% compared to $3.6 million for the three months ended September 30, 2025; and
- Adjusted EBITDA margin of 4.5%, compared to 3.2% for the three months ended September 30, 2025.

Below is a summary of our performance for the nine months ended September 30, 2026:

- Net sales of $327.4 million, up 4.6% compared to $313.1 million for the nine months ended September 30, 2025;
- Net loss of $5.2 million, an increase in net loss of 3.1% compared to net loss of $5.1 million for the nine months ended September 30, 2025;
- Net loss margin of 1.6%, compared to net loss margin of 1.6% for the nine months ended September 30, 2025;
- Adjusted EBITDA of $6.2 million, down 20.9% compared to $7.8 million for the nine months ended September 30, 2025; and
- Adjusted EBITDA margin of 1.9%, compared to 2.5% for the nine months ended September 30, 2025.

See the section below titled “Non-GAAP Financial Measures” for information regarding Adjusted EBITDA and Adjusted EBITDA margin, including reconciliations to the most directly comparable financial measures prepared in accordance with U.S. generally accepted accounting principles (“GAAP”).

We operate in one operating and reporting segment, the retail sale of diamonds, gemstones and jewelry.

Key Factors Affecting Our Performance

Our Ability to Increase Brand Awareness

Increasing brand awareness and growing favorable brand equity have been and remain key to our growth. We have a significant opportunity to continue to grow our brand awareness, broaden our customer reach, and maximize lifetime value through brand and performance marketing. We have made and expect to continue to make significant investments to strengthen the Brilliant Earth brand through our dynamic marketing strategy, which includes brand marketing campaigns across email, digital, social media, earned media, and media placements with key influencers. In order to compete effectively and increase our share of the jewelry market, we must maintain our strong customer experience, produce compelling products, and continue our mission of creating a more transparent, sustainable, compassionate and inclusive jewelry industry. Our performance will also depend on our ability to increase the number of consumers aware of Brilliant Earth and our product assortment. We believe our brand strength will enable us to continue to expand across categories and channels, to deepen relationships with consumers, and to expand our presence in the U.S. and international markets.

Cost-Effective Acquisition of New Customers and Retention of Existing Customers

We have historically had attractive customer acquisition economics, including substantial first order profitability. To continue to grow our business, we must continue to acquire new customers and retain existing customers in a cost-effective manner. The success of our customer acquisition strategy depends on a number of factors, including the level and pattern of consumer spending on the products that we offer, and our ability to cost-effectively drive traffic to our website and showrooms and to convert these visitors to customers. With our strong brand resonance and passionate customer base, we generate significant earned and organic traffic, impressions, and media placements. We continually evolve our dynamic marketing strategies, optimizing our messaging, creative assets, and spending across channels. We also believe our expanded fine jewelry assortment and strategic customer acquisition will continue to drive fine jewelry orders from new customers and repeat orders from existing customers.

Our Ability to Continue Successfully Growing and Managing our Omnichannel Presence

Our ability to successfully grow and manage our omnichannel presence in new markets and locations is an important factor to our success. Historically, we have been successful in new geographic markets we have entered, and we have continued to expand our premium showroom footprint nationwide. We intend to continue leveraging our marketing strategy and growing brand awareness to drive increased qualified consumer traffic to and sales from our website and premium showrooms.

We believe growing and managing our showrooms will drive accelerated growth by increasing our average order value (“AOV”) compared to e-commerce orders, improving conversion in the showrooms’ metro regions compared to pre-opening conversion, and raising our brand awareness. We intend to strategically open showrooms in the future, and we believe we can achieve broad national showroom coverage with far fewer locations than many traditional retailers. We rely on this highly efficient showroom model to complement our digital strategy and to drive future growth and profitability.

Our Ability to Successfully Introduce New Products

Product expansion allows us significant opportunity to drive new and repeat purchases by expanding purchase occasions beyond engagement and bridal. We intend to leverage our in-house design capabilities and nimble data-driven product development to expand product assortment for special occasions and self-purchase. In addition, we will have more opportunity to enhance and leverage our customer relationship management ("CRM") and data-segmentation capabilities to increase repeat purchases and lifetime value. We have consistently invested in technology to create a seamless customer experience, including dynamic visualization, augmented reality try-on, and automated, rapid fulfillment, and we intend to continue investing in technology to enhance the digital and showroom experience and help drive conversion. Expanding partnerships and brand collaborations will also expand our reach, broaden our existing assortment, and reinforce our brand ethos.

International Expansion

We are in the early stages of selling globally, and a larger geographic footprint will help drive future growth. Our proof-points from our sales to customers from over 50 countries provide encouraging signs for future global expansion. We see strong potential in launching e-commerce in new overseas markets and new showrooms in countries where we have already established a localized digital presence. We plan to drive brand awareness through localized marketing channels and expect our data-driven technology platform to continue providing insights for product recommendations and inventory management.

Operational and Marketing Efficiency

We have a unique, asset-light operating model with attractive working capital dynamics, capital-efficient showrooms, and a vast virtual inventory of premium natural and lab-grown diamonds that allows us to offer a broad selection of diamonds while keeping our balance sheet inventory low. This has driven attractive inventory turns and allows us to operate with negative working capital, which we define as our current assets less non-restricted cash minus our current liabilities. Our showroom strategy minimizes the inefficiencies of traditional, retail-first jewelers. Our showrooms are primarily appointment-driven with large catchment regions, so we are less reliant on expensive high foot traffic retail locations. Our showroom locations and formats vary from interior, upper floor locations to more recently higher traffic pedestrian and retail mall locations. In all locations, we also curate showroom inventory for scheduled visits and require limited inventory in each location. Our tech-enabled jewelry consultants can support online customers when not in appointment, increasing workforce utilization. As we continue to scale our business, our future success is dependent on maintaining this capital-efficient operating model and driving continued operational improvement as we expand to new locations.

Macroeconomic Trends

We believe we are well positioned at the intersection of key macro-level trends impacting our industry. Consumers are increasingly seeking brands that reflect their values and provide supply chain transparency. This has contributed to our strong brand affinity and loyalty, and further differentiates us from our competitors. Consumers are increasingly favoring seamless omnichannel shopping experiences, and we believe our model is well-suited to satisfy these consumer preferences.

Increases in prices of gold, platinum and other precious metals have also had an impact on our materials costs and have the potential to further impact our business. In addition, many of the materials that go into our products are sourced and manufactured internationally. Tariffs on imports into the U.S. have had an impact on our materials costs and have the potential to further impact our business depending on the outcome of changes in U.S. trade policy and any corresponding actions by other countries in which companies with which we do business are located. Any deterioration in macroeconomic conditions resulting from uncertainties and effects from tariffs, increases in the costs of materials, especially of gold, platinum and other precious metals, increased congestion and/or new import/export restrictions at ports that we rely on for our business, delays or disruptions in the delivery of materials, or increases in costs of the delivery of materials could adversely impact our business, financial condition, and operating results.

The U.S. federal government has in the past experienced, and may in the future experience, shutdowns, funding gaps, or other fiscal disruptions. Such disruptions may result in broader economic uncertainty that could affect demand for our products, disrupt supply chains, or result in reduced discretionary spending by our customers.

The current inflationary environment and changes in macro-level consumer spending trends, due to volatile macroeconomic conditions, have had a negative impact on sales and could further negatively impact our operating results.

In addition, changes in the interest rate environment have impacted the Company's interest income earned on its cash balances. To the extent we need to raise additional capital in the future, prevailing interest rates and capital market conditions, including any tightening of credit availability, could affect the terms on which financing may be available, if at all.

Seasonality

A larger share of our annual revenues and profits traditionally occurs in the fourth quarter because it includes the November and December holiday sales period.

Components of Results of Operations

For a description of the components of our results of operations, refer to Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of our 2025 Form 10-K.

Results of Operations

The results of operations data in the following table for the periods presented have been derived from the unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

Comparison of Three Months Ended September 30, 2026 and 2025

The following table sets forth our statements of operations for the three months ended September 30, 2026 and 2025, including amounts and percentages of net sales for each period and the period-to-period change in dollars and percent (in thousands):

	Three Months Ended September 30,					
	2026		2025		Period change	
	Amount	Percent	Amount	Percent	Amount	Percent
Net sales	$ 112,808	100.0 %	$ 110,252	100.0 %	$ 2,556	2.3 %
Cost of sales	45,437	40.3 %	46,801	42.4 %	(1,364)	(2.9)%
Gross profit	67,371	59.7 %	63,451	57.6 %	3,920	6.2 %
Operating expenses:						
Marketing and advertising	26,319	23.3 %	26,132	23.7 %	187	0.7 %
General and administrative	39,129	34.7 %	37,939	34.4 %	1,190	3.1 %
Total operating expenses	65,448	58.0 %	64,071	58.1 %	1,377	2.1 %
Income (loss) from operations	1,923	1.7 %	(620)	(0.6)%	2,543	410.2 %
Interest expense	—	— %	(272)	(0.2)%	272	100.0 %
Other income, net	478	0.4 %	837	0.8 %	(359)	(42.9)%
Loss on extinguishment of debt	—	— %	(573)	(0.5)%	573	(100.0)%
Income (loss) before income taxes	2,401	2.1 %	(628)	(0.6)%	3,029	482.3 %
Income tax expense	—	— %	(44)	— %	44	100.0 %
Net income (loss)	2,401	2.1 %	(672)	(0.6)%	3,073	457.3 %
Net income (loss) allocable to non-controlling interest	2,225	2.0 %	(565)	(0.5)%	2,790	493.8 %
Net income (loss) allocable to Brilliant Earth Group, Inc.	$ 176	0.2 %	$ (107)	(0.1)%	$ 283	264.5 %

Net Sales

Net sales for the three months ended September 30, 2026 increased by $2.6 million, or 2.3%, compared to the three months ended September 30, 2025. The increase in net sales was due to an increase of 5.6% in order volumes partially offset by a decrease of 3.1% in AOV.

The 5.6% increase in order volumes was due to comparatively stronger performance in fine jewelry and wedding and anniversary bands.

The decrease in AOV was driven by a larger sales mix of lower-priced items across our product offerings, including fine jewelry and lower year-over-year average selling prices in engagement rings, partially offset by selective price increases as a result of the higher cost of precious metals.

Gross Profit

Gross profit for the three months ended September 30, 2026 increased by $3.9 million, or 6.2%, compared to the three months ended September 30, 2025. Gross margin, expressed as a percentage and calculated as gross profit divided by net sales, increased by 210 basis points for the three months ended September 30, 2026 compared to the three months ended September 30, 2025. The increase in gross margin was largely driven by the continued optimization of our pricing engine, procurement efficiencies, and other efforts to mitigate the impact of tariffs and higher metal costs, partially offset by costs related to higher gold and platinum prices and a comparatively higher mix of lower gross margin products.

Operating Expenses

Operating expenses for the three months ended September 30, 2026 increased by $1.4 million, or 2.1%, compared to the three months ended September 30, 2025. Operating expenses as a percentage of net sales decreased by 10 basis points for the three months ended September 30, 2026 compared to the three months ended September 30, 2025. The increase in operating expenses was primarily driven by an increase in other general and administrative expenses of $1.4 million.

The increase in other general and administrative expenses was primarily driven by an increase in information technology and other software-related costs, an increase in rent and lease-related expenses and increases in sales-related variable expenses. These increases were partially offset by a decrease in professional fees as compared to the three months ended September 30, 2025.

Interest Expense

Interest expense for the three months ended September 30, 2026 decreased by $0.3 million, or 100.0%, compared to the three months ended September 30, 2025, due to the prepayment of all principal amounts outstanding of $34.8 million under the SVB Term Loan in August 2025. As a result of the prepayment, the Company recognized a loss on debt extinguishment of $0.6 million associated with the write-off of unamortized debt issuance costs.

Other Income, net

Other income, net for the three months ended September 30, 2026 decreased by $0.4 million, or 42.9%, compared to the three months ended September 30, 2025, primarily due to decreased interest income earned on our cash balances. Additionally, this amount includes immaterial losses on exchange rates on consumer payments and other miscellaneous income.

Income Tax Expense

The decrease in Brilliant Earth Group, Inc.'s income tax expense of $44 thousand for the three months ended September 30, 2026 compared to the three months ended September 30, 2025 was primarily due to changes in deferred taxes related to the outside basis difference of Brilliant Earth Group, Inc.'s investment in Brilliant Earth, LLC.

Comparison of Nine Months Ended September 30, 2026 and 2025

The following table sets forth our statements of operations for the nine months ended September 30, 2026 and 2025, including amounts and percentages of net sales for each period and the period-to-period change in dollars and percent (in thousands):

	Nine Months Ended September 30,					
	2026		2025		Period change	
	Amount	Percent	Amount	Percent	Amount	Percent
Net sales	$ 327,423	100.0 %	$ 313,072	100.0 %	$ 14,351	4.6 %
Cost of sales	139,340	42.6 %	131,075	41.9 %	8,265	6.3 %
Gross profit	188,083	57.4 %	181,997	58.1 %	6,086	3.3 %
Operating expenses:						
Marketing and advertising	76,076	23.2 %	75,365	24.1 %	711	0.9 %
General and administrative	118,519	36.2 %	111,988	35.8 %	6,531	5.8 %
Total operating expenses	194,595	59.4 %	187,353	59.8 %	7,242	3.9 %
Loss from operations	(6,512)	(2.0)%	(5,356)	(1.7)%	(1,156)	(21.6)%
Interest expense	—	— %	(2,282)	(0.7)%	2,282	100.0 %
Other income, net	1,302	0.4 %	3,215	1.0 %	(1,913)	(59.5)%
Loss on extinguishment of debt	—	— %	(573)	(0.2)%	573	(100.0)%
Loss before income taxes	(5,210)	(1.6)%	(4,996)	(1.6)%	(214)	(4.3)%
Income tax expense	—	— %	(56)	— %	56	100.0 %
Net loss	(5,210)	(1.6)%	(5,052)	(1.6)%	(158)	(3.1)%
Net loss allocable to non-controlling interest	(3,895)	(1.2)%	(4,313)	(1.4)%	418	9.7 %
Net loss allocable to Brilliant Earth Group, Inc.	$ (1,315)	(0.4)%	$ (739)	(0.2)%	$ (576)	(77.9)%

Net Sales

Net sales for the nine months ended September 30, 2026 increased by $14.4 million, or 4.6%, compared to the nine months ended September 30, 2025. The increase in net sales was due to an increase of 2.6% in AOV and an increase of 1.9% in order volumes.

The increase in AOV was driven by selective price increases as a result of the rising cost of precious metals, partially offset by a larger sales mix of lower-priced items across our product offerings, including fine jewelry.

The 1.9% increase in order volumes was due to comparatively stronger performance in fine jewelry and wedding and anniversary bands.

Gross Profit

Gross profit for the nine months ended September 30, 2026 increased by $6.1 million, or 3.3%, compared to the nine months ended September 30, 2025. Gross margin, expressed as a percentage and

calculated as gross profit divided by net sales, decreased by 70 basis points for the nine months ended September 30, 2026 compared to the nine months ended September 30, 2025, primarily driven by costs related to higher gold and platinum prices and a comparatively higher mix of lower gross margin products. Those were partially offset by the continued optimization of our pricing engine, procurement efficiencies, and other efforts to mitigate the impact of tariffs and higher metal costs.

Operating Expenses

Operating expenses for the nine months ended September 30, 2026 increased by $7.2 million, or 3.9%, compared to the nine months ended September 30, 2025. Operating expenses as a percentage of net sales decreased by 40 basis points for the nine months ended September 30, 2026 compared to the nine months ended September 30, 2025. The increase in operating expenses was primarily driven by an increase in other general and administrative expenses of $5.2 million, an increase in employment expenses of $1.3 million, and an increase in marketing expenses of $0.7 million for the period.

The increase in other general and administrative expenses was primarily driven by an increase in information technology and other software-related costs, which included a $1.8 million charge for write-off of information technology projects, an increase in donation expense, and an increase in rent and lease-related expenses. The increase in employment expenses was primarily driven by an increase in salaries and wages and other benefits expense primarily due to the addition of sales staffing to support our growth. The increase in employment expenses was partially offset by a decrease in equity-based compensation. These increases were partially offset by a decrease in professional fees and showroom pre-opening expenses as compared to the nine months ended September 30, 2025.

Interest Expense

Interest expense for the nine months ended September 30, 2026 decreased by $2.3 million, or 100.0%, compared to the nine months ended September 30, 2025, due to the prepayment of all principal amounts outstanding of $34.8 million under the SVB Term Loan in August 2025. As a result of the prepayment, the Company recognized a loss on debt extinguishment of $0.6 million associated with the write-off of unamortized debt issuance costs.

Other Income, net

Other income, net for the nine months ended September 30, 2026 decreased by $1.9 million, or 59.5%, compared to the nine months ended September 30, 2025, primarily due to decreased interest income earned on our cash balances. Additionally, this amount includes immaterial losses on exchange rates on consumer payments and other miscellaneous income.

Income Tax Expense

The decrease in Brilliant Earth Group, Inc.'s income tax expense of $56 thousand for the nine months ended September 30, 2026 compared to the nine months ended September 30, 2025 was primarily due to changes in deferred taxes related to the outside basis difference of Brilliant Earth Group, Inc.'s investment in Brilliant Earth, LLC.

Key Metrics

We monitor the key business metrics set forth below to help us evaluate our business and growth trends, establish budgets, measure the effectiveness of our sales and marketing efforts, and assess operational efficiencies. The calculation of the key metrics discussed below may differ from other similarly titled metrics used by other companies, securities analysts or investors.

The following table sets forth our key performance metrics for the periods presented (dollars in thousands, except for AOV):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2026	2025	Change	% Change	2026	2025	Change	% Change
Net Sales	$ 112,808	$ 110,252	$ 2,556	2.3 %	$ 327,423	$ 313,072	$ 14,351	4.6 %
Total Orders	52,720	49,910	2,810	5.6 %	150,854	147,980	2,874	1.9 %
AOV	$ 2,140	$ 2,209	$ (69)	(3.1)%	$ 2,170	$ 2,116	$ 54	2.6 %

Total Orders

We define total orders as the total number of customer orders delivered less total orders returned in a given period (excluding those repair, resize, and other orders which have no revenue). We view total orders as a key indicator of the velocity of our business and an indication of the desirability of our products to our customers. Total orders, together with AOV, is an indicator of the net sales we expect to recognize in a given period. Total orders may fluctuate based on the number of visitors to our website and showrooms, and our ability to convert these visitors to customers. We believe that total orders is a measure that is useful to investors and management in understanding our ongoing operations and in an analysis of ongoing operating trends.

Average Order Value

We define average order value, or AOV, as net sales in a given period divided by total orders in that period. We believe that AOV is a measure that is useful to investors and management in understanding our ongoing operations and in an analysis of ongoing operating trends. AOV varies depending on the product type and number of items per order. AOV may also fluctuate as we expand into and increase our presence in additional product lines and price points, and open additional showrooms.

Non-GAAP Financial Measures

We report our financial results in accordance with GAAP. However, management believes that certain non-GAAP financial measures provide users of our financial information with additional useful information in evaluating our performance and liquidity, as applicable, and to more readily compare these financial measures between past and future periods. There are limitations to the use of the non-GAAP financial measures presented in this Quarterly Report on Form 10-Q. For example, our non-GAAP financial measures may not be comparable to similarly titled measures of other companies. Other companies, including companies in our industry, may calculate non-GAAP financial measures differently than we do, limiting the usefulness of those measures for comparative purposes.

Adjusted EBITDA and Adjusted EBITDA Margin

Adjusted EBITDA and Adjusted EBITDA margin, which are non-GAAP financial measures, are included in this Quarterly Report on Form 10-Q because they are used by management and our board of directors to assess our financial performance. We define Adjusted EBITDA as net income (loss) excluding interest expense, income taxes, depreciation expense, amortization of cloud-based software implementation costs, showroom pre-opening expense, equity-based compensation expense, certain non-operating expenses and income, and other unusual and/or infrequent costs, which we do not consider in our evaluation of ongoing operating performance. We define Adjusted EBITDA margin as Adjusted EBITDA calculated as a percentage of net sales. These non-GAAP financial measures provide users of our financial information with useful information in evaluating our operating performance and exclude certain items from net income (loss) that may vary substantially in frequency and magnitude from period to period. These non-GAAP financial measures are not meant to be considered as indicators of performance in isolation from or as a substitute for net income (loss) prepared in accordance with GAAP and should be read only in conjunction with financial information presented on a GAAP basis. Reconciliations of each of Adjusted EBITDA and Adjusted EBITDA margin to its most directly comparable GAAP financial measure, net income (loss) and net income (loss) margin, are presented below. We encourage you to review the reconciliations in conjunction with the presentation of the non-GAAP financial measures for each of the periods presented. In future periods, we may exclude similar items, may incur income and expenses similar to these excluded items, and may include other expenses, costs and non-recurring items.

The following table presents a reconciliation of net income (loss) and net income (loss) margin, the most comparable GAAP financial measures, to Adjusted EBITDA and Adjusted EBITDA margin, respectively, for the periods presented (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Net income (loss)	**$ 2,401**	**$ (672)**	**$ (5,210)**	**$ (5,052)**
Interest expense	—	272	—	2,282
Income tax expense	—	44	—	56
Depreciation expense	1,710	1,549	4,979	4,581
Amortization of cloud-based software implementation costs	227	203	672	569
Showroom pre-opening expense	114	173	674	1,074
Equity-based compensation expense	1,144	2,256	3,950	6,953
Other income, net [(1)]	(478)	(837)	(1,302)	(3,215)
Loss on extinguishment of debt	—	573	—	573
Other expenses [(2)]	—	—	2,420	—
Adjusted EBITDA	**$ 5,118**	**$ 3,561**	**$ 6,183**	**$ 7,821**
Net income (loss) margin	**2.1 %**	**(0.6)%**	**(1.6)%**	**(1.6)%**
Adjusted EBITDA margin	**4.5 %**	**3.2 %**	**1.9 %**	**2.5 %**

(1) Other income, net consists primarily of interest and other miscellaneous income, partially offset by expenses such as losses on exchange rates on consumer payments.

(2) These expenses are those that we did not incur in the normal course of business. For the nine months ended September 30, 2026, these expenses include a $1.8 million charge for write-off of information technology projects and a $0.6 million charitable contribution.

Liquidity and Capital Resources

Overview

Our primary requirements for liquidity and capital are for purchases of inventory, payment of operating expenses, tax distributions to Continuing Equity Owners, and capital expenditures. Historically, these cash requirements have been met through cash provided by operating activities, cash and cash equivalents, proceeds from capital-raising activities and borrowings under our loan facilities. We have historically had negative working capital driven by our high inventory turns and typical collection of payments from customers prior to payment of suppliers. As of September 30, 2026, we had a cash balance, excluding restricted cash, of $76.2 million, and negative working capital, excluding unrestricted cash, of $24.3 million.

For the nine months ended September 30, 2026, the Company declared and paid $4.2 million of distributions to, or on behalf of, members associated with their estimated income tax obligations pursuant to the LLC Agreement. We are committed to continue to make quarterly distributions in connection with member estimated income tax obligations which we expect to fund with cash flow from operations.

We believe, based on our current projections, that we have sufficient sources of liquidity to meet our projected operating and tax distribution requirements for at least the next 12 months following the filing of this Quarterly Report on Form 10-Q.

Additional future liquidity needs may also include payments under the TRA, and state and federal taxes to the extent not offset by our deferred income tax assets, including those arising as a result of purchases or exchanges of common units for Class A and Class D common stock. As of September 30, 2026 and December 31, 2025, there was no long-term TRA liability reflected on the Company's consolidated balance sheet. For similar reasons that led the Company to record a full valuation allowance on the deferred tax assets during the fourth quarter of 2025, we evaluated the probability of amounts being owed pursuant to the TRA and determined the likelihood of a future liability was not probable at that time. We are currently unable to determine the total future amounts of these payments due to the unpredictable nature of factors such as timing of future exchanges, the market price of the Class A common stock at the time of the exchanges, the extent to which the exchanges are taxable and the amount and timing of future taxable income sufficient to utilize tax savings that give rise to the payments under the TRA.

To the extent that our current liquidity is insufficient to fund future activities, we may need to raise additional funds, such as attempts to raise additional capital through the sale of equity securities or through debt financing arrangements. If we raise additional funds by issuing equity securities, the ownership of our existing stockholders will be diluted. Any new debt financing would result in debt service obligations, and any future instruments governing such debt could provide for operating and financing covenants that could restrict our operations. We cannot ensure that we could obtain new debt financing on favorable terms or at all.

Cash Flow Analysis

The following table summarizes our cash flows for the nine months ended September 30, 2026 and 2025 (in thousands):

	Nine Months Ended September 30,	
	2026	**2025**
Net cash provided by operating activities	$ 3,759	$ 2,551
Net cash used in investing activities	(2,646)	(2,493)
Net cash used in financing activities	(4,248)	(88,423)
Net decrease in cash, cash equivalents and restricted cash	**(3,135)**	**(88,365)**
Cash, cash equivalents and restricted cash at beginning of period	79,438	162,141
Cash, cash equivalents and restricted cash at end of period	**$ 76,303**	**$ 73,776**

Net Cash Provided by Operating Activities

For the nine months ended September 30, 2026, net cash provided by operating activities was $3.8 million compared to net cash provided by operating activities of $2.6 million for the nine months ended September 30, 2025, an increase in cash provided of $1.2 million. This increase was primarily driven by an increase in cash provided from changes in assets and liabilities related to working capital management activities of $2.5 million. This was partially offset by an increase in net loss adjusted for non-cash expense add backs of $1.3 million. The increase in cash provided by changes in working capital was primarily due to a decrease in cash used in inventories, prepaid expenses and other current assets and other assets of $15.3 million. The change in cash used for inventories was primarily impacted by the timing and amount of inventory purchases in the prior year. That change was partially offset by an increase in cash used of $12.8 million in accounts payable, accrued expenses and other current liabilities, deferred revenue and operating lease liabilities. The change in accounts payable and accrued expenses was primarily related to the change in inventory balances and the payment of related invoices. Deferred revenue was impacted by the calendar and timing of deliveries to customers.

Net Cash Used in Investing Activities

For the nine months ended September 30, 2026, net cash used in investing activities was $2.6 million compared to $2.5 million for the nine months ended September 30, 2025. The increase of $0.1 million was principally due to an increase in purchases of property and equipment related to new facilities leased during the period.

Net Cash Used In Financing Activities

For the nine months ended September 30, 2026, net cash used in financing activities was $4.2 million compared to $88.4 million for the nine months ended September 30, 2025. The decrease of $84.2 million was primarily due to no debt payments, dividends or stock repurchases made during the nine months ended September 30, 2026 when compared to the debt payments, dividends and stock repurchases made during the nine months ended September 30, 2025.

Additional Liquidity Requirements

We are a holding company and have no material assets other than our ownership of LLC Interests. We have no independent means of generating revenue. The LLC Agreement provides for the payment of certain distributions to the Continuing Equity Owners and to us in amounts sufficient to cover the income taxes imposed on such members with respect to the allocation of taxable income from Brilliant Earth, LLC as well as to cover our obligations under the TRA and other administrative expenses.

In the event we declare any cash dividends, we intend to cause Brilliant Earth, LLC to make distributions to us in amounts sufficient to fund such cash dividends declared by us to our shareholders. Deterioration in the financial condition, earnings, or cash flow of Brilliant Earth, LLC for any reason could limit or impair its ability to pay such distributions.

If we do not have sufficient funds to pay taxes or other liabilities or to fund our operations, we may have to borrow funds, which could materially adversely affect our liquidity and financial condition and subject us to various restrictions imposed by any such lenders. In addition, if Brilliant Earth, LLC does not have sufficient funds to make distributions, our ability to declare and pay cash dividends will also be restricted or impaired.

On December 8, 2023, the Company announced that the Board of Directors approved a share repurchase program authorizing the Company to purchase up to an aggregate of $20.0 million of the Company's Class A common stock through the expiration of the program on December 8, 2026. The Company may repurchase shares, under the program, from time to time through open market purchases, in privately negotiated transactions or by other means. Open market repurchases will be structured to occur in accordance with applicable federal securities law, including within the pricing and volume requirements of Rule 10b-18 under the Exchange Act. The Company may also, from time to time, enter into Rule 10b5-1 plans to facilitate repurchases of its shares under this authorization. The timing, amount, and manner of stock repurchases will be determined at the Company’s discretion, subject to business, economic and market conditions, corporate needs and regulatory requirements, prevailing stock prices and other considerations. The share repurchase program does not obligate the Company to acquire a specific number of shares of Class A common stock and may be suspended, terminated, or modified at any time without notice, at the discretion of the Board.

Contractual Obligations and Commitments

We lease our showrooms and headquarters office space under non-cancelable lease agreements whereby $1.8 million is due in the year ended December 31, 2026. Total future lease payments as of September 30, 2026 are $50.9 million.

Critical Accounting Policies and Estimates

There have been no changes to the Company's critical accounting policies and estimates from those described under “Critical Accounting Policies and Estimates” in the Management's Discussion and Analysis of Financial Condition and Results of Operations of our 2025 Form 10-K.

Recent Accounting Pronouncements

For information regarding recent accounting pronouncements, see Note 1 to our unaudited condensed consolidated financial statements and related notes thereto included elsewhere in this Quarterly Report on Form 10-Q.

JOBS Act

We qualify as an “emerging growth company” pursuant to the provisions of the Jumpstart Our Business Startups Act (the "JOBS Act"), enacted on April 5, 2012. Section 102 of the JOBS Act provides that, among other reporting exemptions, an “emerging growth company” can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. We are electing to delay the adoption of new or revised accounting standards, and as a result, we may not comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies. As a result, our unaudited condensed consolidated financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates.

The exemptions afforded to emerging growth companies will apply until we no longer meet the requirements of being an emerging growth company. We will remain an emerging growth company until the earlier of (a) the last day of the fiscal year (i) following the fifth anniversary of the completion of our IPO (December 31, 2026), (ii) in which we have total annual gross revenue of at least $1.235 billion or (iii) in which we are deemed to be a large accelerated filer, which means the market value of our common stock that is held by non-affiliates exceeds $700.0 million as of the last business day of our prior second fiscal quarter, and (b) the date on which we have issued more than $1.0 billion in non-convertible debt during the prior three-year period.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

Item 4. Controls and Procedures

Evaluation of disclosure controls and procedures

Our management, with the participation of our principal executive officer and principal financial officer, conducted an evaluation of the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on this evaluation, our principal executive officer and principal financial officer concluded that, as of September 30, 2026, our disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended September 30, 2026 that have

materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II - Other Information

Item 1. Legal Proceedings

We are, from time to time, party to various claims and legal proceedings arising out of our ordinary course of business, but we do not believe that any of these claims or proceedings will have a material effect on our business, consolidated financial condition or results of operations.

Cusimano v. Brilliant Earth

On December 5, 2022, plaintiff Veronica Cusimano, a former employee of the Company, filed a representative action against the Company pursuant to the Private Attorneys General Act of 2004 in California Superior Court, Los Angeles County. The complaint alleges, on behalf of the plaintiff and similarly situated employees and former employees in California, various claims under the California Labor Code related to wages, overtime, meal and rest breaks, reimbursement of business expenses, wage statements and records, and other similar allegations. The parties reached an agreement to resolve the matter and, as of March 26, 2026, executed a stipulation of settlement and release of claims. On July 28, 2026, the court preliminarily approved the stipulation of settlement and scheduled a hearing on final approval for December 2, 2026. There can be no assurance that the settlement will receive final approval from the court. If the settlement receives final approval, the Company does not expect the resolution of this matter to have a material adverse effect on its consolidated financial position, results of operations, or cash flows. If the settlement is not approved, the Company intends to continue to vigorously defend against the alleged individual and representative claims.

Eguiarte v. Brilliant Earth, LLC

On September 9, 2026, plaintiff Elisa Eguiarte filed a putative class action against Brilliant Earth, LLC, a subsidiary of the Company, in the U.S. District Court for the Northern District of California. The plaintiff is a California resident who alleges she purchased products on the Company's website, and that third-party advertising and analytics technologies on the Company's website, including those provided by Meta, Google, TikTok, and OpenAI, intercepted and disclosed to those parties certain information without consent and in violation of California and federal law. The complaint purports to assert claims on behalf of putative classes of U.S. and California residents who accessed the website, for violations of the Electronic Communications Privacy Act and the California Invasion of Privacy Act, the California Comprehensive Computer Data Access and Fraud Act, and the California Constitution. The complaint purports to seek, among other things, statutory, compensatory, and punitive damages; equitable, declaratory, and injunctive relief; as well as interest, attorneys' fees, and costs. As of the date of this filing, the Company's response to the complaint is not yet due. The Company intends to vigorously defend the claims. Litigation is inherently uncertain, however, and at this time the Company is unable to predict the outcome of this matter or to estimate the amount or range of any potential loss.

Item 1A. Risk Factors

The Company's risk factors are described in Part I, Item 1A, "Risk Factors" of our 2025 Form 10-K. These factors could materially adversely affect our business, financial condition, liquidity, results of operations and capital position, and could cause our actual results to differ materially from our historical results or the results contemplated by any forward-looking statements contained in this Quarterly Report

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

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

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

(a) None.
(b) None.
(c) Except as described below, during the three months ended September 30, 2026, no directors or “officers” (as defined in Rule 16a-1(f) under the Exchange Act) of the Company adopted, modified or terminated “Rule 10b5-1 trading arrangements” and/or “non-Rule 10b5-1 trading arrangements” (each as defined in Item 408 of Regulation S-K).

On August 14, 2026, Sharon Dziesietnik, the Company's Chief Operations Officer, adopted a Rule 10b5-1 trading arrangement (the "Dziesietnik Sales Plan") that is intended to satisfy the affirmative defense of Rule 10b5-1(c) of the Exchange Act and which provides for the sale of an aggregate of up to 56,832 shares of the Company's Class A common stock (a portion of the shares of Class A common stock to be received by Ms. Dziesietnik upon the vesting of restricted stock units as set forth in the Dziesietnik Sales Plan) to cover estimated tax obligations in connection with the vesting and settlement of restricted stock units. The Dziesietnik Sales Plan will remain in effect until the earliest of (1) August 30, 2027, (2) the date on which all trades set forth in the Dziesietnik Sales Plan have been executed, or (3) such time as the Dziesietnik Sales Plan is otherwise terminated or expires according to its terms.

On September 14, 2026, Jeffrey Kuo, the Company's Chief Financial Officer, adopted a Rule 10b5-1 trading arrangement (the "Kuo Sales Plan") that is intended to satisfy the affirmative defense of Rule 10b5-1(c) of the Exchange Act and which provides for the sale of an aggregate of up to 39,673 shares of the Company's Class A common stock (a portion of the shares of Class A common stock to be received by Mr. Kuo upon the vesting of restricted stock units as set forth in the Kuo Sales Plan) to cover estimated tax obligations in connection with the vesting and settlement of restricted stock units. The Kuo Sales Plan will remain in effect until the earliest of (1) May 25, 2027, (2) the date on which all trades set forth in the Kuo Sales Plan have been executed, or (3) such time as the Kuo Sales Plan is otherwise terminated or expires according to its terms.

Item 6. Exhibits

		Incorporated by Reference				
Exhibit Number	Exhibit Description	Form	File No.	Exhibit	Filing Date	Filed / Furnished Herewith
3.1	Articles of Incorporation of Brilliant Earth Group, Inc.	8-K	001-40836	3.1	12/22/2025	
3.2	Bylaws of Brilliant Earth Group, Inc.	8-K	001-40836	3.2	12/22/2025	
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a).					*
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a).					*
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350.					**
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350.					**
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.					*
101.SCH	Inline XBRL Taxonomy Extension Schema Document					*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)					*

* Filed herewith.

** Furnished herewith.

Signatures

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

Brilliant Earth Group, Inc.

November 5, 2026 By: /s/ Jeffrey Kuo
Jeffrey Kuo
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

CERTIFICATION

I, Beth Gerstein, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Brilliant Earth Group, 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 and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

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

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

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

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

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

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

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

Date: November 5, 2026

By: /s/ Beth Gerstein
Name: Beth Gerstein
Title: Chief Executive Officer
(*Principal Executive Officer*)

CERTIFICATION

I, Jeffrey Kuo, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Brilliant Earth Group, 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 and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

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

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

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

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

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

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

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

Date: November 5, 2026

By: /s/ Jeffrey Kuo
Name: Jeffrey Kuo
Title: Chief Financial Officer
(*Principal Financial Officer*)

Certification Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of Brilliant Earth Group, Inc. (the "Company") for the period ended September 30, 2026 (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, I, the undersigned, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

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

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

Date: November 5, 2026

By: /s/ Beth Gerstein
Name: Beth Gerstein
Title: Chief Executive Officer
(*Principal Executive Officer*)

Certification Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of Brilliant Earth Group, Inc. (the "Company") for the period ended September 30, 2026 (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, I, the undersigned, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

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

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

Date: November 5, 2026

By: /s/ Jeffrey Kuo
Name: Jeffrey Kuo
Title: Chief Financial Officer
(*Principal Financial Officer*)