

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

**FORM 8-K**

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

Date of Report (Date of earliest event reported): December 12, 2025

**HOOKER FURNISHINGS CORPORATION**  
(Exact name of registrant as specified in its charter)

Virginia (State or other jurisdiction of incorporation or organization)	000-25349 (Commission File No.)	54-0251350 (I.R.S. Employer Identification No.)
440 East Commonwealth Boulevard, Martinsville, Virginia (Address of principal executive offices)	24112 (Zip Code)	(276) 632-2133 (Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class Common Stock, no par value	Trading Symbol(s) HOFT	Name of each exchange on which registered NASDAQ Global Select Market
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Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

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.

## Item 2.01 Completion of Acquisition or Disposition of Assets

On December 12, 2025, Hooker Furnishings Corporation (the “Company”) completed the previously announced sale of its Pulaski Furniture (“PFC”) and Samuel Lawrence (“SLF”) casegoods brands, including specified assets and liabilities related to those brands (collectively, the “Assets”), to Magnussen Home Furnishings, Inc. (“Magnussen”) pursuant to the Asset Purchase Agreement, dated as of December 1, 2025 (the “Asset Purchase Agreement”), between the Company and Magnussen. At closing, the Company received approximately \$5.5 million in cash, which, in accordance with the terms of the Asset Purchase Agreement, represents the estimated net book value of the Assets at closing less a holdback amount of approximately \$611,000. The holdback amount is payable to the Company within two business days after the expiration of a 210-day holdback period, less any amount relating to indemnification claims as provided for in the Asset Purchase Agreement. The total purchase price is subject to adjustment within 90 days of closing to the extent the final net book value of the Assets at closing as determined in accordance with the Asset Purchase Agreement differs from the estimated net book value of the Assets at closing referred to above.

As previously disclosed, the Company retained its Samuel Lawrence Hospitality (“SLH”) product line and Magnussen provided the Company with an exclusive, worldwide, royalty-free, fully-paid license to accommodate the Company’s continued use of the “Samuel Lawrence Hospitality” name. Magnussen also agreed not to, directly or indirectly, engage or participate in the hospitality business in the U.S. or in any jurisdiction in which the Company or any successor or assign operates for a period of three years following closing. The Company will report the SLH product line as part of its “All other” segment.

The foregoing description is qualified in its entirety by the full text of the Asset Purchase Agreement, which is filed as Exhibit 10.1 to the Company’s Current Report on Form 8-K filed with the Securities and Exchange Commission on December 3, 2025, and incorporated herein by reference.

## Item 8.01 Other Events

On December 15, 2025, the Company issued a press release announcing the closing, a copy of which is attached hereto as Exhibit 99.1 and incorporated herein by reference.

## Item 9.01 Financial Statements and Exhibits

### (b) Pro Forma Financial Information

Unaudited pro forma financial information of the Company giving effect to the transaction contemplated by the Asset Purchase Agreement is attached hereto as Exhibit 99.2 and incorporated herein by reference.

### (d) Exhibits

Exhibits	
99.1*	<a href="#">Press Release dated December 15, 2025.</a>
99.2*	<a href="#">Unaudited Pro Forma Financial Information of Hooker Furnishings Corporation</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

\* Filed herewith.

Signature

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

HOOKER FURNISHINGS CORPORATION

By: /s/ C. Earl Armstrong III  
C. Earl Armstrong III  
Chief Financial Officer and  
Senior Vice-President – Finance

Date: December 18, 2025



## **Hooker Furnishings Completes Sale of Pulaski Furniture and Samuel Lawrence Furniture for Approximately \$6.1 Million**

MARTINSVILLE, Va., Dec. 15, 2025 (GLOBE NEWSWIRE) -- Hooker Furnishings Corporation (NASDAQ-GS: HOFT) ("Hooker" or the "Company"), a global leader in home furnishings, today announced it has completed the sale of the Pulaski Furniture and Samuel Lawrence Furniture casegoods brands to Magnussen Home Furnishings, Inc. for approximately \$6.1 million, subject to certain final customary post-closing adjustments.

"Completing this transaction marks a significant milestone in our journey toward enhanced profitability, and we are pleased to complete the transaction at a higher price than initially estimated," said Jeremy Hoff, CEO of Hooker Furnishings. "We are moving ahead with positive momentum after delivering a modest improvement in sales and margins within Hooker Branded and Domestic Upholstery for the fiscal third quarter, and we are excited for the significant opportunity ahead with our Margaritaville licensed collection. We look forward to creating value for shareholders, including through the opportunistic repurchase of shares in connection with our new share repurchase program, and to capturing the potential of our more focused business as we move into the next calendar year."

As previously announced ten percent of the purchase price is subject to a holdback for 210 days for customary indemnification and final purchase price adjustments. The Company also shed approximately \$4.8 million in HMI showroom lease liabilities and related expenses, as Magnussen assumes the lease of HMI's High Point showroom.

Stump & Company served as financial advisor to the Company and McGuireWoods LLP served as legal advisor to the Company in connection with the sale transaction.

### **About Hooker Furnishings**

Hooker Furnishings Corporation, in its 101st year of business, is a designer, marketer and importer of casegoods (wooden and metal furniture), leather furniture, fabric-upholstered furniture, lighting, accessories, and home décor for the residential, hospitality and contract markets. The Company also domestically manufactures premium residential custom leather and custom fabric-upholstered furniture and outdoor furniture. Major casegoods product categories include home entertainment, home office, accent, dining, and bedroom furniture in the upper-medium price points sold under the Hooker Furniture brand. Hooker's residential upholstered seating product lines include Bradington-Young, a specialist in upscale motion and stationary leather furniture, HF Custom (formerly Sam Moore), a specialist in fashion forward custom upholstery offering a selection of chairs, sofas, sectionals, recliners and a variety of accent upholstery pieces, Hooker Upholstery, imported upholstered furniture targeted at the upper-medium price-range and Shenandoah Furniture, an upscale upholstered furniture company specializing in private label sectionals, modulars, sofas, chairs, ottomans, benches, beds and dining chairs in the upper-medium price points for lifestyle specialty retailers. The H Contract product line supplies upholstered seating and casegoods to upscale senior living facilities. The Sunset West division is a designer and manufacturer of comfortable, stylish and high-quality outdoor furniture. Hooker Furnishings Corporation's corporate offices and upholstery manufacturing facilities are located in Virginia, North Carolina and California, with showrooms in High Point, NC, Las Vegas, NV, Atlanta, GA and Ho Chi Minh City, Vietnam. The company operates distribution centers in Virginia, North Carolina, and Vietnam. Please visit our websites at [hookerfurnishings.com](http://hookerfurnishings.com), [hookerfurniture.com](http://hookerfurniture.com), [bradington-young.com](http://bradington-young.com), [hfcustomfurniture.com](http://hfcustomfurniture.com), [hcontractfurniture.com](http://hcontractfurniture.com), and [sunsetwestusa.com](http://sunsetwestusa.com).

### **For more information, contact:**

C. Earl Armstrong III Senior Vice President-Finance and CFO  
Hooker Furnishings Corporation, 276.666.3969

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## Forward Looking Statements

Certain statements made in this release, other than those based on historical facts, may be forward-looking statements. Forward-looking statements reflect our reasonable judgment with respect to future events and typically can be identified by the use of forward-looking terminology such as “believes,” “expects,” “projects,” “intends,” “plans,” “may,” “will,” “should,” “would,” “could” or “anticipates,” or the negative thereof, or other variations thereon, or comparable terminology, or by discussions of strategy. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Those risks and uncertainties include but are not limited to: (1) adverse political acts or developments in, or affecting, the international markets from which we import products and some components used in our Domestic Upholstery segment, including duties or tariffs imposed on those products or product components by foreign governments or the U.S. government, such as the current twenty percent tariff, potential additional higher reciprocal tariffs on imports from key sourcing countries, U.S. Department of Commerce’s Section 232 investigation into timber, lumber, and their derivative products, including furniture, affecting the countries from which we source imported home furnishings and components, including the possible adverse effects on our sales, earnings, and liquidity; (2) general economic or business conditions, both domestically and internationally, including the current macroeconomic uncertainties and challenges to the retail environment for home furnishings along with instability in the financial and credit markets, in part due to fluctuating interest rates and housing market volatility, which can affect consumer spending patterns, existing home sales, and demand for home furnishings, including their potential impact on (i) our sales and operating costs and access to financing, (ii) customers, and (iii) suppliers and their ability to obtain financing or generate the cash necessary to conduct their respective businesses; (3) the impairment of our long-lived assets, which can result in reduced earnings and net worth; (4) the cyclical nature of the furniture industry, which is particularly sensitive to changes in consumer confidence, the amount of consumers’ income available for discretionary purchases, and the availability and terms of consumer credit; (5) future actions by activist stockholders that could divert management attention, create uncertainty around our strategic direction, disrupt relationships with key shareholders, increase our costs, drive stock price volatility, and otherwise materially impact our business, financial condition, results of operations, and cash flows; (6) risks associated with the ultimate outcome of our cost reduction plans, including the amounts and timing of savings realized and the ability to scale the business appropriately as customer demand increases or decreases based on the macroeconomic environment, including due to tariff uncertainties; (7) risks associated with our new warehouse facility in Vietnam, including our ability to execute the planned shift of inventories from domestic facilities to Vietnam without increasing overall inventories and adversely affecting working capital levels and start-up risks including technology-related risks or disruption in our offshore suppliers or the transportation and handling industries, including labor stoppages, strikes, or slowdowns, and the ability to timely fulfill customer orders; (8) the risks specifically related to the concentrations of a material part of our sales and accounts receivable in only a few customers, including the loss of several large customers through business consolidations, failures or other reasons, or the loss of significant sales programs with major customers; (9) risks associated with our reliance on offshore sourcing and the cost of imported goods, including fluctuation in the prices of purchased finished goods, customs issues, freight costs, including the price and availability of shipping containers, ocean vessels, domestic trucking, and warehousing costs and the risk that a disruption in our supply chain or the transportation and handling industries, including labor stoppages, strikes, or slowdowns, could adversely affect our ability to timely fulfill customer orders; (10) interruption, inadequacy, security breaches or integration failure of our information systems or information technology infrastructure, related service providers or the internet or other related issues including unauthorized disclosures of confidential information, hacking or other cybersecurity threats or inadequate levels of cyber insurance or risks not covered by cyber insurance; (11) difficulties in forecasting demand for our imported products and raw materials used in our domestic operations; (12) our inability to collect amounts owed to us or significant delays in collecting such amounts; (13) the risks associated with our Amended and Restated Loan Agreement, including the fact that our asset-based lending facility is secured by substantially all of our assets and contains provisions which limit the amount of our future borrowings under the facility, as well as financial and negative covenants that, among other things, may limit our ability to incur additional indebtedness; (14) risks associated with domestic manufacturing operations, including fluctuations in capacity utilization and the prices and availability of key raw materials, as well as changes in transportation, warehousing and domestic labor costs, availability of skilled labor, and environmental compliance and remediation costs; (15) risks associated with our self-insured healthcare and workers compensation plans, which utilize stop-loss insurance for aggregate claims above specified thresholds and can be impacted by higher healthcare inflation and expenditures, all of which may cause our healthcare and workers compensation costs to rise unexpectedly, adversely affecting our earnings, financial condition, and liquidity; (16) disruptions and damage (including those due to weather) affecting our Virginia or North Carolina warehouses, our Virginia, North Carolina or California administrative and manufacturing facilities, our High Point, Las Vegas, and Atlanta showrooms or our representative office or warehouse in Vietnam; (17) changes in U.S. and foreign government regulations and in the political, social and economic climates of the countries from which we source our products; (18) risks associated with product defects, including higher than expected costs associated with product quality and safety, regulatory compliance costs related to the sale of consumer products and costs related to defective or non-compliant products, product liability claims and costs to recall defective products and the adverse effects of negative media coverage; (19) the direct and indirect costs and time spent by our associates related to the implementation of our Enterprise Resource Planning system (“ERP”), including costs resulting from unanticipated disruptions to our business; (20) achieving and managing growth and change, and the risks associated with new business lines, acquisitions, including the selection of suitable acquisition targets, restructurings, strategic alliances and international operations; (21) risks associated with distribution through third-party retailers, such as non-binding dealership arrangements; (22) changes in domestic and international monetary policies and fluctuations in foreign currency exchange rates affecting the price of our imported products and raw materials; (23) price competition in the furniture industry; (24) changes in consumer preferences, including increased demand for lower-priced furniture, especially in light of recently imposed tariffs on imported furniture; (25) decisions concerning the allocation of capital including the extent to which we repurchase shares of our common stock which will affect shares outstanding and EPS; and (26) other risks and uncertainties described under Part I, Item 1A. “Risk Factors” in the Company’s Annual Report on Form 10-K for the fiscal year ended February 2, 2025 and other filings with the SEC. Any forward-looking statement that we make speaks only as of the date of that statement, and we undertake no obligation, except as required by law, to update any forward-looking statements whether as a result of new information, future events or otherwise and you should not expect us to do so.

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## UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

On December 12, 2025, Hooker Furnishings Corporation (the “Company”) completed the previously announced sale of its Pulaski Furniture (“PFC”) and Samuel Lawrence (“SLF”) casegoods brands, including specified assets and liabilities related to those brands, to Magnussen Home Furnishings, Inc. (“Magnussen”) pursuant to the Asset Purchase Agreement, dated as of December 1, 2025 (the “Asset Purchase Agreement”), between the Company and Magnussen (the “Sale”). The aggregate purchase price was approximately \$6.1 million, of which approximately \$5.5 million was paid in cash at closing. The remaining \$0.6 million that was held back, is payable after the expiration of a 210-day holdback period, less any amounts relating to indemnification claims as provided for in the Asset Purchase Agreement. The holdback amount is reflected as a receivable in the unaudited pro forma condensed consolidated balance sheet. The consideration received at closing differed from the carrying amount of the assets and liabilities classified as held for sale in the Company’s historical balance sheet due primarily to changes in the underlying assets and liabilities of the disposed business between the balance-sheet date and the closing date.

The following unaudited pro forma condensed consolidated statement of operations for the thirty-nine-week period ended November 2, 2025 and the unaudited pro forma condensed consolidated statement of operations for the fifty-three-week period ended February 2, 2025 are (i) derived from the unaudited condensed consolidated financial statements of the Company for the period then ended and from the audited consolidated financial statements of the Company for the year then ended, respectively, and (ii) are presented to illustrate the Company’s results as if the Sale had occurred on January 29, 2024, the beginning of the earliest period presented. The following unaudited pro forma condensed consolidated balance sheet as of November 2, 2025, reflects the Company’s financial position as if the Sale had occurred on November 2, 2025.

These unaudited pro forma consolidated financial statements have been prepared in accordance with Article 11 of Regulation S-X, as amended, and Accounting Standards Codification 205-20, *Discontinued Operations* and are based upon management’s estimates utilizing the best available information and are subject to the assumptions and adjustments described below and in the accompanying notes. They are not intended to be a complete presentation of the Company’s operating results or financial position had the sale occurred as of and for the periods indicated, nor do they purport to project the results of operations or financial position for any future period or as of any future date. Accordingly, such information should not be relied upon as an indicator of future performance, financial condition or liquidity. The unaudited pro forma condensed consolidated balance sheet reflects the settlement of the disposal group at its historical carrying amount as of November 2, 2025. Differences between the historical carrying amount and the final consideration received at closing arose due to changes in the assets and liabilities of the disposed business occurring after the balance-sheet date and prior to closing. These differences represent normal timing differences and are not reflected in the unaudited pro forma financial information.

These unaudited pro forma consolidated financial statements should be read in conjunction with the Company’s historical consolidated financial statements and accompanying notes included in the Company’s Annual Report on Form 10-K for the fiscal year ended February 2, 2025 filed with the Securities and Exchange Commission on April 18, 2025 and the Company’s Quarterly Report on Form 10-Q for the quarterly period ended November 2, 2025 filed with the Securities and Exchange Commission on December 12, 2025, as well as the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections of such reports.

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**HOOKER FURNISHINGS CORPORATION AND SUBSIDIARIES**  
**Unaudited Pro Forma Condensed Consolidated Balance Sheet**  
(In thousands)

	<b>39 Weeks Ended November 2, 2025</b>			
	<b>As Reported</b>	<b>Transaction Accounting Adjustment</b>		<b>Pro Forma</b>
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 1,354	\$ 4,849	3(A)	\$ 6,203
Trade accounts receivable, net	31,737			31,737
Inventories	52,146			52,146
Income tax recoverable	74			74
Prepaid expenses and other current assets	6,830	611	3(B)	7,441
Current assets held for sale	13,301	(13,301)	3(C)	-
<b>Total current assets</b>	<b>105,442</b>	<b>(7,841)</b>		<b>97,601</b>
Property, plant and equipment, net	25,008			25,008
Cash surrender value of life insurance policies	30,188			30,188
Deferred taxes	24,914			24,914
Operating leases right-of-use assets	24,369			24,369
Intangible assets, net	13,539			13,539
Goodwill	574			574
Non-current assets held for sale	-			-
Other assets	16,203			16,203
<b>Total non-current assets</b>	<b>134,795</b>	<b>-</b>		<b>134,795</b>
<b>Total assets</b>	<b>\$ 240,237</b>	<b>\$ (7,841)</b>		<b>\$ 232,396</b>
<b>Liabilities and Shareholders' Equity</b>				
<b>Current liabilities</b>				
Trade accounts payable	\$ 12,448	\$		\$ 12,448
Accrued salaries, wages and benefits	4,797			4,797
Accrued income taxes	35			35
Customer deposits	5,317			5,317
Current portion of operating lease liabilities	5,432			5,432
Other accrued expenses	2,335			2,335
Current liabilities held for sale	9,177	(9,177)	3(C)	-
<b>Total current liabilities</b>	<b>39,541</b>	<b>(9,177)</b>		<b>30,364</b>
Long term debt	3,815			3,815
Deferred compensation	6,287			6,287
Operating lease liabilities	20,838			20,838
Long-term liabilities held for sale	-			-
<b>Total long-term liabilities</b>	<b>30,940</b>	<b>-</b>		<b>30,940</b>
<b>Total liabilities</b>	<b>70,481</b>	<b>(9,177)</b>		<b>61,304</b>
<b>Shareholders' equity</b>				
Common stock, no par value, 20,000 shares authorized, 10,778 and 10,703 shares issued and outstanding on each date	50,977			50,977
Retained earnings	118,308	1,336	3(D)	119,644
Accumulated other comprehensive income	471			471
<b>Total shareholders' equity</b>	<b>169,756</b>	<b>-</b>		<b>171,092</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 240,237</b>	<b>\$ (7,841)</b>		<b>\$ 232,396</b>

**HOOKER FURNISHINGS CORPORATION AND SUBSIDIARIES**  
**Unaudited Pro Forma Condensed Consolidated Statement of Operations**  
(In thousands, except per share data)

	<b>39 Weeks Ended November 2, 2025</b>		
	<b>As Reported</b>	<b>Pro Forma Adjustment</b>	<b>Pro Forma</b>
Net sales	\$ 211,157		\$ 211,157
Cost of sales	158,421		158,421
Gross profit	52,736	-	52,736
Selling and administrative expenses	52,667		52,667
Goodwill and trade name impairment charges	15,576		15,576
Intangible asset amortization	1,911		1,911
Operating (loss) / income	(17,418)	-	(17,418)
Other income, net	480		480
Interest expense, net	634		634
(Loss) / income from continuing operations before income taxes	(17,572)	-	(17,572)
Income tax (benefit) / expense	(3,924)		(3,924)
Net income / (loss) from continuing operations	(13,648)	-	(13,648)
Net income / (loss) from discontinued operations, net of taxes	(13,855)	13,855	4(A) -
Net (loss) / income	<u>\$ (27,503)</u>	<u>\$ 13,855</u>	<u>\$ (13,648)</u>
<b>Basic:</b>			
Loss from continuing operations per share	\$ (1.29)		\$ (1.29)
Loss from discontinued operations per share	(1.30)		-
Basic loss per share	<u>\$ (2.59)</u>		<u>\$ (1.29)</u>
<b>Diluted:</b>			
Loss from continuing operations per share	\$ (1.29)		\$ (1.29)
Loss from discontinued operations per share	(1.30)		-
Diluted loss per share	<u>\$ (2.59)</u>		<u>\$ (1.29)</u>
<b>Weighted average shares outstanding:</b>			
Basic	10,600		10,600
Diluted	<u>10,600</u>		<u>10,600</u>

**HOOKER FURNISHINGS CORPORATION AND SUBSIDIARIES**  
**Unaudited Pro Forma Condensed Consolidated Statement of Operations**  
(In thousands, except per share data)

**53 Weeks Ended February 2, 2025**

	<b>As Reported</b>	<b>Disposition of PFC &amp; SLF</b>		<b>Pro Forma Adjustments</b>	<b>Pro Forma</b>
Net sales	\$ 397,465	\$ 80,107	4(B)		\$ 317,358
Cost of sales	\$ 308,195	\$ 64,865	4(B)		\$ 243,330
Inventory write downs	622	609	4(B)		13
Gross profit	88,648	14,632		-	74,016
Selling and administrative expenses	100,215	20,292	4(B)		79,923
Trade name impairment charges	2,831	1,776	4(B)		1,055
Intangible asset amortization	3,687	924	4(B)		2,763
Operating (loss) / income	(18,085)	(8,360)		-	(9,725)
Other income, net	2,933	-			2,933
Interest expense, net	1,274	-			1,274
(Loss) / income before income taxes	(16,426)	(8,360)		-	(8,066)
Income tax (benefit) / expense	(3,919)	(1,958)	4(C)	-	(1,961)
Net (loss) / income	\$ (12,507)	\$ (6,402)		\$ -	\$ (6,105)
(Loss) / earnings per share					
Basic	\$ (1.19)				\$ (0.58)
Diluted	\$ (1.19)				\$ (0.58)
Weighted average shares outstanding:					
Basic	10,525				10,525
Diluted	10,525				10,525

## NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### (1) Description of the Sale

On December 12, 2025, Hooker Furnishings Corporation (the “Company”) completed the previously announced sale of its Pulaski Furniture (“PFC”) and Samuel Lawrence (“SLF”) casegoods brands, including specified assets and liabilities related to those brands (collectively, the “Sale”), to Magnussen Home Furnishings, Inc. (“Magnussen”), pursuant to an Asset Purchase Agreement dated December 1, 2025 (the “Asset Purchase Agreement”).

The aggregate purchase price was approximately \$6.1 million, subject to customary post-closing adjustments, of which approximately \$5.5 million was paid in cash at closing, net of approximately \$0.65 million of transaction-related costs. The approximately \$0.6 million remaining represents a holdback amount, payable to the Company following the expiration of a 210-day holdback period, less any amounts relating to indemnification claims as provided for in the Asset Purchase Agreement. The holdback amount is reflected as a receivable in the unaudited pro forma condensed consolidated balance sheet.

As part of the Sale, Magnussen assumed certain liabilities associated with the disposed brands, including approximately \$4.8 million of showroom lease liabilities related to the High Point showroom. The Company retained its Samuel Lawrence Hospitality (“SLH”) product line and received an exclusive, worldwide, royalty-free, fully-paid license to continue use of the “Samuel Lawrence Hospitality” name. The Company will continue to report the SLH product line within its “All other” segment.

### (2) Basis of Pro Forma Presentation

The Company’s unaudited pro forma condensed consolidated financial statements have been prepared by management in accordance with Article 11 of Regulation S-X, as amended.

The unaudited pro forma condensed consolidated balance sheet as of November 2, 2025, has been prepared to give effect to the Sale.

### (3) Pro Forma Adjustments to the Condensed Consolidated Balance Sheets

Explanations of the adjustments to the pro forma balance sheet are as follows:

**(A)** Adjustments reflect the increase in cash and cash equivalents resulting from the cash consideration received from Magnussen, amounting to approximately \$5.5 million, net of legal, consulting and brokerage fees, and subject to customary purchase price adjustments.

**(B)** Adjustment reflects the cash holdback amount that is payable to the Company within two business days after the expiration of a 210-day holdback period.

**(C)** Represents the elimination of the assets and liabilities associated with the Pulaski Furniture and Samuel Lawrence casegoods brands, which were classified as held for sale as of November 2, 2025. The disposal of these assets, net of liabilities, reflects the financial impact of the sale.

**(D)** This adjustment reflects the estimated pro forma gain on disposal, which is calculated as the difference between the estimated aggregate net cash proceeds to be realized from the sale of the Pulaski Furniture and Samuel Lawrence businesses at the Closing and the carrying value of the disposal group as of November 2, 2025 net of estimated income taxes. The actual gain/loss on disposal, and the Company’s estimate of income taxes, will be based on the balance sheet information as of the Closing and the finalization of the Company’s current fiscal year tax provision, and may differ materially from the estimates used above. The pro forma gain on disposal has not been reflected in the unaudited pro forma condensed consolidated statements of operations as this amount pertains to discontinued operations and does not impact income from continuing operations.

### (4) Pro Forma Adjustments to the Condensed Consolidated Statements of Operations

Explanations of the adjustments to the unaudited pro forma condensed consolidated statements of operations are as follows:

#### **(A) FY26 Year-to-Date Period Ended November 2, 2025**

Represents the removal of revenues, costs and expenses, and the net loss attributable to the Pulaski Furniture and Samuel Lawrence casegoods brands, which are reflected as discontinued operations in the Company’s historical condensed consolidated statements of operations included in the Form 10-Q filed on December 12, 2025.

#### **(B) Fiscal Year Ended February 2, 2025**

Represents the elimination of revenues, costs and expenses, and the net loss attributable to the Pulaski Furniture and Samuel Lawrence casegoods brands for the fiscal year ended February 2, 2025, presented as if the Sale had occurred at the beginning of fiscal 2025.

#### **(C) Estimated Income Tax Effects**

Represents the estimated income tax effects of the pro forma adjustments to the condensed consolidated statements of operations. The tax effects were calculated using statutory tax rates applicable to the Company and are based on management’s estimates. The estimated tax effects reflect the elimination of the operating results of the Pulaski Furniture and Samuel Lawrence casegoods brands and are included in the pro forma adjustments reflected in the accompanying statements of operations.