UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

☒ **Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the fiscal year ended January 31, 2026

Or

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from to

Commission File Number: 001-41886

CITI TRENDS, INC.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**52-2150697** (I.R.S. Employer Identification No.)
17 Park of Commerce Boulevard, Suite 200, Savannah, Georgia (Address of principal executive offices)	**31405** (Zip Code)

Registrant's telephone number, including area code **(912) 236-1561**

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, $.01 Par Value	CTRN	NASDAQ Stock Market

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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

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

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

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

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b)). ☐

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

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter: $241,618,980 as of August 2, 2025.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date: Common Stock, par value $0.01 per share, 8,343,340 shares outstanding as of April 10, 2026.

DOCUMENTS INCORPORATED BY REFERENCE

Part III incorporates information from the registrant's definitive proxy statement, to be filed with the Securities and Exchange Commission within 120 days after the close of the registrant's fiscal year covered by this Annual Report on Form 10-K, with respect to the Annual Meeting of Stockholders to be held on June 10, 2026.

CITI TRENDS, INC.
FORM 10-K
TABLE OF CONTENTS

10-K Part and Item No.

PART I

Some statements in, or incorporated by reference into, this Annual Report on Form 10-K (this "Report") of Citi Trends, Inc. ("CITITRENDS", "we", "us", or the "Company") may constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than historical facts contained in this Report, including statements regarding our future financial results and position, business policy and plans, objectives and expectations of management for future operations and capital allocation expectations, are forward-looking statements. The words "believe," "anticipate," "project," "plan," "expect," "trend," "estimate," "objective," "forecast," "upcoming," "goal," "intend," "may," "could," "will likely result," or "will continue" and similar expressions, as they relate to us, are intended to identify forward-looking statements, although not all forward-looking statements contain such language. We have based these forward-looking statements largely on our current expectations and projections about future events, including, among other things: general economic conditions, including inflation, energy and fuel costs, unemployment levels, and any deterioration whether caused by acts of war, terrorism, political or social unrest (including any resulting store closures, damage or loss of inventory) or other factors; changes in market interest rates and market levels of wages; the imposition of new taxes on imports, new tariffs and changes in existing tariff rates; the imposition of new trade restrictions and changes in existing trade restrictions or trade relationships; impacts of natural disasters such as hurricanes; uncertainty and economic impact of pandemics, epidemics or other public health emergencies; transportation and distribution delays or interruptions; changes in freight rates; the Company's ability to attract and retain workers; the Company's ability to negotiate effectively the cost and purchase of merchandise inventory risks due to shifts in market demand and to manage inventory shrink; the Company's ability to gauge fashion trends and changing consumer preferences; consumer confidence and changes in consumer spending patterns; competition within the industry; competition in our markets; the duration and extent of any economic stimulus programs; changes in product mix; interruptions in suppliers' businesses; risks related to cybersecurity, data privacy and intellectual property; temporary changes in demand due to weather patterns; seasonality of the Company's business; the results of pending or threatened litigation; delays associated with building, remodeling, opening and operating new stores; and delays associated with building, opening or expanding new or existing distribution centers.

These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in Item 1A. Risk Factors and elsewhere in this Report and the other documents we file with the Securities and Exchange Commission ("SEC"), including our reports on Form 8-K and Form 10-Q, and any amendments thereto. Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, you should not rely upon forward-looking statements as predictions of future events. The events and circumstances reflected in the forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements. These forward-looking statements speak only as of the date of such statements. Except as required by applicable law, including the securities laws of the United States and the rules and regulations of the SEC, we do not plan to publicly update or revise any forward-looking statements contained in this Report, whether as a result of any new information, future events or otherwise.

Information is provided herein with respect to our operations related to our fiscal years ended on January 31, 2026 ("fiscal 2025"), February 1, 2025 ("fiscal 2024") and February 3, 2024 ("fiscal 2023").

ITEM 1. BUSINESS

Overview

Citi Trends, Inc. ("CITITRENDS" or the "Company") is a highly differentiated off-price value retailer known for trendy fashions, great brands and amazing prices. We are the leading off-price retailer specifically focused on Black customers, delivering the styles, brands, and trends at amazing prices that resonate with our primary and secondary customers. Our product offering is Women's, Men's and Children's apparel, family footwear, accessories and products for the home, with a three-tiered mix of product. At the opening price point, we offer value-focused basics for our most budget-conscious customers. The core of our business is our 'better' tier- quality products with breadth of selection and fresh styles. At the top end, we're expanding our 'best' tier with two distinct approaches. First, we're adding more trend-relevant product at prices well below specialty retail. Second, we're building our extreme value capabilities, offering well-known branded product at 50% to 75% off MSRP. Our research shows this treasure hunt element resonates particularly well with our core customer, who views shopping as both a practical necessity and an enjoyable activity, fostering deep customer loyalty and high shopping frequency in the communities in which we operate.

Our customers are discerning. They understand that value is more than price and are willing to spend more when the style is for them, the fashion is on trend and the quality is right. In short, value is not just price. Our brand promise is clear: Styles that see you, prices that amaze you and trends that tell your story.

Our stores are strategically located in vibrant Black communities with product offerings for the entire family. Our stores average approximately 11,000 square feet of selling space and are typically found in outdoor community shopping centers across a variety of urban, suburban and rural markets. As of January 31, 2026, we operated 590 stores in 33 states.

We believe the combination of product curated for the Black consumer at amazing prices, and the large scale of our 590 community stores is extremely hard to duplicate which gives us a defensible moat against competition.

Competitive Strengths and Strategies

CITITRENDS is the leading off-price retailer specifically focused on Black customers. With 590 stores located in the communities we serve, our customers rely on us as their off-price value retailer of apparel, accessories and home trends. Because of our long-term presence in the Black community, our customers are highly engaged and loyal to CITITRENDS. We strive to provide an engaging and exciting shopping experience supported by fresh product and a friendly, welcoming staff. We believe the following business strengths differentiate us from our competitors and are important to our success.

Community Store Locations are a key point of differentiation. We locate our stores in high-traffic outdoor community shopping centers that are convenient to Black families. Our location strategy allows us to be an integral part of the communities we serve while providing convenience for our customers. We believe that these community locations are difficult to duplicate, creating a competitive moat for our brand. We generally utilize previously occupied store sites in locations where we are often the brightest and cleanest store in the shopping center, which enables us to obtain attractive rents while establishing ourselves as community cornerstones. When opening new stores, we seek to partner with landlords that contribute to buildout costs, which helps maintain lower startup and fixturing investment.

Focus on Fashion and Trend Mix. We curate our merchandise assortment to be trend right styles at amazing prices, recognizing that our customers use style as a form of personal expression. Our creative department is focused on identifying emerging trends and ensuring that our wide assortment of apparel and non-apparel merchandise is curated to appeal to the preferences of Black customers. Our buying team actively manages a dynamic blend of essentials, fashion-forward pieces, trending items and recognized brands, all at strong value prices to keep the assortment fresh, relevant and culturally attuned.

Superior Value Proposition. We seek to offer high quality, fashionable merchandise. Value is more than price. We know that our customers are willing to spend more when the fashion is on trend, the brand is right, and the price-value proposition is strong. The majority of our product is sold at ticketed price with compare at pricing to demonstrate our pricing superiority against competition. We do not employ high-low or point of sale discounting pricing strategies; instead, our everyday ticketed low price points offer superior value, enabling our customers to purchase multiple items per visit. We focus on a balanced three-tiered assortment along with an increasing selection of off-price ‘treasures’ – nationally known brands at incredible values. We rely on regular in-store deliveries of the latest trends at great prices which drives word-of-mouth awareness and excitement in the communities we serve, which in turn creates customer visit frequency.

Fashions for the Entire Family. We offer Women’s, Men’s and Children’s apparel, family footwear, accessories and products for the home which makes us a family destination in our communities. We offer a trendy assortment of culturally relevant fashions, core products and opening price products, making us appealing to wide range of income and style taste levels. We believe that our approximately 11,000 square feet store formats, combined with a neat, clean and organized in-store experience, friendly customer service where we often know our customers’ names, and breadth of merchandise, distinguishes our stores from many competitors and creates an exciting and welcoming environment that encourages high frequency repeat visits from the local community.

Strong and Flexible Sourcing Relationships. We maintain strong, long-standing sourcing relationships with a large group of suppliers while continually opening new relationships with both well-known and up-and-coming brands. We believe that our access to the Black customer drives vendor interest. Our buying team plans, develops and creates curated assortments by (i) purchasing goods developed specifically for our customer, (ii) selecting products for our customers from vendor product lines, (iii) buying opportunistically available excess inventory from reliable vendors, with the majority of our merchandise purchased for the current season and a lesser quantity held for sale in future seasons and (iv) buying extreme value, off-price deals to offer exciting national brands at significantly reduced prices. Our vendor partnerships enable us to deliver fresh items weekly to our stores. This fresh assortment, coupled with exciting and surprising off-price deals, creates a shopping experience that can’t be easily replicated in an on-line environment, positioning us as an “instant gratification store”, allowing our customers to “buy now, wear now”, avoiding shipping fees and the wait for their potential online orders. This approach allows us to offer exceptional value that goes beyond mere price – it’s the thrill of discovering fresh styles that fosters a deep, in-person connection with our customers.

Dynamic Experience in a Friendly, Neat, Clean and Organized Environment. We seek to provide a fashion-focused shopping environment that is easy to navigate, encouraging shopping across divisions with a well-laid-out floor plan and exciting product displays throughout the space. We use a combination of style groupings, outfit suggestions and by-size displays to balance ease of shopping with suggestive selling. In each department, we showcase opening price-point offerings to enhance our strong value statement. Our stores are neat, clean and organized, offering a friendly environment where customers are encouraged to linger, explore and visit often. We are focused on refreshing and remodeling our store base to keep our stores current and continually refine our store format to ensure that we meet the needs of our customers and our store associates.

Friendly and Helpful Store Associates. Our store associates are trained to provide friendly and helpful customer service to deliver a positive shopping experience. Many of our store associates live in the communities where our stores are located and frequently shop our stores themselves. We have a long heritage of a diverse and inclusive workplace; 74% of our store associates are Black, and more than 90% of our store management positions are filled by women. As a result, our store associates cultivate a unique culture in our stores that creates a high level of connectivity with our customers. We strive to make our stores a destination where everyone is welcome, and our store associates foster that vision every day through enriched customer engagement.

Highly Talented and Motivated Leadership Team. Our senior management team, led by Ken Seipel, our Chief Executive Officer, has extensive retail experience across a broad range of disciplines, including merchandising, real estate, finance, store operations, supply chain management, human resources and information technology. Our management team plans and drives our growth strategy, which is based on our constant focus on providing trend-driven merchandise anchored in value to the Black customer. We believe our management team is integral to our success and positions us well for long-term growth.

Business Strategy

With our focus on culturally-relevant fashion, exciting brands, and accessible pricing in each of our community locations, we believe that CITITRENDS is in a unique position to serve our loyal customer base, with a long runway for comp sales growth, store unit growth, profit margin expansion and a strong leadership team supported by a healthy, debt free balance sheet.

We have identified the following areas of focus to continue to improve the Company's financial performance and to maximize long-term growth:

Offer Compelling Value Proposition. Our customers understand that value is more than price and are willing to spend more when the style is for them, the fashion is on trend and the quality is right. Our brand promise is clear: Styles that see you, prices that amaze you and trends that tell your story. We offer a balanced assortment of good, better, and best products that resonates with our customer base across income levels, all focused on the wants and needs of our Black customers. This approach differentiates our model while driving customer loyalty and repeat visits. We are known for delivering newness and freshness, resulting in high customer frequency. We highlight our opening price point offerings consistently across departments, ensuring our budget-conscious customers can easily identify these options. Our core value product is the bedrock of our business, and we are focused on ensuring quality-for-price in this important tier. Our research confirms that our customers have good disposable income and respond positively to recognizable brands with a willingness to trade up. This insight has guided our branded merchandise strategy which will become a larger part of our product assortment. We are expanding our offering of "treasures," or extreme value product offerings, enabling us to offer well-known brands at a significant discount to the market. Our product strategy is supported by our open-to-buy process which allows us to be flexible and responsive to emerging trends. We practice rigorous inventory management, prioritizing choice and breadth over depth, improving our speed to market and driving faster turns.

Focus on the Black Customer. We are one of the largest national retailers focused on Black customers. Our customers are at the core of what we do, central to our business and critical to our success. Our customers are fashion conscious and prioritize style as an expression of self. Recent extensive customer research revealed that about one third of our customers visit our stores weekly or bi-weekly and have incomes in the $75k to $150k range. The next largest tier visits monthly with incomes in the range of $50k to $75k. We also serve a base of less frequent, lower income customers who are more budget conscious. We are serving customers across all income levels with our three-tiered product strategy.

Consistent Operational Excellence. Our objective is to be fast, consistent and efficient. We believe that our ability to produce strong, consistent and sustainable financial results depends on the development of fundamental retail practices and consistent execution. We have taken fast action to improve access to information and to develop consistent key performance indicators to drive business results. We have refined our product allocation methodology and are investing in artificial intelligence (“AI”)-based technology to drive more effective and efficient product allocation processes. We have made improvements to our supply chain speed and we are driving additional improvements to further improve product speed to store as well as to reduce our working capital needs. We have implemented improved product planning practices focused on pre-season strategy and open-to-buy to support growing categories. Each of these improvements is supported by having the right talent in place. We believe that these foundational improvements will drive near-term financial results while positioning us for future, accelerated growth.

Growth. We believe that our 590 stores located in the heart of Black communities is a key differentiator of our business that gives us a defensible moat around our business and store base. To improve the financial performance of the company, we are focused on improving productivity in our existing stores by sharpening our focus on our Black customers and strategically investing in product categories identified for intensification through our customer insights studies, both with a goal of driving increased foot traffic and basket. Finally, we believe that an integral part of our sales growth is the continued refinement of our store format, incorporating customer feedback and insights from operational results to improve the in-store experience and enhance profitability. We are remodeling existing stores to the updated format, and all new stores will open in the revised format.

Looking forward, we are positioning CITITRENDS for strategic new store growth, including through potential assumptions of leases or subleases. Our expansion strategy focuses on backfilling existing markets where we have brand awareness and proven performance and selectively entering new markets with strong demographic alignment to our customer base. This new store expansion is guided by a disciplined approach leveraging AI tools and extensive data analysis designed to predict sales with approximately 90% accuracy. We are also applying financial criteria to every new store decision and rely on local-market expertise from our real estate team. We believe this approach positions us to expand intelligently while maximizing return on investments.

People. We believe that our people are a key differentiator for our business and are key to the continued transformation of our company. Our buying team is trained to understand our customers, what motivates them to shop at CITITRENDS and what creates an emotional connection to the brand. Our buyers also cultivate strong relationships with the vendor community to gain access to the exciting, trend-right product that our customers rely on us to provide. We believe that our store associates, many of whom come from the communities we serve, are another key component of the in-store experience. They create an exciting and welcoming shopping experience for our customers and serve as a valuable source of insights on our core customers’ needs and preferences. Our leadership team is made up of functional experts who are adept at leading through change. Under the direction of Ken Seipel, our Chief Executive Officer, we believe that our people are key to the Company’s success.

We strongly believe that our business strategy centered around these five areas will restore our financial performance and accelerate our long-term sales and earnings growth.

Product and Value

Our merchandising strategy focuses on delivering fresh, fashionable and trend-right apparel, accessories and home products at exceptional value for Black families. As the go-to family store in the community, we are committed to maintaining a diverse, seasonally relevant assortment that reflects the bold style and preferences of our customers. Our product offerings include a balanced mix of privately developed brands and nationally recognized labels, ensuring both quality and affordability.

Our merchandise is represented by six distinct divisions within the store:

- ***Women’s:*** a wide selection of apparel for juniors, missy and plus size, including trend right sportswear, outerwear, sleepwear, lingerie and scrubs.
- ***Children’s:*** a wide assortment of basics, fashion and trends for boys up to size 20 and girls up to size 16. Also, sizes for newborns, infants and toddlers, as well as children’s uniforms, accessories and sleepwear.
- ***Men’s:*** a wide selection of apparel for men and big men, including trend right sportswear and outerwear.
- ***Accessories & Beauty:*** fashionable handbags, luggage, hats, belts, sunglasses, jewelry and watches for men and women, underwear and socks for the entire family, as well as beauty and fragrance offerings for women and men.
- ***Home & Lifestyle:*** home goods for the bedroom, bathroom, kitchen and decorative accessories, plus an eclectic composition of wants and needs such as books, food, tech products, team sports products, toys, health and beauty products and seasonal items.
- ***Footwear:*** casual and dress footwear in sizes for men, women and children.

The following table provides the percentage of net sales for each Division within the store:

Divisions	Fiscal Year 2025	Fiscal Year 2024	Fiscal Year 2023
Women's	27 %	27 %	27 %
Children's	23 %	23 %	23 %
Men's	17 %	17 %	17 %
Accessories & Beauty	16 %	17 %	17 %
Home & Lifestyle	10 %	10 %	9 %
Footwear	7 %	6 %	7 %

Our goal is to deliver outstanding value every day. We do this by offering access to fashion and trends at affordable prices that are desirable for Black families. As a normal course, we do not engage in promotional activity such as high-low pricing, coupons or sales other than our regularly scheduled markdowns. Our assortment balances tiers of good, better, best products, ensuring a broad appeal across diverse income levels. The flexibility of our model allows our pricing structure to fluctuate in response to marketplace changes while maintaining our merchandise margins. Both branded and non-branded offerings validate our fashion and value to our customers.

Sourcing and Allocation

We believe that our flexible, value-conscious business model and ever-changing assortment that results from our fresh flow of inventory differentiates us from traditional retailers. We source our merchandise from thousands of domestic manufacturers and importers. Our merchandising division consists of a buying team, a planning team and an allocation team.

Our buyers have extensive experience and have developed long-standing relationships with many of our vendors. Our buying office is located in New York City, and the team travels regularly to the major United States markets, visiting manufacturers and attending national and regional trade shows. The buying team is supported by our Trend Director who identifies and translates relevant current and emerging trends into actionable merchandising strategies.

Our buying team sources merchandise through multiple channels to ensure a fresh and trendy assortment. First, we work with a continuously evolving network of vendors that manufacture products exclusively for CITITRENDS' core customers. Our buyers collaborate with these vendors who specialize in trend identification and product development to design and manufacture exclusive products for CITITRENDS, providing our fashion-savvy customers with unique standout styles they won't find anywhere else. Second, we maintain partnerships with nationally recognized brands and labels, collaborating to customize products in size, color and style to align with the specific needs and preferences of our customers. Third, we leverage our vendor relationships to opportunistically buy close-out product at incredible value. Fourth, we buy extreme value, off-price deals from a wide variety of sources, allowing us to offer our customers exciting national brands at significantly reduced prices.

While almost all of our merchandise is first-quality and delivered in-season, we also purchase high-quality excess inventory at advantageous pricing with the intent of selling later in the same season or the following season. This allows us to deliver extreme value on select highly desirable goods.

Our staff utilizes a centralized management system to monitor merchandise purchasing, planning and allocation to manage inventory turnover, identify and respond to changing customer demands and determine the timing of markdowns. Our buyers also regularly review the age and performance of merchandise and manage both the reordering and markdown processes. In fiscal 2025 we finalized the implementation of an AI-based allocation system across all merchandise categories. This system is designed to drive more accurate by-store product allocation, improve sales, reduce markdowns and reduce working capital through improved inventory efficiency.

Store Operations

Our stores are located in the heart of the communities we serve. We hire a diverse staff of women and men from the local area surrounding our stores. As of January 31, 2026, 74% of our store associates are Black, and 90% of our store management positions are filled by women. We cater to entire families and offer a compelling shopping experience in the communities in which we operate. We welcome everyone with "Hi, welcome to CITITRENDS," and we develop a longstanding rapport with many of our customers, many of whom we know by name. Every CITITRENDS store presents an inviting shopping environment with a wide array of product offerings.

The average selling space of our 590 stores is approximately 11,000 square feet, which allows us the space and flexibility to organize our six product divisions in exciting and appealing ways. The unobstructed floor plan allows the customer to see almost all of the different product areas from the store entrance and provides us the flexibility to easily expand and contract departments in response to customer demand, seasonality and merchandise availability. Nearly all of our inventory is displayed on the selling floor. Our mission is to curate culturally relevant fashion, great brands and compelling price points for our core customers in an exciting shopping environment. A critical component of our success is to maintain an environment that is neat, clean and organized, where everyone is welcome.

The typical store is staffed with a Store Manager and multiple Assistant Managers, along with five to eight part-time Sales associates, all of whom rotate work days on a shift basis. Our associates are critical to achieving our goals, and we strive to hire highly qualified, motivated associates from the local community. We have well-established store operating policies and procedures and an extensive in-store training program for new Store Managers and Assistant Managers. Sales associates also participate in a customer service and store procedures training program, which is designed to enable them to assist customers in a friendly and helpful manner and maintain neat, clean and organized stores.

We offer a layaway program, allowing customers to purchase merchandise by initially paying a 20% deposit and a $2 service charge. The customer then makes additional payments every two weeks and has 60 days to complete the purchase. If the purchase is not completed, the customer receives a CITITRENDS gift card for amounts paid less a re-stocking and layaway service fee. In addition, we offer a buy-now-pay-later program through an external vendor that allows customers to split purchases into four installments over six weeks.

Our unique focus on Black families offers us the opportunity to pinpoint highly targeted and highly visible store locations. Cost-effective store locations are an important part of our store profitability model. Accordingly, we look for locations in high-traffic outdoor community shopping centers that offer attractive rents and meet our demographic and economic criteria. Our new store expansion is guided by a disciplined approach leveraging AI tools and extensive data analysis designed to predict sales with approximately 90% accuracy. We have a dedicated real estate management team responsible for new store site selection, coupling the data analysis with in-depth market knowledge, and we employ rigorous financial analysis to approve final store selection decisions. In selecting a location, we target urban, suburban and rural markets, and our strategy includes both further densification of existing markets and entering new markets over time. In addition, we require convenient site accessibility, as well as strong co-tenants, such as grocery stores, dollar stores, beauty stores and other value stores. We aim to be an integral part of our customers' community by providing a compelling shopping destination and career opportunities.

Marketing

Our marketing goals are to build awareness of the CITITRENDS brand, promote customers' association of the CITITRENDS brand with our brand promise: Styles that see you, prices that amaze you, and trends that tell your story, engage our customers in meaningful ways, and drive traffic into our stores. In fiscal 2025 we launched our Joy Looks Good on You marketing campaign, highlighting and celebrating moments of joy in the Black community. We also refreshed our social media presence under @wearecititrends. Our website, *cititrends.com*, showcases our marketing collateral and provides information about our business, our store locations, and more. Information on our website or social media pages is not part of this or any other report we file or furnish to the SEC.

Distribution

The majority of merchandise sold in our stores is shipped directly from our company-operated distribution centers in Darlington, South Carolina and Roland, Oklahoma, utilizing third-party delivery partners. Our stores receive multiple shipments of merchandise each week from our distribution centers. In addition, we utilize a vendor direct-to-store shipping program that enables us to expedite the delivery of select merchandise to our stores by shipping directly from our vendors.

The Darlington distribution center has 550,000 square feet of space, and the Roland distribution center has 565,000 square feet of space. The distribution centers' value-added services include, but are not limited to, receiving, price ticketing, packing and shipping specific store-allocated quantities. We continue to evaluate distribution, transportation and supply chain alternatives to accelerate the movement of merchandise from our vendor origin points to our stores as optimally as possible.

Information Technology and Systems

We have information systems in place to support our core business functions, using a combination of industry-standard third-party products and internally developed applications. These systems support purchase order management, price and markdown management, merchandise planning and allocation, general ledger, accounts payable, sales audit, loss prevention, store operations and supply chain functions.

In fiscal 2025, we continued to advance our technology ecosystem by leveraging AI capabilities in key areas such as merchandise allocation, loss prevention, and store operations. In fiscal 2026, we expect to add an AI-based merchandise planning system and complete the implementation of upgraded camera systems, including AI-based facial recognition capabilities. Moving forward, we will continue to explore AI capabilities in our systems as we expect them to improve our operational and execution capabilities.

Competition

The markets we serve are highly competitive. We compete with a broad range of retailers, including national chains, mass merchants, discount stores and specialty stores with both physical locations and online stores. We believe we have a competitive advantage in our offering of culturally relevant fashion and trends at everyday low prices, and that our strategy of focusing on Black customers puts us in a unique competitive position. We also believe we offer a more inviting store format than the traditional retailers, including our assortment and layout of merchandise, navigational signage, and use of fixtures that are easy to shop. Our competitors generally focus less on trend-driven apparel and, within their apparel offering, lack the styles that appeal to our core customers. As a result, we believe there is significant demand for an off-price value retailer that addresses the market of Black customers who seek value and trend in fashion apparel, accessories and home goods. See Item 1A. Risk Factors in this Report for additional information regarding competition in our markets.

Intellectual Property

Our trademarks and service marks have significant value and are important to our marketing efforts. Our marks registered with the U.S. Patent and Trademark Office include “Citi Trends,” “Citi Steps,” “Citi Trends Fashion for Less,” “CitiHome,” “CITI*cares*,” “MCMXXXIII,” “Lil Ms Hollywood,” “Red Ape,” and “Vintage Harlem.” Our policy is to pursue registration of our marks and to vigorously protect them.

Seasonality

The nature of our business is seasonal. Historically, sales in the first and fourth quarters have been higher than sales achieved in the second and third quarters of the fiscal year. Expenses and, to a greater extent, operating income, vary by quarter. Results may fluctuate due to changes in our business, consumer spending patterns and the macroeconomic environment. Furthermore, the seasonal nature of our business may affect comparisons between periods.

Human Capital Management

The success of CITITRENDS is directly attributable to our people and their passion to achieve our performance goals. We recognize the importance of attracting and retaining top talent in our workforce that reflects the communities we serve. We strive to make CITITRENDS a diverse, inclusive and safe workplace, with opportunities for our associates to grow and develop in their careers, supported by competitive compensation, benefits and health and wellness programs, and by programs that build connections between our associates and their communities.

Associates. As of January 31, 2026, we had approximately 2,500 full-time and approximately 2,200 part-time associates. Of these associates, approximately 3,900 are employed in our stores and the remainder are employed in our distribution centers, buying offices and corporate office. We are not a party to any collective bargaining agreements, and none of our associates are represented by a labor union.

Diversity and Inclusion*.* Our objective is to ensure that our workforce reflects the ethnicity and cultural sensibilities of our customer base, with a particular focus on the Black community. We believe that a diverse and inclusive team is critical to our success. We strive to foster an inclusive, diverse and productive working environment where our associates are valued and respected. We continue to focus on attracting, developing and retaining team members that reflect the diverse communities we serve. Company-wide, as of January 31, 2026, 69% of our team members are Black and 80% are female. In addition, our eight-member board includes three Black women and one Asian man.

Health, Safety and Wellness*.* The success of our business is fundamentally connected to the well-being of our people. Accordingly, we are committed to the health, safety and wellness of our associates. We follow guidance released by state and federal health officials to create a safe environment for our associates to work and our customers to shop.

Compensation and Benefits*.* We provide competitive compensation and comprehensive benefits programs to help meet the needs of our associates. In addition to salaries, these programs (which vary by position) include annual bonuses, stock awards, a 401(k) match, healthcare and insurance benefits, paid time off and personal/family leave.

Training and Development. Our associates are critical to achieving our goals, and we strive to hire high-energy and motivated associates. We have well-established store operating policies and procedures and an extensive in-store training program for new store management members. Sales associates also participate in a customer service and store procedures training program, which is designed to enable them to assist customers in a friendly and helpful manner. Our Citi CRED program is designed to help associates build successful career paths by providing mentorship, exposure to diverse areas of the business, opportunities to cultivate cross-functional relationships, and access to educational and professional development resources. In addition, we continue to invest in leadership development, training initiatives, succession planning, and career growth opportunities across the organization.

Community Involvement. We are committed to giving back to the local communities we serve. In 2026, we are launching a refined focus on “youth empowerment”, a strategic, multi-phase community impact plan designed to invest in children, teens, and young adults across the communities CITITRENDS serves. The initiative integrates education, sports, mentorship, and career readiness, reinforcing our commitment to youth development and sustainable community reinvestment.

Available Information

Our Annual Report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements, and amendments to those reports, as well as other information that we file or furnish with the Securities and Exchange Commission (“SEC”) are available free of charge at https://ir.cititrends.com as soon as reasonably practicable after we file or furnish such material to the SEC. In addition, the SEC maintains a website at http://www.sec.gov that contains information we electronically file or furnish to the SEC. Our Corporate Governance Guidelines, Code of Ethics and the charters for the committees of our board of directors are also available free of charge at https://ir.cititrends.com or in print upon request. Information on our website is not part of this or any other report we file with or furnish to the SEC.

ITEM 1A. RISK FACTORS

You should carefully consider the following risk factors, together with the other information contained or incorporated by reference into this Report and our other filings with the SEC. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we deem to be currently immaterial also may impair our business operations. The occurrence of any of the following risks could have a material adverse effect on our business, financial condition and results of operations.

Risks Related to our Business and Operations

Our success depends on our ability to anticipate, identify and respond rapidly to changes in consumers’ fashion tastes, and our failure to adequately evaluate fashion trends could have an adverse effect on our business strategy, financial condition and results of operations.

The apparel industry and our core customer in particular are subject to rapidly evolving fashion trends and shifting consumer demands. Accordingly, our success is heavily dependent on our ability to anticipate, identify and capitalize on emerging fashion and home trends, including products, styles and materials that will appeal to our target consumers. A failure on our part to anticipate, identify or react appropriately and timely to changes in styles, trends, brand preferences and images is likely to lead to lower demand for our merchandise. Further, there can be no assurance that our new product offerings will have the same level of acceptance as past product offerings or that we will be able to adequately and timely respond to the preferences of our customers. These could cause, among other things, sales declines, excess inventories and higher markdowns, which could materially adversely affect our business and our brand image.

If we are unsuccessful in competing with our retail apparel competitors, our market share could decline or our growth could be impaired and, as a result, our business strategy, financial condition and results of operations could be negatively impacted.

The retail apparel and home fashion businesses are highly competitive, and we compete against a diverse group of retailers, including national chains, mass merchants, smaller discount retail chains, some of which sell only women’s products, and general merchandise discount stores that offer a variety of products, including apparel, home fashions and other merchandise we sell for the value-conscious consumer. We also compete against local specialty retail stores, regional retail chains, traditional department stores, web-based retail stores and other direct retailers.

The level of competition we face from these retailers varies depending on the product segment, as many of our competitors do not offer apparel for the entire family. Our greatest competition is generally in women's apparel. We compete with many retailers that are larger than we are with substantially greater resources that can, as a result, adapt better to changing market conditions, better exploit new opportunities and exert greater pricing pressures on suppliers than we can. Many of these retailers also have better name recognition among consumers than we do. Our local and regional competitors may have more extensive knowledge of the consumer base and may be able to garner more loyalty from customers than we can. If the consumer base we serve is satisfied with the selection, quality and price of our competitors' products, consumers may decide not to shop in our stores. Additionally, if our existing competitors or other retailers decide to focus more on our core customers, we may have greater difficulty in competing effectively. As a result of this competition, we may experience pricing pressures, increased marketing expenditures, as well as loss of market share, which could materially and adversely affect our business strategy, financial condition and results of operations.

Our ability to attract consumers to our stores depends on several factors, including the success of the outdoor community shopping centers where our stores are primarily located.

The success of an individual store can depend on favorable placement within a given shopping center as well as the volume of traffic generated by the other destination retailers and the anchor stores in the shopping centers where our stores are located. We cannot control the development of alternative shopping destinations near our existing stores or the availability or cost of real estate within existing or new shopping destinations. Any decline in the volume of consumer traffic at shopping centers, whether because of consumer preferences to shop on the internet or at large warehouse stores, recession risks and potential effects, an economic slowdown, a decline in the popularity of shopping centers, the closing or leaving of a destination retailer or anchor store, or significant deterioration of the surrounding areas in which our stores are located, it could result in reduced sales at our stores and leave us with excess inventory, which could have a material adverse effect on our financial results or business. Additionally, we are in the process of renovating a number of our stores. If these remodels do not attract new or existing customers to our stores or otherwise drive an increase in sales, then this may have an adverse impact on our business and results of operations.

We do not offer the option to purchase our products through the internet. As the retail industry experiences an increase in online sales, our sales could be adversely affected.

The retail landscape has changed with some consumers shifting spend from traditional brick-and-mortar stores to online retailers. The continued growth of online sales could have a negative impact on our sales, as our customers may decide to make purchases through online retailers.

Our sales, inventory levels and earnings fluctuate on a seasonal basis, which makes our business more susceptible to adverse events that occur during the first and fourth quarters.

Historically, our sales and earnings are significantly higher during the first and fourth quarters each year due to the importance of the spring selling season, which includes the tax refund season and Easter, and the fall selling season, which includes Christmas. Factors that negatively affect us during the first and fourth quarters, including adverse weather, pandemics or other seasonal public health emergencies, cybersecurity events, unfavorable economic conditions, reduced governmental assistance, and tax refund patterns for our customers, will have a greater adverse effect on our financial condition than if our business was less seasonal.

Seasonal fluctuations also affect our inventory levels. While we believe we have a flexible supply chain, we often enter into agreements to purchase merchandise well in advance of the applicable selling season and before trends are confirmed by sales. Therefore, we are vulnerable to changes in consumer preference and demand between the time we design and order our merchandise and the season in which this merchandise will be sold. If we are not able to accurately predict customers' preferences for our fashion items, we may have either too much inventory which may result in increased markdowns and lower margins or inventory shortages, which may result in lost sales. In either event, our sales may be lower and our cost of sales may be higher than historical levels, which could have a material adverse effect on our business strategy, financial condition and results of operations.

We could experience a reduction in sales if we are unable to fulfill our current and future merchandising needs.

We depend on our suppliers for the continued availability and satisfactory quality of our merchandise. Our suppliers could discontinue selling to us at any time. Additionally, if the manufacturers or other owners of brands or trademarks terminate the license agreements under which some of our suppliers sell our products, we may be unable to obtain replacement merchandise of comparable fashion appeal or quality, in the same quantities or at the same prices. In addition, a number of our suppliers are smaller, less capitalized companies and are more likely to be impacted by unfavorable general economic and market conditions than larger and better capitalized companies, negatively impacting their ability to supply their products to us. If we lose the services of one or more of our significant suppliers or one or more of them fail to meet our merchandising needs, we may be unable to timely or adequately replace the merchandise we currently source with merchandise provided elsewhere, which could negatively impact our sales and results of operations.

Failure to properly manage and allocate our inventory could have an adverse effect on our business strategy, sales, margins, financial condition, and results of operations.

In order to better serve our customers and maximize sales, it is important that we properly execute our inventory management strategies by appropriately allocating merchandise among our stores, timely and efficiently distributing inventory to such locations, maintaining an appropriate mix and level of inventory in such locations, responding to customer demand, and effectively managing pricing and markdowns, and there is no assurance we will be able to do so. In addition, as we continue to implement new inventory allocation initiatives, there could be disruptions in inventory flow and placement. We also face certain risks from our use of third-party order fulfillment and direct shipping including freight cost increases, timely delivery and delays due to work stoppages. Our financial performance could also be impacted by increases in shrink in stores and throughout the supply chain.

We base our purchases of inventory, in part, on our sales forecasts. If our sales forecasts do not match customer demand, we may experience higher inventory levels and need to markdown excess or slow-moving inventory, leading to decreased profit margins, or we may have insufficient inventory to meet customer demand, leading to lost sales, either of which could adversely affect our financial performance.

We rely on numerous third parties in the supply chain to produce and deliver the products that we sell, and our business may be negatively impacted by their failure to comply with applicable law.

Merchandise we sell in our stores is subject to quality and safety regulatory standards set by various governmental authorities. Regulations in this area may change from time to time. We rely on numerous third parties to supply quality merchandise that complies with product safety laws and other applicable laws, but these third parties may not comply with all such applicable laws. Violations of law by our importers, suppliers, manufacturers or distributors could result in delays in shipments and receipt of goods or damage our reputation, thus causing our sales to decline. Although our arrangements with our vendors frequently provide for indemnification for product liabilities, the vendors may fail to honor those obligations to an extent we consider sufficient or at all. Issues with the quality and safety of merchandise we sell in our stores, regardless of our fault, or customer concerns about such issues, could result in damage to our reputation, lost sales, uninsured product liability claims or losses, merchandise recalls, increased costs, and regulatory, civil or criminal fines or penalties, any of which could have a material adverse effect on our financial results. Further, we could incur liability with manufacturers or other owners of brands or trademarked products if we inadvertently receive and sell counterfeit brands, infringing products or unlicensed goods, which could adversely impact our results of operations. Although we endeavor to establish relationships with reputable vendors to reduce this risk, there is no guarantee that we will be successful in doing so.

If we fail to protect our name and brand in the marketplace, there could be a negative effect on our business and limitations on our ability to penetrate new markets.

We believe that our “Citi Trends” trademark is integral to our store design and our success in building consumer loyalty to our brand. We have registered this trademark with the U.S. Patent and Trademark Office. We have also registered, or applied for registration of, additional trademarks with the U.S. Patent and Trademark Office that we believe are important to our business. We cannot assure that these registrations will prevent imitation of our name, merchandising concept, store design or private label merchandise or the infringement of our other intellectual property rights by others.

Further, the use of social media by us and consumers has also increased the risk that our image and reputation could be negatively impacted. Imitation of our name, concept, store design or merchandise in a manner that projects lesser quality or carries a negative connotation of our brand image or other damage to our brand image and reputation in any aspect of its operations could have an adverse effect on our reputation, business strategy, financial condition and results of operations.

Failure to attract, motivate and retain personnel and control our labor costs could have an adverse effect on our financial condition.

Our success depends in part upon our ability to attract, motivate and retain a sufficient number of store sales associates, including store managers, who understand and appreciate our corporate culture and customers, and are able to adequately and effectively represent this culture with our customers. Like most retailers, we experience significant employee turnover rates, particularly among store sales associates and managers and distribution center associates. We therefore must continually attract, hire and train new personnel to meet our staffing needs. A significant increase in the turnover rate would increase our recruiting and training costs and could cause us to be unable to service our customers effectively.

Our ability to meet our labor needs and to control labor costs is subject to various external factors, including increased market pressures with respect to prevailing wage rates, unemployment levels and health and other insurance costs; inflation; the impact of legislation or regulations governing labor relations, minimum wage, and healthcare benefits; changing demographics; and our reputation within the labor market. These factors, together with growing competition among potential employers, may result in increased salaries, benefits, or other employee-related costs, or may impair our ability to recruit and retain employees, which could have an adverse impact on our business strategy, financial condition and results of operations.

In addition, we rely heavily on the experience and expertise of our senior management team and other key management associates, and accordingly, the loss of their services could have a material adverse effect on our business strategy and results of operations.

Risks Related to General Economic and Market Conditions

Our sales could decline and our store operations could be disrupted as a result of general economic and other factors outside of our control, such as inflation, changes in consumer spending patterns and declines in employment levels.

Downturns, or the expectation of a downturn, in general economic conditions, including the effects of unemployment levels, salaries and wage rates, inflation in rent, energy, food and other consumer good prices, interest rates, higher insurance costs, levels of consumer debt, changes in tax rates and policies (including delays in the distribution of tax refunds), government stimulus, geopolitical conflicts, consumer confidence, consumer perception of economic conditions, increased fuel costs or fuel shortages, increased shipping, transportation and distribution costs and other macroeconomic factors, could adversely affect consumer spending patterns, our sales and our results of operations.

Consumer confidence may also be affected by domestic and international political or social unrest (including related protests or disturbances), acts of war or terrorism, natural disasters, pandemics or other public health emergencies, or other significant events outside of our control. In addition, since many of our stores are located in the southeastern United States, our operations are more susceptible to regional factors than the operations of our more geographically diversified competitors. Therefore, any adverse economic conditions that have a disproportionate effect on the southeastern United States could have a greater negative effect on our sales and results of operations than on retailers with a more geographically diversified store base.

Inflation and rising commodity prices could adversely affect our business.

In addition to the impact on our customers, inflation may adversely impact our financial performance placing pressure on the prices of our products. If the cost of our products changes as a result of inflation, we may be forced to adjust our retail prices accordingly. This in turn may cause our core customer base to not purchase our products or otherwise visit our stores.

A significant disruption to our distribution centers or retail locations could have an adverse effect on our business strategy, financial condition and results of operations.

Our ability to distribute our merchandise to our store locations in a timely manner is essential to the efficient and profitable operation of our business. We have distribution centers located in Darlington, South Carolina and Roland, Oklahoma. The efficient flow of our merchandise requires that our distribution facilities be operated effectively and have adequate capacity to support our current level of operations and any anticipated increased levels that may follow from the growth of our business. Any natural disaster or other disruption to the operation of either of these facilities or our direct shipping capabilities due to fire, accidents, public health emergencies, weather conditions, including natural disasters, cybersecurity incidents or any other cause could damage a significant portion of our inventory, impair our ability to stock our stores adequately and may result in increased supply chain costs or lost sales.

In addition, the southeastern United States, where our Darlington distribution center and many of our stores are located, is vulnerable to significant damage or destruction from hurricanes and hailstorms. The midwestern United States, where our Roland distribution center and many stores are located, is vulnerable to significant damage or destruction from tornados and hailstorms. Although we maintain insurance on our stores, distribution centers and other facilities, the economic effects of a natural disaster that affects our distribution centers and/or a significant number of our stores could have an adverse effect on our business strategy, financial condition and results of operations.

We rely upon third-party transportation providers for all of our merchandise shipments to our distribution centers and our retail stores. Accordingly, we are subject to risks, including insolvency, labor disputes or strikes, union organizing activity, inclement weather, public health emergencies, supply chain interruptions, port delays, increased freight, distribution and transportation costs including the cost of fuel associated with such providers' ability to provide delivery services to meet our shipping needs. Failure to deliver merchandise to our distribution centers and our retail stores in a timely, effective and economically viable manner could adversely affect our business strategy, financial condition and results of operations.

We do not own or operate any manufacturing or production facilities and therefore depend upon third parties for the manufacture of all of our merchandise. The inability of a manufacturer to ship goods on time and to our specifications, or to operate in compliance with our guidelines or any other applicable laws, could negatively impact our business strategy, financial condition and results of operations.

We do not own or operate any manufacturing or production facilities. As a result, we are dependent upon our timely receipt of quality merchandise from third-party manufacturers. If these manufacturers do not ship orders to us in a timely manner or meet our quality standards, it could cause delays in responding to consumer demands or inventory shortages and negatively affect consumer confidence in the quality and value of our brand or negatively impact our competitive position. Any of these factors could have a material adverse effect on our business strategy, financial condition or results of operations. Furthermore, we are susceptible to increases in sourcing costs, which we may not be able to pass on to customers, and changes in payment terms from manufacturers, which could adversely affect our business strategy, financial condition and results of operations.

We maintain compliance guidelines for our vendors that dictate various standards, including product quality, manufacturing practices, labor compliance and legal compliance. If any of our manufacturers fail to comply with applicable laws or these guidelines, or engage in any socially unacceptable business practices, such as poor working conditions, child labor, disregard for environmental standards or otherwise, our brand reputation could be negatively impacted and our results of operations could in turn be materially adversely affected.

Adverse trade restrictions may disrupt our supply of merchandise.

We purchase our merchandise from a large assortment of vendors, and a substantial portion of this merchandise is manufactured outside of the United States and imported by our vendors from countries such as China and other areas of the Asia-Pacific region. The product we source could become subject to new or changing trade restrictions imposed by the United States or other foreign governments.

We also face a variety of other risks generally associated with relying on vendors that do business in foreign markets and import merchandise from abroad, such as:

- geopolitical unrest, supply disruptions or increased shipping costs in China or the Asia-Pacific region where our third-party vendors are located;
- natural disasters, public health emergencies or the threat of terrorism, in particular in countries where our vendors source merchandise;
- increases in merchandise costs due to raw material price inflation or changes in purchasing power caused by fluctuations in currency exchange rates;
- enhanced security measures at United States and foreign ports, which could delay delivery of imports;
- imposition of new or supplemental duties, trade restrictions, sanctions, tariffs, quotas, taxes, environmental regulations, emissions standards and other charges on imports;
- compliance with new or changing import/export controls;
- delayed receipt or non-delivery of goods due to the failure of foreign-source suppliers to comply with import regulations, organized labor strikes or congestion at United States ports;

- concerns about human rights and working conditions in countries where our merchandise is manufactured and produced; and
- local business practice and political issues, including issues relating to compliance with domestic or international labor and environmental standards.

Risks Related to our Strategy

We may not be able to sustain our growth plans or successfully implement our long-term strategic goals.

Our growth strategy includes successfully opening and operating new stores (which may include leases assumed or subleased from third parties), optimizing product assortment and investing in infrastructure to expand our off-price value model within our current markets and into new geographic regions. In addition, we may assume leases or subleases from other retailers, which may subject us to risks relating to their creditworthiness or liabilities arising out of their prior operations of the relevant stores. The success of opening new stores is dependent upon, among other things, the current retail environment, the identification of suitable markets and the availability of real estate that meets our criteria for traffic, square footage, co-tenancies, lease economics, demographics, and other factors, the negotiation of acceptable lease terms, the terms of any leases assumed or subleased, construction costs, the hiring, training and retention of competent sales personnel, and the effective management of inventory to meet the needs of new and existing stores on a timely basis. Our ability to expand successfully into other geographic markets will also depend on acceptance of our retail store experience by customers in those markets. There can be no assurance that any newly opened stores will be received as well as, or achieve net sales or profitability levels consistent with, our projected targets or be comparable to those of our existing stores in the time periods estimated by us, or at all. These risks may increase with further growth, and we may not be able to execute our growth strategies successfully, on a timely basis, or at all, which may adversely affect our business plans, sales and results.

We may engage in strategic transactions that could negatively impact our liquidity, increase our expenses and present significant distractions to management.

We may consider strategic transactions and business arrangements, including, but not limited to, acquisitions, asset purchases, lease assumptions or subleases, partnerships, joint ventures, restructurings and investments. Any such transaction may require us to incur non-recurring or other charges, may increase our near and long-term expenditures and may pose significant integration challenges or disrupt our management or business, which could harm our business strategy, financial condition and results of operations.

We may also use our cash and cash equivalents, borrowings under our revolving credit facility, or other financing sources to fund strategic growth initiatives, including potential acquisitions, investments in new or complementary businesses, technologies, or assets, expansion into new markets, or other opportunities that we believe are consistent with our long-term growth strategy. The amount and timing of any such deployment of capital will depend on market conditions, the availability of suitable opportunities, and our assessment of strategic fit and expected return on investment.

There can be no assurance that we will identify suitable strategic opportunities or that any such opportunities, if pursued, will be consummated on terms favorable to us or at all. To the extent we pursue significant strategic transactions, we may require additional capital beyond our existing cash resources and available borrowings, which may not be available on acceptable terms, or at all, depending on market conditions and other factors at the time. Any such additional financing, if obtained through the issuance of equity or equity-linked securities, could result in dilution to our existing stockholders. If obtained through additional debt financing, it could increase our leverage and debt service obligations, which may restrict our operational flexibility and limit our ability to pursue other opportunities.

We believe our existing cash and cash equivalents, together with cash generated from operations and available borrowings under our credit facility, are sufficient to meet our anticipated operating and capital expenditure requirements for at least the next twelve months. However, our future capital requirements will depend on many factors, including our rate of revenue growth, the timing and extent of strategic investments, and general economic and market conditions.

We depend upon strong cash flows from our operations, as well as cash on our balance sheet, to supply capital to fund our operations, growth, stock repurchases and any potential future interest obligations.

Our business depends upon the cash on our balance sheet as well as our operations to continue to generate strong cash flow to supply capital to support our general operating activities, to fund our growth and our return of cash to stockholders through our stock repurchase programs, if any, and to pay any interest obligations. Our inability to continue to generate sufficient cash flows to support these activities could adversely affect our growth plans, capital expenditures, operating expenses and financial performance, including our earnings per share. Changes in the capital and credit markets, including market disruptions, limited liquidity, inflation and interest rate fluctuations may increase the cost of financing or restrict our access to these potential sources of liquidity. Our continued access to these liquidity sources on favorable terms depends on multiple factors, including our operating performance and, if applicable, credit rating. We maintain a revolving credit facility with Bank of America through April 10, 2030 which provides for a $75 million credit commitment and a $25 million uncommitted "accordion" feature that under certain circumstances could allow us to increase the size of the facility to $100 million. As of January 31, 2026, we had no borrowings outstanding under this facility. Although we currently have available a credit facility to fund our current operating needs, if necessary, we cannot be certain that we will be able to replace our existing credit facility or refinance any future debt at a reasonable cost when necessary. We maintain deposit balances with certain financial institutions that are above the federal insurance limit. A failure of these institutions could result in loss of these deposits.

We may be unable to negotiate future leases or renegotiate current leases on the same favorable terms as we had in the past.

Our strategic growth plan depends in part on our ability to renew current leases and enter into new leases for future stores. We currently lease all of our store locations and distribution centers and are subject to the risks associated with leasing real estate. If we decide to close stores or distribution centers, we may be required to continue to perform obligations under the applicable leases, including, among other things, paying rent and operating expenses for the balance of the lease term, or paying to exercise rights to terminate, and the performance of any of these obligations may be expensive. When the current lease terms for our stores or distribution centers expire, we may be unable to negotiate renewals which could lead to the closing or relocating stores or distribution centers on less favorable terms or in a less favorable location.

If we fail to successfully implement our various marketing efforts or if our competitors are more effective with their programs than we are, our revenue or results of operations may be adversely affected.

Customer traffic and demand for our merchandise may be influenced by our marketing efforts. Although we use marketing to drive customer traffic through various media including digital/social media and e-mail, some of our competitors expend more for their marketing programs than we do, or use different approaches than we do, which may provide them with a competitive advantage. Further, we may not effectively implement strategies with respect to rapidly evolving Internet-based and other digital or mobile communication channels, including social media. Partnerships with social media content creators may expose us to reputational or other risks. Our programs may not be or remain effective or could require increased expenditures, which could have a significant adverse effect on our revenue and results of operations.

Risks Related to Regulatory, Legal and Cybersecurity

Changes in government regulations could have an adverse effect on our business strategy, financial condition and results of operations.

We are subject to numerous federal, state and local laws and regulations that govern numerous aspects of our business. These laws and regulations, and related interpretations and enforcement activity, may change as a result of a variety of factors, including political, economic or social events. Changes in, expanded enforcement of, or adoption of new federal, state or local laws and regulations governing areas such as minimum wage or living wage requirements, workplace-regulation and other labor or employment benefits laws, supply chain, taxes, including changes to corporate tax rates, privacy and information security, artificial intelligence, or environmental regulation such as carbon emission standards and sustainability programs, transparency and reporting, could increase our costs of doing business or impact our sales, operations or profitability.

Other laws related to employee benefits and treatment of employees, including laws related to limitations on employee hours, work scheduling, supervisory status, leaves of absence, mandated health benefits or overtime pay, could also negatively impact us, such as by increasing compensation and benefits costs for overtime and medical expenses.

Regulators’ and stakeholders’ requirements and expectations on environmental, social and sustainability-related topics continue to evolve and diverge, and our ability to meet these requirements and expectations may have a material adverse impact on our results of operations.

Environmental and social topics, such as climate change and diversity, as well as companies’ actions and initiatives on such issues, have received significant attention from a wide range of stakeholders. The U.S. federal government, U.S. states and certain other countries and regions have adopted or are considering legislation, regulation or policies on these topics, including the imposition of caps or taxes on greenhouse gas emissions from certain sectors or facility categories, disclosure of corporate greenhouse gas emissions, and limitations on diversity, equity and inclusion programs. Compliance with such laws, regulations or policies, including any that may be adopted in the future, could, among other things, increase the costs of operating our businesses, reduce the demand for our products and impact the prices we charge our customers, any or all of which could adversely affect our results of operations. In addition, policymakers in some jurisdictions have adopted or proposed laws, regulations and policies that diverge from, or potentially conflict with, those in other jurisdictions. Failure to comply with any legislation, regulation or policy, including as a result of making good faith interpretations that may differ from those taken by enforcement authorities in relevant jurisdictions, could potentially result in substantial fines, criminal sanctions, reputational harm or operational changes. Moreover, our customers, stockholders, employees and other stakeholders have diverse expectations, demands and perspectives on these topics, which are continuing to evolve. We may not be able to meet the diverse expectations and demands of all of our stakeholders, which could result in adverse publicity, harm our reputation, lead to claims against us and affect our relationships with our customers and employees, and subject us to legal and operational risks, any of which could have a material adverse effect on our business.

Any failure of our management information systems or the inability of third parties to continue to upgrade and maintain our systems could have an adverse effect on our business strategy, financial condition and results of operations.

We depend on the accuracy, reliability and proper functioning of our management information systems, including the systems used to track our sales and facilitate inventory management. We also rely on our management information systems for point-of-sale, merchandise planning and allocation, replenishment and markdowns, as well as other key business functions. We do not currently have redundant systems for all functions performed by our management information systems. Any interruption in these systems could impair our ability to manage our inventory effectively, which could have an adverse effect on our business strategy, financial condition or results of operations.

Our computer systems and the third-party systems we rely on are also subject to damage or interruption from a number of causes, including power outages; computer and telecommunications failures; computer viruses, malware, ransomware, phishing or distributed denial-of-service attacks; brute force attacks; exploiting software vulnerabilities (including “zero-day attacks”), supply chain attacks and other security incidents and cyber-attacks. Compromises, interruptions or shutdowns of our systems, including those managed by third parties, whether intentional or inadvertent, could lead to delays in our business operations and, if significant or extreme, affect our financial condition or results of operations.

In addition, the technologies and artificial intelligence tools that we incorporate into certain aspects of our operations may not generate the intended efficiencies and may impact our business results. Specifically artificial intelligence tools could have the potential to be deficient, inaccurate, or biased and if we fail to adopt and oversee the use of artificial intelligence in a thoughtful and strategic manner, it could harm our financial performance and/or our business reputation.

We use AI in our business, and challenges with effectively managing its use could result in reputation harm, competitive harm, and legal liability, and adversely affect our business, financial condition, or results of operations.

We are increasingly leveraging AI, machine learning, and other automated technologies across various aspects of our business, including product allocation, marketing, customer engagement, and third-party systems. The use of these technologies presents a number of risks and challenges.

AI systems may generate inaccurate, biased, or unintended outputs, which could lead to errors in business decisions, ineffective marketing, or customer dissatisfaction. In addition, the development and use of AI technologies are subject to evolving legal and regulatory requirements, including those related to data privacy, intellectual property, consumer protection, and algorithmic accountability. Failure to comply with such requirements could result in investigations, litigation, fines, or other liabilities.

Our use of AI depends on the quality, integrity, and security of the data used to train and operate these systems. If such data is incomplete, inaccurate, or compromised, our operations and decision-making could be adversely affected. Reliance on third-party AI tools and service providers may also introduce additional risks related to data security, confidentiality, and system reliability.

The use of AI may also present reputational risks, including concerns regarding transparency, fairness, and ethical use. Any actual or perceived misuse of AI by us or our third-party partners could harm our brand and customer trust. If we are unable to effectively manage these risks or successfully integrate AI technologies into our operations, our business, financial condition, and results of operations could be adversely affected

Failure to maintain the security of employee, customer or vendor information could expose us to litigation, government enforcement actions and materially impact our reputation and business operations.

Over the normal course of business operations, we may obtain certain private or confidential information of our employees, job applicants, customers, and vendors. If retained, this information may be stored within our internal information technology environments or hosted by third-party service providers. While we have implemented security procedures and technology that are intended to safeguard this information from cybersecurity attacks and security incidents, there can be no assurance that these measures will be adequate to safeguard against all data security incidents, system compromises or misuses of data.

Although we continue to develop, and further enhance, our systems and processes that are designed to protect personal information and prevent data loss and other security incidents and technology disruptions, such measures cannot provide absolute security. Cyber-attacks can come in many forms, including cyber-attacks from criminal threat actors, as we experienced in fiscal 2023, acts of vandalism or theft, malware, ransomware, computer viruses or other malicious codes, phishing, brute force attacks, exploiting software vulnerabilities and zero-day attacks, supply chain attacks, employee error or malfeasance, catastrophes, and unforeseen events. The rapid evolution and increased adoption of artificial intelligence technologies by attackers may intensify our cybersecurity risks. Additionally, as we rely on third parties throughout the course of our business operations, a failure of a third-party service provider to monitor and secure their environment could lead to unauthorized access of our private or confidential information.

Any cyber-attack or compromise of our data could expose us to loss of revenue, loss of business, increased expenses, fines or sanctions, private litigation and response measures, credit card brand assessments including termination of our ability to receive credit or debit card payments, government enforcement actions, disruption of business operations, negative publicity, eroded customer confidence in the effectiveness of our data security measures, and decrease in customers' willingness to shop in our stores which could adversely affect our business strategy, financial conditions and results of operations. Furthermore, there can be no assurance that any limitations of liability in our contracts would be enforceable or adequate or would otherwise protect us from any such liabilities or damages with respect to any particular claim.

While we maintain cyber insurance coverage, it may not be adequate for liabilities or costs actually incurred, and we cannot be certain that insurance will continue to be available to us on economically reasonable terms, or at all, or that any insurer will not deny coverage of a future claim. In addition, as the regulatory environment related to information security, data collection and use, and privacy becomes increasingly rigorous, with new and constantly changing requirements, compliance with those requirements could also result in additional costs.

Risks Relating to Ownership of our Common Stock

Our stock price is subject to volatility.

Our stock price has been volatile in the past and may be influenced in the future by a number of factors, including:

- changes in securities analysts' recommendations or estimates of our financial performance or our failure to meet any such estimates;
- changes in market valuations or operating performance of our competitors or companies similar to ours;
- market and industry perception of our success, or lack thereof, in pursuing our growth strategy;
- changes in accounting principles;
- the trading volume of our common stock in the public market and size of our public float; and
- the realization of some or all of the risks described in this section entitled "Risk Factors."

These and other factors may cause the market price and demand for our common stock to fluctuate substantially, which may limit or prevent investors from readily selling their shares of common stock and may otherwise negatively affect the liquidity of our common stock. In addition, the stock markets experience significant price and trading volume fluctuations from time to time, and the market prices and trading volumes of the equity securities of retailers have been volatile, including our common stock. These broad market fluctuations may adversely affect the market price of our common stock.

We cannot provide any guaranty of future cash dividend payments or future repurchase of our common stock pursuant to a share repurchase program.

Any determination to declare and pay cash dividends on our common stock in the future will be based, among other things, on our board of directors' conclusion in each instance that the declaration and payment of a cash dividend is in the best interest of our stockholders and is in compliance with all laws and agreements applicable to the dividend and upon our financial condition, results of operations, business strategy and cash requirements. Additionally, there can be no assurance that our existing share repurchase authorizations will be completed or that our board of directors will approve additional repurchase programs in the future. We presently have no intention to reinstate the dividend, and there can be no assurance that we will resume paying dividends on a regular basis.

Provisions in our certificate of incorporation and by-laws and Delaware law may delay or prevent our acquisition by a third party.

Our third amended and restated certificate of incorporation and our fourth amended and restated by-laws contain several provisions that may make it more difficult for a third party to acquire control of us without the approval of our board of directors. These provisions include, among other things, advance notice for raising business or making nominations at stockholder meetings and "blank check" preferred stock. Blank check preferred stock enables our board of directors, without stockholder approval, to designate and issue additional series of preferred stock with such dividend, liquidation, conversion, voting or other rights, including convertible securities with no limitations on conversion, as our board of directors may determine, including rights to dividends and proceeds in a liquidation that are senior to the common stock.

We are also subject to several provisions of the Delaware General Corporation Law that could delay, prevent or deter a merger, acquisition, tender offer, proxy contest or other transaction that might otherwise result in our stockholders receiving a premium over the market price for their common stock or may otherwise be in the best interests of our stockholders.

Our business could be negatively affected as a result of the actions of activist stockholders.

If faced with a proxy contest or other activist stockholder action in the future, we may not be able to respond successfully to the contest or action, which could be disruptive to our business. Even if we are successful, our business could be adversely affected by any proxy contest or activist stockholder action involving us because:

- responding to proxy contests and other actions by activist stockholders can be costly and time-consuming, disrupt operations, divert the attention of management and employees, and lead to uncertainty;
- perceived uncertainties as to future direction may result in the loss of potential acquisitions, collaborations or business opportunities, and may make it more difficult to attract and retain qualified personnel, business partners and suppliers; and
- if individuals are elected to our board of directors with a specific agenda, it may adversely affect our ability to effectively implement our business strategy in a timely manner and create additional value for our stockholders.

These actions could cause the market price of our common stock to experience periods of volatility.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Risk Management and Strategy

Cybersecurity is an important component of our overall approach to risk management. We have implemented cybersecurity processes, technologies and controls to facilitate our efforts to identify, assess and manage material risks from cybersecurity threats. We leverage industry associations, third-party benchmarking, results from internal and third-party testing, and other similar resources to inform our cybersecurity programs and processes. We also adhere to applicable Payment Card Industry Data Security Standards. We have prioritized improving our cyber security posture to safeguard our systems and mitigate risks.

Our cybersecurity programs include physical, administrative and technical safeguards designed to help us detect and prevent cybersecurity threats and incidents. We monitor our cybersecurity programs and processes through assessments focused on evaluating effectiveness, including regular network and endpoint monitoring, vulnerability scanning and penetration testing. In addition, we have engaged third parties to perform reviews of our information security control environment, and to provide expertise on various cybersecurity programs and issues. Our cybersecurity team has established a written incident response plan in the event of an incident. We do not retain any sensitive customer data on our systems.

We provide routine awareness training for associates regarding cybersecurity best practices and their role in protecting the Company from cybersecurity attacks and testing to measure the effectiveness of our information security program.

We have not experienced any material cybersecurity incidents in fiscal 2025, and as of the date of this Report, we have not identified any material risks from active cybersecurity threats, including as a result of any prior cybersecurity incidents. However, despite our security measures, there can be no assurance that our cybersecurity risk management processes described will be fully implemented, complied with or effective in protecting our systems and information. While we maintain insurance to mitigate potential losses from a cybersecurity incident, such insurance may be insufficient to cover all losses or all types of claims that may arise. See Item 1A. Risk Factors in this Report for a discussion of whether and how risks from identified cybersecurity threats have materially affected or, if realized, are reasonably likely to materially affect our business strategy, results of operations or financial condition.

Governance

Management's Role

Management is responsible for implementing our cybersecurity program on an ongoing basis to identify, assess and manage cybersecurity risks. Our cybersecurity program is led by our Vice President of Information Systems with support from our Senior Manager of IT Security & Compliance and various other team members. Our Vice President of Information Systems has over 25 years of industry experience, including more than 10 years as the leader of the Company's technology function. On a bi-annual basis, or more frequently as needed, management informs the audit committee of material aspects of our cybersecurity program, including updates on key strategic and operational goals, assessments of cybersecurity risks, updates to any incidents, and the status of our ongoing investments in cybersecurity governance.

Board Oversight

Our board of directors considers cybersecurity risk as part of its risk oversight function. Our audit committee oversees management's policies, programs and procedures related to cybersecurity risk management and reports to the board regarding these efforts. In addition, the audit committee receives briefings from management bi-annually, or more frequently as needed, on material aspects of our cybersecurity program.

ITEM 2. PROPERTIES

Store Locations

As of January 31, 2026, we operated 590 stores located in 33 states. Our stores average approximately 11,000 square feet of selling space and are typically located in outdoor community shopping centers that are convenient to Black customers.

We have no franchising relationships, and all of the stores are company operated. All existing 590 stores, totaling 7.9 million total square feet and 6.5 million selling square feet, are leased under operating leases. The typical store lease is for five years with options to extend the lease term for three additional five-year periods. Nearly all store leases provide us the right to cancel following an initial three-year period in the event the store does not meet pre-determined sales levels. The table below sets forth the number of stores in each of the 33 states in which we operated as of January 31, 2026:

Alabama	35
Arkansas	15
California	6
Connecticut	5
Delaware	3
Florida	51
Georgia	61
Illinois	25
Indiana	18
Iowa	3
Kansas	2
Kentucky	7
Louisiana	34
Maryland	9
Massachusetts	5
Michigan	23
Minnesota	2
Mississippi	30
Missouri	8
Nebraska	1
Nevada	3
New Jersey	1
New York	12
North Carolina	47
Ohio	30
Oklahoma	6
Pennsylvania	9
Rhode Island	1
South Carolina	42
Tennessee	16
Texas	55
Virginia	19
Wisconsin	6

Corporate Offices and Distribution Center Facilities

Our corporate headquarter is in Savannah, Georgia under a lease agreement that expires in June 2030. In addition, we currently lease office space in New York City.

We lease and operate two distribution centers, one in Darlington, South Carolina totaling approximately 550,000 square feet, and another in Roland, Oklahoma totaling approximately 565,000 square feet.

We believe our facilities are suitable and adequate to meet our current business and operational needs.

ITEM 3. LEGAL PROCEEDINGS

We are from time to time involved in various legal proceedings incidental to the conduct of our business, including claims by customers, employees or former employees. Once it becomes probable that we will incur costs in connection with a legal proceeding and such costs can be reasonably estimated, we establish appropriate reserves. While legal proceedings are subject to uncertainties and the outcome of any such matter is not predictable, we are not aware of any legal proceedings pending or threatened against us that we expect to have a material adverse effect on our business strategy, financial condition, results of operations or liquidity.

See Note 7 to the Financial Statements for a summary of certain ongoing legal proceedings. Such information is incorporated into this Part I, Item 3 – “Legal Proceedings” by reference.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock is traded on The NASDAQ Stock Market under the symbol “CTRN.” On March 25, 2026, there were 9 holders of record and approximately 10,729 beneficial holders of our common stock.

Dividends

In 2020, the Company announced it would suspend quarterly cash dividends. Any determination to declare and pay cash dividends in the future will be made by the Company’s board of directors.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers.

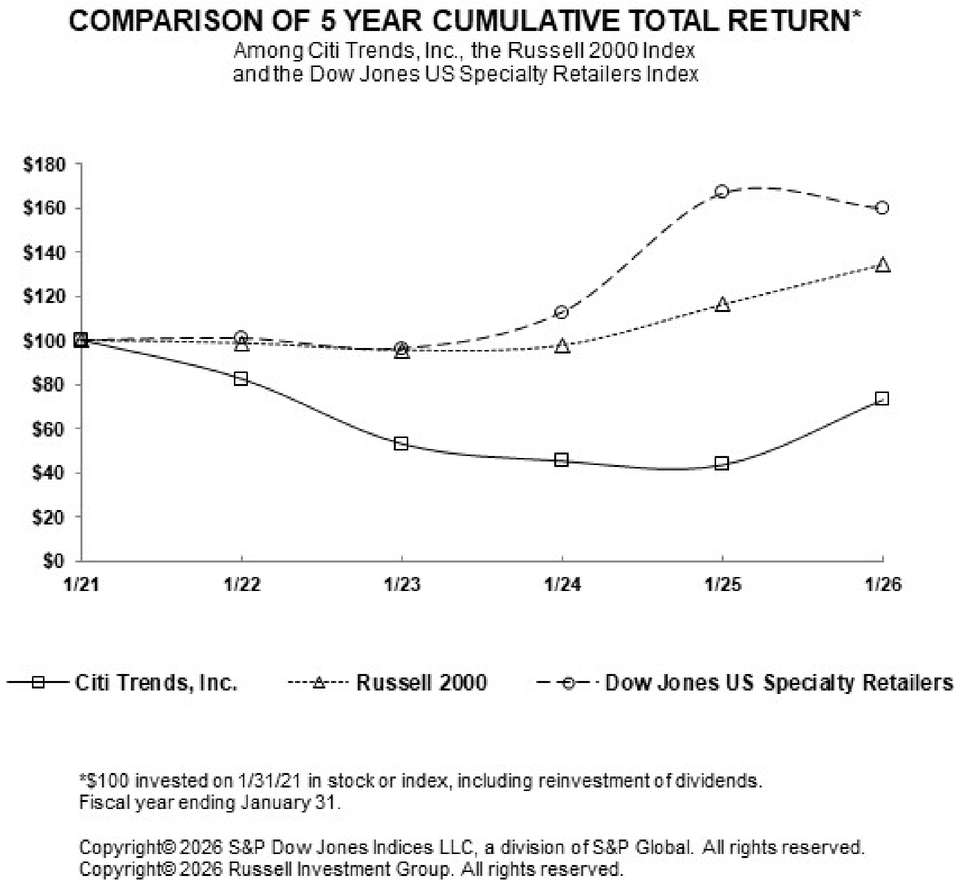
The Company did not repurchase any shares of its common stock during the fourth quarter of fiscal 2025. As of January 31, 2026, approximately $40.0 million remains available under our share repurchase programs. The programs do not have expiration dates.

Equity Compensation Plan Information.

See Item 12 of this Report.

Stock Performance Graph

Set forth below is a line graph comparing the last five years' percentage change in the cumulative total stockholder return on shares of our common stock against the cumulative total returns of the Russell 2000 Index and the Dow Jones US Specialty Retailers Index. This graph assumes that $100 was invested on January 31, 2021 in our common stock and in each of the market index and the industry indexes, and that all cash distributions were reinvested. Our common stock price performance shown on the graph is not indicative of future price performance.



Total Return Analysis	1/21	1/22	1/23	1/24	1/25	1/26
Citi Trends, Inc.	100.00	82.58	53.36	45.64	43.90	73.14
Russell 2000	100.00	98.79	95.45	97.75	116.41	134.81
Dow Jones US Specialty Retailers	100.00	100.89	96.22	112.85	167.01	159.96

ITEM 6. **RESERVED**

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our audited consolidated financial statements and the related notes included elsewhere in this Annual Report on Form 10-K. This discussion may contain forward-looking statements that involve risks and uncertainties. As a result of many factors, such as those set forth under the section entitled "Risk Factors" and elsewhere in this Report, our actual results may differ materially from those anticipated in these forward-looking statements.

Discussions of our results of operations for the year ended February 1, 2025 compared to the year ended February 3, 2024 that have been omitted under this item can be found in "Part II, Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended February 1, 2025, which was filed with the United States Securities and Exchange Commission on April 16, 2025.

Executive Overview

We are the leading off-price value retailer of apparel, accessories and home trends primarily for Black families. Our high-quality and trend-right merchandise offerings at everyday low prices are designed to appeal to the fashion and trend preferences of value-conscious customers. As of January 31, 2026, we operated 590 stores in urban, suburban and rural markets in 33 states.

Fiscal 2025 Business Highlights

- Continued to refine our three-tiered product assortment strategy, with balanced good-better-best offerings, trend-right fashion and the addition of extreme value branded treasures, focused on Black consumers
- Launched our holiday "Joy Looks Good on You" marketing campaign, with over 55 million views and engagements, and refreshed our social media presence under @wearecititrends
- Completed the implementation of an AI-based allocation system in the third quarter and began development of an AI-based merchandise planning system
- Implemented foundational and fundamental standardized business practices throughout the organization to improve consistency of operating performance and efficiency of expense.
- Opened 3 new stores, remodeled 62 stores and closed 4 stores to end the year with 590 locations

Fiscal 2025 Financial Highlights

- Total sales of $820.0 million, an increase of $66.9 million, or 8.9%, compared to fiscal 2024
- Comparable store sales increase of 9.7% vs fiscal 2024, 13.1% on a two-year basis, with the majority of the growth from increased transactions
- Net income of $5.2 million, including the $11.0 million gain on the sale of the Savannah office building in the second quarter of fiscal 2025
- Cash of $66.1 million at the end of the fiscal year, with no debt and no drawings on our $75 million line of credit

Our Strategy

We believe that CITITRENDS is in a unique position to serve our loyal customer base, with a long runway for store growth and a strong leadership team supported by a healthy balance sheet. As described in more detail in "Item 1 – Business," we have identified five strategic areas of focus that we believe will accelerate our sales and earnings growth over the next few years:

Offer Compelling Value Proposition. We believe that we can drive increases in traffic and basket by focusing on our three-tiered product strategy of opening prices, core value product and familiar brands at incredible values, all focused on the wants and needs of our Black customers. We believe that delivering newness and freshness results in high customer frequency. Our expanded offering of "treasures", or extreme value product offerings, further strengthens this strategy and deepens our relationship with our customers.

Focus on the Black Customer. We believe that a sharpened focus on our Black customers will drive improved sales through a more focused product assortment designed to address their fashion needs and wants, supporting their ability to express themselves through the creation of their own style. We believe that our refined understanding of our customer will drive increased traffic and conversion in our stores.

Consistent Operational Excellence. We believe that the work we are doing to develop fundamental retail practices and to focus on consistent execution will produce strong, sustainable financial results while positioning us for future, accelerated growth.

Growth. We believe that we can maximize the productivity of our existing 590 stores located in the heart of Black communities by executing on the three areas of focus stated above and by continued refinement of our store format. While we believe that maximizing the productivity of our existing fleet provides significant opportunity for sales and earnings growth, we continue to believe that CITITRENDS has the potential to grow, and we expect to accelerate square footage expansion over time, including through potential assumptions of leases or subleases.

People. We believe that our teams across the organization, led by Ken Seipel, our Chief Executive Officer, and their ability to consistently execute while staying focused on our Black customer, providing great product and a welcoming in-store environment, are a key differentiator for our business and are key to the continued transformation of our company.

We strongly believe that our business strategy centered around these five areas will accelerate our long-term sales and earnings growth.

Uncertainties and Challenges

General Economic Conditions

We are monitoring trends in general economic conditions, including on-going inflationary pressures, new and changing tariff programs and changes in consumer sentiment. We continue to monitor the impacts on our business of unemployment levels, wage inflation, interest rates, inflation rates, housing costs, energy costs, consumer confidence, consumer perception of economic conditions, costs to source our merchandise and supply chain disruptions.

Seasonality and Weather Conditions

The nature of our business is seasonal. Historically, sales in the first and fourth quarters have been higher than sales achieved in the second and third quarters of the fiscal year. In addition, sales of clothing are directly impacted by the timing of the seasons to which the clothing relates. While we have expanded our product offerings to balance discretionary with non-discretionary products, traffic to our stores is still influenced by weather patterns to some extent.

Basis of Presentation

Net sales consist of store sales and layaway fees, net of returns by customers. Cost of sales consists of the cost of products we sell and associated freight costs. Depreciation is not considered a component of cost of sales and is included as a separate line item in the consolidated statements of operations. Selling, general and administrative expenses are comprised of store costs, including payroll and occupancy costs, corporate and distribution center costs and marketing costs. The years ended January 31, 2026, February 1, 2025 and February 3, 2024 are referred to herein as fiscal 2025, fiscal 2024 and fiscal 2023, respectively. Fiscal years 2025 and 2024 are each comprised of 52 weeks, while fiscal 2023 is comprised of 53 weeks.

Results of Operations

The following discussion of our financial performance is based on the consolidated financial statements set forth in Item 8 of this Report. The nature of our business is seasonal. Results may fluctuate due to changes in our business, consumer spending patterns, the macroeconomic environment and strategic initiatives. Furthermore, the seasonal nature of our business may affect comparisons between periods.

Net Sales and Additional Operating Data

The following table provides selected consolidated statement of operations data expressed both in dollars and as a percentage of net sales:

	Fiscal Year					
	2025		2024		2023	
	(dollars in thousands)					
Statement of Operations Data						
Net sales	$ 819,962	100.0 %	$ 753,079	100.0 %	$ 747,941	100.0 %
Cost of sales (exclusive of depreciation)	(495,320)	(60.4)%	(471,036)	(62.5)%	(462,824)	(61.9)%
Selling, general and administrative expenses	(313,171)	(38.2)%	(300,173)	(39.9)%	(284,530)	(38.0)%
Depreciation	(18,482)	(2.3)%	(18,822)	(2.5)%	(18,990)	(2.5)%
Asset impairment	(579)	(0.1)%	(2,536)	(0.3)%	(1,051)	(0.1)%
Gain on sale of assets	10,960	1.3 %	—	0.0 %	—	0.0 %
Gain on insurance	482	0.1 %	—	0.0 %	—	0.0 %
Income (loss) from operations	3,852	0.5 %	(39,488)	(5.2)%	(19,454)	(2.6)%
Interest income	1,993	0.2 %	2,473	0.3 %	3,874	0.5 %
Interest expense	(342)	(0.0)%	(319)	(0.0)%	(306)	(0.0)%
Income (loss) before income taxes	5,503	0.7 %	(37,334)	(5.0)%	(15,886)	(2.1)%
Income tax (expense) benefit	(296)	0.0 %	(5,836)	(0.8)%	3,907	0.5 %
Net income (loss)	$ 5,207	0.6 %	$ (43,170)	(5.7)%	$ (11,979)	(1.6)%

The following table provides information about store activity and the change in comparable store sales for each fiscal year:

	Fiscal Year		
	2025	2024	2023
Total stores open, beginning of year	591	602	611
New stores	3	1	5
Closed stores	(4)	(12)	(14)
Total stores open, end of year	590	591	602
Comparable store sales increase (decrease) [(1)]	9.7 %	3.4 %	(6.8)%

(1) Stores included in the comparable store sales calculation for any year are those stores that were open for at least 14 full consecutive months without closure for more than seven days within the same fiscal month. Remodeled and relocated stores are included in the comparable store sales results if the selling square footage is not changed significantly, the store is not closed for more than five days in any fiscal month and the store remains in the same trade area, while stores that are closed permanently or for an extended period are excluded from the comparable store sales results.

Key Operating Statistics

We measure performance using key operating statistics. One of the main performance measures we use is comparable store sales growth. We define a comparable store as a store that has been open for at least 14 full consecutive months without closure for more than seven days within the same fiscal month. Remodeled and relocated stores are included in the comparable store sales results if the selling square footage is not changed significantly, the store is not closed for more than five days in any fiscal month and the store remains in the same trade area. We also use other operating statistics, most notably average sales per store, to measure our performance. As we typically occupy existing space in established shopping centers rather than sites built specifically for our stores, store square footage (and therefore sales per square foot) varies by store. We focus on overall store sales volume as the critical driver of profitability. In addition to sales, we measure cost of sales as a percentage of sales and store operating expenses, with a particular focus on labor, as a percentage of sales. These results translate into store level contribution, which we use to evaluate overall performance of each individual store. Finally, we monitor corporate and distribution center expenses against budgeted amounts.

Fiscal 2025 Compared to Fiscal 2024

Net Sales. Net sales increased $66.9 million, or 8.9%, to $820.0 million in fiscal 2025 from $753.1 million in fiscal 2024. The increase in sales was due to a 9.7% increase in comparable store sales, as well as a decrease of $5.4 million from net store opening and closing activity. The increase in comparable store sales was the result of increased transactions with increased average basket contributing to the balance.

Cost of Sales (exclusive of depreciation). Cost of sales increased $24.3 million, or 5.2%, to $495.3 million in fiscal 2025 from $471.0 million in fiscal 2024. As a percentage of net sales, cost of sales decreased 210 basis points to 60.4% in fiscal 2025 from 62.5% in fiscal 2024 driven by lower markdowns and lower shrink expenses since the strategic inventory reset in fiscal 2024, and lower freight expense compared to fiscal 2024.

Selling, General and Administrative (“SG&A”) Expenses. SG&A expenses increased $13.0 million, or 4.3%, to $313.2 million in fiscal 2025 from $300.2 million in fiscal 2024. The increase was primarily due to $9.7 million of incremental bonus and equity expense and store and distribution center expense to support $66.9 million of incremental sales. As a percentage of sales, SG&A expenses leveraged 170 basis points to 38.2% in fiscal 2025 from 39.9% in fiscal 2024.

Depreciation. Depreciation expense decreased $0.3 million to $18.5 million in fiscal 2025 from $18.8 million in fiscal 2024.

Asset Impairment. Impairment charges for fiscal 2025 related to underperforming stores totaled $0.6 million, comprised of $0.3 million for leasehold improvements and fixtures and equipment, and $0.3 million for an operating lease right-of-use asset. Impairment charges for fiscal 2024 related to underperforming stores totaled $2.5 million, comprised of $1.2 million for leasehold improvements and fixtures and equipment, and $1.3 million for an operating right of use asset.

Gain on sale of building. Gain on sale of the corporate office building was $11.0 million for fiscal 2025.

Gain on insurance. Gain on insurance was $0.4 million for fiscal 2025.

Income Tax (Expense) Benefit. Income tax expense was $0.3 million in fiscal 2025 compared to income tax expense of $5.8 million in fiscal 2024. The difference is attributable to the $16.5 million valuation allowance related to deferred tax assets, primarily associated with net operating loss carryforward generated in fiscal years 2023 and 2024. The cumulative losses during recent years represents sufficient negative evidence to require a valuation allowance, which will be maintained until sufficient positive evidence exists to support its reversal.

Net Income (Loss). Net income was $5.2 million in fiscal 2025 compared to net loss of $43.2 million in fiscal 2024, due to the factors discussed above.

Liquidity and Capital Resources

Capital Allocation

Our capital allocation strategy is to maintain adequate liquidity to support current operations while investing in opportunities to profitably grow our business, including opportunities to accelerate growth through strategic roll-ups and synergistic acquisitions. At the discretion of our board of directors, we may also choose to return excess cash to shareholders. Our year-end cash and cash equivalents balance was $66.1 million compared to $61.1 million at the end of last year. Until required for other purposes, we maintain cash and cash equivalents in deposit or money market accounts.

Our principal sources of liquidity consist of (i) cash and cash equivalents on hand; (ii) short-term trade credit arising from customary payment terms and trade practices with our vendors; (iii) cash generated from operations on an ongoing basis; and (iv) a revolving credit facility with a $75 million credit commitment.

Inventory

Our year-end inventory balance was $113.5 million, compared with $122.6 million at the end of fiscal 2024. The decrease was the result of our strategic decrease in our average in-store inventory due to our ongoing inventory efficiency initiatives and lower pack-and-hold inventory.

Capital Expenditures

Capital expenditures in fiscal 2025 were $22.7 million, an increase of $10.6 million from the prior year, primarily due to new stores being opened and more stores being remodeled in fiscal 2025. We anticipate capital expenditures in fiscal 2026 in the range of $35 million to $40 million, primarily for opening approximately 25 new stores and remodeling approximately 50 stores.

Share Repurchases

In fiscal 2025 we returned $6.3 million to shareholders through share repurchases. See Part II, Item 5 of this Report and Note 6 to the Financial Statements for more information.

Revolving Credit Facility

We have a revolving credit facility that matures in April 2030 and provides a $75 million credit commitment and a $25 million uncommitted “accordion” feature. Additional details of the credit facility are in Note 4 to the Financial Statements. At the end of fiscal 2025, we had no borrowings under the credit facility and $2.2 million in letters of credit outstanding.

Cash Flows

Cash Flows From Operating Activities. Cash provided by operating activities was $21.0 million in fiscal 2025 compared with cash used of $3.8 million in fiscal 2024. For fiscal 2025, significant sources of cash included increase in net income, as well as an $8.8 million reduction in inventory. Significant uses of cash include a $55.2 million decrease in accrued expenses and other-long-term liabilities due primarily to payments of operating lease liabilities.

For fiscal 2024, significant sources of cash included a $7.8 million reduction in inventory and a $0.1 million increase in accounts payable. Significant uses of cash include a $49.5 million decrease in accrued expenses and other-long-term liabilities due primarily to payments of operating lease liabilities.

Cash Flows From Investing Activities. Cash used in investing activities was $8.5 million in fiscal 2025 compared to cash used of $10.1 million in fiscal 2024. Sources of cash in fiscal 2025 included $11.2 million from the sale of a building and $0.6 million from insurance proceeds. Cash used in fiscal 2024 consisted entirely of purchases of property and equipment.

Cash Flows From Financing Activities. Cash used in financing activities was $7.5 million in fiscal 2025 compared with $4.7 million in fiscal 2024. Cash used in fiscal 2025 included $6.3 million for share repurchases and $1.1 million to settle withholding taxes on the vesting of restricted stock. Cash used in fiscal 2024 included $3.8 million for share repurchases and $0.9 million to settle withholding taxes on the vesting of restricted stock.

Cash Requirements and Commitments

Our principal cash requirements consist of (1) inventory purchases; (2) capital expenditures to invest in our growth initiatives; and (3) operational needs, including payroll, occupancy costs, taxes and other operating costs. We have also historically used cash to repurchase stock under our stock repurchase programs. Historically, we have met these cash requirements using cash flow from operations and short-term trade credit. As of January 31, 2026, our contractual commitments for operating leases totaled $309.9 million (with $63.5 million due within 12 months) and our purchase obligations for open merchandise orders totaled $161.7 million due within 12 months. See Note 8 to the Financial Statements for more information regarding lease commitments.

Critical Accounting Estimates

Our consolidated financial statements are prepared in accordance with U.S. GAAP, which requires us to make estimates and apply judgments that affect the reported amounts. Actual results could differ from those estimates. We believe the following critical accounting policies describe the more significant judgments and estimates used in the preparation of our consolidated financial statements.

Inventory

Inventory is stated at the lower of cost (first-in, first-out basis) or net realizable value as determined by the retail inventory method for store inventory and the average cost method for distribution center inventory. Under the retail inventory method, the cost of inventory is determined by calculating a cost-to-retail ratio and applying it to the retail value of inventory. Inherent in the retail inventory calculation are certain management judgments and estimates, including, among others, merchandise markups, markdowns and shrink, which impact the ending inventory valuation at cost as well as resulting cost of sales. Merchandise markdowns are reflected in the inventory valuation when the price of an item is lowered in the stores. We estimate and record an allowance for shrink for the period between the last physical count and the balance sheet date. The estimate of shrink can be affected by changes in actual shrink trends. As a measure of sensitivity, a ten percent change in our estimated shrink as of January 31, 2026, would not have materially impacted our cost of goods sold in fiscal 2025. Many retailers have arrangements with vendors that provide for rebates and allowances under certain conditions, which ultimately affect the value of the inventory. We do not generally enter into such arrangements with our vendors. There were no material changes in the estimates or assumptions related to the valuation of inventory during fiscal 2025.

Recent Accounting Pronouncements

In December 2023, the FASB issued ASU 2023-09, “Improvement to Income Tax Disclosures (Topic 740)”, which requires additional disclosures for income tax rate reconciliations, income taxes paid, and certain other tax disclosures. ASU 2023-09 is intended to enhance the transparency and decision usefulness of income tax disclosures. The amendments in ASU 2023-09 address investor requests for enhanced income tax information primarily through changes to the rate reconciliation and income taxes paid information. In fiscal 2025, the Company adopted ASU 2023-09 in the current period and retrospectively. The adoption of ASU 2023-09 did not have a material impact on the Company’s consolidated financial statements as the requirements only impact annual income tax reporting disclosures in the Notes to the Company’s consolidated financial statements. Refer to “Note 5. Income Taxes” for additional information.

In November 2024, the FASB issued ASU 2024-03, “Expense Disaggregation Disclosures (Topic 220): Disaggregation of Income Statement Expenses” (“ASU 2024-03”), which requires public entities to disclose additional information that disaggregates certain expense captions into specified categories in the Notes to the consolidated financial statements. The new standard is effective for fiscal years beginning after December 15, 2026, and interim periods after December 15, 2027, with early adoption permitted. The disclosure updates are required to be applied prospectively with the option for retrospective application. The Company is currently evaluating the impact the amended guidance will have on its disclosures.

In September 2025, the FASB issued ASU 2025-06, “Intangibles – Goodwill and Other Internal-Use Software: Targeted Improvements to the Accounting for Internal-Use Software” (“ASU 2025-06”), which amends the guidance in ASC 350 to revise the criteria for when an entity is required to start capitalizing software costs and requires an entity to consider whether there is significant uncertainty associated with the development activities of the software when evaluating the probable-to-complete recognition threshold. ASU 2025-06 is required to be adopted in the annual reporting periods beginning after December 15, 2027, including interim periods within those annual reporting periods, with early adoption permitted. The Company is currently evaluating the impact the amended guidance will have on its consolidated financial statements and related disclosures.

In November 2025, the FASB issued ASU 2025-11, “Interim Reporting (Topic 270): Narrow-Scope Improvements” (“ASU 2025-11”), which amends the guidance in ASC 270 to clarify the applicability of interim disclosure requirements and enhance the navigability of the existing guidance. ASU 2025-11 provides a comprehensive list of required interim disclosures and establishes a new disclosure principle requiring entities to disclose events that occur after the end of the last annual reporting period. The new standard is effective for interim periods within annual reporting periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the impact the amended guidance will have on its consolidated financial statements and related disclosures.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We source all of our products from markets in the United States in U.S. Dollars and, therefore, are not directly subject to fluctuations in foreign currency exchange rates. However, fluctuations in currency exchange rates could affect our purchasing power with vendors that import merchandise to sell to us. We have not entered into forward contracts to hedge against fluctuations in foreign currency prices.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Citi Trends, Inc.
Index to Consolidated Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Citi Trends, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Citi Trends, Inc. and subsidiary (the "Company") as of January 31, 2026 and February 1, 2025, the related consolidated statements of operations, cash flows, and stockholders' equity, for each of the three years in the period ended January 31, 2026, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of January 31, 2026 and February 1, 2025, and the results of its operations and its cash flows for each of the three years in the period ended January 31, 2026, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of January 31, 2026, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated April 15, 2026, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Inventory – Retail Inventory Method – Refer to Note 2 to the consolidated financial statements

Critical Audit Matter Description

Inventory is stated at the lower of cost or net realizable value as determined by the retail inventory method for store inventory. Under the retail inventory method, the cost of inventory is determined by calculating a cost-to-retail ratio and applying it to the retail value of inventory. Inherent in the retail inventory calculation are certain management judgments and estimates, including, among others, merchandise markdowns, which impact the ending inventory valuation at cost as well as resulting cost of sales. Merchandise markdowns are reflected in the inventory valuation when the price of an item is lowered in the stores.

Given the valuation of inventory under the retail inventory method requires management to make judgments and estimates, performing audit procedures to evaluate the reasonableness of the judgments and estimates related to the timing of markdowns used in the valuation of inventory required an elevated degree of auditor judgment.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures to evaluate the reasonableness of the judgments and estimates related to the timing of markdowns used in the valuation of inventory included the following, among others:

- We tested the effectiveness of controls over the measurement of inventory under the retail inventory method, including merchandise markdowns.
- We tested the timing of markdowns by:
    - Making a selection of markdowns recorded throughout the year and after year-end to test the accuracy and timeliness of the markdowns recorded.
    - Making a selection of purchases made throughout the year; determining if those purchases were subsequently marked down; and, if marked down, that the markdown was recorded timely.

/s/ Deloitte & Touche LLP

Atlanta, Georgia

April 15, 2026

We have served as the Company's auditor since 2021.

Citi Trends, Inc.
Consolidated Balance Sheets
(in thousands, except share data)

	January 31, 2026	February 1, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 66,092	$ 61,085
Inventory	113,515	122,640
Prepaid and other current assets	12,254	10,216
Income tax receivable	1,187	3,119
Total current assets	193,048	197,060
Property and equipment, net of accumulated depreciation of $301,921 and $297,396 as of January 31, 2026 and February 1, 2025, respectively.	54,384	50,715
Operating lease right of use assets	221,775	214,148
Other assets	1,964	846
Total assets	$ 471,171	$ 462,769
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 100,693	$ 102,456
Operating lease liabilities	44,397	47,724
Accrued expenses	15,134	16,647
Accrued compensation	12,800	7,176
Layaway deposits	383	388
Total current liabilities	173,407	174,391
Noncurrent operating lease liabilities	178,921	172,675
Deferred Tax Liability	245	142
Other long-term liabilities	2,278	2,385
Total liabilities	354,851	349,593
Stockholders' equity:		
Common stock, $0.01 par value. Authorized 32,000,000 shares; 16,545,723 shares issued as of January 31, 2026 and 16,497,092 shares issued as of February 1, 2025; 8,345,917 shares outstanding as of January 31, 2026 and 8,547,841 shares outstanding as of February 1, 2025	163	162
Paid in capital	112,352	108,101
Retained earnings	281,108	275,901
Treasury stock, at cost; 8,199,806 shares held as of January 31, 2026 and 7,949,251 shares held as of February 1, 2025	(277,303)	(270,988)
Total stockholders' equity	116,320	113,176
Commitments and contingencies (Note 7)		
Total liabilities and stockholders' equity	$ 471,171	$ 462,769

See accompanying notes to consolidated financial statements.

Citi Trends, Inc.
Consolidated Statements of Operations
(in thousands, except per share data)

	Fiscal Year		
	2025	**2024**	**2023**
Net sales	$ 819,962	$ 753,079	$ 747,941
Cost of sales (exclusive of depreciation shown separately below)	(495,320)	(471,036)	(462,824)
Selling, general and administrative expenses	(313,171)	(300,173)	(284,530)
Depreciation	(18,482)	(18,822)	(18,990)
Asset impairment	(579)	(2,536)	(1,051)
Gain on sale of building	10,960	—	—
Gain on insurance	482	—	—
Income (loss) from operations	3,852	(39,488)	(19,454)
Interest income	1,993	2,473	3,874
Interest expense	(342)	(319)	(306)
Income (loss) before income taxes	5,503	(37,334)	(15,886)
Income tax (expense) benefit	(296)	(5,836)	3,907
Net income (loss)	$ 5,207	$ (43,170)	$ (11,979)
Basic net income (loss) per common share	$ 0.65	$ (5.19)	$ (1.46)
Diluted net income (loss) per common share	$ 0.63	$ (5.19)	$ (1.46)
Weighted average number of shares outstanding			
Basic	8,057	8,315	8,221
Diluted	8,300	8,315	8,221

See accompanying notes to consolidated financial statements.

Citi Trends, Inc.
Consolidated Statements of Cash Flows
(in thousands)

	Fiscal Year		
	2025	2024	2023
Operating activities:			
Net income (loss)	$ 5,207	$ (43,170)	$ (11,979)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation	18,482	18,822	18,990
Non-cash operating lease costs	47,733	48,863	50,462
Asset impairment	579	2,536	1,051
(Gain) Loss on disposal of property and equipment	(602)	27	238
Deferred income taxes	102	5,247	(2,211)
Insurance proceeds related to operating activities	339	—	3,483
Non-cash stock-based compensation expense	5,389	3,302	4,095
Gain on sale of assets	(10,960)	—	—
Gain on insurance related activities	(339)	—	(3,483)
Changes in assets and liabilities:			
Inventory	9,125	7,792	(24,638)
Prepaid and other current assets	(2,038)	622	2,139
Other assets	(1,118)	160	178
Accounts payable	(3,305)	101	17,861
Accrued expenses and other long-term liabilities	(55,191)	(49,489)	(58,318)
Accrued compensation	5,624	330	(3,977)
Income tax payable/receivable	1,932	1,004	(3,508)
Layaway deposits	(5)	4	40
Net cash provided by (used in) operating activities	20,954	(3,849)	(9,577)
Investing activities:			
Purchases of property and equipment	(20,330)	(10,108)	(14,875)
Insurance proceeds related to investing activities	630	—	1,517
Proceeds from sale of building	11,206	—	—
Net cash used in investing activities	(8,494)	(10,108)	(13,358)
Financing activities:			
Cash used to settle withholding taxes on vested restricted stock	(1,138)	(887)	(854)
Repurchase of common stock	(6,315)	(3,777)	—
Net cash used in financing activities	(7,453)	(4,664)	(854)
Net increase (decrease) in cash and cash equivalents	5,007	(18,621)	(23,789)
Cash and cash equivalents:			
Beginning of year	61,085	79,706	103,495
End of year	$ 66,092	$ 61,085	$ 79,706
Supplemental disclosures of cash flow information:			
Cash paid for interest	$ 210	$ 168	$ 159
Cash (receipts) payments of income taxes	$ (1,699)	$ (415)	$ 1,813
Supplemental disclosures of non-cash investing activities:			
Accrual for purchases of property and equipment	$ 2,399	$ 4,446	$ 2,936

See accompanying notes to consolidated financial statements.

Citi Trends, Inc.
Consolidated Statements of Stockholders' Equity
(in thousands, except share amounts)

	Common Stock		Paid in	Retained	Treasury Stock		
	Shares	Amount	Capital	Earnings	Shares	Amount	Total
Balances — January 28, 2023	16,158,494	$ 160	$ 102,445	$ 331,050	7,804,013	$ (267,211)	$ 166,444
Grant of restricted shares	272,426	—	—	—	—	—	—
Forfeiture of restricted shares	(39,321)	—	—	—	—	—	—
Stock-based compensation expense	—	—	4,095	—	—	—	4,095
Shares withheld for settlement of employee taxes on vesting	(36,885)	—	(854)	—	—	—	(854)
Net loss	—	—	—	(11,979)	—	—	(11,979)
Balances — February 3, 2024	16,354,714	$ 160	$ 105,686	$ 319,071	7,804,013	$ (267,211)	$ 157,706
Vesting of restricted shares	—	2	—	—	—	—	2
Grant of restricted shares	230,852	—	—	—	—	—	—
Forfeiture of restricted shares	(51,450)	—	—	—	—	—	—
Stock-based compensation expense	—	—	3,302	—	—	—	3,302
Shares withheld for settlement of employee taxes on vesting	(37,024)	—	(887)	—	—	—	(887)
Repurchase of common stock	—	—	—	—	145,238	(3,777)	(3,777)
Net loss	—	—	—	(43,170)	—	—	(43,170)
Balances — February 1, 2025	16,497,092	$ 162	$ 108,101	$ 275,901	7,949,251	$ (270,988)	$ 113,176
Vesting of restricted shares	52,244	1	—	—	—	—	1
Grant of restricted shares	64,468	—	—	—	—	—	—
Forfeiture of restricted shares	(26,464)	—	—	—	—	—	—
Stock-based compensation expense	—	—	5,389	—	—	—	5,389
Shares withheld for settlement of employee taxes on vesting	(41,617)	—	(1,138)	—	—	—	(1,138)
Repurchase of common stock	—	—	—	—	250,555	(6,315)	(6,315)
Net income	—	—	—	5,207	—	—	5,207
Balances — January 31, 2026	16,545,723	$ 163	$ 112,352	$ 281,108	8,199,806	$ (277,303)	$ 116,320

See accompanying notes to consolidated financial statements.

Citi Trends, Inc.

Notes to Consolidated Financial Statements

1. Organization and Business

Citi Trends, Inc. and its subsidiary (the “Company”) is the leading off-price value retailer of apparel, accessories and home trends primarily for Black families in the United States. As of January 31, 2026, the Company operated 590 stores in urban, suburban and rural markets in 33 states.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary. All intercompany transactions and balances have been eliminated in consolidation.

Fiscal Year

The Company’s fiscal year ends on the Saturday closest to January 31 of each year. The years ended January 31, 2026, February 1, 2025 and February 3, 2024 are referred to as fiscal 2025, fiscal 2024 and fiscal 2023, respectively, in the accompanying consolidated financial statements. Fiscal years 2025 and 2024 have a 52-week accounting period, and fiscal year 2023 is comprised of 53 weeks.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) requires management to make estimates and apply judgments that affect the reported amounts. Actual results could differ from those estimates.

The most significant estimates include those used in the valuation of inventory, property and equipment, self-insurance liabilities, leases and income taxes. Management periodically evaluates estimates used in the preparation of the consolidated financial statements for continued reasonableness. Appropriate adjustments, if any, to the estimates used are made prospectively.

Cash and Cash Equivalents/Concentration of Credit Risk

For purposes of the consolidated balance sheets and consolidated statements of cash flows, the Company considers all highly liquid investments with maturities at date of purchase of three months or less to be cash equivalents. Financial instruments that potentially subject the Company to a concentration of credit risk consist principally of cash and cash equivalents. The Company places its cash and cash equivalents in what it believes to be high credit quality banks and institutional money market funds. The Company maintains cash accounts that exceed federally insured limits.

Inventory

Inventory is stated at the lower of cost (first-in, first-out basis) or net realizable value as determined by the retail inventory method for store inventory and the average cost method for distribution center inventory. Under the retail inventory method, the cost of inventory is determined by calculating a cost-to-retail ratio and applying it to the retail value of inventory. Merchandise markdowns are reflected in the inventory valuation when the retail price of an item is lowered in the stores. Inventory is recorded net of an allowance for shrink based on the most recent physical inventory counts and other assumptions for shrink activity.

Property and Equipment, net

Property and equipment, net are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the lesser of the estimated useful lives (primarily three to five years for computer equipment and furniture, fixtures and equipment, seven years for major purchased software systems, ten years for leasehold improvements and fifteen to twenty years for buildings and building improvements) of the related assets or the relevant lease term.

Impairment of Long-Lived Assets

If facts and circumstances indicate that a long-lived asset may be impaired, the carrying value is reviewed. If this review indicates that the carrying value of the asset group will not be recovered as determined based on projected undiscounted cash flows expected to be generated by that asset, the carrying value of the asset is reduced to its estimated fair value. There was non-cash impairment expense in fiscal 2025 of $0.6 million consisting of $0.3 million for leasehold improvements and fixtures and equipment at underperforming stores, and $0.3 million for right of use assets. There was non-cash impairment expense in fiscal year 2024 of $2.5 million consisting of $1.2 million for leasehold improvements and fixtures and equipment at an underperforming store, and $1.3 million for a right of use asset.

Insurance Liabilities

The Company is largely self-insured for workers' compensation costs, general liability claims. The Company's self-insured retention or deductible, as applicable, for each claim involving workers' compensation and general liability is limited to $250,000 and $250,000 respectively. Self-insurance liabilities are based on the total estimated costs of claims filed and estimates of claims incurred but not reported, less amounts paid against such claims. Current and historical claims data, together with information from actuarial studies, are used in developing the estimates. The insurance liabilities that are recorded are primarily influenced by the frequency and severity of claims and the Company's growth. If the underlying facts and circumstances related to the claims change, then the Company may be required to record more or less expense which could be material in relation to results of operations.

Stock-Based Compensation

The Company recognizes compensation expense associated with all nonvested restricted stock and performance-based restricted stock units based on the grant-date fair value of each award. The fair value of the awards is calculated based on the stock price on the grant date, incorporating an analysis of the performance measure where applicable. Compensation expense is recognized ratably over the requisite service period. See Note 6 for additional information on the Company's stock-based compensation plans.

Revenue Recognition

The Company's primary source of revenue is derived from the sale of apparel, accessories and home goods to its customers with the Company's performance obligations satisfied at the point of sale when the customer pays for their purchase and receives the merchandise. Sales taxes collected by the Company from customers are excluded from revenue. Revenue from layaway sales is recognized at the point in time when the merchandise is paid for and control of the goods is transferred to the customer, thereby satisfying the Company's performance obligation. The Company defers revenue from the sale of gift cards and recognizes the associated revenue upon the redemption of the cards by customers to purchase merchandise. Breakage on gift cards is minimal as the cards are generally subject to escheat regulations of the state in which the gift card subsidiary is located.

Sales Returns

The Company allows customers to return merchandise for up to thirty days after the date of sale. Expected refunds to customers are recorded based on estimated margin using historical return information. The refund liability for merchandise returns is recorded in accrued expenses on the consolidated balance sheet and totaled $0.1 million and $0.2 million as of January 31, 2026 and February 1, 2025, respectively. The corresponding asset for the recoverable cost of expected refunds is included in prepaid and other current assets and totaled $0.1 million as of both January 31, 2026 and February 1, 2025.

Disaggregation of Revenue

In the following table, the Company's revenue is disaggregated by Division or major product category. The following table provides the percentage of net sales for each Division within the merchandise assortment:

	Fiscal Year		
Divisions	**2025**	**2024**	**2023**
Women's	27 %	27 %	27 %
Children's	23 %	23 %	23 %
Men's	17 %	17 %	17 %
Accessories & Beauty	16 %	17 %	17 %
Home & Lifestyle	10 %	10 %	9 %
Footwear	7 %	6 %	7 %

Cost of Sales

Cost of sales includes the cost of inventory sold during the period and transportation costs, including inbound freight related to inventory sold, freight from the distribution centers to the stores and freight from vendors to stores, net of discounts and allowances. Distribution center costs, store occupancy expenses and marketing expenses are not considered components of cost of sales and are included as part of selling, general and administrative expenses. Depreciation is also not considered a component of cost of sales and is included as a separate line item in the consolidated statements of operations. Distribution center costs (exclusive of depreciation) for fiscal 2025, 2024 and 2023 were $32.7 million, $32.1 million and $31.0 million, respectively.

Earnings per Share

Basic earnings per common share amounts are calculated using the weighted average number of common shares outstanding for the period. Diluted earnings per common share amounts are calculated using the weighted average number of common shares outstanding plus the additional dilution for all potentially dilutive securities, such as nonvested restricted stock. During loss periods, diluted loss per share amounts are based on the weighted average number of common shares outstanding because the inclusion of common stock equivalents would be antidilutive.

The following table provides a reconciliation of the number of average common shares outstanding used to calculate basic earnings per share to the number of common shares and common stock equivalents outstanding used in calculating diluted earnings per share:

	Fiscal Year		
	2025	2024	2023
Weighted average number of common shares outstanding (basic)	8,057,405	8,314,825	8,221,450
Incremental shares from assumed vesting of nonvested restricted stock	242,685	—	—
Average number of common shares and common stock equivalents outstanding	8,300,090	8,314,825	8,221,450

The dilutive effect of stock-based compensation arrangements is accounted for using the treasury stock method. The Company includes as assumed proceeds the amount of compensation costs attributed to future services and not yet recognized. For fiscal 2025, 2024 and 2023, respectively, there were 0, 248,000, and 273,000 shares of nonvested restricted stock excluded from the calculation of diluted earnings per share because of antidilution.

Marketing

The Company expenses marketing as incurred. Marketing expense for fiscal 2025, 2024 and 2023 was $1.3 million, $2.3 million and $1.6 million, respectively.

Operating Leases

The Company leases all of its retail store locations, its distribution centers and certain office space and equipment. All leases are classified as operating leases. The Company records right-of-use assets and lease liabilities based on the present value of future minimum lease payments using an incremental borrowing rate. The incremental borrowing rate is determined based on rates and terms from the Company’s existing borrowing facility with adjustments to bridge for differences in collateral, terms and payments. Lease costs are recognized over the estimated term of the lease, which includes any reasonably certain lease periods associated with available renewal periods. Lease expense for fixed lease payments is recognized on a straight-line basis over the lease term. In addition, certain leases provide for contingent rents that are not measurable at inception. These contingent rents are primarily based on a percentage of net sales that are in excess of a predetermined level. These amounts are excluded from minimum rent and included in the determination of total rent expense when it is probable that the expense has been incurred and the amount can be reasonably estimated. If an operating lease asset is impaired, the remaining operating lease asset will be amortized on a straight-line basis over the remaining lease term. Leases with an initial term of 12 months or less are not recorded on the balance sheet.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. If realization of the deferred tax asset is not considered more likely than not, then a valuation allowance is recorded to reduce the deferred tax asset to its net realizable value.

Business Operating Segment

The Company is the leading off-price value retailer of fashion apparel, accessories and home goods for the entire family. The retail operations represent a single operating segment based on the way the Company manages its business. Operating decisions and resource allocation decisions are made at the Company level in order to maintain a consistent retail store presentation. The Company's retail stores sell similar products, use similar processes to sell those products, and sell their products to similar classes of customers. All sales and assets are located within the United States.

New Accounting Pronouncements

In December 2023, the FASB issued ASU 2023-09, "Improvement to Income Tax Disclosures (Topic 740)", which requires additional disclosures for income tax rate reconciliations, income taxes paid, and certain other tax disclosures. ASU 2023-09 is intended to enhance the transparency and decision usefulness of income tax disclosures. The amendments in ASU 2023-09 address investor requests for enhanced income tax information primarily through changes to the rate reconciliation and income taxes paid information. Adoption is required for annual periods beginning after December 15, 2024. In fiscal 2025, the Company adopted the new accounting pronouncement ASU 2023-09 in the current period and retrospectively. The adoption of ASU 2023-09 did not have a material impact on the Company's consolidated financial statements as the requirements impact only annual income tax reporting disclosures in the Notes to the Company's consolidated financial statements. Refer to "Note 5. Income Taxes" for additional information.

In November 2024, the FASB issued ASU 2024-03, "Expense Disaggregation Disclosures (Topic 220): Disaggregation of Income Statement Expenses" ("ASU 2024-03"), which requires public entities to disclose additional information that disaggregates certain expense captions into specified categories in the Notes to the consolidated financial statements. The new standard is effective for fiscal years beginning after December 15, 2026, and interim periods after December 15, 2027, with early adoption permitted. The disclosure updates are required to be applied prospectively with the option for retrospective application. The Company is currently evaluating the impact the amended guidance will have on its disclosures.

In September 2025, the FASB issued ASU 2025-06, "Intangibles – Goodwill and Other Internal-Use Software: Targeted Improvements to the Accounting for Internal-Use Software" ("ASU 2025-06"), which amends the guidance in ASC 350 to revise the criteria for when an entity is required to start capitalizing software costs and requires an entity to consider whether there is significant uncertainty associated with the development activities of the software when evaluating the probable-to-complete recognition threshold. ASU 2025-06 is required to be adopted in the annual reporting periods beginning after December 15, 2027, including interim periods within those annual reporting periods, with early adoption permitted. The Company is currently evaluating the impact the amended guidance will have on its consolidated financial statements and related disclosures.

In November 2025, the FASB issued ASU 2025-11, "Interim Reporting (Topic 270): Narrow-Scope Improvements" ("ASU 2025-11"), which amends the guidance in ASC 270 to clarify the applicability of interim disclosure requirements and enhance the navigability of the existing guidance. ASU 2025-11 provides a comprehensive list of required interim disclosures and establishes a new disclosure principle requiring entities to disclose events that occur after the end of the last annual reporting period. The new standard is effective for interim periods within annual reporting periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the impact the amended guidance will have on its consolidated financial statements and related disclosures.

3. Property and Equipment, net

Property and equipment, net, consists of the following (in thousands):

	January 31, 2026	February 1, 2025
Buildings	$ —	$ 4,849
Leasehold improvements	146,979	136,491
Furniture, fixtures and equipment	146,181	144,321
Computer equipment	62,289	59,993
Construction in progress	856	2,457
	356,305	348,111
Accumulated depreciation	(301,921)	(297,396)
	$ 54,384	$ 50,715

4. Revolving Credit Facility

In October 2011, the Company entered into a five-year, $50 million credit facility with Bank of America. The facility was amended in August 2015, May 2020 and April 2021 to modify terms and extend the maturity dates. The facility was further amended on April 10, 2025 to extend the maturity date to April 10, 2030. The amended facility provides a $75 million credit commitment and a $25 million uncommitted “accordion” feature that under certain circumstances could allow the Company to increase the size of the facility to $100 million.

The facility is secured by the Company’s inventory, accounts receivable and related assets, but not its real estate, fixtures and equipment, and it contains one financial covenant, a fixed charge coverage ratio, which is applicable and tested only in certain circumstances. The facility has an unused commitment fee of 0.25% and permits the payment of cash dividends subject to certain limitations.

Borrowings under the credit facility bear interest (a) for SOFR Loans, at a rate equal to the SOFR Rate plus a SOFR adjustment equal to 0.10% plus either 1.50%, 1.75% or 2.00%, or (b) for Base Rate Loans, at a rate equal to the highest of (i) the prime rate, (ii) the Federal Funds Rate plus 0.5% and (iii) the Terms SOFR Rate plus 1.0%, plus, in each case either 0.50%, 0.75% or 1.00%, based in any such case on the average daily availability for borrowings under the facility.

As of January 31, 2026, the Company had no borrowings under the credit facility and $2.2 million of letters of credit outstanding.

5. Income Taxes

Income tax (expense) benefit consists of the following (in thousands):

	Fiscal Year		
	2025	2024	2023
Current:			
Federal	$ (160)	$ (275)	$ 2,025
State	(34)	(420)	(329)
Total current	(194)	(695)	1,696
Deferred:			
Federal	(102)	(2,266)	2,635
State	—	(2,875)	(424)
Total deferred	(102)	(5,141)	2,211
Total income tax (expense) benefit	$ (296)	$ (5,836)	$ 3,907

Income tax (expense) benefit computed using the federal statutory rate is reconciled to the reported income tax (expense) benefit as follows (in thousands):

	Fiscal year					
	2025		2024		2023	
	Rate	(Expense) / Benefit	Rate	(Expense) / Benefit	Rate	(Expense) / Benefit
Statutory rate applied to income before income taxes	21%	$ (1,165)	21%	$ 7,840	21%	$ 3,337
State income taxes, net of federal benefit *	5%	(292)	3%	1,109	2%	240
State tax credits, net of federal benefit	32%	(1,775)	(3)%	(1,001)	(1)%	(167)
General business credits, net of nondeductible expenses	(20)%	1,130	3%	1,235	11%	1,840
Nondeductible compensation	6%	(364)	0%	(46)	0%	—
Excess (deficit) tax benefits from stock-based compensation	(4)%	220	0%	(96)	(3)%	(519)
Valuation Allowance	(37)%	2,028	(39)%	(14,582)	(5)%	(774)
Changes in tax rates	3%	(150)	0%	42	0%	—
Nondeductible or nontaxable items	1%	(52)	0%	(47)	0%	—
Changes in Unrecognized tax benefits	0%	(2)	0%	—	0%	—
Other	(2)%	126	(1)%	(290)	0%	(50)
Income tax (expense) benefit	5%	$ (296)	(16)%	$ (5,836)	25%	$ 3,907

* The only state that contributes to the majority (greater than 50%) of the tax effect in this category is Louisiana.

Deferred tax assets and deferred tax liabilities consist of the following (in thousands):

	January 31, 2026	February 1, 2025
Deferred tax assets:		
Inventory capitalization	$ 1,863	$ 1,930
Vacation liability	24	395
Operating lease liabilities	56,683	55,247
State tax credits	767	1,597
Federal tax credits	2,938	1,518
Stock compensation	685	545
Insurance liabilities	554	366
Research and development	150	2,227
Net operating loss and charitable contribution carryforwards	14,815	10,097
Other	606	585
Subtotal deferred tax assets	79,085	74,507
Less: Valuation allowance - net	(15,436)	(16,519)
Total deferred tax assets	63,649	57,988
Deferred tax liabilities:		
Right of use asset	(55,072)	(52,935)
Book and tax depreciation differences	(8,398)	(4,783)
Prepaid expenses	(424)	(412)
Total deferred tax liabilities	(63,894)	(58,130)
Net deferred tax (liability) asset	$ (245)	$ (142)

The following table summarizes (receipts) payments of income taxes in fiscal 2025 (in thousands):

	Fiscal Year 2025
Federal	$ (1,710)
State	
North Carolina	10
Georgia	9
Kentucky	9
Other (net of refunds)	(17)
Total (receipts) payments of income taxes	$ (1,699)

The Company files income tax returns in U.S. federal and state jurisdictions where it does business and is subject to examinations by the Internal Revenue Service ("IRS") and other taxing authorities. With a few exceptions, the Company is no longer subject to U.S. federal and state income tax examinations by tax authorities for years prior to fiscal 2021. The Company reviews and assesses uncertain tax positions, if any, with recognition and measurement of tax benefit based on a "more-likely-than-not" standard with respect to the ultimate outcome, regardless of whether this assessment is favorable or unfavorable. As of January 31, 2026, there were no material benefits taken on the Company's income tax returns that do not qualify for financial statement recognition. If a tax position does not meet the minimum statutory threshold to avoid payment of penalties and interest, a company is required to recognize an expense for the amount of the interest and penalty in the period in which the company claims or expects to claim the position on its tax return. For financial statement purposes, companies are allowed to elect whether to classify such charges as either income tax expense or another expense classification. Should such expense be incurred in the future, the Company will classify such interest as a component of interest expense and penalties as a component of income tax expense.

At January 31, 2026, the Company had income tax net operating loss ("NOL") carryforwards for federal purposes of $58.5 million (gross) and for state purposes of $2.5 million (tax effected), which are available to offset future state taxable income. The federal tax NOL carryforwards have an indefinite carryforward, but are limited to offsetting 80% of taxable income in future years. State NOL rules vary by jurisdiction with respect to carryforward periods, utilization limits, and eligibility requirements. Depending on the state, carryforward periods generally range from 5 to 20 years, while certain states conform to federal rules and allow indefinite carryforwards for post-2017 NOLs. Utilization of these NOLs may be subject to annual limitations under Section 382 of the Internal Revenue Code ("IRC") if the Company experiences an "ownership change," as defined in the IRC. An ownership change generally occurs when the aggregate stock ownership of certain significant shareholders increases by more than 50 percentage points over a rolling three-year period. The Company has performed an analysis under Section 382 and determined that prior ownership changes have resulted in certain annual limitations on the future use of its NOLs. These limitations may restrict the Company's ability to offset future taxable income with pre-change NOLs, potentially resulting in increased cash tax liabilities in future periods. Management will continue to monitor equity transactions and other events that could trigger additional ownership changes and further limit the Company's ability to utilize its NOLs.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible and income tax credits may be utilized, management believes sufficient negative evidence exists to require a valuation allowance. We intend to maintain a valuation allowance until sufficient positive evidence exists to support its reversal, resulting in no deferred tax asset balance being recognized. In accordance with ASC 740 "Accounting for Income Taxes" ("ASC 740"), the Company evaluates deferred income tax assets quarterly to determine if valuation allowances are required or should be adjusted. ASC 740 requires that companies assess whether valuation allowances should be established against their deferred tax assets based on consideration of all available evidence, both positive and negative, using a "more likely than not" standard. The analysis that the Company prepared to determine the valuation allowance required significant judgment and assumptions regarding future market conditions, as well as forecasts for profits, taxable income, and taxable income by jurisdiction. Due to the sensitivity of the analysis, changes to the assumptions in subsequent periods could have a material effect on the valuation allowance. At January 31, 2026 and February 1, 2025, the Company had a full valuation allowance on its deferred tax assets. Based on an evaluation in accordance with the accounting standards, as of January 31, 2026, the valuation allowance established against the entire net deferred tax asset totaled $15.4 million.

The effective income tax rate for fiscal 2025, 2024 and 2023 included the recognition of benefits arising from various federal and state tax credits. Under current IRS and state income tax regulations, these credits may be carried back for one year or carried forward for periods up to 20 years. The income tax benefit included $0.0 million, $0.0 million, and $2.2 million related to such credits in each of fiscal 2025, 2024 and 2023, respectively. The credits generated for fiscal year 2025 and fiscal year 2024 were recorded with a full valuation allowance.

6. Stockholders' Equity

Repurchases of common stock

The Company periodically repurchases shares of its common stock under board-authorized repurchase programs. Such repurchases may be made in the open market, through block trades or through other negotiated transactions. Share repurchases are as follows (in thousands, except per share data):

	Fiscal Year		
	2025	2024	2023
Total number of shares purchased	251	145	—
Average price paid per share (including commissions)	$ 25.21	$ 25.99	$ —
Total investment	$ 6,315	$ 3,777	$ —

At January 31, 2026, $40.0 million remained available under the Company's previously announced stock repurchase authorization.

Stock-Based Compensation

The Company maintains the Citi Trends, Inc. Incentive Plan (the "Plan") which permits the grant of stock-based incentive awards to employees, officers, directors and consultants. The Plan provides for the grant of incentive and nonqualified options, stock appreciation rights, restricted stock, restricted stock units, performance awards and other forms of stock-based and cash-settled equity compensation. At January 31, 2026, the Company had 694,570 shares reserved for future grants under the Plan. During fiscal 2025, 2024 and 2023, non-cash stock-based compensation expense recorded in selling and general and administrative expenses totaled $5.4 million, $3.3 million and $4.1 million, respectively. The income tax expense resulting from the fair market value of restricted stock at vesting versus the cumulative compensation cost of such stock is recorded as a component of income tax expense and was $0.2 million, $0.1 million and $0.5 million, respectively.

The Company issues shares of restricted stock to key team members and non-employee directors. Restricted stock granted to employees vests in equal installments over three years from the date of grant. Restricted stock granted to non-employee directors vests one year from the date of grant.

The Company also issues performance-based restricted stock units ("PSUs") to key team members that cliff vest at the end of a three-year period based upon the Company's achievement of pre-established goals. The number of units earned and vested is subject to scaling based on a pre-established performance matrix.

On November 18, 2024, the Company granted a performance-based restricted stock award to the Chief Executive Officer. The total number of shares earned depends on the attainment of predefined average stock price targets measured over rolling 45-trading-day periods during the performance period ending November 15, 2027. Earned shares vest annually over a period extending through November 15, 2028. The Company estimated the fair value of the awards using a Monte Carlo simulation including the following assumptions:

Stock Price on grant date	$16.33
Risk-free interest rate	4.21%
Expected volatility (annualized)	62.90%
Dividend yield	0%

The risk-free interest rate was derived from the continuously compounded yield of zero-coupon U.S. Treasury STRIPS. The expected volatility is based on the Company's historical daily stock price movements for a period equal to the simulation term. The dividend yield was based on the Company's recent dividend history. The total grant date fair value of the award was $3.36 million, or $10.45 per share.

The fair value associated with each tranche of the award will be recognized, straight-line, over the requisite service period for that tranche. Failure to meet the market conditions for an award does not result in reversal of previously recognized expense, so long as the required service period condition is met. The Company recognized $1.5 million and $0.3 million of expense related to the award in fiscal 2025 and fiscal 2024, respectively.

The following tables summarize activity related to nonvested restricted stock and PSUs and performance-based restricted stock during fiscal 2025:

	Time-Based Restricted Stock	
	Nonvested Shares	Weighted Average Grant Date Fair Value
Outstanding as of February 1, 2025	334,083	$ 20.15
Granted	64,468	$ 25.62
Vested	(151,716)	$ 21.21
Forfeited	(26,464)	$ 19.66
Outstanding as of January 31, 2026	220,371	$ 21.07

	Performance-Based Restricted Stock	
	Nonvested Shares	Weighted Average Grant Date Fair Value
Outstanding as of February 1, 2025	321,502	$ 10.45
Granted	—	$ —
Vested	(52,244)	$ 10.45
Outstanding as of January 31, 2026	269,258	$ 10.45

	Performance-Based Restricted Stock Units	
	Nonvested Units	Weighted Average Grant Date Fair Value
Outstanding as of February 1, 2025	89,981	$ 20.06
Granted	189,256	$ 24.15
Vested	—	$ —
Forfeited	(15,578)	$ 21.46
Outstanding as of January 31, 2026	263,659	$ 22.91

At January 31, 2026, there was $4.5 million of unrecognized compensation expense related to restricted stock, and $3.3 million of unrecognized compensation expense related to our PSUs.

7. Commitments and Contingencies

The Company is, from time to time, involved in legal proceedings arising in the ordinary course of business, including claims by customers, employees, or former employees and matters relating to real estate and contractual disputes. Once it becomes probable that the Company will incur costs in connection with a legal proceeding and such costs can be reasonably estimated, it establishes appropriate reserves.

In connection with the January 2023 cyber disruption previously disclosed in the Company's Form 8-K filed on February 23, 2023, four putative class action lawsuits were filed against the Company in the United States District Court for the Southern District of Georgia (the "Court"). These matters, Matousek et al v. Citi Trends, Inc.; Sienna Thomas v. Citi Trends, Inc.; Yeimy Sambrano v. Citi Trends, Inc.; Sabrina Green-Fogg v. Citi Trends, Inc. were filed in the second half of 2023, and consolidated into one case by the Court on November 8, 2023. The plaintiffs allege harm in connection with the January 2023 cyber disruption and assert a variety of claims seeking unspecified monetary damages and other related relief. A consolidated class action complaint was filed on February 15, 2024, adding an additional plaintiff, Shykira Scott. The Company has successfully settled these class actions without any admission of liability. In addition, the Attorneys General of Alabama, Connecticut, Indiana and Texas sent inquiry letters to the Company regarding the January 2023 cyber disruption, which the Company has answered.

These class actions were resolved in fiscal 2025. The Company is unable to predict whether it may be subject to other lawsuits, claims or inquiries.

While legal proceedings are subject to inherent uncertainties and the outcomes cannot be predicted. Based on currently available information, the Company does not believe that the resolution of any pending or threatened legal matters is reasonably likely to have a material adverse effect on its financial condition, results of operations, or liquidity. However, it is possible that future developments could result in losses that are material in a particular period.

The Company is also party to purchase obligations for open merchandise orders of $161.7 million that is due within 12 months.

8. Leases

The Company leases its retail store locations, its distribution centers and certain office space and equipment. Leases for store locations are typically for a term of five years with options to extend for one or more five-year periods.

The Company analyzes all leases at inception to determine if a right-of-use asset and lease liability should be recognized. Leases with an initial term of 12 months or less and leases with mutual termination clauses are not included on the consolidated balance sheets. The lease liability is measured at the present value of future lease payments as of the lease commencement date.

Total lease cost is comprised of operating lease costs, short-term lease costs and variable lease costs, which include rent paid as a percentage of sales, common area maintenance, real estate taxes and insurance for the Company's real estate leases. Lease costs consisted of the following (in thousands):

	Fiscal Year		
	2025	2024	2023
Operating lease cost	$ 61,640	$ 61,227	$ 62,163
Variable lease cost	12,719	11,061	11,070
Short term lease cost	1,635	2,241	1,598
Total lease cost	$ 75,994	$ 74,529	$ 74,831

Future minimum lease payments as of January 31, 2026 are as follows (in thousands):

Fiscal Year		Lease Costs	
2026	$	63,477	
2027		51,588	
2028		42,083	
2029		32,612	
2030		22,216	
Thereafter		97,927	
Total future minimum lease payments		309,903	
Less: imputed interest		(86,585)	(1)
Total present value of lease liabilities	$	223,318	(2)

(1) Calculated using the incremental borrowing rate for each lease.

(2) Includes short-term and long-term portions of operating leases.

Certain operating leases provide for fixed monthly rents, while others provide for contingent rents computed as a percentage of net sales and others provide for a combination of both fixed monthly rents and contingent rents computed as a percentage of net sales.

Supplemental cash flow and other information related to operating leases are as follows (in thousands, except for weighted average amounts):

	Fiscal Year		
	2025	2024	2023
Cash paid for operating leases	$ 63,261	$ 62,582	$ 68,371
Right of use assets obtained in exchange for new operating lease liabilities	$ 55,634	$ 33,183	$ 27,836
Weighted average remaining lease term (years) - operating leases	6.86	7.26	7.54
Weighted average discount rate - operating leases	6.12%	5.61%	5.04%

9. Segment Reporting

The Company is the leading off-price value retailer of fashion apparel, accessories and home trends primarily for Black families. The retail operations represent a single operating segment based on the way the Company manages its business. The Company's Chief Executive Officer, as our chief operating decision maker ("CODM"), manages and allocates resources to the operations of the Company on a consolidated basis. This enables the Chief Executive Officer to assess the Company's overall level of available resources and determine how best to deploy these resources across retail stores that are in line with the Company's long-term company-wide strategic goals. The Company's retail stores sell similar products, use similar processes to sell those products, and sell their products to similar classes of customers. All sales and assets are located within the United States. The CODM assesses performance based on consolidated net (loss) income that is reported on the statement of operations as part of the annual budgeting and forecasting process. The CODM considers budget-to-actual variances on a monthly basis when making decisions about allocating capital and personnel. The CODM does not review assets in evaluating results, therefore such information is not provided.

The following table summarizes the Company's one reportable segment profit or loss, including significant segment expenses, and includes the reconciliation to consolidated net income (loss) (in thousands):

	Fiscal Year		
	2025	2024	2023
Net sales	$ 819,962	$ 753,079	$ 747,941
Cost of sales (exclusive of depreciation shown separately below)			
Merchandising and other	(452,734)	(430,300)	(418,103)
Freight in and out	(42,586)	(40,736)	(44,721)
Selling, general, and administrative expenses			
Store expenses - payroll and related expenses	(94,579)	(91,558)	(90,405)
Store expenses - rent	(67,648)	(66,660)	(67,110)
Corporate expenses - payroll and related expenses	(28,808)	(29,614)	(26,189)
Distribution center expenses - payroll and related expenses	(17,787)	(16,686)	(17,412)
Other segment expenses [1]	(104,349)	(95,655)	(83,414)
Depreciation	(18,482)	(18,822)	(18,990)
Asset impairment	(579)	(2,536)	(1,051)
Gain on sale of building	10,960	—	—
Gain on insurance	482	—	—
Interest income	1,993	2,473	3,874
Interest expense	(342)	(319)	(306)
Income tax (provision) benefit	(296)	(5,836)	3,907
Net income (loss)	$ 5,207	$ (43,170)	$ (11,979)

[1] Other segment expenses represent other store, corporate and distribution center expenses including utilities, repairs, supplies, insurance, professional fees and other miscellaneous fees.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We carried out an evaluation under the supervision and with the participation of management, including the principal executive officer and the principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this Report pursuant to Rules 13a-15 and 15d-15 of the Exchange Act. Based on that evaluation, the principal executive officer and the principal financial officer each concluded that our disclosure controls and procedures are effective to provide reasonable assurance that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information has been accumulated and communicated to our management, including the officers who certify our financial reports, as appropriate, to allow timely decisions regarding the required disclosures.

Our disclosure controls and procedures are designed to provide reasonable assurance that the controls and procedures will meet their objectives. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) of the Securities Exchange Act of 1934, as amended. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Under the supervision and with the participation of management, including our principal executive officer and principal financial officer, we assessed the effectiveness of our internal control over financial reporting as of January 31, 2026, based on the criteria described in *Internal Control—Integrated Framework (2013),* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on this assessment, our management concluded that our internal control over financial reporting was effective based on those criteria as of January 31, 2026.

Our independent registered public accounting firm, Deloitte & Touche LLP, audited the effectiveness of our internal control over financial reporting as of January 31, 2026, as stated in their report which is included herein.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the fourth quarter of fiscal 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Citi Trends, Inc.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Citi Trends, Inc. and subsidiary (the "Company") as of January 31, 2026, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of January 31, 2026, based on criteria established in Internal Control — Integrated Framework (2013) issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended January 31, 2026, of the Company and our report dated April 15, 2026, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP

Atlanta, Georgia

April 15, 2026

ITEM 9B. OTHER INFORMATION

Rule 10b5-1 Trading Plans

During the fourth quarter ended January 31, 2026, no director or officer adopted or terminated any “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408 of Regulation S-K.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this Item with respect to our executive officers and directors, our insider trading policy, compliance by our directors, executive officers and certain beneficial owners of our common stock with Section 16(a) of the Exchange Act, the committees of our board of directors, our audit committee financial expert and our code of ethics is incorporated herein by reference to information under the captions entitled “Board of Directors and Corporate Governance,” “Executive Officers,” “Executive Compensation,” and “Delinquent Section 16(a) Reports” in our definitive proxy statement for our 2026 Annual Meeting of Stockholders (or will be filed by amendment to this Report).

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item is incorporated herein by reference to information under the captions entitled “Executive Compensation,” “Board of Directors and Committees of the Board of Directors” and “Compensation Committee Report” in our definitive proxy statement for our 2026 Annual Meeting of Stockholders (or will be filed by amendment to this Report).

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this Item is incorporated herein by reference to the information under the captions entitled “Security Ownership of Certain Beneficial Owners and Management” and “Executive Compensation – Equity Compensation Plan Information” in our definitive proxy statement for our 2026 Annual Meeting of Stockholders (or will be filed by amendment to this Report).

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this Item is incorporated herein by reference to the information under the captions entitled “Certain Relationships and Related Party Transactions” and “Board of Directors and Committees of the Board of Directors” in our definitive proxy statement for our 2026 Annual Meeting of Stockholders (or will be filed by amendment to this Report).

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this Item is incorporated herein by reference to the information under the caption entitled “Ratification of Independent Registered Public Accounting Firm” in our definitive proxy statement for our 2026 Annual Meeting of Stockholders (or will be filed by amendment to this Report).

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

The following information required under this item is filed as part of this report:

(a) Financial Statements. See Part II, Item 8.

(b) Financial Statement Schedules. Other schedules are omitted as they are not applicable or the information is included elsewhere in this Report.

(c) Exhibits:

Exhibit No.	Description
3.1	Third Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on June 7, 2018)
3.2	Fourth Amended and Restated Bylaws (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed with the SEC on October 31, 2022)
4.1	Specimen certificate for shares of common stock, $.01 par value (incorporated by reference to Exhibit 4.1 to Amendment No. 2 to the Company's Registration Statement on Form S-1 (File No. 333-123028) filed with the SEC on April 29, 2005)
4.2	Description of Registrant's Securities (incorporated by reference to Exhibit 4.2 to the Company's Annual Report on Form 10-K filed with the SEC on May 14, 2020)
10.1	Credit Agreement, dated October 27, 2011 among Citi Trends, Inc., as Borrower, its wholly owned subsidiary, as Guarantor, and Bank of America, N.A., as Lender (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended October 29, 2011)
10.2	First Amendment to Credit Agreement, dated as of August 18, 2015, by and among Citi Trends, Inc., as Borrower, Citi Trends Marketing Solutions, Inc., as Guarantor, and Bank of America, N.A., as Lender (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on August 19, 2015)
10.3	Second Amendment to Credit Agreement and Waiver, dated as of May 12, 2020, by and among Citi Trends, Inc., as Borrower, Citi Trends Marketing Solutions, Inc., as Guarantor, and Bank of America, N.A., as Lender (incorporated by reference to Exhibit 10.28 to the Company's Annual Report on Form 10-K filed with the SEC on May 14, 2020)
10.4	Third Amendment to Credit Agreement, dated as of April 15, 2021, by and among the Company, as Borrower, Citi Trends Marketing Solutions, Inc., as Guarantor, and Bank of America, N.A., as Lender (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on April 15, 2021)
10.5	Fourth Amendment to Credit Agreement, dated as of April 10, 2025, by and among Citi Trends, Inc., as Borrower, Citi Trends Marketing Solutions, Inc., as Guarantor, and Bank of America, N.A., as Lender (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on April 15, 2025).
+*10.6	Citi Trends, Inc. Amended and Restated 2021 Incentive Plan, dated as of April 13, 2026
*10.7	Form of Restricted Stock Award Agreement for Employees (2025) under the Citi Trends, Inc. 2021 Incentive Plan (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed with the SEC on September 10, 2025)

Exhibit No.	Description
*10.8	Form of Restricted Stock Award Agreement for Directors under the Citi Trends, Inc. 2021 Incentive Plan (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed with the SEC on September 8, 2021)
*10.9	Form of Performance-Based Restricted Stock Unit Award Agreement for Employees under the Citi Trends, Inc. 2021 Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed with the SEC on September 6, 2023)
*10.10	Form of Performance-Based Restricted Stock Unit Award Agreement for Employees (2025) under the Citi Trends, Inc. 2021 Incentive Plan (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed with the SEC on September 10, 2025)
*10.11	Employment Non-Compete, Non-Solicit and Confidentiality Agreement between the Company and Lisa Powell dated August 16, 2019 (incorporated by reference to Exhibit 10.20 to the Company's Annual Report on Form 10-K filed with the SEC on May 14, 2020)
*10.12	Severance Agreement between the Company and Lisa Powell dated August 16, 2019 (incorporated by reference to Exhibit 10.21 to the Company's Annual Report on Form 10-K filed with the SEC on May 14, 2020)
*10.13	Employment Non-Compete, Non-Solicit and Confidentiality Agreement, dated as of June 27, 2022, between Citi Trends, Inc. and Heather Plutino (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on June 16, 2022)
*10.14	Severance Agreement, dated as of June 27, 2022, between Citi Trends, Inc. and Heather Plutino (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on June 16, 2022)
*10.15	Employment Non-Compete, Non-Solicit and Confidentiality Agreement, dated as of February 15, 2023, between Citi Trends, Inc. and Vivek Bhargava (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed with the SEC on June 7, 2023)
*10.16	Severance Agreement, dated as of February 15, 2023, between Citi Trends, Inc. and Vivek Bhargava (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed with the SEC on June 7, 2023)
*10.17	Employment Non-Compete, Non-Solicit and Confidentiality Agreement, dated as of March 24, 2018, between Citi Trends, Inc. and Kyle Koenig (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed with the SEC on December 11, 2024)
*10.18	Severance Agreement, dated as of March 24, 2018, between Citi Trends, Inc. and Kyle Koenig (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q filed with the SEC on September 11, 2024)
*10.19	Employment Non-Compete, Non-Solicit and Confidentiality Agreement, dated as of September 6, 2024, between Citi Trends, Inc. and Katrina George (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q filed with the SEC on September 11, 2024)
*10.20	Severance Agreement, dated as of September 6, 2024, between Citi Trends, Inc. and Katrina George (incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q filed with the SEC on September 11, 2024)
*10.21	Separation Agreement, dated May 31, 2024 to be effective as of June 1, 2024, between David N. Makuen and Citi Trends, Inc. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on May 31, 2024)
*10.22	Employment Non-Compete, Non-Solicit and Confidentiality Agreement, dated as of November 18, 2024, between Citi Trends, Inc. and Kenneth D. Seipel (incorporated by reference to Exhibit 10.24 to the Company's Annual Report on Form 10-K filed with the SEC on April 16, 2025)

Exhibit No.	Description
*10.23	Severance Agreement, dated as of November 18, 2024, between Citi Trends, Inc. and Kenneth D. Seipel (incorporated by reference to Exhibit 10.25 to the Company's Annual Report on Form 10-K filed with the SEC on April 16, 2025)
*10.24	Performance-Based Restricted Stock Award Agreement, dated as of November 18, 2024, between Citi Trends, Inc. and Kenneth D. Seipel (incorporated by reference to Exhibit 10.26 to the Company's Annual Report on Form 10-K filed with the SEC on April 16, 2025)
10.25	Agreement for Purchase and Sale of Real Property, dated as of March 14, 2022, between Citi Trends, Inc. and an affiliate of Oak Street Real Estate Capital, LLC (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed with the SEC on June 9, 2022)
10.26	Lease Agreement, dated April 19, 2022, between Citi Trends, Inc. and CTDASC001 LLC (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed with the SEC on September 8, 2022)
10.27	Lease Agreement, dated September 6, 2022, between Citi Trends, Inc. and CTROOK2 LLC (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed with the SEC on December 8, 2022)
10.28	Amended and Restated Cooperation Agreement, dated March 25, 2025, by and between Citi Trends, Inc. and Fund 1 Investments, LLC (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on March 27, 2025)
19.1	Citi Trends, Inc. Insider Trading Policy (incorporated by reference to Exhibit 19.1 to the Company's Annual Report on Form 10-K filed with the SEC on April 16, 2025)
+21.1	Subsidiary of the Registrant
+23.1	Consent of Deloitte & Touche LLP
+31.1	Certification of Principal Executive Officer, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
+31.2	Certification of Principal Financial Officer, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
+32.1	Certification of Principal Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
+32.2	Certification of Principal Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
97.1	Citi Trends, Inc. Policy for Recovery of Erroneously Awarded Compensation, adopted December 1, 2023 (incorporated by reference to Exhibit 97.1 to the Company's Annual Report on Form 10-K filed with the SEC on April 18, 2024)
+101	Inline XBRL Document Set for the consolidated financial statements and accompanying notes in Part II, Item 8, "Financial Statements and Supplementary Data" of this Annual Report on Form 10-K
+104	Inline XBRL for the cover page of this Annual Report on Form 10-K, included in the Exhibit 101 Inline XBRL Document Set

\+ Filed herewith

* Indicates management contract or compensatory plan or arrangement.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CITI TRENDS, INC.
(Registrant)

Date: April 15, 2026

By /s/ Kenneth D. Seipel
Kenneth D. Seipel
Chief Executive Officer
(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Kenneth D. Seipel Kenneth D. Seipel	Chief Executive Officer (Principal Executive Officer) and Chairman	April 15, 2026
/s/ Heather Plutino Heather Plutino	Chief Financial Officer (Principal Financial and Accounting Officer)	April 15, 2026
/s/ Pamela Edwards Pamela Edwards	Director	April 15, 2026
/s/ Benjamin Faw Benjamin Faw	Director	April 15, 2026
/s/ David Heath David Heath	Director	April 15, 2026
/s/ Margaret L. Jenkins Margaret L. Jenkins	Director	April 15, 2026
/s/ Michael S. Kvitko Michael S. Kvitko	Director	April 15, 2026
/s/ Charles Liu Charles Liu	Director	April 15, 2026
/s/ Cara Robinson Cara Robinson	Director	April 15, 2026

CITI TRENDS, INC.

AMENDED AND RESTATED 2021 INCENTIVE PLAN

ARTICLE 1

PURPOSE

1.1 GENERAL. The purpose of the Citi Trends, Inc. Amended and Restated 2021 Incentive Plan, as amended from time to time (the "Plan") is to promote the success, and enhance the value, of Citi Trends, Inc. (the "Company"), by linking the personal interests of employees, officers, directors and consultants of the Company or any Affiliate (as defined below) to those of Company stockholders and by providing such persons with an incentive for outstanding performance. The Plan is further intended to provide flexibility to the Company in its ability to motivate, attract, and retain the services of employees, officers, directors and consultants upon whose judgment, interest, and special effort the successful conduct of the Company's operation is largely dependent. Accordingly, the Plan permits the grant of incentive awards from time to time to selected employees, officers, directors and consultants of the Company and its Affiliates.

ARTICLE 2

DEFINITIONS

2.1 DEFINITIONS. When a word or phrase appears in this Plan with the initial letter capitalized, and the word or phrase does not commence a sentence, the word or phrase shall generally be given the meaning ascribed to it in this Section or in Section 1.1 unless a clearly different meaning is required by the context. The following words and phrases shall have the following meanings:

(a) "Affiliate" means (i) any Subsidiary or Parent, or (ii) an entity that directly or through one or more intermediaries controls, is controlled by or is under common control with, the Company, as determined by the Committee.

(b) "Award" means an award of Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Deferred Stock Units, Performance Awards, Other Stock-Based Awards, or any other right or interest relating to Stock or cash, granted to a Participant under the Plan.

(c) "Award Certificate" means a written document, in such form as the Committee prescribes from time to time, setting forth the terms and conditions of an Award. Award Certificates may be in the form of individual award agreements or certificates or a program document describing the terms and provisions of an Award or series of Awards under the Plan.

The Committee may provide for the use of electronic, internet or other non-paper Award Certificates, and the use of electronic, internet or other non-paper means for the acceptance thereof and actions thereunder by a Participant.

(d) "Beneficial Owner" shall have the meaning given such term in Rule 13d-3 of the General Rules and Regulations under the 1934 Act.

(e) "Board" means the Board of Directors of the Company.

(f) "Cause" as a reason for a Participant's termination of employment shall have the meaning assigned such term in the employment, severance or similar agreement, if any, between such Participant and the Company or an Affiliate; provided, however that if there is no such employment, severance or similar agreement in which such term is defined, and unless otherwise defined in the applicable Award Certificate, "Cause" shall mean any of the following acts, as determined in good faith by the Committee: gross neglect of duty; prolonged absence from duty without the consent of the Company; material breach by the Participant of any published Company code of conduct or code of ethics; intentionally engaging in activity that is in conflict with or adverse to the business or other interests of the Company; or willful misconduct, misfeasance or malfeasance of duty which is reasonably determined to be detrimental to the Company. With respect to a Participant's termination of directorship, "Cause" means an act or failure to act that constitutes cause for removal of a director under applicable Delaware law. The determination of the Committee as to the existence of "Cause" shall be conclusive on the Participant and the Company.

(g) "Change in Control" means and includes the occurrence of any one of the following events:

(i) during any consecutive 12-month period, individuals who, at the beginning of such period, constitute the Board (the "Incumbent Directors") cease for any reason to constitute at least a majority of such Board, provided that any person becoming a director after the beginning of such 12-month period and whose election or nomination for election was approved by a vote of at least a majority of the Incumbent Directors then on the Board shall be an Incumbent Director; provided, however, that no individual initially elected or nominated as a director of the Company as a result of an actual or threatened election contest with respect to the election or removal of directors ("Election Contest") or other actual or threatened solicitation of proxies or consents by or on behalf of any Person other than the Board ("Proxy Contest"), including by reason of any agreement intended to avoid or settle any Election Contest or Proxy Contest, shall be deemed an Incumbent Director; or

(ii) any Person becomes a Beneficial Owner, directly or indirectly, of either (A) 50% or more of the then-outstanding shares of common stock of the Company ("Company Common Stock") or (B) securities of the Company representing 50% or more of the combined voting power of the Company's then outstanding securities eligible to vote for the election of directors (the "Company Voting Securities"); provided, however, that for purposes of this subsection (ii), the following acquisitions of Company Common Stock or Company Voting Securities shall not constitute a Change in Control: (w) an acquisition directly from the Company, (x) an acquisition by the Company or a Subsidiary, (y) an acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Subsidiary, or (z) an acquisition pursuant to a Non-Qualifying Transaction (as defined in subsection (iii) below); or

(iii) the consummation of a reorganization, merger, consolidation, statutory share exchange or similar form of corporate transaction involving the Company or a Subsidiary (a "Reorganization"), or the sale or other disposition of all or substantially all of the Company's assets (a "Sale") or the acquisition of assets or stock of another corporation or other entity (an "Acquisition"), unless immediately following such Reorganization, Sale or Acquisition: (A) all or substantially all of the individuals and entities who were the Beneficial Owners, respectively, of the outstanding Company Common Stock and outstanding Company Voting Securities immediately prior to such Reorganization, Sale or Acquisition beneficially own, directly or indirectly, more than 33% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the entity resulting from such Reorganization, Sale or Acquisition (including, without limitation, an entity which as a result of such transaction owns the Company or all or substantially all of the Company's assets or stock either directly or through one or more subsidiaries, the "Surviving Entity") in substantially the same proportions as their ownership, immediately prior to such Reorganization, Sale or Acquisition, of the outstanding Company Common Stock and the outstanding Company Voting Securities, as the case may be, and (B) no Person (other than (x) the Company or any Subsidiary, (y) the Surviving Entity or its ultimate parent entity, or (z) any employee benefit plan (or related trust) sponsored or maintained by any of the foregoing is the Beneficial Owner, directly or indirectly, of 33% or more of the total common stock or 33% or more of the total voting power of the outstanding voting securities eligible to elect directors of the Surviving Entity, and (C) at least a majority of the members of the board of directors of the Surviving Entity were Incumbent Directors at the time of the Board's approval of the execution of the initial agreement providing for such Reorganization, Sale or Acquisition (any Reorganization, Sale or Acquisition which satisfies all of the criteria specified in (A), (B) and (C) above shall be deemed to be a "Non-Qualifying Transaction"); or

(iv) approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

(h) "Code" means the Internal Revenue Code of 1986, as amended from time to time. For purposes of this Plan, references to sections of the Code shall be deemed to include references to any applicable regulations thereunder and any successor or similar provision.

(i) "Committee" means the committee of the Board described in Article 4.

(j) "Company" means Citi Trends, Inc., a Delaware corporation, or any successor corporation.

(k) "Continuous Service" means the absence of any interruption or termination of service as an employee, officer, director or consultant of the Company or any Affiliate, as applicable; provided, however, that for purposes of an Incentive Stock Option "Continuous Service" means the absence of any interruption or termination of service as an employee of the Company or any Parent or Subsidiary, as applicable, pursuant to applicable tax regulations. Continuous Service shall not be considered interrupted in the following cases: (i) a Participant transfers employment between the Company and an Affiliate or between Affiliates, (ii) in the discretion of the Committee as specified at or prior to such occurrence, in the case of a spin-off, sale or disposition of the Participant's employer from the Company or any Affiliate, (iii) a Participant transfers from being an employee of the Company or an Affiliate to being a director of the Company or of an Affiliate, or vice versa, (iv) in the discretion of the Committee as specified at or prior to such occurrence, a Participant transfers from being an employee of the Company or an Affiliate to being a consultant to the Company or of an Affiliate, or vice versa, or (v) any leave of absence authorized in writing by the Company prior to its commencement; provided, however, that for purposes of Incentive Stock Options, no such leave may exceed 90 days, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Company is not so guaranteed, on the 91st day of such leave any Incentive Stock Option held by the Participant shall cease to be treated as an Incentive Stock Option and shall be treated for tax purposes as a Nonstatutory Stock Option. Whether military, government or other service or other leave of absence shall constitute a termination of Continuous Service shall be determined in each case by the Committee at its discretion, and any determination by the Committee shall be final and conclusive; provided, however, that for purposes of any Award that is subject to Code Section 409A, the determination of a leave of absence must comply with the requirements of a "bona fide leave of absence" as provided in Treas. Reg. Section 1.409A-1(h).

(l) "Deferred Stock Unit" means a right granted to a Participant under Article 9 to receive Shares (or the equivalent value in cash or other property if the Committee so provides) at a future time as determined by the Committee, or as determined by the Participant within guidelines established by the Committee in the case of voluntary deferral elections.

(m) "Disability" of a Participant means that the Participant (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Participant's employer. If the determination of Disability relates to an Incentive Stock Option, Disability means Permanent and Total Disability as defined in Section 22(e)(3) of the Code. In the event of a dispute, the determination of whether a Participant has incurred a Disability will be made by the Committee and may be supported by the advice of a physician competent in the area to which such Disability relates.

(n) "Dividend Equivalent" means a right granted with respect to an Award pursuant to Article 11.

(o) "Effective Date" has the meaning assigned such term in Section 3.1.

(p) "Eligible Participant" means an employee (including a leased employee), officer, director or consultant of the Company or any Affiliate.

(q) "Exchange" means any national securities exchange on which the Stock may from time to time be listed or traded.

(r) "Fair Market Value," on any date, means the closing sales price on the Exchange on such date or, in the absence of reported sales on such date, the closing sales price on the immediately preceding date on which sales were reported. The Committee is authorized to adopt another fair market value pricing method, provided such method is stated in the Award Certificate, and is in compliance with the fair market value pricing rules set forth in Section 409A of the Code.

(s) "Full-Value Award" means an Award other than in the form of an Option or SAR, and which is settled by the issuance of Stock (or at the discretion of the Committee, settled in cash valued by reference to Stock value).

(t) "Good Reason" (or similar term denoting constructive termination) has the meaning, if any, assigned such term in the employment, consulting, severance or similar agreement, if any, between a Participant and the Company or an Affiliate; provided, however, that if there is no such employment, consulting, severance or similar agreement in which such term is defined, "Good

Reason" shall have the meaning, if any, given such term in the applicable Award Certificate. If not defined in either such document, the term "Good Reason" as used herein shall not apply to a particular Award.

(u) "Grant Date" of an Award means the first date on which all necessary corporate action has been taken to approve the grant of the Award as provided in the Plan, or such later date as is determined and specified as part of that authorization process. Notice of the grant shall be provided to the grantee within a reasonable time after the Grant Date.

(v) "Incentive Stock Option" means an Option that is intended to be an incentive stock option and meets the requirements of Section 422 of the Code or any successor provision thereto.

(w) "Independent Directors" means those members of the Board who qualify at any given time as an "independent" director under the applicable rules of each Exchange on which the Shares are listed, and as a "non-employee" director under Rule 16b-3 of the 1934 Act.

(x) "Non-Employee Director" means a director of the Company who is not a common law employee of the Company or an Affiliate.

(y) "Nonstatutory Stock Option" means an Option that is not an Incentive Stock Option.

(z) "Option" means a right granted to a Participant under Article 7 of the Plan to purchase Stock at a specified price during specified time periods. An Option may be either an Incentive Stock Option or a Nonstatutory Stock Option.

(aa) "Other Stock-Based Award" means a right, granted to a Participant under Article 12, that relates to or is valued by reference to Stock or other Awards relating to Stock.

(bb) "Parent" means a corporation, limited liability company, partnership or other entity which owns or beneficially owns a majority of the outstanding voting stock or voting power of the Company. Notwithstanding the above, with respect to an Incentive Stock Option, Parent shall have the meaning set forth in Section 424(e) of the Code.

(cc) "Participant" means an Eligible Participant who has been granted an Award under the Plan; provided that in the case of the death of a Participant, the term "Participant" refers to a beneficiary designated pursuant to Section 13.4 or the legal guardian or other legal representative acting in a fiduciary capacity on behalf of the Participant under applicable state law and court supervision.

(dd) "Performance Award" means an Award granted pursuant to Article 10.

(ee) "Person" means any individual, entity or group, within the meaning of Section 3(a)(9) of the 1934 Act and as used in Section 13(d)(3) or 14(d)(2) of the 1934 Act.

(ff) "Plan" means the Citi Trends, Inc. 2021 Incentive Plan, as amended from time to time.

(gg) "Prior Plan" means the Citi Trends, Inc. 2012 Incentive Plan, as amended from time to time.

(hh) "Restricted Stock" means Stock granted to a Participant under Article 9 that is subject to certain restrictions and to risk of forfeiture.

(ii) "Restricted Stock Unit" means the right granted to a Participant under Article 9 to receive shares of Stock (or the equivalent value in cash or other property if the Committee so provides) in the future, which right is subject to certain restrictions and to risk of forfeiture.

(jj) "Shares" means shares of the Company's Stock. If there has been an adjustment or substitution with respect to the Shares (whether or not pursuant to Article 14, the term "Shares" shall also include any shares of stock or other securities that are substituted for Shares or into which Shares are adjusted.

(kk) "Stock" means the $0.01 par value common stock of the Company and such other securities of the Company as may be substituted for Stock pursuant to Article 14.

(ll) "Stock Appreciation Right" or "SAR" means a right granted to a Participant under Article 8 to receive a payment equal to the difference between the Fair Market Value of a Share as of the date of exercise of the SAR over the base price of the SAR, all as determined pursuant to Article 8.

(mm) "Subsidiary" means any corporation, limited liability company, partnership or other entity, domestic or foreign, of which a majority of the outstanding voting stock or voting power is beneficially owned directly or indirectly by the Company. Notwithstanding the above, with respect to an Incentive Stock Option, Subsidiary shall have the meaning set forth in Section 424(f) of the Code.

(nn) "1933 Act" means the Securities Act of 1933, as amended from time to time.

(oo) "1934 Act" means the Securities Exchange Act of 1934, as amended from time to time.

ARTICLE 3

EFFECTIVE TERM OF PLAN

3.1 EFFECTIVE DATE. The Plan was originally approved by the Board on April 9, 2021, and became effective on June 2, 2021, the date that it was originally approved by the Company's stockholders (the "Effective Date").

3.2 TERM OF PLAN. Unless earlier terminated as provided herein, the Plan shall continue in effect until the tenth (10th) anniversary of the Effective Date or, if the stockholders approve an amendment to the Plan that increases the number of Shares subject to the Plan, the tenth (10th) anniversary of the date of such approval. The termination of the Plan on such date shall not affect the validity of any Award outstanding on the date of termination, which shall continue to be governed by the applicable terms and conditions of the Plan. Notwithstanding the foregoing, no Incentive Stock Options may be granted after April 9, 2031.

ARTICLE 4

ADMINISTRATION

4.1 COMMITTEE. The Plan shall be administered by a Committee appointed by the Board (which Committee shall consist of at least two directors) or, at the discretion of the Board from time to time, the Plan may be administered by the Board. Unless and until changed by the Board, the Compensation Committee of the Board is designated as the Committee to administer the Plan. It is intended that at least two of the directors appointed to serve on the Committee shall be Independent Directors and that any such members of the Committee who do not so qualify shall abstain from participating in any decision to make or administer Awards that are made to Eligible Participants who at the time of consideration for such Award are persons subject to the short-swing profit rules of Section 16 of the 1934 Act. However, the mere fact that a Committee member shall fail to qualify as an Independent Director or shall fail to abstain from such action shall not invalidate any Award made by the Committee which Award is otherwise validly made under the Plan. The members of the Committee shall be appointed by, and may be changed at any time and from time to time in the discretion of, the Board. The Board may reserve to itself any or all of the authority and responsibility of the Committee under the Plan or may act as administrator of the Plan for any and all purposes. To the extent the Board has reserved any authority and responsibility or during any time that the Board is acting as administrator of the Plan, it shall have all the powers and protections of the Committee hereunder, and any reference herein to the Committee (other than in this Section 4.1) shall include the Board. To the extent any action of the Board under the Plan conflicts with actions taken by the Committee, the actions of the Board shall control.

4.2 ACTION AND INTERPRETATIONS BY THE COMMITTEE. For purposes of administering the Plan, the Committee may from time to time adopt rules, regulations, guidelines and procedures for carrying out the provisions and purposes of the Plan and make such other determinations, not inconsistent with the Plan, as the Committee may deem appropriate. The Committee may correct any defect, supply any omission or reconcile any inconsistency in the Plan or in any Award in the manner and to the extent it deems necessary to carry out the intent of the Plan. The Committee's interpretation of the Plan, any Awards granted under the Plan, any Award Certificate and all decisions and determinations by the Committee with respect to the Plan are final, binding, and conclusive on all parties and shall be given the maximum deference permitted by applicable law. Each member of the Committee is entitled to, in good faith, rely or act upon any report or other information furnished to that member by any officer or other employee of the Company or any Affiliate, the Company's or an Affiliate's independent certified public accountants, Company counsel or any executive compensation consultant or other professional retained by the Company or the Committee to assist in the administration of the Plan. No member of the Committee will be liable for any good faith determination, act or omission in connection with the Plan or any Award.

4.3 AUTHORITY OF COMMITTEE. Except as provided in Sections 4.1 and 4.4 hereof, the Committee has the exclusive power, authority and discretion to:

(a) Grant Awards;

(b) Designate Participants;

(c) Determine the type or types of Awards to be granted to each Participant;

(d) Determine the number of Awards to be granted and the number of Shares or dollar amount to which an Award will relate;

(e) Determine the terms and conditions of any Award granted under the Plan;

(f) Prescribe the form of each Award Certificate, which need not be identical for each Participant;

(g) Decide all other matters that must be determined in connection with an Award;

(h) Establish, adopt or revise any rules, regulations, guidelines or procedures as it may deem necessary or advisable to administer the Plan;

(i) Make all other decisions and determinations that may be required under the Plan or as the Committee deems necessary or advisable to administer the Plan;

(j) Amend the Plan or any Award Certificate as provided herein; and

(k) Adopt such modifications, procedures, and subplans as may be necessary or desirable to comply with provisions of the laws of the United States or any non-U.S. jurisdictions in which the Company or any Affiliate may operate, in order to assure the viability of the benefits of Awards granted to participants located in the United States or such other jurisdictions and to further the objectives of the Plan.

4.4 DELEGATION. The Committee may delegate to one or more of its members or to one or more officers of the Company or an Affiliate or to one or more agents or advisors such administrative duties or powers as it may deem advisable, and the Committee or any individuals to whom it has delegated duties or powers as aforesaid may employ one or more individuals to render advice with respect to any responsibility the Committee or such individuals may have under this Plan. In addition, the Committee may, by resolution, expressly delegate to one or more of its members or to one or more officers of the Company, the authority, within specified parameters as to the number and terms of Awards, to (i) designate officers and/or employees of the Company or any of its Affiliates to be recipients of Awards under the Plan, and (ii) to determine the number of such Awards to be received by any such Participants; provided, however, that such delegation of duties and responsibilities may not be made with respect to the grant of Awards to eligible participants who are subject to Section 16(a) of the 1934 Act at the Grant Date. The acts of such delegates shall be treated hereunder as acts of the Committee and such delegates shall report regularly to the Committee regarding the delegated duties and responsibilities and any Awards so granted.

4.5 INDEMNIFICATION. Each person who is or shall have been a member of the Committee, or the Board, or an officer of the Company to whom authority was delegated in accordance with this Article 4, shall be indemnified and held harmless by the Company against and from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action taken or failure to act under the Plan and against and from any and all amounts paid by him or her in settlement thereof, with the Company's approval, or paid by him or her in satisfaction of any judgment in any such action, suit, or proceeding against him or her, provided he or she shall give the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf, unless such loss, cost, liability, or expense is a result of his or her own willful misconduct or except as expressly provided by statute. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's charter or bylaws, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

ARTICLE 5

SHARES SUBJECT TO THE PLAN

5.1 NUMBER OF SHARES. Subject to adjustment as provided in Section 5.2 and Section 14.1, (i) the aggregate number of Shares reserved and available for issuance pursuant to Awards granted under the Plan shall be 1,150,000 Shares, plus the number of shares remaining available for grant under the Prior Plan as of the Effective Date (not to exceed 585,000). The maximum number of Shares that may be issued upon exercise of Incentive Stock Options granted under the Plan shall be 200,000. From and after the Effective Date, no further awards shall be granted under the Prior Plan, and the Prior Plan shall remain in effect only so long as awards granted thereunder shall remain outstanding.

5.2 SHARE COUNTING. Shares covered by an Award shall be subtracted from the Plan share reserve as of the Grant Date, but shall be added back to the Plan share reserve or otherwise treated in accordance with this Section 5.2.

(a) To the extent that all or a portion of an Award (or, after the Effective Date, an award granted under the Prior Plan) is canceled, terminates, expires, is forfeited or lapses for any reason (including by reason of failure to meet time-based and/or performance-based vesting requirements), any unissued or forfeited Shares originally subject to the Award (or, after the Effective Date, an award granted under the Prior Plan) will be added back to the Plan share reserve and again be available for issuance pursuant to Awards granted under the Plan.

(b) Shares subject to Awards (or, after the Effective Date, awards granted under the Prior Plan) settled in cash will be added back to the Plan share reserve and again be available for issuance pursuant to Awards granted under the Plan.

(c) Shares withheld or repurchased from a Full-Value Award (or, after the Effective Date, an award other than a stock option or stock appreciation right granted under the Prior Plan) or delivered by a Participant (by either actual delivery or attestation) to satisfy tax withholding requirements will be added back to the Plan share reserve and again be available for issuance pursuant to Awards granted under the Plan.

(d) Shares withheld or repurchased from an Option or a SAR or delivered by a Participant (by either actual delivery or attestation) to satisfy tax withholding requirements will not be added back to the Plan share reserve for issuance pursuant to Awards granted under the Plan.

(e) The full number of Shares subject to an Option shall count against the number of Shares remaining available for issuance pursuant to Awards granted under the Plan, even if the exercise price of an Option is satisfied through net-settlement or by delivering Shares to the Company (by either actual delivery or attestation).

(f) The full number of Shares subject to a SAR shall count against the number of Shares remaining available for issuance pursuant to Awards made under the Plan (rather than the net number of Shares actually delivered upon exercise).

(g) Substitute Awards granted pursuant to Section 13.11 of the Plan shall not count against the Shares otherwise available for issuance under the Plan under Section 5.1 (and any unissued or forfeited Shares underlying a substitute Award that is canceled, terminates, expires, is forfeited or lapses for any reason shall not be added back to the Plan share reserve).

(h) Subject to applicable Exchange requirements, shares available under a shareholder-approved plan of a company acquired by the Company (as appropriately adjusted to Shares to reflect the transaction) may be issued under the Plan pursuant to Awards granted to individuals who were not employees or directors of the Company or its Affiliates immediately before such transaction and will not count against the maximum share limitation specified in Section 5.1.

5.3 STOCK DISTRIBUTED. Any Stock distributed pursuant to an Award may consist, in whole or in part, of authorized and unissued Stock, treasury Stock or Stock purchased on the open market.

5.4 LIMITATION ON AWARDS. Notwithstanding any provision in the Plan to the contrary (but subject to adjustment as provided in Article 14):

(a) Options. The maximum aggregate number of Shares subject to Options granted under the Plan in any 12-month period to any one Participant shall be 160,000.

(b) SARs. The maximum number of Shares subject to Stock Appreciation Rights granted under the Plan in any 12-month period to any one Participant shall be 160,000.

(c) Restricted Stock or Restricted Stock Units. The maximum aggregate number of Shares underlying Awards of Restricted Stock or Restricted Stock Units under the Plan in any 12-month period to any one Participant shall be 160,000.

(d) Other Stock-Based Awards. The maximum aggregate grant with respect to Other Stock-Based Awards under the Plan in any 12-month period to any one Participant shall be 160,000 Shares.

5.5 LIMITATION ON COMPENSATION FOR NON-EMPLOYEE DIRECTORS. With respect to any one calendar year, the aggregate compensation that may be granted or awarded to any one Non-Employee Director, including all meeting fees, cash retainers and retainers granted in the form of Awards, shall not exceed $500,000, or $750,000 in the case of a non-employee Chairman of the Board or Lead Director. For purposes of such limit, the value of Awards will be determined based on the aggregate Grant Date fair value of all awards issued to the director in such year (computed in accordance with applicable financial accounting rules).

ARTICLE 6

ELIGIBILITY

6.1 GENERAL. Awards may be granted only to Eligible Participants. Incentive Stock Options may be granted only to Eligible Participants who are employees of the Company or a Parent or Subsidiary as defined in Section 424(e) and (f) of the Code. Eligible Participants who are service providers to an Affiliate may be granted Options or SARs under this Plan only if the

Affiliate qualifies as an "eligible issuer of service recipient stock" within the meaning of §1.409A-1(b)(5)(iii)(E) of the final regulations under Code Section 409A.

ARTICLE 7

STOCK OPTIONS

7.1 GENERAL. The Committee is authorized to grant Options to Participants on the following terms and conditions:

(a) Exercise Price. The exercise price per Share under an Option shall be determined by the Committee, provided that the exercise price for any Option (other than an Option issued as a substitute Award pursuant to Section 13.10) shall not be less than the Fair Market Value as of the Grant Date.

(b) Prohibition on Repricing. Except as otherwise provided in Article 14, without the prior approval of stockholders of the Company: (i) the exercise price of an Option may not be reduced, directly or indirectly, (ii) an Option may not be cancelled in exchange for a new Option or other Awards if the current Fair Market Value of the Shares underlying the Option is lower than the exercise price per share of the Option, (iii) the Company may not repurchase an Option for value (in cash or otherwise) from a Participant if the current Fair Market Value of the Shares underlying the Option is lower than the exercise price per share of the Option, and (iv) the Company may not take any other action with respect to an Option that would be treated as a repricing under the rules and regulations of the Exchange.

(c) Time and Conditions of Exercise. The Committee shall determine the time or times at which an Option may be exercised in whole or in part, subject to Sections 7.1(e) and 13.6, and may include in the Award Certificate a provision that an Option that is otherwise exercisable and has an exercise price that is less than the Fair Market Value of the Stock on the last day of its term will be automatically exercised on such final date of the term by means of a "net exercise," thus entitling the optionee to Shares equal to the intrinsic value of the Option on such exercise date, less the number of Shares required for tax withholding. The Committee shall also determine the performance or other conditions, if any, that must be satisfied before all or part of an Option may be exercised or vested.

(d) Payment. The Committee shall determine the methods by which the exercise price of an Option may be paid, the form of payment, and the methods by which Shares shall be delivered or deemed to be delivered to Participants. As determined by the Committee at or after the Grant Date, payment of the exercise price of an Option may be made, in whole or in part, in the form of (i) cash or cash equivalents, (ii) delivery (by either actual delivery or attestation) of previously-acquired Shares based on the Fair Market Value of the Shares on the date the Option is exercised, (iii) withholding of Shares from the Option based on the Fair Market Value of the Shares on the date the Option is exercised, (iv) broker-assisted market sales, or (v) any other "cashless exercise" arrangement.

(e) Exercise Term. Except for Nonstatutory Options granted to Participants outside the United States, no Option granted under the Plan shall be exercisable for more than ten years from the Grant Date.

(f) No Deferral Feature. No Option shall provide for any feature for the deferral of compensation other than the deferral of recognition of income until the exercise or disposition of the Option.

(g) No Dividend Equivalents. No Option shall provide for Dividend Equivalents.

7.2 INCENTIVE STOCK OPTIONS. The terms of any Incentive Stock Options granted under the Plan must comply with the requirements of Section 422 of the Code. Without limiting the foregoing, any Incentive Stock Option granted to a Participant who at the Grant Date owns more than 10% of the voting power of all classes of shares of the Company must have an exercise price per Share of not less than 110% of the Fair Market Value per Share on the Grant Date and an Option term of not more than five years. If all of the requirements of Section 422 of the Code (including the above) are not met, the Option shall automatically become a Nonstatutory Stock Option.

ARTICLE 8

STOCK APPRECIATION RIGHTS

8.1 GRANT OF STOCK APPRECIATION RIGHTS. The Committee is authorized to grant Stock Appreciation Rights to Participants on the following terms and conditions:

(a) Right to Payment. Upon the exercise of a SAR, the Participant has the right to receive, for each Share with respect to which the SAR is being exercised, the excess, if any, of:

(1) the Fair Market Value of one Share on the date of exercise; over

(2) the base price of the SAR as determined by the Committee and set forth in the Award Certificate, which (except for a SAR issued as a substitute Award pursuant to Section 13.10) shall not be less than the Fair Market Value of one Share on the Grant Date.

(b) Prohibition on Repricing. Except as otherwise provided in Article 14, without the prior approval of the stockholders of the Company: (i) the base price of a SAR may not be reduced, directly or indirectly, (ii) a SAR may not be cancelled in exchange for a new SAR other Awards if the current Fair Market Value of the Shares underlying the SAR is lower than the base price per share of the SAR, (iii) the Company may not repurchase a SAR for value (in cash or otherwise) from a Participant if the current Fair Market Value of the Shares underlying the SAR is lower than the base price per share of the SAR, and (iv) the Company may not take any other action with respect to a SAR that would be treated as a repricing under the rules and regulations of the Exchange.

(c) Time and Conditions of Exercise. The Committee shall determine the time or times at which a SAR may be exercised in whole or in part, subject to Sections 8.1(d) and 13.6, and may include in the Award Certificate a provision that a SAR that is otherwise exercisable and has a base price that is less than the Fair Market Value of the Stock on the last day of its term will be automatically exercised on such final date of the term, thus entitling the holder to cash or Shares equal to the intrinsic value of the SAR on such exercise date, less the cash or number of Shares required for tax withholding.

(d) Exercise Term. Except for SARs granted to Participants outside of the United States, no SAR granted under the Plan shall be exercisable for more than ten years from the Grant Date.

(e) No Deferral Feature. No SAR shall provide for any feature for the deferral of compensation other than the deferral of recognition of income until the exercise or disposition of the SAR.

(f) No Dividend Equivalents. No SAR shall provide for Dividend Equivalents.

ARTICLE 9

RESTRICTED STOCK, RESTRICTED STOCK UNITS AND DEFERRED STOCK UNITS

9.1 GRANT OF RESTRICTED STOCK, RESTRICTED STOCK UNITS AND DEFERRED STOCK UNITS. The Committee is authorized to make Awards of Restricted Stock, Restricted Stock Units or Deferred Stock Units to Participants in such amounts and subject to such terms and conditions as may be selected by the Committee. An Award of Restricted Stock, Restricted Stock Units or Deferred Stock Units shall be evidenced by an Award Certificate setting forth the terms, conditions, and restrictions applicable to the Award.

9.2 ISSUANCE AND RESTRICTIONS. Restricted Stock, Restricted Stock Units or Deferred Stock Units shall be subject to such restrictions on transferability and other restrictions as the Committee may impose (including, for example, limitations on the right to vote Restricted Stock or the right to receive dividends on the Restricted Stock). These restrictions may lapse separately or in combination at such times, under such circumstances, in such installments, upon the satisfaction of performance goals or otherwise, as the Committee determines, subject to Section 13.6, at the time of the grant of the Award or thereafter. Except as otherwise provided in an Award Certificate, a Participant shall have none of the rights of a stockholder with respect to Restricted Stock Units or Deferred Stock Units until such time as Shares of Stock are paid in settlement of such Awards.

9.3 DIVIDENDS AND DIVIDEND EQUIVALENTS. Dividends accrued on shares of Restricted Stock or Dividend Equivalents accrued with respect to Restricted Stock Units or Deferred Stock Units before the underlying Awards are vested shall, as provided in the Award Certificate, (i) be forfeited, (ii) be reinvested in the form of additional Shares (subject to Share availability under Section 5.1 hereof), which shall be subject to the same vesting provisions as provided for the host Award, or (iii) be credited by the Company to an account for the Participant and accumulated without interest until the date upon which the host Award becomes vested, and any dividends or Dividend Equivalents accrued with respect to forfeited Restricted Stock, Restricted Stock Units or Deferred Stock Units will be reconveyed to the Company without further consideration or any act or action by the Participant. Notwithstanding anything in the Plan to the contrary, any Shares or any other property distributed as a dividend, Dividend Equivalent or otherwise with respect to any Restricted Stock, Restricted Stock Units or Deferred Stock Units as to which the restrictions have not yet lapsed or which is not vested shall be subject to the same restrictions, vesting and risk of forfeiture as the underlying Award and shall not be paid/settled unless and until the underlying Award vests.

9.4 FORFEITURE. Subject to the terms of the Award Certificate and except as otherwise determined by the Committee at the time of the grant of the Award or thereafter, upon termination of Continuous Service during the applicable restriction period or upon failure to satisfy a performance goal during the applicable restriction period, Restricted Stock or Restricted Stock Units that are at that time subject to restrictions shall be forfeited.

9.5 DELIVERY OF RESTRICTED STOCK. Shares of Restricted Stock shall be delivered to the Participant at the Grant Date either by book-entry registration or by delivering to the Participant, or a custodian or escrow agent (including, without limitation, the Company or one or more of its employees) designated by the Committee, a stock certificate or certificates registered in the name of the Participant. If physical certificates representing shares of Restricted Stock are registered in the name of the Participant, such certificates must bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Stock.

ARTICLE 10

PERFORMANCE AWARDS

10.1 GRANT OF PERFORMANCE AWARDS. The Committee is authorized to grant any Award under this Plan, including cash-based Awards, with performance-based vesting criteria, on such terms and conditions as may be selected by the Committee. Any such Awards with performance-based vesting criteria are referred to herein as Performance Awards. Subject to Section 5.4, the Committee shall have the complete discretion to determine the number of Performance Awards granted to each Participant, and to designate the provisions of such Performance Awards as provided in Section 4.3.

10.2 PERFORMANCE GOALS. The Committee may establish performance goals for Performance Awards which may be based on any criteria selected by the Committee. Performance goals may be described in terms of Company-wide objectives or in terms of objectives that relate to the performance of the Participant, an Affiliate or a division, region, department or function within the Company or an Affiliate. If the Committee determines that a change in the business, operations, corporate structure or capital structure of the Company or the manner in which the Company or an Affiliate conducts its business, or other events or circumstances render performance goals to be unsuitable, the Committee may modify such performance goals in whole or in part, as the Committee deems appropriate. If a Participant is promoted, demoted or transferred to a different business unit or function during a performance period, the Committee may determine that the performance goals or performance period are no longer appropriate and may (i) adjust, change or eliminate the performance goals or the applicable performance period as it deems appropriate to make such goals and period comparable to the initial goals and period, or (ii) make a cash payment to the participant in an amount determined by the Committee.

ARTICLE 11

DIVIDEND EQUIVALENTS

11.1 GRANT OF DIVIDEND EQUIVALENTS. The Committee is authorized to grant Dividend Equivalents with respect to Full-Value Awards granted hereunder. Dividend Equivalents shall entitle the Participant to receive payments equal to ordinary cash dividends or distributions with respect to all or a portion of the number of Shares subject to a Full-Value Award, as determined by the Committee. Notwithstanding anything to the contrary, Dividend Equivalents accruing on unvested Full-Value Awards shall, as provided in the Award Certificate, either (i) be reinvested in the form of additional Shares (subject to Share availability under Section 5.1 hereof), which shall be subject to the same vesting provisions as provided for the host Award, or (ii) be credited by the Company to an account for the Participant and accumulated without interest until the date upon which the host Award becomes vested, and, in either case, any Dividend Equivalents accrued with respect to forfeited Awards will be reconveyed to the Company without further consideration or any act or action by the Participant. Notwithstanding anything in the Plan to the contrary, any Shares or any other property distributed as a Dividend Equivalent with respect to a Full-Value Award as to which the restrictions have not yet lapsed or which is not yet vested shall be subject to the same restrictions, vesting and risk of forfeiture as such Full-Value Award to which it relates and shall not be paid/settled unless and until the underlying Full-Value Award vests.

ARTICLE 12

STOCK OR OTHER STOCK-BASED AWARDS

12.1 GRANT OF STOCK OR OTHER STOCK-BASED AWARDS. The Committee is authorized, subject to limitations under applicable law, to grant to Participants such other Awards that are payable in, valued in whole or in part by reference to, or otherwise based on or related to Shares, as deemed by the Committee to be consistent with the purposes of the Plan, including without limitation, convertible or exchangeable debt securities, other rights convertible or exchangeable into Shares, and Awards valued by reference to book value or net asset value of Shares or the value of securities of or the performance of specified Parents or Subsidiaries. The Committee shall determine the terms and conditions of such Awards, subject to Article 11 and Section 13.6.

ARTICLE 13

PROVISIONS APPLICABLE TO AWARDS

13.1 AWARD CERTIFICATES. Each Award shall be evidenced by an Award Certificate. Each Award Certificate shall include such provisions, not inconsistent with the Plan, as may be specified by the Committee.

13.2 FORM OF PAYMENT FOR AWARDS. At the discretion of the Committee, payment of Awards may be made in cash, Stock, a combination of cash and Stock, or any other form of property as the Committee shall determine. In addition, payment of Awards may include such terms, conditions, restrictions and/or limitations, if any, as the Committee deems appropriate, including, in the case of Awards paid in the form of Stock, restrictions on transfer and forfeiture provisions. Further, payment of Awards may be made in the form of a lump sum, or in installments, as determined by the Committee.

13.3 LIMITS ON TRANSFER.

(a) Each Award and each right under any Award shall be exercisable only by the holder thereof during such holder's lifetime, or, if permissible under applicable law, by such holder's guardian or legal representative or by a transferee receiving such Award pursuant to a qualified domestic relations order (a "QDRO") as defined in Section 414(p)(1)(B) of the Code or Title I of the Employee Retirement Income Security Act of 1974, as amended, or the rules thereunder.

(b) No Award (prior to the time, if applicable, Shares are delivered in respect of such Award), and no right under any Award, may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a grantee otherwise than by will or by the laws of descent and distribution (or in the case of Restricted Stock, to the Company) or pursuant to a QDRO, and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company or any Affiliate; provided that the designation of a beneficiary to receive benefits in the event of the grantee's death shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance.

(c) Notwithstanding subsections (a) and (b) above, to the extent provided in the Award Certificate, Awards (other than Incentive Stock Options and corresponding Awards), may be transferred, without consideration, to a Permitted Transferee. For this purpose, a "Permitted Transferee" in respect of any grantee means any member of the Immediate Family of such grantee, any trust of which all of the primary beneficiaries are such grantee or members of his or her Immediate Family, or any partnership (including limited liability companies and similar entities) of which all of the partners or members are such grantee or members of his or her Immediate Family; and the "Immediate Family" of a grantee means the grantee's spouse, any person sharing the grantee's household (other than a tenant or employee), children, stepchildren, grandchildren, parents, stepparents, siblings, grandparents, nieces and nephews. Such Award may be exercised by such transferee in accordance with the terms of the Award Certificate.

(d) Nothing herein shall be construed as requiring the Company or any Affiliate to honor a QDRO except to the extent required under applicable law.

13.4 BENEFICIARIES. Notwithstanding Section 13.3, a Participant may, if permitted by the Committee and in the manner determined by the Committee, designate a beneficiary to exercise the rights of the Participant and to receive any distribution with respect to any Award upon the Participant's death. A Permitted Transferee, beneficiary, legal guardian, legal representative, or other person claiming any rights under the Plan is subject to all terms and conditions of the Plan and any Award Certificate applicable to the Participant, except to the extent the Plan and Award Certificate otherwise provide, and to any additional restrictions deemed necessary or appropriate by the Committee. If no beneficiary has been designated or survives the Participant, any payment due to the Participant shall be made to the Participant's estate. Subject to the foregoing, a beneficiary designation may be changed or revoked by a Participant, in the manner provided by the Company, at any time provided the change or revocation is filed with the Committee.

13.5 STOCK TRADING RESTRICTIONS. All Stock issuable under the Plan is subject to any stop-transfer orders and other restrictions as the Committee deems necessary or advisable to comply with federal or state securities laws, rules and regulations and the rules of any national securities exchange or automated quotation system on which the Stock is listed, quoted, or traded. The Committee may place legends on any Stock certificate or issue instructions to the transfer agent to reference restrictions applicable to the Stock.

13.6 MINIMUM VESTING REQUIREMENTS. Notwithstanding any other provision of the Plan to the contrary, equity-based Awards (or any portion thereof) granted under the Plan shall vest no earlier than the first anniversary of the date the Award is granted; provided, that the following Awards shall not be subject to the foregoing minimum vesting requirement: any (i) substitute Awards granted pursuant to Section 13.10, (ii) Awards to Non-Employee Directors that vest on the earlier of the one-year anniversary of the date of grant and the date of the next annual meeting of stockholders after the immediately preceding year's annual meeting (provided that the period between annual meetings is not less than 50 weeks), and (iii) any additional Awards the Committee may grant, up to a maximum of five percent (5%) of the available share reserve authorized for issuance under the Plan pursuant to Section 5.1 (subject to adjustment under Section 14.1). For the avoidance of doubt, this Section 13.6 does not apply to the Committee's discretion to provide for accelerated exercisability or vesting of any Award, including in cases of retirement, death, Disability or a Change in Control, in the terms of the Award Certificate or otherwise.

13.7 EFFECT OF A CHANGE IN CONTROL. The provisions of this Section 13.7 shall apply in the case of a Change in Control, unless otherwise provided in the Award Certificate or any special Plan document or separate agreement with a Participant governing an Award or in the applicable transaction document.

(a) Awards Assumed or Substituted by Surviving Entity. With respect to Awards assumed by the Surviving Entity or otherwise equitably converted or substituted in connection with a Change in Control: if within two years after the effective date of the Change in Control, a Participant's service is terminated without Cause or the Participant resigns for Good Reason, then (i) all of that Participant's outstanding Options, SARs and other Awards in the nature of rights that may be exercised shall become fully exercisable, (ii) all time-based vesting restrictions on his or her outstanding Awards shall lapse, and (iii) the payout level under all of that Participant's performance-based Awards that were outstanding immediately prior to effective time of the Change in Control shall be determined and deemed to have been earned as of the date of termination based upon (A) an assumed achievement of all relevant performance goals at the "target" level if the date of termination occurs during the first half of the applicable performance period, or (B) the actual level of achievement of all relevant performance goals against target (measured as of the end of the calendar quarter immediately preceding the date of termination), if the date of termination occurs during the second half of the applicable performance period, and, in either such case, there shall be a pro rata payout to such Participant within sixty (60) days following the date of termination of service (unless a later date is required by Section 16.3(d) hereof), based upon the length of time within the performance period that has elapsed prior to the date of termination of service. With regard to each Award, a Participant shall not be considered to have resigned for Good Reason unless either (i) the Award Certificate includes such provision or (ii) the Participant is party to an employment, severance or similar agreement with the Company or an Affiliate that includes provisions in which the Participant is permitted to resign for Good Reason. Any Awards shall thereafter continue or lapse in accordance with the other provisions of the Plan and the Award Certificate.

(b) Awards not Assumed or Substituted by Surviving Entity. Upon the occurrence of a Change in Control, and except with respect to any Awards assumed by the Surviving Entity or otherwise equitably converted or substituted in connection with the Change in Control in a manner approved by the Committee or the Board: (i) outstanding Options, SARs and other Awards in the nature of rights that may be exercised shall become fully exercisable, (ii) time-based vesting restrictions on outstanding Awards shall lapse, and (iii) the target payout opportunities attainable under outstanding performance-based Awards shall be deemed to have been fully earned as of the effective date of the Change in Control based upon (A) an assumed achievement of all relevant performance goals at the “target” level if the Change in Control occurs during the first half of the applicable performance period, or (B) the actual level of achievement of all relevant performance goals against target measured as of the date of the Change in Control, if the Change in Control occurs during the second half of the applicable performance period, and, in either such case, there shall be a pro rata payout to Participants within sixty (60) days following the Change in Control (unless a later date is required by Section 16.3(d) hereof), based upon the length of time within the performance period that has elapsed prior to the Change in Control. Any Awards shall thereafter continue or lapse in accordance with the other provisions of the Plan and the Award Certificate.

13.8 DISCRETION TO ACCELERATE AWARDS. The Committee may in its sole discretion determine that, upon the termination of service of a Participant all or a portion of such Participant’s Options, SARs and other Awards in the nature of rights that may be exercised shall become fully or partially exercisable, that all or a part of the time-based restrictions on all or a portion of the Participant’s outstanding Awards shall lapse, and/or that any performance-based criteria with respect to any Awards held by the Participant shall be deemed to be wholly or partially satisfied, in each case, as of such date as the Committee may, in its sole discretion, declare. The Committee may discriminate among Participants and among Awards granted to a Participant in exercising its discretion pursuant to this Section 13.8.

13.9 RECOUPMENT AND FORFEITURE EVENTS. Awards under the Plan shall be subject to any compensation recoupment policy that the Company may adopt from time to time that is applicable by its terms to the Participant. In addition, the Committee may specify in an Award Certificate that the Participant’s rights, payments and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events may include, but shall not be limited to, (i) termination of employment for cause, (ii) violation of material Company or Affiliate policies, (iii) breach of noncompetition, confidentiality or other restrictive covenants that may apply to the Participant, (iv) other conduct by the Participant that is detrimental to the business or reputation of the Company or any Affiliate, or (v) a later determination that the vesting of, or amount realized from, a Performance Award was based on materially inaccurate financial statements or any other materially inaccurate performance metric criteria, whether or not the Participant caused or contributed to such material inaccuracy. Nothing contained herein or in any Award Certificate prohibits the Participant from: (1) reporting possible violations of federal law or regulations, including any possible securities laws violations, to any governmental agency or entity; (2) making any other disclosures that are protected under the whistleblower provisions of federal law or regulations; or (3) otherwise fully participating in any federal whistleblower programs, including but not limited to any such programs managed by the U.S. Securities and Exchange.

13.10 SUBSTITUTE AWARDS. The Committee may grant Awards under the Plan in substitution for stock and stock-based awards held by employees of another entity who become employees of the Company or an Affiliate as a result of a merger or consolidation of the former employing entity with the Company or an Affiliate or the acquisition by the Company or an Affiliate of property or stock of the former employing corporation. The Committee may direct that the substitute awards be granted on such terms and conditions as the Committee considers appropriate in the circumstances.

ARTICLE 14

CHANGES IN CAPITAL STRUCTURE

14.1 MANDATORY ADJUSTMENTS. In the event of a nonreciprocal transaction between the Company and its stockholders that causes the per-share value of the Stock to change (including, without limitation, any stock dividend, stock split, spin-off, rights offering, or large nonrecurring cash dividend), the authorization limits under Section 5.1 and Section 5.4 shall be adjusted proportionately, and the Committee shall make such adjustments to the Plan and Awards as it deems necessary, in its sole discretion, to prevent dilution or enlargement of rights immediately resulting from such transaction. Action by the Committee may include: (i) adjustment of the number and kind of shares that may be delivered under the Plan; (ii) adjustment of the number and kind of shares subject to outstanding Awards; (iii) adjustment of the exercise price of outstanding Awards or the measure to be used to determine the amount of the benefit payable on an Award; and (iv) any other adjustments that the Committee determines to be equitable. Notwithstanding the foregoing, the Committee shall not make any adjustments to outstanding Options or SARs that would constitute a modification or substitution of the stock right under Treas. Reg. Section 1.409A-1(b)(5)(v) that would be treated as the grant of a new stock right or change in the form of payment for purposes of Code Section 409A. Without limiting the foregoing, in the event of a subdivision of the outstanding Stock (stock-split), a declaration of a dividend payable in Shares, or a combination or consolidation of the outstanding Stock into a lesser number of Shares, the authorization limits under Section 5.1 and Section 5.4 shall automatically be adjusted proportionately, and the Shares then subject to each Award shall automatically, without the necessity for any additional action by the Committee, be adjusted proportionately without any change in the aggregate purchase price therefor.

14.2 DISCRETIONARY ADJUSTMENTS. Upon the occurrence or in anticipation of any corporate event or transaction involving the Company (including, without limitation, any merger, reorganization, recapitalization, combination or exchange of shares, or any transaction described in Section 14.1), the Committee may, in its sole discretion, provide (i) that Awards will be settled in cash rather than Stock, (ii) that Awards will become immediately vested and non-forfeitable and exercisable (in whole or in part) and will expire after a designated period of time to the extent not then exercised, (iii) that Awards will be assumed by another party to a transaction or otherwise be equitably converted or substituted in connection with such transaction, (iv) that outstanding Awards may be settled by payment in cash or cash equivalents equal to the excess of the Fair Market Value of the underlying Stock, as of a specified date associated with the transaction, over the exercise or base price of the Award, (v) that performance targets and performance periods for Performance Awards will be modified, or (vi) any combination of the foregoing. The Committee's determination need not be uniform and may be different for different Participants whether or not such Participants are similarly situated.

14.3 GENERAL. Any discretionary adjustments made pursuant to this Article 14 shall be subject to the provisions of Section 15.2. To the extent that any adjustments made pursuant to this Article 14 cause Incentive Stock Options to cease to qualify as Incentive Stock Options, such Options shall be deemed to be Nonstatutory Stock Options.

ARTICLE 15

AMENDMENT, MODIFICATION AND TERMINATION

15.1 AMENDMENT, MODIFICATION AND TERMINATION. The Board or the Committee may, at any time and from time to time, amend, modify or terminate the Plan without stockholder approval; provided, however, that if an amendment to the Plan would, in the reasonable opinion of the Board or the Committee, either (i) materially increase the number of Shares available under the Plan (other than pursuant to Article 14), (ii) expand the types of awards under the Plan, (iii) materially expand the class of participants eligible to participate in the Plan, (iv) materially extend the term of the Plan, or (v) otherwise constitute a material change requiring stockholder approval under applicable laws, policies or regulations or the applicable listing or other requirements of an Exchange, then such amendment shall be subject to stockholder approval; and provided, further, that the Board or Committee may condition any other amendment or modification on the approval of stockholders of the Company for any reason, including by reason of such approval being necessary or deemed advisable (i) to comply with the listing or other requirements of an Exchange, or (ii) to satisfy any other tax, securities or other applicable laws, policies or regulations. Except as otherwise provided in Section 14.1, without the prior approval of the stockholders of the Company, the Plan may not be amended to permit: (i) the exercise price or base price of an Option or SAR to be reduced, directly or indirectly, (ii) an Option or SAR to be cancelled in exchange for cash, other Awards, or Options or SARs with an exercise or base price that is less than the exercise price or base price of the original Option or SAR, (iii) the Company to repurchase an Option or SAR for value (in cash or otherwise) from a Participant if the current Fair Market Value of the Shares underlying the Option or SAR is lower than the exercise price or base price per share of the Option or SAR, or (iv) any other action with respect to an Option or SAR that would be treated as a repricing under the rules and regulations of the Exchange.

15.2 AWARDS PREVIOUSLY GRANTED. At any time and from time to time, the Committee may amend, modify or terminate any outstanding Award without approval of the Participant; provided, however:

(a) Subject to the terms of the applicable Award Certificate, such amendment, modification or termination shall not, without the Participant's consent, reduce or diminish the value of such Award determined as if the Award had been exercised, vested, cashed in or otherwise settled on the date of such amendment or termination (with the per-share value of an Option or SAR for this purpose being calculated as the excess, if any, of the Fair Market Value as of the date of such amendment or termination over the exercise or base price of such Award);

(b) Except as otherwise provided in Article 14, without the prior approval of the shareholders of the Company, (i) the exercise price of an Option or base price of a SAR may not be reduced, directly or indirectly, (ii) an option or SAR may not be cancelled in exchange for a new Option, SAR or other Awards if the current Fair Market Value of the Shares underlying the Option or SAR is lower than the exercise price or base price per share of the Option or SAR, (iii) the Company may not repurchase an Option or SAR for value (in cash or otherwise) from a Participant if the current Fair Market Value of the Shares underlying the Option or SAR is lower than the exercise price or base price per share of the Option or SAR, and (iv) the Company may not take any other action with respect to an Option or SAR that would be treated as a repricing under the rules and regulations of the Exchange; and

(c) No termination, amendment, or modification of the Plan shall adversely affect in any material respect any Award previously granted under the Plan, without the written consent of the Participant affected thereby. An outstanding Award shall not be deemed to be "adversely affected" by a Plan amendment if such amendment would not reduce or diminish the value of such Award determined as if the Award had been exercised, vested, cashed in or otherwise settled on the date of such amendment (with the per-share value of an Option or SAR for this purpose being calculated as the excess, if any, of the Fair Market Value as of the date of such amendment over the exercise or base price of such Award).

15.3 COMPLIANCE AMENDMENTS. Notwithstanding anything in the Plan or in any Award Certificate to the contrary, the Board may amend the Plan or an Award Certificate, to take effect retroactively or otherwise, as deemed necessary or advisable for the purpose of conforming the Plan or Award Certificate to any present or future law relating to plans of this or similar nature (including, but not limited to, Section 409A of the Code), and to the administrative regulations and rulings promulgated thereunder. By accepting an Award under this Plan, a Participant agrees to any amendment made pursuant to this Section 15.3 to any Award granted under the Plan without further consideration or action.

ARTICLE 16

GENERAL PROVISIONS

16.1 RIGHTS OF PARTICIPANTS.

(a) No Participant or any Eligible Participant shall have any claim to be granted any Award under the Plan. Neither the Company, its Affiliates nor the Committee is obligated to treat Participants or Eligible Participants uniformly, and determinations made under the Plan may be made by the Committee selectively among Eligible Participants who receive, or are eligible to receive, Awards (whether or not such Eligible Participants are similarly situated).

(b) Nothing in the Plan, any Award Certificate or any other document or statement made with respect to the Plan, shall interfere with or limit in any way the right of the Company or any Affiliate to terminate any Participant’s employment or status as an officer, or any Participant’s service as a director or consultant, at any time, nor confer upon any Participant any right to continue as an employee, officer, director or consultant of the Company or any Affiliate, whether for the duration of a Participant’s Award or otherwise.

(c) Neither an Award nor any benefits arising under this Plan shall constitute an employment contract with the Company or any Affiliate and, accordingly, subject to Article 15, this Plan and the benefits hereunder may be terminated at any time in the sole and exclusive discretion of the Committee without giving rise to any liability on the part of the Company or any of its Affiliates.

(d) No Award gives a Participant any of the rights of a stockholder of the Company unless and until Shares are in fact issued to such person in connection with such Award.

16.2 WITHHOLDING. The Company or any Affiliate shall have the authority and the right to deduct or withhold, or require a Participant to remit to the Company or such Affiliate, an amount sufficient to satisfy federal, state, and local taxes (including the Participant's FICA obligation) required by law to be withheld with respect to any exercise, lapse of restriction or other taxable event arising as a result of the Plan. The obligations of the Company under the Plan will be conditioned on such payment or arrangements and the Company or such Affiliate will, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the Participant. Unless otherwise determined by the Committee at the time the Award is granted or thereafter, any such withholding requirement may be satisfied, in whole or in part, by withholding from the Award Shares having a Fair Market Value on the date of withholding equal to the amount required to be withheld in accordance with applicable tax requirements (up to the maximum individual statutory rate in the applicable jurisdiction as may be permitted under then-current accounting principles to qualify for equity classification), in accordance with such procedures as the Committee establishes. All such elections shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate.

16.3 SPECIAL PROVISIONS RELATED TO SECTION 409A OF THE CODE.

(a) General. It is intended that the payments and benefits provided under the Plan and any Award shall either be exempt from the application of, or comply with, the requirements of Section 409A of the Code. The Plan and all Award Certificates shall be construed in a manner that effects such intent. Nevertheless, the tax treatment of the benefits provided under the Plan or any Award is not warranted or guaranteed. Neither the Company, its Affiliates nor their respective directors, officers, employees or advisers (other than in his or her capacity as a Participant) shall be held liable for any taxes, interest, penalties or other monetary amounts owed by any Participant or other taxpayer as a result of the Plan or any Award.

(b) Definitional Restrictions. Notwithstanding anything in the Plan or in any Award Certificate to the contrary, to the extent that any amount or benefit that would constitute non-exempt "deferred compensation" for purposes of Section 409A of the Code ("Non-Exempt Deferred Compensation") would otherwise be payable or distributable, or a different form of payment (e.g., lump sum or installment) of such Non-Exempt Deferred Compensation would be effected, under the Plan or any Award Certificate by reason of the occurrence of a Change in Control, or the Participant's Disability or separation from service, such Non-Exempt Deferred Compensation will not be payable or distributable to the Participant, and/or such different form of payment will not be effected, by reason of such circumstance unless the circumstances giving rise to such Change in Control, Disability or separation from service meet any description or definition of "change in control event", "disability" or "separation from service", as the case may be, in Section 409A of the Code and applicable regulations (without giving effect to any elective provisions that may be available under such definition). This provision does not prohibit the vesting of any Award upon a Change in Control, Disability or separation from service, however defined. If this provision prevents the payment or distribution of any amount or benefit, or the application of a different form of payment of any amount or benefit, such payment or distribution shall be made at the time and in the form that would have applied absent the non-409A conforming event.

(c) Allocation among Possible Exemptions. If any one or more Awards granted under the Plan to a Participant could qualify for any separation pay exemption described in Treas. Reg. Section 1.409A-1(b)(9), but such Awards in the aggregate exceed the dollar limit permitted for the separation pay exemptions, the Company (acting through the Committee or the Chief Financial Officer) shall determine which Awards or portions thereof will be subject to such exemptions.

(d) Six-Month Delay in Certain Circumstances. Notwithstanding anything in the Plan or in any Award Certificate to the contrary, if any amount or benefit that would constitute Non-Exempt Deferred Compensation would otherwise be payable or distributable under this Plan or any Award Certificate by reason of a Participant's separation from service during a period in which the Participant is a Specified Employee (as defined below), then, subject to any permissible acceleration of payment by the Committee under Treas. Reg. Section 1.409A- 3(j)(4)(ii) (domestic relations order), (j)(4)(iii) (conflicts of interest), or (j)(4)(vi) (payment of employment taxes), and to the extent necessary to avoid the imposition of taxes under Section 409A of the Code: (i) the amount of such Non-Exempt Deferred Compensation that would otherwise be payable during the six-month period immediately following the Participant's separation from service will be accumulated through and paid or provided on the first day of the seventh month following the Participant's separation from service (or, if the Participant dies during such period, within 30 days after the Participant's death) (in either case, the "Required Delay Period"); and (ii) the normal payment or distribution schedule for any remaining payments or distributions will resume at the end of the Required Delay Period. For purposes of this Plan, the term "Specified Employee" has the meaning given such term in Code Section 409A and the final regulations thereunder.

(e) Installment Payments. If, pursuant to an Award, a Participant is entitled to a series of installment payments, such Participant's right to the series of installment payments shall be treated as a right to a series of separate payments and not to a single payment. For purposes of the preceding sentence, the term "series of installment payments" has the meaning provided in Treas. Reg. Section 1.409A-2(b)(2)(iii) (or any successor thereto).

(f) Timing of Release of Claims Whenever an Award conditions a payment or benefit on the Participant's execution and non-revocation of a release of claims, such release must be executed and all revocation periods shall have expired within sixty (60) days after the date of termination of the Participant's employment; failing which such payment or benefit shall be forfeited. If such payment or benefit is exempt from Section 409A of the Code, the Company may elect to make or commence payment at any time during such 60-day period. If such payment or benefit constitutes Non-Exempt Deferred Compensation, then, subject to subsection (c) above, (i) if such 60-day period begins and ends in a single calendar year, the Company may make or commence payment at any time during such period at its discretion, and (ii) if such 60-day period begins in one calendar year and ends in the next calendar year, the payment shall be made or commence during the second such calendar year (or any later date specified for such payment under the applicable Award), even if such signing and non-revocation of the release occur during the first such calendar year included within such 60-day period. In other words, a Participant is not permitted to influence the calendar year of payment based on the timing of signing the release.

(g) Permitted Acceleration. The Company shall have the sole authority to make any accelerated distribution permissible under Treas. Reg. Section 1.409A-3(j)(4) to Participants of deferred amounts, provided that such distribution(s) meets the requirements of Treas. Reg. Section 1.409A-3(j)(4).

16.4 UNFUNDED STATUS OF AWARDS. The Plan is intended to be an "unfunded" plan for incentive and deferred compensation. With respect to any payments not yet made to a Participant pursuant to an Award, nothing contained in the Plan or any Award Certificate shall give the Participant any rights that are greater than those of a general creditor of the Company or any Affiliate. In its sole discretion, the Committee may authorize the creation of grantor trusts or other arrangements to meet the obligations created under the Plan to deliver Shares or payments in lieu of Shares or with respect to Awards. This Plan is not intended to be subject to ERISA.

16.5 RELATIONSHIP TO OTHER BENEFITS. No payment under the Plan shall be taken into account in determining any benefits under any pension, retirement, savings, profit sharing, group insurance, welfare or benefit plan of the Company or any Affiliate unless provided otherwise in such other plan. Nothing contained in the Plan will prevent the Company from adopting other or additional compensation arrangements, subject to stockholder approval if such approval is required; and such arrangements may be either generally applicable or applicable only in specific cases.

16.6 EXPENSES. The expenses of administering the Plan shall be borne by the Company and its Affiliates.

16.7 TITLES AND HEADINGS. The titles and headings of the Sections in the Plan are for convenience of reference only, and in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control.

16.8 GENDER AND NUMBER. Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine; the plural shall include the singular and the singular shall include the plural.

16.9 FRACTIONAL SHARES. No fractional Shares shall be issued and the Committee shall determine, in its discretion, whether cash shall be given in lieu of fractional Shares or whether such fractional Shares shall be eliminated by rounding up or down.

16.10 GOVERNMENT AND OTHER REGULATIONS.

(a) Notwithstanding any other provision of the Plan, no Participant who acquires Shares pursuant to the Plan may, during any period of time that such Participant is an affiliate of the Company (within the meaning of the rules and regulations of the Securities and Exchange Commission under the 1933 Act), sell such Shares, unless such offer and sale is made (i) pursuant to an effective registration statement under the 1933 Act, which is current and includes the Shares to be sold, or (ii) pursuant to an appropriate exemption from the registration requirement of the 1933 Act, such as that set forth in Rule 144 promulgated under the 1933 Act.

(b) Notwithstanding any other provision of the Plan, if at any time the Committee shall determine that the registration, listing or qualification of the Shares covered by an Award upon any Exchange or under any foreign, federal, state or local law or practice, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with, the granting of such Award or the purchase or receipt of Shares thereunder, no Shares may be purchased, delivered or received pursuant to such Award unless and until such registration, listing, qualification, consent or approval shall have been effected or obtained free of any condition not acceptable to the Committee. Any Participant receiving or purchasing Shares pursuant to an Award shall make such representations and agreements and furnish such information as the Committee may request to assure compliance with the foregoing or any other applicable legal requirements. The Company shall not be required to issue or deliver any certificate or certificates for Shares under the Plan prior to the Committee's determination that all related requirements have been fulfilled. The Company shall in no event be obligated to register any securities pursuant to the 1933 Act or applicable state or foreign law or to take any other action in order to cause the issuance and delivery of such certificates to comply with any such law, regulation or requirement.

16.11 GOVERNING LAW. To the extent not governed by federal law, the Plan and all Award Certificates shall be construed in accordance with and governed by the laws of the State of Delaware.

16.12 SEVERABILITY. In the event that any provision of this Plan is found to be invalid or otherwise unenforceable under any applicable law, such invalidity or unenforceability will not be construed as rendering any other provisions contained herein as invalid or unenforceable, and all such other provisions will be given full force and effect to the same extent as though the invalid or unenforceable provision was not contained herein.

16.13 NO LIMITATIONS ON RIGHTS OF COMPANY. The grant of any Award shall not in any way affect the right or power of the Company to make adjustments, reclassification or changes in its capital or business structure or to merge, consolidate, dissolve, liquidate, sell or transfer all or any part of its business or assets. The Plan shall not restrict the authority of the Company, for proper corporate purposes, to draft or assume awards, other than under the Plan, to or with respect to any person. If the Committee so directs, the Company may issue or transfer Shares to an Affiliate, for such lawful consideration as the Committee may specify, upon the condition or understanding that the Affiliate will transfer such Shares to a Participant in accordance with the terms of an Award granted to such Participant and specified by the Committee pursuant to the provisions of the Plan.

The foregoing is hereby acknowledged as being the Citi Trends, Inc. Amended and Restated 2021 Incentive Plan, that amends, restates, and supersedes in all respects the Plan originally adopted by the Board on April 9, 2021, and originally approved by the Company's stockholders on June 2, 2021, as amended.

CITI TRENDS, INC.

By: ______________________________
Name:
Title:

Exhibit 21.1

Subsidiary of the Registrant

Name	State of Incorporation	Names Under Which Subsidiary Does Business
Citi Trends Marketing Solutions, Inc.	Idaho	Citi Trends Marketing Solutions, Inc.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-280441 and 333-256946 on Form S-8 of our reports dated April 15, 2026, relating to the consolidated financial statements of Citi Trends, Inc. and the effectiveness of Citi Trends, Inc.'s internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended January 31, 2026.

/s/ Deloitte & Touche LLP

Atlanta, Georgia
April 15, 2026

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO 17 CFR 240.13a-14
PROMULGATED UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Kenneth D. Seipel, certify that:

1. I have reviewed this Annual Report on Form 10-K of Citi Trends, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

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

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

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

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

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

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

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

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

Date: April 15, 2026

/s/ Kenneth D. Seipel
Kenneth D. Seipel
Chief Executive Officer
(Principal Executive Officer) and Chairman

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO 17 CFR 240.13a-14 PROMULGATED UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Heather Plutino, certify that:

1. I have reviewed this Annual Report on Form 10-K of Citi Trends, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

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

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

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

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

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

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

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

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

Date: April 15, 2026

/s/ Heather Plutino

Heather Plutino
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

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

In connection with this Annual Report of Citi Trends, Inc. (the "Company") on Form 10-K for the fiscal year ending January 31, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kenneth D. Seipel, Chief Executive Officer of the Company, certify, pursuant to 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: April 15, 2026

/s/ Kenneth D. Seipel
Kenneth D. Seipel
Chief Executive Officer
(Principal Executive Officer)

A signed original of this written statement required by Section 906 has been provided to Citi Trends, Inc. and will be retained by Citi Trends, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

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

In connection with this Annual Report of Citi Trends, Inc. (the “Company”) on Form 10-K for the fiscal year ending January 31, 2026 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Heather Plutino, Chief Financial Officer of the Company, certify, pursuant to 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: April 15, 2026

/s/ Heather Plutino
Heather Plutino
Chief Financial Officer
(Principal Financial Officer)

A signed original of this written statement required by Section 906 has been provided to Citi Trends, Inc. and will be retained by Citi Trends, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.