

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

Form 10-Q/A

(Amendment No.1)

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

FOR THE QUARTERLY PERIOD ENDED MAY 4, 2024

OR

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

COMMISSION FILE NO. 1-32637

**GameStop**

**GameStop Corp.**

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of  
incorporation or organization)

625 Westport Parkway  
Grapevine, Texas

(Address of principal executive offices)

20-2733559

(I.R.S. Employer  
Identification No.)

76051

(Zip Code)

Registrant's telephone number, including area code:  
(817) 424-2000

Securities Registered Pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Class A Common Stock	GME	NYSE

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, 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

Number of shares of \$.001 par value Class A Common Stock outstanding as of June 5, 2024: 351,217,517

#### EXPLANATORY NOTE

The Company is filing this Amendment No. 1 to its Quarterly Report on Form 10-Q (this "Form 10-Q/A") to amend its Quarterly Report on Form 10-Q for the quarterly period ended May 4, 2024, as filed with the SEC on June 11, 2024 (the "Form 10-Q"). This amendment is being filed solely for the purpose of amending the certifications of the Company's Principal Executive Officer and Principal Financial Officer filed as Exhibits 31.1, 31.2, 32.1 and 32.2 to the Form 10-Q to provide the correct signatory and/or title of the signatory.

Except as described above, this Form 10-Q/A does not amend, update or change any other items or disclosures contained in the Form 10-Q and, accordingly, this Form 10-Q/A does not reflect or purport to reflect any information or events occurring after the original filing date or modify or update those disclosures affected by subsequent events. Accordingly, this Form 10-Q/A should be read in conjunction with the Form 10-Q and the Company's other filings with the SEC. All capitalized terms used in this Explanatory Note that are not defined shall have the meanings as set forth in the Form 10-Q.

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**PART I — FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS**

**GAMESTOP CORP.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in millions, except par value per share)  
(unaudited)

	May 4, 2024	April 29, 2023	February 3, 2024
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 999.9	\$ 1,057.0	\$ 921.7
Marketable securities	83.0	253.1	277.6
Receivables, net of allowance of \$4.4, \$2.2 and \$4.4, respectively	58.9	119.2	91.0
Merchandise inventories, net	675.8	759.5	632.5
Prepaid expenses and other current assets	62.1	65.8	51.4
Total current assets	1,879.7	2,254.6	1,974.2
Property and equipment, net of accumulated depreciation of \$843.6, \$988.3 and \$851.2, respectively	82.4	123.6	94.9
Operating lease right-of-use assets	542.0	595.8	555.8
Deferred income taxes	17.5	17.5	17.3
Other noncurrent assets	65.5	78.7	66.8
Total assets	\$ 2,587.1	\$ 3,070.2	\$ 2,709.0
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
Current liabilities:			
Accounts payable	\$ 282.7	\$ 561.4	\$ 324.0
Accrued liabilities and other current liabilities	377.1	546.4	412.0
Current portion of operating lease liabilities	177.7	200.8	187.7
Current portion of long-term debt	10.8	10.9	10.8
Total current liabilities	848.3	1,319.5	934.5
Long-term debt	14.9	26.3	17.7
Operating lease liabilities	385.3	412.5	386.6
Other long-term liabilities	31.3	40.3	31.6
Total liabilities	1,279.8	1,798.6	1,370.4
Stockholders' equity:			
Class A common stock — \$.001 par value; 1,000 shares authorized; 306.2, 304.7 and 305.7 shares issued and outstanding, respectively	0.1	0.1	0.1
Additional paid-in capital	1,635.4	1,621.4	1,634.9
Accumulated other comprehensive loss	(83.1)	(79.9)	(83.6)
Retained loss	(245.1)	(270.0)	(212.8)
Total stockholders' equity	1,307.3	1,271.6	1,338.6
Total liabilities and stockholders' equity	\$ 2,587.1	\$ 3,070.2	\$ 2,709.0

See accompanying notes to condensed consolidated financial statements.

**GAMESTOP CORP.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in millions, except per share data)  
(unaudited)

	Three Months Ended	
	May 4, 2024	April 29, 2023
Net sales	\$ 881.8	\$ 1,237.1
Cost of sales	637.3	949.8
Gross profit	244.5	287.3
Selling, general and administrative expenses	295.1	345.7
Operating loss	(50.6)	(58.4)
Interest income, net	(14.9)	(9.7)
Other expense, net	—	1.9
Loss before income taxes	(35.7)	(50.6)
Income tax benefit	(3.4)	(0.1)
Net loss	\$ (32.3)	\$ (50.5)
Net loss per share:		
Basic	\$ (0.11)	\$ (0.17)
Diluted	(0.11)	(0.17)
Weighted-average shares outstanding:		
Basic	305.9	304.5
Diluted	305.9	304.5

See accompanying notes to condensed consolidated financial statements.

**GAMESTOP CORP.**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**  
(in millions)  
(unaudited)

	Three Months Ended	
	May 4, 2024	April 29, 2023
Net loss	\$ (32.3)	\$ (50.5)
Other comprehensive loss:		
Foreign currency translation adjustment	0.3	(8.1)
Reclassification of foreign currency gain included in net loss	—	(1.2)
Net change in unrealized gain on available-for-sale securities	0.2	0.4
Reclassification of realized loss on available-for-sale securities included in net loss	—	0.9
Total comprehensive loss	<u>\$ (31.8)</u>	<u>\$ (58.5)</u>

See accompanying notes to condensed consolidated financial statements.

**GAMESTOP CORP.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in millions)  
(unaudited)

	Three Months Ended	
	May 4, 2024	April 29, 2023
Cash flows from operating activities:		
Net loss	\$ (32.3)	\$ (50.5)
Adjustments to reconcile net loss to net cash flows used in operating activities:		
Depreciation and amortization	16.8	13.7
Stock-based compensation expense	0.6	7.9
Loss on disposal of property and equipment, net	0.3	0.6
Other, net	(0.6)	0.2
Changes in operating assets and liabilities:		
Receivables, net	33.4	35.6
Merchandise inventories, net	(43.2)	(83.1)
Prepaid expenses and other assets	8.5	(4.0)
Prepaid income taxes and income taxes payable	(5.1)	(0.2)
Accounts payable and accrued liabilities	(87.8)	(22.3)
Operating lease right-of-use assets and lease liabilities	1.1	(0.6)
Changes in other long-term liabilities	(1.5)	—
Net cash flows used in operating activities	(109.8)	(102.7)
Cash flows from investing activities:		
Proceeds from sale of digital assets	—	1.3
Purchases of marketable securities	(7.5)	(211.0)
Proceeds from maturities and sales of marketable securities	201.9	212.2
Capital expenditures	(4.9)	(9.1)
Other	0.3	(0.1)
Net cash flows provided by (used in) by investing activities	189.8	(6.7)
Cash flows from financing activities:		
Settlement of stock-based awards	—	(0.1)
Repayments of debt	(2.7)	(2.7)
Net cash flows used in financing activities	(2.7)	(2.8)
Exchange rate effect on cash, cash equivalents and restricted cash	1.3	(4.0)
Increase (decrease) in cash, cash equivalents and restricted cash	78.6	(116.2)
Cash, cash equivalents and restricted cash at beginning of period	938.9	1,196.0
Cash, cash equivalents and restricted cash at end of period	\$ 1,017.5	\$ 1,079.8

See accompanying notes to condensed consolidated financial statements.

**GAMESTOP CORP**  
**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
(in millions, except for per share data)  
(unaudited)

	Class A Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Loss	Total Stockholders' Equity
	Shares	Amount				
Balance at February 3, 2024	305.7	\$ 0.1	\$ 1,634.9	\$ (83.6)	\$ (212.8)	\$ 1,338.6
Net loss	—	—	—	—	(32.3)	(32.3)
Foreign currency translation	—	—	—	0.3	—	0.3
Stock-based compensation expense	—	—	0.6	—	—	0.6
Settlement of stock-based awards	0.5	—	—	—	—	—
Unrealized gain on Marketable Securities	—	—	—	0.2	—	0.2
Balance at May 4, 2024	306.2	\$ 0.1	\$ 1,635.5	\$ (83.1)	\$ (245.1)	\$ 1,307.3

	Class A Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Loss	Total Stockholders' Equity
	Shares	Amount				
Balance at January 28, 2023	304.6	\$ 0.1	\$ 1,613.6	\$ (71.9)	\$ (219.5)	\$ 1,322.3
Net loss	—	—	—	—	(50.5)	(50.5)
Foreign currency translation	—	—	—	(8.1)	—	(8.1)
Stock-based compensation expense	—	—	7.9	—	—	7.9
Settlement of stock-based awards	0.1	—	(0.1)	—	—	(0.1)
Balance at April 29, 2023	304.7	\$ 0.1	\$ 1,621.4	\$ (79.9)	\$ (270.0)	\$ 1,271.6

See accompanying notes to condensed consolidated financial statements.



**GAMESTOP CORP.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Tabular amounts in millions, except per share amounts)  
(unaudited)

## 1. General Information

### **The Company**

GameStop Corp. ("GameStop," "we," "us," "our," or the "Company"), a Delaware corporation established in 1996, is a leading specialty retailer offering games and entertainment products through its thousands of stores and ecommerce platforms.

We operate our business in four geographic segments: United States, Canada, Australia and Europe. The information contained in these condensed consolidated financial statements refers to continuing operations unless otherwise noted.

### **Basis of Presentation and Consolidation**

The condensed consolidated financial statements include our accounts and the accounts of our wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. The condensed consolidated financial statements included herein reflect all adjustments (consisting only of normal, recurring adjustments) which are, in our opinion, necessary for a fair presentation of the information for the periods presented. These condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and the instructions to Quarterly Report on Form 10-Q and Article 10 of Regulation S-X. Accordingly, they exclude certain disclosures required under GAAP for complete consolidated financial statements.

The accompanying condensed consolidated financial statements and notes are unaudited. The consolidated financial statements should be read in conjunction with our Annual Report on Form 10-K for the 53 weeks ended February 3, 2024 ("fiscal 2023") filed with the Securities and Exchange Commission ("SEC") on March 26, 2024, as amended by our Annual Report on Form 10-K/A filed with the SEC on March 27, 2024 (as amended, the "2023 Annual Report on Form 10-K"). Due to the seasonal nature of our business, our results of operations for the three months ended May 4, 2024 are not indicative of our future results for the 52 weeks ending February 1, 2025 ("fiscal 2024"). Our fiscal year is composed of the 52 or 53 weeks ending on the Saturday closest to the last day of January. Fiscal 2024 consists of 52 weeks ending on February 1, 2025. Fiscal 2023 consisted of 53 weeks ended on February 3, 2024. All three-month periods presented herein contain 13 weeks. All references to years, quarters and months relate to fiscal periods rather than calendar periods. Our business, like that of many retailers, is seasonal, with the major portion of the net sales realized during the fourth quarter, which includes the holiday selling season.

### **At-The-Market Equity Offering Program**

On May 17, 2024, we entered into an Open Market Sale Agreement<sup>SM</sup> (the "Sales Agreement") with Jefferies LLC (the "Sales Agent") providing for the sale by the Company of shares of our Class A common stock, par value \$0.001 per share ("Common Shares"), from time to time through the Sales Agent in connection with an "at-the-market" equity offering program ("ATM Offering"). Pursuant to the prospectus supplement relating to the ATM Offering filed with the SEC on May 17, 2024 (the "May Prospectus Supplement"), we sold an aggregate of 45.0 million Common Shares for aggregate gross proceeds before commissions and offering expenses of approximately \$933.4 million.

Pursuant to the prospectus supplement relating to the ATM Offering filed with the SEC on June 7, 2024, (the "June Prospectus Supplement") We sold an aggregate of 75.0 million additional Common Shares for aggregate gross proceeds before commissions and offering expenses of approximately \$2.137 billion.

We intend to use the net proceeds from the ATM Offering for general corporate purposes, which may include acquisitions and investments in a manner consistent with our investment policy.

### **Use of Estimates**

The preparation of the condensed consolidated financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the amounts reported and disclosed in the condensed consolidated financial statements and accompanying footnotes. We regularly evaluate the estimates related to our assets and liabilities, contingent assets and liabilities, and the reported amounts of revenues and expenses. In preparing these condensed consolidated financial statements, we have made our best estimates and judgments of certain amounts recognized in the condensed consolidated financial statements, giving due consideration to materiality. Changes in the estimates and assumptions that we have used could have a significant impact on our financial results. Actual results could differ from those estimates.

**GAMESTOP CORP.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(Tabular amounts in millions, except per share amounts)  
(unaudited)

## 2. Summary of Significant Accounting Policies

Included below are certain updates related to policies included in Part II, Item 8 "Notes to Consolidated Financial Statements", [Note 2](#), Summary of Significant Accounting Policies," in the 2023 Annual Report on Form 10-K.

### Cash and Cash Equivalents and Restricted Cash

Our cash and cash equivalents are carried at fair value and consist primarily of cash, money market funds, cash deposits with commercial banks, U.S. government bonds and notes, and highly rated direct short-term instruments with an original maturity of 90 days or less. Restricted cash consists primarily of bank deposits that collateralize our obligations to vendors and landlords.

The following table presents a reconciliation of cash, cash equivalents and restricted cash in our Condensed Consolidated Balance Sheets to total cash, cash equivalents and restricted cash in our Condensed Consolidated Statements of Cash Flows:

	May 4, 2024	April 29, 2023
Cash and cash equivalents	\$ 999.9	\$ 1,057.0
Restricted cash <sup>(1)</sup>	3.5	7.5
Long-term restricted cash <sup>(2)</sup>	14.1	15.3
Total cash, cash equivalents and restricted cash	<u>\$ 1,017.5</u>	<u>\$ 1,079.8</u>

(1) Recognized in prepaid expenses and other current assets on our Condensed Consolidated Balance Sheets.

(2) Recognized in other noncurrent assets on our Condensed Consolidated Balance Sheets.

### Investments

We have traditionally invested our excess cash in investment grade short-term fixed income securities, which consist of U.S. government and agency securities. Such investments with an original maturity in excess of 90 days and less than one year are classified as marketable securities on our Condensed Consolidated Balance Sheets. The Company classifies these marketable securities as available-for-sale debt securities and records them at fair value.

Unrealized holding gains and losses are recognized in accumulated other comprehensive loss on our Condensed Consolidated Balance Sheets. Realized gains and losses upon sale or extinguishment are reported in other expense, net in our Condensed Consolidated Statements of Operations. Each reporting period, we evaluate whether declines in fair value below carrying value are due to expected credit losses, as well as our ability and intent to hold the investment until a forecasted recovery occurs.

On December 5, 2023, the Board of Directors approved a new investment policy (the "Investment Policy"). Subsequently, on March 21, 2024, the Board of Directors unanimously authorized revisions to the Investment Policy to codify the role of certain members of the Board of Directors in overseeing the Company's investments. In accordance with the revised Investment Policy, the Board of Directors has delegated authority to manage the Company's portfolio of securities investments to an Investment Committee consisting of Mr. Cohen and two independent members of the Board of Directors, together with such personnel and advisors as the Investment Committee may choose.

### Assets Held-for-Sale

We consider assets to be held for sale when management, with appropriate authority, approves and commits to a formal plan to actively market the assets for sale at a price reasonable in relation to their estimated fair value, the assets are available for immediate sale in their present condition, an active program to locate a buyer has been initiated, the sale of the assets is probable and expected to be completed within one year, and it is unlikely that significant changes will be made to the plan. Upon designation as held for sale, we record the assets at the lower of their carrying value or their estimated fair value, reduced for the cost to dispose the assets.

During the first quarter of fiscal 2023, we committed to a plan to sell property in our Europe segment consisting of a warehouse building and land with a total net carrying value of \$9.4 million. There were no impairment charges recognized on these asset groups as the estimated fair value exceeded their respective carrying values. The building, land and other property and equipment were classified as assets held for sale in other noncurrent assets on our Condensed Consolidated Balance Sheets as of May 4, 2024.

During the fourth quarter of fiscal 2023, we announced plans to close our York, Pennsylvania distribution facility, to consolidate U.S. fulfillment activities to our Grapevine, Texas facility. This was completed during the first quarter of fiscal 2024.

**GAMESTOP CORP.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(Tabular amounts in millions, except per share amounts)  
(unaudited)

### 3. Revenue

The following table presents net sales by significant product category:

	Three Months Ended	
	May 4, 2024	April 29, 2023
Hardware and accessories <sup>(1)</sup>	\$ 505.3	\$ 725.8
Software <sup>(2)</sup>	239.7	338.3
Collectibles	136.8	173.0
Total net sales	<u>\$ 881.8</u>	<u>\$ 1,237.1</u>

(1) Includes sales of new and pre-owned hardware, accessories, hardware bundles in which hardware and digital or physical software are sold together in a single SKU, interactive game figures, strategy guides, mobile and consumer electronics.

(2) Includes sales of new and pre-owned gaming software, digital software, and PC entertainment software.

See [Note 8](#), "Segment Information," for net sales by geographic location.

#### Performance Obligations

We have arrangements with customers where our performance obligations are satisfied over time, which primarily relate to extended warranties and our GameStop Pro<sup>®</sup> rewards program, formerly known as PowerUp Rewards. Our GameStop Pro<sup>®</sup> rewards program includes a subscription to Game Informer<sup>®</sup> magazine.

We expect to recognize revenue in future periods for remaining performance obligations we have associated with unredeemed gift cards, trade-in credits, reservation deposits and our GameStop Pro<sup>®</sup> rewards program (collectively, "unredeemed customer liabilities"), extended warranties, and subscriptions to our GameStop Pro<sup>®</sup> rewards program.

Performance obligations associated with unredeemed customer liabilities are primarily satisfied at the time customers redeem gift cards, trade-in credits, customer deposits or loyalty program points for products that we offer. Unredeemed customer liabilities are generally redeemed within one year of issuance.

We offer extended warranties on certain new and pre-owned products with terms generally ranging from 12 to 24 months, depending on the product. Revenues for extended warranties sold are recognized on a straight-line basis over the life of the contract.

Revenue from subscription to our GameStop Pro<sup>®</sup> rewards program are recognized on a straight-line basis over a 12-month subscription term.

The following table presents our performance obligations recognized in accrued liabilities and other current liabilities on our Condensed Consolidated Statements of Operations:

	Three Months Ended	
	May 4, 2024	April 29, 2023
Unredeemed customer liabilities	\$ 136.4	\$ 180.4
Extended warranties	68.1	93.3
Subscriptions	48.7	51.8
Total performance obligations	<u>\$ 253.2</u>	<u>\$ 325.5</u>

#### Significant Judgments and Estimates

We accrue loyalty points related to our GameStop Pro<sup>®</sup> rewards program at the estimated retail price per point, net of estimated breakage, which can be redeemed by loyalty program members for products we offer. The estimated retail price per point is based on the actual historical retail prices of products purchased through the redemption of loyalty points. We estimate breakage of loyalty points and unredeemed gift cards based on historical redemption rates.

#### Contract Balances

Our contract liabilities primarily consist of unredeemed customer liabilities and deferred revenues associated with gift cards, extended warranties and subscriptions to GameStop Pro<sup>®</sup> rewards program.

**GAMESTOP CORP.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(Tabular amounts in millions, except per share amounts)  
(unaudited)

The following table presents a rollforward of our contract liabilities:

	May 4, 2024	April 29, 2023
Contract liability beginning balance	\$ 274.1	\$ 338.2
Increase to contract liabilities <sup>(1)</sup>	134.9	169.6
Decrease to contract liabilities <sup>(2)</sup>	(155.4)	(181.3)
Other adjustments <sup>(3)</sup>	(0.4)	(1.0)
Contract liability ending balance	<u>\$ 253.2</u>	<u>\$ 325.5</u>

- (1) Includes issuances of gift cards, trade-in credits and loyalty points, new reservation deposits, new subscriptions to GameStop Pro<sup>®</sup> rewards program and extended warranties sold.  
(2) Consists of redemptions and breakage of gift cards and trade-in credits, redemptions of reservation deposits, and redemptions, breakage, and expiration of loyalty points. Additionally this includes revenues recognized for our GameStop Pro<sup>®</sup> rewards program and extended warranties. During the three months ended May 4, 2024 and April 29, 2023, there were \$28.6 million and \$16.7 million of gift cards redeemed that were outstanding as of February 3, 2024 and January 28, 2023, respectively.  
(3) Primarily includes foreign currency translation adjustments.

#### 4. Fair Value Measurements

Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Applicable accounting standards require disclosures that categorize assets and liabilities measured at fair value into one of three different levels depending on the observability of the inputs employed in the measurement. Each fair value measurement is reported in one of the following three levels:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 inputs are observable inputs other than quoted prices included in Level 1 for the asset or liability, either directly or indirectly through market-corroborated inputs.
- Level 3 inputs are unobservable inputs for the asset or liability reflecting our assumptions about pricing by market participants.

#### Assets and Liabilities that are Measured at Fair Value on a Recurring Basis

Assets and liabilities that are measured at fair value on a recurring basis include our cash equivalents, marketable securities, foreign currency contracts, company-owned life insurance policies with a cash surrender value, and certain nonqualified deferred compensation liabilities.

We measure the fair value of cash equivalents and certain marketable securities based on quoted prices in active markets for identical assets. Other marketable securities were valued either based on recent trades of securities in inactive markets or based on quoted market prices of similar instruments and other significant inputs derived from or corroborated by observable market data.

We opened investment portfolios consisting of U.S. government treasury notes and bills. These investments are classified as available-for-sale debt securities and reported at fair value on a recurring basis and utilize Level 1 inputs for measurement. Additionally, in the second quarter of fiscal 2023 we invested in certain time deposits, which are reported at fair value utilizing Level 1 inputs for measurement.

We measure the fair value of our foreign currency contracts, life insurance policies with cash surrender values and certain nonqualified deferred compensation liabilities based on Level 2 inputs using quotations provided by major market news services, such as Bloomberg, and industry-standard models that consider various assumptions, including quoted forward prices, time value, volatility factors, contractual prices for the underlying instruments, and other relevant economic measures, all of which are observable in active markets. When appropriate, valuations are adjusted to reflect credit considerations, generally based on available market evidence.

**GAMESTOP CORP.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(Tabular amounts in millions, except per share amounts)  
(unaudited)

The following tables present our assets and liabilities measured at fair value on a recurring basis:

	May 4, 2024			
	Adjusted Cost	Unrealized Gains	Unrealized Losses	Fair Value
<b>Assets</b>				
Level 1:				
U.S. government securities <sup>(1)</sup>	\$ 60.8	\$ 0.2	\$ —	\$ 61.0
Time Deposits <sup>(2)</sup>	22.3			22.3
Level 2:				
Company-owned life insurance <sup>(3)</sup>	0.2	—	—	0.2
<b>Total assets</b>	<b>\$ 83.3</b>	<b>\$ 0.2</b>	<b>\$ —</b>	<b>\$ 83.5</b>
<b>Liabilities</b>				
Level 2:				
Nonqualified deferred compensation <sup>(4)</sup>	0.1	—	—	0.1
<b>Total liabilities</b>	<b>\$ 0.1</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 0.1</b>

	April 29, 2023			
	Adjusted Cost	Unrealized Gains	Unrealized Losses	Fair Value
<b>Assets</b>				
Level 1:				
U.S. government securities <sup>(1)</sup>	\$ 254.9	\$ 0.4	\$ —	\$ 255.3
Level 2:				
Foreign currency contracts <sup>(5)</sup>	\$ 0.7	\$ —	\$ —	\$ 0.7
Company-owned life insurance <sup>(3)</sup>	0.5	—	—	0.5
<b>Total assets</b>	<b>\$ 256.1</b>	<b>\$ 0.4</b>	<b>\$ —</b>	<b>\$ 256.5</b>
<b>Liabilities</b>				
Level 2:				
Foreign currency contracts <sup>(4)</sup>	\$ 6.7	\$ —	\$ —	\$ 6.7
Nonqualified deferred compensation <sup>(4)</sup>	0.4	—	—	0.4
<b>Total liabilities</b>	<b>\$ 7.1</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 7.1</b>

	February 3, 2024			
	Adjusted Cost	Unrealized Gains	Unrealized Losses	Fair Value
<b>Assets</b>				
Level 1:				
U.S. government securities <sup>(1)</sup>	\$ 265.3	\$ —	\$ —	\$ 265.3
Time Deposits <sup>(2)</sup>	\$ 14.9			\$ 14.9
Level 2:				
Company-owned life insurance <sup>(3)</sup>	0.5	—	—	0.5
<b>Total assets</b>	<b>\$ 280.7</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 280.7</b>
<b>Liabilities</b>				
Level 2:				
Nonqualified deferred compensation <sup>(4)</sup>	0.4	—	—	0.4
<b>Total liabilities</b>	<b>\$ 0.4</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 0.4</b>

(1) Recognized in cash and cash equivalents and marketable securities on our Condensed Consolidated Balance Sheets.

(2) Recognized in marketable securities on our Balance Sheets.

(3) Recognized in other noncurrent assets on our Condensed Consolidated Balance Sheets.

(4) Recognized in accrued liabilities and other current liabilities on our Condensed Consolidated Balance Sheets.

(5) Recognized in prepaid expenses and other current assets on our Condensed Consolidated Balance Sheets.

**GAMESTOP CORP.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(Tabular amounts in millions, except per share amounts)  
(unaudited)

**Assets that are Measured at Fair Value on a Nonrecurring Basis**

Assets that are measured at fair value on a nonrecurring basis relate primarily to property and equipment, operating lease right-of-use ("ROU") assets and other intangible assets, including digital assets, which are remeasured when the estimated fair value is below its carrying value. When we determine that impairment has occurred, the carrying value of the asset is reduced to its fair value. Fair value of digital assets held is based on Level 1 inputs, as described above, and impairment losses for digital assets cannot be recovered for any subsequent increase in fair value until the sale or disposal of the asset.

As of May 4, 2024, our government-guaranteed low interest French term loans due through October 2026 ("French Term Loans") had a carrying value of \$25.7 million and a fair value of \$29.9 million. The fair values of our French Term Loans were estimated based on a model that discounted future principal and interest payments at interest rates available to us at the end of the period for similar debt of the same maturity, which is a Level 2 input as defined by the fair value hierarchy.

The carrying values of our cash, restricted cash, net receivables, accounts payable and current portion of debt approximate their fair values due to their short-term maturities.

**5. Debt**

As of May 4, 2024, April 29, 2023 and February 3, 2024, there was \$25.7 million, \$37.2 million and \$28.5 million of outstanding debt, respectively. Total outstanding debt includes \$10.8 million, \$10.9 million and \$10.8 million of short-term debt as of May 4, 2024, April 29, 2023 and February 3, 2024, respectively, which represents the current portion of the French Term Loans.

During fiscal 2020, our French subsidiary, Micromania SAS, entered into six separate unsecured term loans for a total of €40.0 million. In the second quarter of 2021, at the request of Micromania SAS, these term loans were extended for five years, with an amortization plan for the principal starting in October 2022. In connection with the extension, the interest rate increased from zero to 0.7% for three of the term loans totaling €20.0 million, and 1% for the remaining three term loans totaling €20.0 million. The French government has guaranteed 90% of the term loans pursuant to a state guaranteed loan program instituted in connection with the COVID-19 pandemic.

**6. Commitments and Contingencies****Letter of Credit Facilities**

We maintain uncommitted letter of credit facilities with certain lenders that provide for the issuance of letters of credit and bank guarantees, at times supported by cash collateral. As of May 4, 2024, we had approximately \$9.5 million of outstanding letters of credit and other bank guarantees under facilities outside of our \$250 million revolving line of credit which matures in November 2026, of which \$5.8 million are supported by cash collateral and included in restricted cash.

During the three months ended May 4, 2024, there were no material changes to our commitments as disclosed in our 2023 Annual Report on Form 10-K.

**Legal Proceedings**

In the ordinary course of business, we are, from time to time, subject to various legal proceedings, including matters involving wage and hour employee class actions, stockholder actions, and consumer class actions, violent acts, and other conflicts. We may enter into discussions regarding settlement of these and other types of lawsuits, and may enter into settlement agreements, if we believe settlement is in the best interest of our stockholders. We do not believe that any such existing legal proceedings or settlements, individually or in the aggregate, will have a material effect on our financial condition, results of operations or liquidity.

**7. Earnings Per Share**

Basic net income (loss) per common share is computed by dividing the net income (loss) available to common stockholders by the weighted-average number of common shares outstanding during the period. Diluted net income (loss) per common share is computed by dividing the net income (loss) available to common stockholders by the weighted-average number of common shares outstanding and potentially dilutive securities outstanding during the period. Potentially dilutive securities include stock options, unvested restricted stock and unvested restricted stock units outstanding during the period, using the treasury stock method. Potentially dilutive securities are excluded from the computations of diluted earnings per share if their effect would be anti-dilutive. A net loss from continuing operations causes all potentially dilutive securities to be anti-dilutive.

**GAMESTOP CORP.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(Tabular amounts in millions, except per share amounts)  
(unaudited)

The following table presents a reconciliation of shares used in calculating basic and diluted net loss per common share:

	Three Months Ended	
	May 4, 2024	April 29, 2023
Weighted-average common shares outstanding	305.9	304.5
Dilutive effect of restricted stock awards	—	—
Weighted-average diluted common shares	<u>305.9</u>	<u>304.5</u>
Anti-dilutive shares:		
Restricted stock units	2.7	5.1
Restricted stock	—	0.1

**GAMESTOP CORP.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(Tabular amounts in millions, except per share amounts)  
(unaudited)

**8. Segment Information**

We operate our business in four geographic segments: United States, Canada, Australia and Europe.

We identified segments based on a combination of geographic areas and management responsibility. Segment results for the United States include retail operations in 50 states; our ecommerce website [www.gamestop.com](http://www.gamestop.com); and our GameStop Pro<sup>®</sup> loyalty program. The United States segment also includes general and administrative expenses related to our corporate offices in Grapevine, Texas. Segment results for Canada include retail and ecommerce operations in Canada and segment results for Australia include retail and ecommerce operations in Australia and New Zealand. Segment results for Europe currently include retail and ecommerce operations in France, Italy and Germany. Our segment results for Europe previously also included retail operations in Austria, Switzerland and Ireland. We measure segment profit using operating earnings, which is defined as income (loss) from operations before net interest (income) expense and income taxes. Transactions between reportable segments consist primarily of royalties, management fees, intersegment loans and related interest. There were no material intersegment sales during the three months ended May 4, 2024 and April 29, 2023.

	United States	Canada	Australia	Europe	Consolidated
<b>Three Months Ended May 4, 2024</b>					
Net sales	\$ 617.3	\$ 42.6	\$ 79.6	\$ 142.3	\$ 881.8
Operating loss	(25.3)	(4.5)	(8.1)	(12.7)	(50.6)
<b>Three Months Ended April 29, 2023</b>					
Net sales	\$ 832.4	\$ 62.7	\$ 115.4	\$ 226.6	\$ 1,237.1
Operating loss	(26.3)	(3.8)	(6.0)	(22.3)	(58.4)

**9. Income Taxes**

Our interim tax provision was determined using an estimated annual effective tax rate and adjusted for discrete taxable events and/or adjustments that have occurred during the three months ended May 4, 2024.

We recognized an income tax benefit of \$3.4 million, or 9.5%, for the three months ended May 4, 2024 compared to an income tax benefit of \$0.1 million, or 0.2%, for the three months ended April 29, 2023. Our effective income tax rate for the three months ended May 4, 2024 as well as the three months ended April 29, 2023 are primarily due to the recognition of tax benefits on certain current period losses, partially offset by forecasted income taxes due in certain foreign and state jurisdictions in which we operate.



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

*The following discussion should be read in conjunction with the information contained in our condensed consolidated financial statements, including the notes thereto set forth in Part I, Item 1 of this Form 10-Q. Statements regarding future economic performance, management's plans and objectives, and any statements concerning assumptions related to the foregoing contained in Management's Discussion and Analysis of Financial Condition and Results of Operations constitute forward-looking statements. These statements are only predictions based on current expectations and assumptions and involve known and unknown risks, uncertainties and other factors that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. All forward-looking statements included in this Form 10-Q are based upon information available to us as of the filing date of this Form 10-Q, and we undertake no obligation to update or revise any of these forward-looking statements for any reason, whether as a result of new information, future events or otherwise after the date of this Form 10-Q, except as required by law. You should not place undue reliance on these forward-looking statements. The forward-looking statements involve a number of risks and uncertainties. Although we believe that the expectations reflected in our forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Certain factors, which may cause actual results to vary materially from these forward-looking statements, accompany such statements and are discussed in our 2023 Annual Report on Form 10-K, including the disclosures under Part I, Item 1A "Risk Factors".*

### OVERVIEW

GameStop Corp. ("GameStop," "we," "us," "our," or the "Company"), a Delaware corporation established in 1996, is a leading specialty retailer offering games and entertainment products through its thousands of stores and ecommerce platforms.

We operate our business in four geographic segments: United States, Canada, Australia and Europe. Our fiscal year is composed of the 52 or 53 weeks ending on the Saturday closest to the last day of January. Fiscal 2024 consists of 52 weeks ending February 1, 2025 ("fiscal 2024"). Fiscal 2023 consisted of 53 weeks ended on February 3, 2024. All three-month periods presented herein contain 13 weeks. All references to years, quarters and months relate to fiscal periods rather than calendar periods. The discussion and analysis of our results of operations refers to continuing operations unless otherwise noted. Our business, like that of many retailers, is seasonal, with the major portion of the net sales realized during the fourth quarter, which includes the holiday selling season.

### BUSINESS PRIORITIES

GameStop is following a strategic plan to fully leverage its unique position and brand recognition in gaming through a new phase of transformation. Our strategic plan is designed to optimize our core business and achieve profitability.

GameStop is actively focused on the below objectives:

- **Establish Omnichannel Retail Excellence.** We aim to be the leading destination for games and entertainment products through our stores and ecommerce platforms. To accomplish this, we are taking steps to ensure we are a fast and convenient solution for our customers. This includes increased product availability across all channels, faster fulfillment through ship from store offerings, and a further improved customer service experience.
- **Achieve Profitability.** During fiscal 2023, we continued to optimize our cost structure to align with our current and anticipated future needs. We will continue to focus on cost containment as we look to operate with increased efficiency.
- **Leverage Brand Equity to Support Growth.** GameStop has many strengths and assets, including strong household brand recognition and a significant store network.

We believe these efforts are important aspects of our continued business to enable long-term value creation for our shareholders.

As part of our efforts to achieve sustained profitability, we continue to evaluate our portfolio of assets to validate their strategic and financial fit and to eliminate redundancies. During fiscal 2023, we exited our operations in Ireland, Switzerland, and Austria. While we expect our cost containment efforts to yield reductions in selling, general and administrative ("SG&A") expenses in the long term, we have incurred and may continue to incur non-recurring costs related to these efforts in the short term.

### Investments

On December 5, 2023, the Board of Directors approved a new investment policy (the "Investment Policy"). Subsequently, on March 21, 2024, the Board of Directors unanimously authorized revisions to the Investment Policy to codify the role of certain members of the Board of Directors in overseeing the Company's investments. In accordance with the revised Investment Policy, the Board of Directors has delegated authority to manage the Company's portfolio of securities investments to an Investment Committee consisting of the Company's Chairman of the Board of Directors and Chief Executive Officer, Ryan Cohen, and two independent members of the Board of Directors, together with such personnel and advisors as the Investment Committee may choose. The Company's investments must conform to guidelines set forth in the revised Investment Policy or be approved by

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either the Investment Committee, by unanimous vote, or the full Board of Directors, by majority vote. Additionally, the Investment Committee may recommend to the Board of Directors further modifications to the Investment Policy from time to time.

The Investment Committee will direct the investment activity of the Company in public and private markets pursuant to authority granted by the Board of Directors. Depending on certain market conditions and various risk factors, Mr. Cohen or other members of the Investment Committee, each in their personal capacity or through affiliated investment vehicles, may at times invest in the same securities in which the Company invests. The Board anticipates that such investments will align the interests of the Company with the interests of related parties because it places the personal resources of such directors at risk in substantially the same manner as resources of the Company in connection with investment decisions made by the Investment Committee on behalf of the Company.

**CONSOLIDATED RESULTS OF OPERATIONS**

The following table presents certain statement of operations items and as a percentage of net sales:

	Three Months Ended					
	May 4, 2024		April 29, 2023		Change	
	Amount	Percent of Net Sales	Amount	Percent of Net Sales	\$	%
Net sales	\$ 881.8	100.0 %	\$ 1,237.1	100.0 %	\$ (355.3)	(28.7)%
Cost of sales	637.3	72.3	949.8	76.8	(312.5)	(32.9)
Gross profit	244.5	27.7	287.3	23.2	(42.8)	(14.9)
Selling, general and administrative expenses	295.1	33.5	345.7	27.9	(50.6)	(14.6)
Operating loss	(50.6)	(5.7)	(58.4)	(4.7)	7.8	13.4
Interest income, net	(14.9)	(1.7)	(9.7)	(0.8)	(5.2)	(53.6)
Other expense, net	—	—	1.9	0.2	(1.9)	(100.0)
Loss before income taxes	(35.7)	(4.0)	(50.6)	(4.1)	14.9	29.4
Income tax benefit	(3.4)	(0.4)	(0.1)	—	(3.3)	NM <sup>1</sup>
Net loss	\$ (32.3)	(3.7)%	\$ (50.5)	(4.1)%	\$ 18.2	36.0 %

<sup>(1)</sup> "NM" is data that is not meaningful.

**The Three Months Ended May 4, 2024 Compared to the Three Months Ended April 29, 2023**
**Net Sales**

The following table presents net sales by significant product category:

	Three months ended			
	May 4, 2024		April 29, 2023	
	Net Sales	Percent of Net Sales	Net Sales	Percent of Net Sales
Hardware and accessories	\$ 505.3	57.3 %	\$ 725.8	58.7 %
Software	239.7	27.2	338.3	27.3
Collectibles	136.8	15.5	173.0	14.0
Total net sales	\$ 881.8	100.0 %	\$ 1,237.1	100.0 %

The following table presents net sales by reportable segment:

	Three Months Ended			
	May 4, 2024		April 29, 2023	
	Net Sales	Percent of Net Sales	Net Sales	Percent of Net Sales
United States	\$ 617.3	70.0 %	\$ 832.4	67.3 %
Canada	42.6	4.8	62.7	5.1
Australia	79.6	9.0	115.4	9.3
Europe	142.3	16.1	226.6	18.3
Total net sales	\$ 881.8	100.0 %	\$ 1,237.1	100.0 %

Net sales decreased \$355.3 million or 28.7%, for the three months ended May 4, 2024 compared to the prior year.

During the three months ended May 4, 2024, net sales in our Europe, Canada, Australia, and United States segments decreased by 37.2%, 32.1%, 31.0%, and 25.8%, respectively, compared to the prior year. The decrease in consolidated net sales for the three months ended May 4, 2024 compared to the prior year was primarily attributable to a \$98.6 million, or 29.1%, decline in the sale of new software, a \$220.5 million, or 30.4%, decline in the sale of hardware and accessories, and a \$36.2 million, or 20.9%, decline in the sale of collectibles.

**Gross Profit**

During the three months ended May 4, 2024, gross profit decreased \$42.8 million, or 14.9%, compared to the prior year. Gross profit as a percentage of net sales increased to 27.7%, compared to 23.2% in the prior year. The decrease in gross profit is primarily attributable to the decrease in net sales, as further outlined in the net sales commentary, partially offset by \$10.8 million, or 38%, decrease in freight expenses from added cost optimizations.

**Selling, General and Administrative Expenses**

During the three months ended May 4, 2024, SG&A expenses decreased \$50.6 million, or 14.6%, compared to the prior year. SG&A expenses as a percentage of sales increased to 33.5% in the current year compared to 27.9% in the prior year.

The decrease in SG&A expenses for the three months ended May 4, 2024 compared to the prior year is primarily attributable to a reduction in labor-related, consulting service, and marketing costs of \$49.7 million, driven by our continued focus on cost reduction efforts, partially offset by \$14.3 million of deferred income recognized in the prior year in connection with our NFT marketplace. Store related costs decreased \$6.1 million in the current year in connection with prior year store closures, primarily in our European segment.

**Interest Income, net**

During the three months ended May 4, 2024, we recognized net interest income of \$14.9 million, compared to net interest income of \$9.7 million in the prior year. The impact is primarily attributable to interest income increasing as a result of higher returns on invested cash, cash equivalents, and marketable securities.

**Income Tax**

We recognized income tax benefit of \$3.4 million for the three months ended May 4, 2024 compared to an income tax benefit of \$0.1 million for the same period in 2023. Our effective income tax rate was 9.5% for the three months ended May 4, 2024 compared to 0.2% for the same period in 2023.

Our effective income tax rate for the three months ended May 4, 2024 as well as the three months ended April 29, 2023 are primarily due to the recognition of tax benefits on certain current period losses, partially offset by forecasted income taxes due in certain foreign and state jurisdictions in which we operate.

See Part I, Item 1 "Notes to the Condensed Consolidated Financial Statements", [Note 9](#), "Income Taxes," for additional information.

**LIQUIDITY AND CAPITAL RESOURCES**

**Cash, cash equivalents and marketable securities**

	May 4, 2024	April 29, 2023	February 3, 2024
Cash and cash equivalents	\$ 999.9	\$ 1,057.0	\$ 921.7
Marketable securities	83.0	253.1	277.6
Cash, cash equivalents and marketable securities	<u>\$ 1,082.9</u>	<u>\$ 1,310.1</u>	<u>\$ 1,199.3</u>

**Sources of Liquidity; Uses of Capital**

Our principal sources of liquidity are cash from operations, cash on hand, and borrowings from the capital markets, which include our revolving credit facilities. As of May 4, 2024, we had total unrestricted cash and cash equivalents on hand of \$999.9 million, marketable securities of \$83.0 million, and an additional \$244.1 million of effective available borrowing capacity under our revolving credit facilities.

Our cash and cash equivalents are carried at fair value and consist primarily of U.S. government bonds and notes, money market funds, cash deposits with commercial banks, and highly rated direct short-term instruments that mature in 90 days or less.

Our marketable securities are also carried at fair value and include investments in certain highly-rated short-term government notes, government bills, and time deposits. Our marketable securities have a maturity date of greater than 90 days but less than one year.

We opened investment portfolios consisting of U.S. government treasury notes and bills. Additionally, we also invested in time deposits. As of May 4, 2024, the investment portfolios' aggregate balance was \$83.0 million, all of which are recognized in marketable securities. See Item 1, Part I, "Notes to the Consolidated Financial Statements", Note 4, "Fair Value Measurements," for additional information.

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On an ongoing basis, we evaluate and consider certain strategic operating alternatives, including divestitures, restructuring or dissolution of unprofitable business segments, uses for our excess cash, as well as equity and debt financing alternatives that we believe may enhance stockholder value. The nature, amount and timing of any strategic operational change, or financing transactions that we might pursue will depend on a variety of factors, including, as of the applicable time, our available cash and liquidity and operating performance; our commitments and obligations; our capital requirements; limitations imposed under our credit arrangements; and overall market conditions.

On December 5, 2023, the Board of Directors approved a new Investment Policy. Subsequently, on March 21, 2024, the Board of Directors amended the new Investment Policy. See "Part I, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations - Investments" for more information. Gains and losses on marketable securities may fluctuate significantly from period to period in the future and could have a significant impact on the Company's results of operations. However, the amount of gain or loss on marketable securities for any given period may have no predictive value and variations in amount from period to period may have no analytical value.

Some of our vendors have requested and may continue to request credit support collateral for our inventory purchase obligations and the levels of such collateral will depend on a variety of factors including our inventory purchase levels, available payment terms for inventories, availability of borrowing capacity under our credit facilities, favorable credit terms and costs of providing collateral.

In fiscal 2021, the six separate unsecured term loans held by our French subsidiary, Micromania SAS, for a total of €40.0 million were extended for five years. As of May 4, 2024, \$25.7 million remains outstanding.

In November 2021, we entered into a credit agreement for a secured asset-based credit facility comprised of a \$500 million revolving line of credit which matures in November 2026 ("2026 Revolver"). The 2026 Revolver includes a \$50 million swing loan revolving sub-facility, a \$50 million Canadian revolving sub-facility, and a \$250 million letter of credit sublimit. On March 22, 2024, we delivered an irrevocable notice pursuant to the 2026 Revolver that reduces the \$500 million revolving line of credit to \$250 million. The 2026 Revolver will continue to include a \$50 million swing loan sub-facility, a \$50 million Canadian sub-facility and a \$250 million letter of credit sublimit.

As of the end of the first quarter of 2024, based on our borrowing base and amounts reserved for outstanding letters of credit, total effective availability under the 2026 Revolver was \$244.1 million, with no outstanding borrowings and outstanding standby letters of credit of \$5.9 million.

Separate from the 2026 Revolver, we maintain uncommitted facilities with certain lenders that provide for the issuance of letters of credit and bank guarantees, at times supported by cash collateral. As of May 4, 2024, we had bank guarantees outstanding in the amount of \$9.5 million outside of the 2026 Revolver.

On May 17, 2024, we entered into an Open Market Sale Agreement<sup>SM</sup> (the "Sales Agreement") with Jefferies LLC (the "Sales Agent") providing for the sale by the Company of shares of our Class A common stock, par value \$0.001 per share ("Common Shares"), from time to time, through the Sales Agent in connection with an "at-the-market offering" program (the "ATM Offering"). Pursuant to the prospectus supplement relating to the ATM Offering filed with the SEC on May 17, 2024 (the "May Prospectus Supplement"), we sold an aggregate of 45.0 million Common Shares for aggregate gross proceeds before commissions and offering expenses of approximately \$933.4 million.

Pursuant to the prospectus supplement relating to the ATM Offering filed with the SEC on June 7, 2024, (the "June Prospectus Supplement"), we sold an aggregate of 75.0 million additional Common Shares for aggregate gross proceeds before commissions and offering expenses of approximately \$2.137 billion.

We intend to use the net proceeds from the ATM Offering for general corporate purposes, which may include acquisitions and investments in a manner consistent with the Investment Policy.

**Cash Flows**

	Three Months Ended		
	May 4, 2024	April 29, 2023	Change
Cash used in operating activities	\$ (109.8)	\$ (102.7)	\$ (7.1)
Cash provided by (used in) investing activities	189.8	(6.7)	196.5
Cash used in financing activities	(2.7)	(2.8)	0.1
Exchange rate effect on cash, cash equivalents and restricted cash	1.3	(4.0)	5.3
Increase (decrease) in cash, cash equivalents and restricted cash	\$ 78.6	\$ (116.2)	\$ 194.8

**Operating Activities**

During the three months ended May 4, 2024, cash flows from operating activities were an outflow of \$109.8 million, compared with an outflow of \$102.7 million during the same period last year. Cash used in operating activities during the three months ended May 4, 2024 was primarily due to the impact of our net loss, an increase in merchandise inventory, and a decrease in trade payables, partially offset by a reduction in accounts receivable. Cash used in operating activities during the three months ended April 29, 2023 was primarily due to the impact of our net loss and an increase in merchandise inventory, partially offset by an increase in trade payables and a reduction in accounts receivable.

**Investing Activities**

Cash flows from investing activities were an inflow of \$189.8 million during the three months ended May 4, 2024 compared to an outflow of \$6.7 million during the same period last year. Cash provided by investing activities during the three months ended May 4, 2024 was primarily attributable to the maturity of marketable securities. Cash provided by investing activities during the three months ended April 29, 2023 was primarily attributable to purchases of marketable securities and ongoing technological investments, partially offset by proceeds from sales and maturities of marketable securities.

**Financing Activities**

Cash flows from financing activities were an outflow of \$2.7 million during the three months ended May 4, 2024 compared to an outflow of \$2.8 million during the comparable prior year period. Cash used in financing activities during both the three months ended May 4, 2024 and the three months ended April 29, 2023 was primarily attributable to the repayments on our government-guaranteed low interest French term loans due through October 2026.

**CRITICAL ACCOUNTING POLICIES**

Our condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and exclude certain disclosures required under GAAP for complete consolidated financial statements. Preparation of these statements requires us to make judgments and estimates. Some accounting policies have a significant impact on amounts reported in these condensed consolidated financial statements. For a summary of significant accounting policies and the means by which we develop estimates thereon, see "Part II—Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 2023 Annual Report on Form 10-K. There have been no material changes to our critical accounting policies from those included in our 2023 Annual Report on Form 10-K.

**RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS**

In November 2023, the FASB issued ASU No. 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures." This standard requires disclosure of significant segment expenses and other segment items by reportable segment. This ASU becomes effective for annual periods beginning in 2024 and interim periods in 2025. The Company is assessing the impact of this ASU and upon adoption expects that any impact would be limited to additional segment expense disclosures in the footnotes to its consolidated financial statements.

In December 2023, the FASB issued ASU No. 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." This standard enhances disclosures related to income taxes, including the rate reconciliation and information on income taxes paid. This ASU becomes effective January 1, 2025. The Company is assessing the impact of this ASU and upon adoption expects to include certain additional disclosures in the footnotes to its consolidated financial statements.

We did not adopt any Accounting Standard Updates ("ASU") in the first quarter of fiscal 2024. Additionally, there are no current ASUs issued, but not adopted, that are expected to have a material impact on the Company.

**OFF-BALANCE SHEET ARRANGEMENTS**

We had no material off-balance sheet arrangements as of May 4, 2024 other than those disclosed in Part I, Item 1 "Notes to the Condensed Consolidated Financial Statements", [Note 5](#) "Debt" and [Note 6](#) "Commitments and Contingencies" of our condensed consolidated financial statements for additional information.

**ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

There have been no material changes to our quantitative and qualitative disclosures about market risk as set forth in Part II, [Item 7A](#) "Quantitative and Qualitative Disclosures About Market Risks" in our 2023 Annual Report on Form 10-K.

**ITEM 4. CONTROLS AND PROCEDURES**

**Evaluation of Disclosure Controls and Procedures**

Our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")) are designed to provide reasonable assurance that required disclosures in the reports that we file or submit under the Exchange Act have been appropriately recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and are effective in ensuring that such information is accumulated and communicated to management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. Our principal executive officer and principal financial officer, with assistance from other members of management, have reviewed the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report and, based on that evaluation, determined that our disclosure controls and procedures were effective as of May 4, 2024 at the reasonable assurance level.

**Changes in Internal Control Over Financial Reporting**

There were no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during our first quarter 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**

The matters described in Part I, Item 1 "Notes to the Condensed Consolidated Financial Statements", [Note 6](#) "Commitments and Contingencies - Legal Proceedings" in this Quarterly Report on Form 10-Q are incorporated by reference.

**ITEM 1A. RISK FACTORS**

Our operations and financial results are subject to various risks and uncertainties, including those risk factors set out below and those described in Part I, [Item 1A](#) "Risk Factors" in our 2023 Annual Report on Form 10-K for the year ended February 3, 2024, which could adversely affect our business, financial condition, results of operations, cash flows, and the trading price of our common and capital stock.

**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**

As of June 5, 2024, there were approximately 351,217,517 shares of our Class A common stock outstanding. Of those outstanding shares, approximately 276.6 million were held by Cede & Co on behalf of the Depository Trust & Clearing Corporation (or approximately 79% of our outstanding shares) and approximately 74.6 million shares of our Class A common stock were held by registered holders with our transfer agent (or approximately 21% of our outstanding shares) as of June 5, 2024.

On June 11, 2024, we announced that we have completed our previously disclosed ATM Offering under the June Prospectus Supplement. Pursuant to the June Prospectus Supplement, we sold an aggregate of 75.0 million additional Common Shares for aggregate gross proceeds before commissions and offering expenses of approximately \$2.137 billion. We issued a press release announcing the completion of the ATM Offering, a copy of which is attached hereto as Exhibit 99.1, and the information in Exhibit 99.1 is incorporated herein by reference.



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**ITEM 6. EXHIBITS**

Exhibit Number	Description	Previously Filed as an Exhibit to and Incorporated by Reference From	Date Filed
3.1	<a href="#">Third Amended and Restated Certificate of Incorporation.</a>	Quarterly Report on Form 10-Q for the fiscal quarter ended August 3, 2013	September 11, 2013
3.2	<a href="#">Certificate of Amendment of the Third Amended and Restated Certificate of Incorporation.</a>	Current Report on Form 8-K	June 3, 2022
3.3	<a href="#">Fifth Amended and Restated Bylaws.</a>	Current Report on Form 8-K	March 6, 2017
10.1	<a href="#">Separation Agreement and Mutual Release of Claims, dated April 4, 2024 between the Company and Nir Patel.</a>	Current Report on Form 8-K	April 4, 2024
10.2*	<a href="#">Letter Agreement between Daniel Moore and GameStop Corp., executed April 11, 2024.</a>	Quarterly Report on Form 10-Q for the fiscal quarter ended May4, 2024	June 11, 2024
10.3†	<a href="#">Open Market Sale Agreement<sup>SM</sup>, dated May 17, 2024, by and between GameStop Corp. and Jefferies LLC.</a>	Current Report on Form 8-K	May 17, 2024
31.1	<a href="#">Certification of Principal Executive Officer pursuant to Rule 13a-14(a)/15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>	Filed herewith.	
31.2	<a href="#">Certification of Principal Financial Officer pursuant to Rule 13a-14(a)/15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>	Filed herewith.	
32.1	<a href="#">Certification of Principal Executive Officer pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>	Furnished herewith.	
32.2	<a href="#">Certification of Principal Financial Officer pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>	Furnished herewith.	
99.1	<a href="#">Press Release issued by GameStop Corp., dated June 11, 2024.</a>	Quarterly Report on Form 10-Q for the fiscal quarter ended May4, 2024	June 11, 2024
101.INS	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.	Submitted electronically herewith.	
101.SCH	Inline XBRL Taxonomy Extension Schema	Submitted electronically herewith.	
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase	Submitted electronically herewith.	
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase	Submitted electronically herewith.	
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase	Submitted electronically herewith.	
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).	Submitted electronically herewith.	

\* This exhibit is a management or compensatory contract.

† Certain schedules and other similar attachments to this exhibit have been omitted from this filing pursuant to Item 601(a)(5) of Regulation S-K. The Company will provide a copy of such omitted documents to the Securities and Exchange Commission upon.



625 Westport Parkway  
Grapevine, TX 76051  
817-424-2000

April 11, 2024

Mr. Daniel Moore

Re: Compensation Change

Dear Daniel,

In conjunction with your recent promotion to Principal Financial and Accounting Officer at GameStop Corp (the "Company"), you are receiving a compensation increase. You will continue to be subject to all policies of the Company and GameStop Texas, Ltd. in effect from time to time, including the Company's Anti-hedging Policy, Clawback Policy, Insider Trading Policy, and Code of Ethics.

Your new base salary will be \$200,000 effective April 4, 2024.

A total of \$400,000 in transformation bonuses were also paid bi-weekly over the two-year period which began on July 1, 2021. These bonuses have been paid in full.

You will continue to be eligible to earn restricted shares and stock units in accordance with, and subject to, the vesting and other terms of any award agreements that have been issued to you on or prior to the date hereof. For the avoidance of doubt, nothing in this letter shall change, eliminate or modify any terms of those award agreements, certain terms of which are summarized below.

- On October 1, 2021, you were granted 15,960 restricted stock units of the Company's Common Stock. The October 2021 equity award will vest as follows: 5% on the first anniversary of the grant date, 15% of the second anniversary of the grant date, and 20% on each of the dates that are 30, 36, 42 and 48 months following the grant date, subject in each case to your continuous service through the applicable vesting date.
- On October 1, 2022, you were granted 1,407 restricted shares of the Company's Class A common stock ("Common Stock"). The October 2022 equity award will vest as follows: 16.66% on each of the months that are 6, 12, 18, 24, 30, and 36 following the grant date, subject to your continuous service through the applicable vesting date.
- On June 1, 2023, you were granted 3,312 restricted shares of the Company's Class A common stock ("Common Stock"). The June 2023 equity award will vest as follows: 50% on July 1, 2023, and 50% on January 1, 2024, subject to your continuous service through the applicable vesting date.
- On November 1, 2023, you were granted 6,641 restricted shares of the Company's Class A common stock ("Common Stock"). The November 2023 equity award will vest as follows: 25% on January 1, 2024, 25% on April 1, 2024, 25% on July 1, 2024, and 25% on October 1, 2024, subject to your continuous service through the applicable vesting date.

In addition to the above and in connection with your recent promotion, on July 1, 2024, you will be granted restricted stock units of the Company's Common Stock determined by dividing \$540,000 by the average closing price of the Company's Common Stock for the 30 trading days immediately preceding such grant date (the "July 2024 Equity Award"). The July 2024 equity award will vest in twelve equal quarterly installments beginning on October 1, 2024.

Finally, in order for you to maintain your new target total compensation near-term prior to the vesting of the new July 2024 Equity Award, you will also receive a cash bonus in the amount of \$28,877, less applicable withholding

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taxes, which will be paid in equal bi-weekly installments over the next six pay periods, beginning with the first pay period ending after the date of this letter.

Nothing in this letter guarantees your employment for any period or otherwise limits our ability to terminate your employment at any time, for any reason, even if your opportunity to receive or vest in any equity would be forfeited as a result of such termination. We will periodically review your performance and compensation levels and may make adjustments, all as determined in the sole discretion of the Company. Any modification of any of the terms of this letter must be made in writing and signed by an authorized, executive officer of the Company to be valid and enforceable.

This letter supersedes any prior compensation terms or offer letter entered into between you and the Company. Except as otherwise expressly provided herein, this letter and the terms and conditions of the applicable award agreements referenced above represents our entire agreement regarding your employment and compensation and supersedes all prior discussions and agreements regarding these topics; provided, however, this agreement is in addition to and complements (and does not replace or supersede): i) your agreement to the GameStop C.A.R.E.S Rules of Dispute Resolution; and ii) all obligations you have to the Company or any of its affiliates with respect to confidentiality and return of property, non-disparagement, non-competition, and non-solicitation (whether such obligation arises by contract, common law, statute, or otherwise).

If you have any questions or concerns, please feel free to contact me.

Sincerely,

Ryan Cohen  
Chief Executive Officer

Accepted By: Daniel Moore  
Daniel Moore

June 11, 2024  
Date



**CERTIFICATION PURSUANT TO  
17 CFR 240.13a-14(a)/15d-14(a),  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Ryan Cohen, certify that:

- 1 I have reviewed this report on Form 10-Q/A of GameStop Corp.;
- 2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3 Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4 The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5 The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of 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: October 25, 2024

By: /s/ Ryan Cohen

Ryan Cohen  
*President, Chief Executive Officer and Chairman*  
(Principal Executive Officer)  
GameStop Corp.



**CERTIFICATION PURSUANT TO  
RULE 13a-14(b) UNDER THE SECURITIES EXCHANGE ACT OF 1934  
AND 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 of GameStop Corp. (the "Company") on Form 10-Q/A for the period ended May 4, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ryan Cohen, President, Chief Executive Officer and Chairman of the Company, certify, to the best of my knowledge, pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; 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: October 25, 2024

By:           /s/ Ryan Cohen          

Ryan Cohen

*President, Chief Executive Officer and Chairman*

(Principal Executive Officer)

GameStop Corp.

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



**CERTIFICATION PURSUANT TO  
RULE 13a-14(b) UNDER THE SECURITIES EXCHANGE ACT OF 1934  
AND 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 of GameStop Corp. (the "Company") on Form 10-Q/A for the period ended May 4, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Daniel Moore, Principal Financial and Accounting Officer of the Company, certify, to the best of my knowledge, pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; 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: October 25, 2024

By: /s/ Daniel Moore  
Daniel Moore  
Principal Financial and Accounting Officer  
(Principal Financial Officer)  
GameStop Corp.

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

# GameStop

## GameStop Discloses First Quarter 2024 Results

GRAPEVINE, Texas, June 7, 2024 (GLOBE NEWSWIRE) —GameStop Corp. (NYSE: GME) ("GameStop" or the "Company") today released financial results for the first quarter ended May 4, 2024. The Company's condensed and consolidated financial statements, including GAAP and non-GAAP results, are below.

### FIRST QUARTER OVERVIEW

- Net sales were \$0.882 billion for the first quarter, compared to \$1.237 billion in the prior year's first quarter.
- Selling, general and administrative ("SG&A") expenses were \$295.1 million, or 33.5% of net sales for the first quarter, compared to \$345.7 million, or 27.9% of net sales, in the prior year's first quarter.
- Net loss was \$32.3 million for the first quarter, compared to a net loss of \$50.5 million for the prior year's first quarter.
- Cash, cash equivalents and marketable securities were \$1.083 billion at the close of the quarter.
- Long-term debt remains limited to a low-interest, unsecured term loan associated with the French government's response to COVID-19.

The Company will not be holding a conference call today.

### NON-GAAP MEASURES AND OTHER METRICS

As a supplement to the Company's financial results presented in accordance with U.S. generally accepted accounting principles ("GAAP"), GameStop may use certain non-GAAP measures, such as adjusted SG&A expenses, adjusted operating income (loss), adjusted net income (loss), adjusted earnings (loss) per share, adjusted EBITDA and free cash flow. The Company believes these non-GAAP financial measures provide useful information to investors in evaluating the Company's core operating performance. Adjusted SG&A expenses, adjusted operating income (loss), adjusted net income (loss), adjusted earnings (loss) per share and adjusted EBITDA exclude the effect of items such as certain transformation costs, asset impairments, severance, as well as divestiture costs. Free cash flow excludes capital expenditures otherwise included in net cash flows (used in) provided by operating activities. The Company's definition and calculation of non-GAAP financial measures may differ from that of other companies. Non-GAAP financial measures should be viewed as supplementing, and not as an alternative or substitute for, the Company's financial results prepared in accordance with GAAP. Certain of the items that may be excluded or included in non-GAAP financial measures may be significant items that could impact the Company's financial position, results of operations or cash flows and should therefore be considered in assessing the Company's actual and future financial condition and performance.

#### **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS - SAFE HARBOR**

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are based upon management's current beliefs, views, estimates and expectations, including as to the Company's industry, business strategy, goals and expectations concerning its market position, strategic and transformation initiatives, future operations, margins, profitability, sales growth, capital expenditures, liquidity, capital resources, expansion of technology expertise, and other financial and operating information, including expectations as to future operating profit improvement. Forward-looking statements are subject to significant risks and uncertainties and actual developments, business decisions, outcomes and results may differ materially from those reflected or described in the forward-looking statements. The following factors, among others, could cause actual developments, business decisions, outcomes and results to differ materially from those reflected or described in the forward-looking statements: economic, social, and political conditions in the markets in which we operate; the competitive nature of the Company's industry; the cyclical nature of the video game industry; the Company's dependence on the timely delivery of new and innovative products from its vendors; the impact of technological advances in the video game industry and related changes in consumer behavior on the Company's sales; interruptions to the Company's supply chain or the supply chain of our suppliers; the Company's dependence on sales during the holiday selling season; the Company's ability to obtain favorable terms from its current and future suppliers and service providers; the Company's ability to anticipate, identify and react to trends in pop culture with regard to its sales of collectibles; the Company's ability to maintain strong retail and ecommerce experiences for its customers; the Company's ability to keep pace with changing industry technology and consumer preferences; the Company's ability to manage its profitability and cost reduction initiatives; turnover in senior management or the Company's ability to attract and retain qualified personnel; potential damage to the Company's reputation or customers' perception of the Company; the Company's ability to maintain the security or privacy of its customer, associate or Company information; occurrence of weather events, natural disasters, public health crises and other unexpected events; risks associated with inventory shrinkage; potential failure or inadequacy of the Company's computerized systems; the ability of the Company's third party delivery services to deliver products to the Company's retail locations, fulfillment centers and consumers and changes in the terms the Company has with such service providers; the ability and willingness of the Company's vendors to provide marketing and merchandising support at historical or anticipated levels; restrictions on the Company's ability to purchase and sell pre-owned products; the Company's ability to renew or enter into new leases on favorable terms; unfavorable changes in the Company's global tax rate; legislative actions; the Company's ability to comply with federal, state, local and international laws and regulations and statutes; potential future litigation and other legal proceedings; the value of the Company's securities holdings; concentration of the Company's investment portfolio into one or few holdings; the recognition of losses in a particular security even if the Company has not sold the security; volatility in the Company's stock price, including volatility due to potential short squeezes; continued high degrees of media coverage by third parties; the availability and future sales of substantial amounts of the Company's Class A common stock; fluctuations in the Company's results of operations from quarter to quarter; the restrictions contained in the agreement governing the Company's revolving credit facility; the Company's ability to generate sufficient cash flow to fund its operations; the Company's ability to incur additional debt; risks associated with the Company's investment in marketable, nonmarketable and interest-bearing securities, including the impact of such investments on Company's financial results; and the Company's ability to maintain effective control over financial reporting. Additional factors that could cause results to differ materially from those reflected or described in the forward-looking statements can be found in GameStop's most recent Annual Report on Form 10-K and other filings made from time to time with the SEC and available at [www.sec.gov](http://www.sec.gov) or on the Company's investor relations website (<https://investor.gamestop.com>). Forward-looking statements contained in this press release speak only as of the date of this press release. The Company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by any applicable securities laws.

**GameStop Corp.**  
**Condensed Consolidated Statements of Operations**

(in millions, except per share data)

(unaudited)

	13 Weeks ended May 4, 2024	13 Weeks ended April 29, 2023
Net sales	\$ 881.8	\$ 1,237.1
Cost of sales	637.3	949.8
Gross profit	244.5	287.3
Selling, general and administrative expenses	295.1	345.7
Operating loss	(50.6)	(58.4)
Interest income, net	(14.9)	(9.7)
Other expense, net	—	1.9
Loss before income taxes	(35.7)	(50.6)
Income tax benefit	(3.4)	(0.1)
Net loss	\$ (32.3)	\$ (50.5)
Loss per share:		
Basic loss per share	\$ (0.11)	\$ (0.17)
Diluted loss per share	(0.11)	(0.17)
Weighted-average common shares outstanding:		
Basic	305.9	304.5
Diluted	305.9	304.5
<u>Percentage of Net Sales:</u>		
Net sales	100.0 %	100.0 %
Cost of sales	72.3	76.8
Gross profit	27.7	23.2
Selling, general and administrative expenses	33.5	27.9
Operating loss	(5.7)	(4.7)
Interest income, net	(1.7)	(0.8)
Other expense, net	—	0.2
Loss before income taxes	(4.0)	(4.1)
Income tax benefit	(0.4)	—
Net loss	(3.7)%	(4.1)%

**GameStop Corp.**  
**Condensed Consolidated Balance Sheets**

(in millions)

(unaudited)

	<u>May 4, 2024</u>	<u>April 29, 2023</u>
<b>ASSETS:</b>		
Current assets:		
Cash and cash equivalents	\$ 999.9	\$ 1,057.0
Marketable securities	83.0	253.1
Receivables, net of allowance of \$4.4 and \$2.2, respectively	58.9	119.2
Merchandise inventories	675.8	759.5
Prepaid expenses and other current assets	62.1	65.8
Total current assets	<u>1,879.7</u>	<u>2,254.6</u>
Property and equipment, net of accumulated depreciation of \$843.6 and \$988.3, respectively	82.4	123.6
Operating lease right-of-use assets	542.0	595.8
Deferred income taxes	17.5	17.5
Other noncurrent assets	65.5	78.7
Total assets	<u>\$ 2,587.1</u>	<u>\$ 3,070.2</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY:</b>		
Current liabilities:		
Accounts payable	\$ 282.7	\$ 561.4
Accrued liabilities and other current liabilities	377.1	546.4
Current portion of operating lease liabilities	177.7	200.8
Current portion of long-term debt	10.8	10.9
Total current liabilities	<u>848.3</u>	<u>1,319.5</u>
Long-term debt, net	14.9	26.3
Operating lease liabilities	385.3	412.5
Other long-term liabilities	31.3	40.3
Total liabilities	<u>1,279.8</u>	<u>1,798.6</u>
Total stockholders' equity	<u>1,307.3</u>	<u>1,271.6</u>
Total liabilities and stockholders' equity	<u>\$ 2,587.1</u>	<u>\$ 3,070.2</u>

**GameStop Corp.**  
**Condensed Consolidated Statements of Cash Flows**  
(in millions)  
(unaudited)

	<u>13 Weeks ended May 4, 2024</u>	<u>13 Weeks ended April 29, 2023</u>
Cash flows from operating activities:		
Net loss	\$ (32.3)	\$ (50.5)
Adjustments to reconcile net loss to net cash flows from operating activities:		
Depreciation and amortization	16.8	13.7
Stock-based compensation expense	0.6	7.9
Loss on disposal of property and equipment, net	0.3	0.6
Other	(0.6)	0.2
Changes in operating assets and liabilities:		
Receivables, net	33.4	35.6
Merchandise inventories	(43.2)	(83.1)
Prepaid expenses and other current assets	8.5	(4.0)
Prepaid income taxes and income taxes payable	(5.1)	(0.2)
Accounts payable and accrued liabilities	(87.8)	(22.3)
Operating lease right-of-use assets and liabilities	1.1	(0.6)
Changes in other long-term liabilities	(1.5)	—
Net cash flows used in operating activities	<u>(109.8)</u>	<u>(102.7)</u>
Cash flows from investing activities:		
Proceeds from sale of digital assets	—	1.3
Purchases of marketable securities	(7.5)	(211.0)
Proceeds from the maturities and sales of marketable securities	201.9	212.2
Capital expenditures	(4.9)	(9.1)
Other	0.3	(0.1)
Net cash flows provided by (used in) investing activities	<u>189.8</u>	<u>(6.7)</u>
Cash flows from financing activities:		
Settlements of stock-based awards	—	(0.1)
Repayments of French term loans	(2.7)	(2.7)
Net cash flows used in financing activities	<u>(2.7)</u>	<u>(2.8)</u>
Exchange rate effect on cash, cash equivalents and restricted cash	1.3	(4.0)
Decrease in cash, cash equivalents and restricted cash	<u>78.6</u>	<u>(116.2)</u>
Cash, cash equivalents and restricted cash at beginning of period	938.9	1,196.0
Cash, cash equivalents and restricted cash at end of period	<u>\$ 1,017.5</u>	<u>\$ 1,079.8</u>

**Schedule I**  
**Sales Mix**  
(in millions)  
(unaudited)

	<u>13 Weeks ended May 4, 2024</u>		<u>13 Weeks ended April 29, 2023</u>	
	<u>Net Sales</u>	<u>Percent of Total</u>	<u>Net Sales</u>	<u>Percent of Total</u>
Net Sales:				
Hardware and accessories <sup>(1)</sup>	\$ 505.3	57.3 %	\$ 725.8	58.7 %
Software <sup>(2)</sup>	239.7	27.2	338.3	27.3
Collectibles	136.8	15.5	173.0	14.0
Total	<u>\$ 881.8</u>	<u>100.0 %</u>	<u>\$ 1,237.1</u>	<u>100.0 %</u>

(1) Includes sales of new and pre-owned hardware, accessories, hardware bundles in which hardware and digital or physical software are sold together in a single SKU, interactive game figures, strategy guides, mobile and consumer electronics.

(2) Includes sales of new and pre-owned video game software, digital software and PC entertainment software.

**GameStop Corp.**  
**Schedule II**  
(in millions, except per share data)  
(unaudited)

**Non-GAAP results**

The following tables reconcile the Company's selling, general and administrative expenses ("SG&A expense"), operating loss, net loss and loss per share as presented in its unaudited consolidated statements of operations and prepared in accordance with U.S. generally accepted accounting principles ("GAAP") to its adjusted SG&A expense, adjusted operating loss, adjusted net loss, adjusted EBITDA and adjusted loss per share. The diluted weighted-average shares outstanding used to calculate adjusted earnings per share may differ from GAAP weighted-average shares outstanding. Under GAAP, basic and diluted weighted-average shares outstanding are the same in periods where there is a net loss. The reconciliations below are from continuing operations only.

	<b>13 Weeks Ended May 4, 2024</b>	<b>13 Weeks Ended April 29, 2023</b>
<b>Adjusted SG&amp;A expense</b>		
SG&A expense	\$ 295.1	\$ 345.7
Transformation costs <sup>(1)</sup>	4.4	(7.2)
Adjusted SG&A expense	<u>\$ 299.5</u>	<u>\$ 338.5</u>
<b>Adjusted Operating Loss</b>		
Operating loss	\$ (50.6)	\$ (58.4)
Transformation costs <sup>(1)</sup>	(4.4)	7.2
Adjusted operating loss	<u>\$ (55.0)</u>	<u>\$ (51.2)</u>
<b>Adjusted Net Loss</b>		
Net loss	\$ (32.3)	\$ (50.5)
Transformation costs <sup>(1)</sup>	(4.4)	7.2
Divestitures and other	—	1.0
Adjusted net loss	<u>\$ (36.7)</u>	<u>\$ (42.3)</u>
<b>Adjusted loss per share</b>		
Basic	\$ (0.12)	\$ (0.14)
Diluted	(0.12)	(0.14)
<b>Number of shares used in adjusted calculation</b>		
Basic	305.9	304.5
Diluted	305.9	304.5

(1) Transformation costs include severance, stock-based compensation forfeitures related to workforce optimization efforts and departures of key personnel, and other costs in connection with our transformation initiatives.



	13 Weeks Ended May 4, 2024	13 Weeks Ended April 29, 2023
<b>Reconciliation of Net Loss to Adjusted EBITDA</b>		
Net loss	\$ (32.3)	\$ (50.5)
Interest income, net	(14.9)	(9.7)
Depreciation and amortization	16.8	13.7
Income tax benefit	(3.4)	(0.1)
EBITDA	\$ (33.8)	\$ (46.6)
Stock-based compensation	6.9	9.0
Transformation costs <sup>(1)</sup>	(4.4)	7.2
Divestitures and other	—	1.0
Adjusted EBITDA	\$ (31.3)	\$ (29.4)

(1) Transformation costs include severance, stock-based compensation forfeitures related to workforce optimization efforts and departures of key personnel, and other costs in connection with our transformation initiatives.

**GameStop Corp.**  
**Schedule III**  
(in millions)  
(unaudited)

**Non-GAAP results**

The following table reconciles the Company's cash flows provided by operating activities as presented in its unaudited Consolidated Statements of Cash Flows and prepared in accordance with GAAP to its free cash flow. Free cash flow is considered a non-GAAP financial measure. Management believes, however, that free cash flow, which measures our ability to generate additional cash from our business operations, is an important financial measure for use by investors in evaluating the company's financial performance.

	13 Weeks Ended May 4, 2024	13 Weeks Ended April 29, 2023
Net cash flows used in operating activities	\$ (109.8)	\$ (102.7)
Capital expenditures	(4.9)	(9.1)
Free cash flow	<u>\$ (114.7)</u>	<u>\$ (111.8)</u>

**Non-GAAP Measures and Other Metrics**

Adjusted EBITDA, adjusted SG&A expense, adjusted operating loss and adjusted net loss per share are supplemental financial measures of the Company's performance that are not required by, or presented in accordance with, GAAP. We believe that the presentation of these non-GAAP financial measures provide useful information to investors in assessing our financial condition and results of operations. We define adjusted EBITDA as net income (loss) before income taxes, plus interest income, net and depreciation and amortization, excluding stock-based compensation, certain transformation costs, business divestitures, asset impairments, severance and other non-cash charges. Net income (loss) is the GAAP financial measure most directly comparable to adjusted EBITDA. Our non-GAAP financial measures should not be considered as an alternative to the most directly comparable GAAP financial measure. Furthermore, non-GAAP financial measures have limitations as an analytical tool because they exclude some but not all items that affect the most directly comparable GAAP financial measures. Some of these limitations include:

- certain items excluded from adjusted EBITDA are significant components in understanding and assessing a company's financial performance, such as a company's cost of capital and tax structure;
- adjusted EBITDA does not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;
- adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and adjusted EBITDA does not reflect any cash requirements for such replacements; and
- our computations of adjusted EBITDA may not be comparable to other similarly titled measures of other companies.

We compensate for the limitations of adjusted EBITDA, adjusted SG&A expense, adjusted operating loss, adjusted net loss and adjusted loss per share as analytical tools by reviewing the comparable GAAP financial measure, understanding the differences between the GAAP and non-GAAP financial measures and incorporating these data points into our decision-making process. Adjusted EBITDA, adjusted SG&A expense, adjusted operating loss, adjusted net loss and adjusted net loss per share are provided in addition to, and not as an alternative to, the Company's financial results prepared in accordance with GAAP, and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. Because adjusted EBITDA, adjusted SG&A expense, adjusted operating loss, adjusted net income and adjusted earnings (loss) per share may be defined and determined differently by other companies in our industry, our definitions of these non-GAAP financial measures may not be comparable to similarly titled measures of other companies, thereby diminishing their utility.

**Contact**

GameStop Investor Relations  
817-424-2001  
ir@gamestop.com