

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

JOYCE IWAIDA, Derivatively and on Behalf
of e.l.f. BEAUTY, INC.,

Plaintiff,

v.

TARANG AMIN, MANDY FIELDS,
MAUREEN WATSON, LAUREN COOKS
LEVITAN, LORI A. KEITH, KENNY
MITCHELL, TIFFANY DANIELE, GAYLE
TAIT, MARIA FERRERAS, BETH
PRITCHARD, CHARLES VICTOR BERGH,
AND RICHARD G. WOLFORD

Defendants,

and

e.l.f. BEAUTY, INC.,

Nominal Defendant.

Case No.

DEMAND FOR JURY TRIAL

VERIFIED STOCKHOLDER DERIVATIVE COMPLAINT

Joyce Iwaida, by her undersigned attorneys, derivatively on behalf of Nominal Defendant e.l.f. Beauty, Inc. (“e.l.f.” or the “Company”), files this Stockholder Shareholder Derivative Complaint against Tarang Amin, Mandy Fields, Maureen Watson, Lauren Cooks Levitan, Loria A. Keith, Kenny Mitchell, Tiffany Daniele, Gayle Tait, Maria Ferreras, Beth Pritchard, Charles Victor Bergh, and Richard G. Wolford (collectively, the “Individual Defendants”) for breaches of their fiduciary duties as directors and/or officers of e.l.f..

Plaintiff alleges the following against the Individual Defendants based upon personal knowledge as to herself and her acts, and information and belief as to all other matters, based upon,

inter alia, the investigation conducted by and through her attorneys, which included, among other things, a review of the Defendants' public documents, conference calls and announcements made by Defendants, United States Securities and Exchange Commission ("SEC") filings, wire and press releases published by and regarding e.l.f., news reports, securities analysts' reports and advisories about the Company, information readily obtainable on the Internet, and public filings in the related federal securities class action lawsuit filed in the U.S. District Court for the Northern District of California captioned *In Re e.l.f. Beauty, Inc. Securities Litigation, 5:25-cv-02316* (the "Securities Action"). Plaintiff believes that substantial evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

NATURE OF THE ACTION

1. This is a shareholder derivative action brought in the right, and for the benefit, of e.l.f. against certain of its officers and directors (the "Board") seeking to remedy Defendants' violations of law that have occurred from February 7, 2024 through the present (the "Relevant Period"), and have caused, and continue to cause, substantial harm to e.l.f. and its shareholders, including monetary losses and damages to e.l.f.'s reputation and goodwill.

2. e.l.f. is a cosmetics and skincare company focused on offering low-cost beauty products. Although e.l.f. initially operated as a direct-to-consumer e-commerce business, it has since transitioned to a business model that primarily functions as a retail distributor, with the majority of its sales occurring through brick-and-mortar retail partners. Among those partners, Ulta Beauty, Target, and Walmart are e.l.f.'s most significant retail customers, collectively accounting for approximately 50–60% of e.l.f.'s total net sales during the Relevant Period.

3. Leading into the Relevant Period, e.l.f. experienced strong net sales growth driven by the continued expansion of its retail partners and e.l.f.'s ability to develop and introduce new,

innovative products that generated incremental sales. Beginning in February 2021, e.l.f. reported double-digit net sales growth for seventeen consecutive quarters, spanning more than four years.

4. This sustained sales growth was critical to e.l.f.'s valuation because e.l.f.'s overall revenue base was materially smaller than that of its principal competitors. By comparison, publicly traded peer companies, including Estée Lauder, Revlon, and Coty, each consistently generated billions of dollars more in annual revenue than e.l.f. e.l.f., however, represented that it possessed a competitive distinction its peers lacked: consistent and sustained net sales growth that outpaced competitors. As a result, throughout the Relevant Period, investors were acutely focused on e.l.f.'s ability to continue demonstrating growth in net sales.

5. In Fiscal Year ("FY") 2024,¹ the period directly before the Relevant Period, e.l.f. reported record net sales growth, with 85% year-over-year sales growth in its Q3 FY2024 (October through December 2023). This result, announced in February 2024, was the highest sales growth e.l.f. would report in its history. Unbeknownst to investors, it would also be the zenith of e.l.f.'s growth story, as Defendants had already seen indications that sales and demand were plummeting, unable to replicate the success of previous years.

6. By early calendar year 2024, at the outset of the Relevant Period, e.l.f. began to experience a deceleration in product sales driven by deteriorating consumer demand and the underperformance of newly launched products. This slowdown was particularly acute at Ulta Beauty, one of e.l.f.'s most significant retail channels, where sales of e.l.f. products declined sharply. Former e.l.f. employees report that Ulta Beauty accumulated substantial unsold inventory

¹ e.l.f.'s fiscal year ends on March 31, and its fiscal quarters do not align with the calendar year. For example, e.l.f.'s fiscal year 2021 comprised the quarter ending June 30, 2020 (Q1), September 30, 2020 (Q2), December 31, 2020 (Q3), and March 31, 2021 (Q4), with fiscal year results reported in May 2021. Unless otherwise specified, all references to quarters and years herein are to e.l.f.'s fiscal reporting periods; references to calendar periods are expressly identified as such.

as e.l.f. products failed to sell through, resulting in Ulta Beauty discontinuing orders for certain e.l.f. products during 2024.

7. Compounding these issues, investors were forced to rely almost exclusively on Defendants' representations regarding demand trends at Ulta Beauty. While limited point-of-sale data was available for certain retailers within so-called "tracked" channels, Ulta Beauty fell within e.l.f.'s "untracked" channel. As a result, the market lacked meaningful visibility into sales performance at Ulta Beauty, depriving investors of independent insight into demand trends at one of e.l.f.'s most significant retail partners.

8. Conversely, the market could observe that e.l.f.'s inventory levels were increasing. That trend reasonably supported one of two interpretations: either e.l.f. had increased inventory in anticipation of strong demand, consistent with its historical practices, or demand was weakening and retailers were refraining from placing additional orders because they already held excess e.l.f. inventory at the store level.

9. Against this backdrop, investors directly questioned Defendants as to whether e.l.f.'s rising inventory levels reflected weakening consumer demand. Rather than disclose the deterioration in demand, Defendants reassured the market by characterizing the inventory increase as a positive development. For example, on February 6, 2024 and again on May 22, 2024, Defendant Fields stated that e.l.f. continued to "***build back our inventory levels to support strong consumer demand,***" thereby concealing the contemporaneous slowdown in consumer demand and sell-through.

10. In reality, e.l.f.'s elevated inventory levels reflected declining demand, which Defendants discussed internally, including sales slowdowns, rising inventory, and efforts to move excess and obsolete products, during forecast meetings attended by Defendants and other senior

executives.

11. One confidential witness (“CW”)² reported that she attended monthly forecast meetings during her most recent tenure that were attended by CEO Tarang Amin, Global Chief Marketing Officer Kory Marchisotto, and senior sales and channel leadership. According to that CW, these meetings included presentations of current sales data from e.l.f.’s internal data, visualization platform and discussions of contemporaneous negative sales trends and excess inventory.

12. The CW recalled that, beginning in summer 2024, discussions at e.l.f.’s monthly forecast meetings increasingly focused on the negative sales trends that meeting participants were observing. According to her, attendees discussed declining sales performance reflected in contemporaneous data and engaged in conversations about potential plans and initiatives to reverse those negative sales trends. The CW further stated that participants at these monthly forecast meetings also discussed the existence of excess and obsolete inventory, including the growing volume of unsold products and concerns associated with elevated inventory levels. In addition, she detailed that the meetings included discussions regarding how to move excess inventory, including plans to work with e.l.f.’s retail partners to assist in selling through e.l.f.’s excess inventory.

13. As a result of Defendants’ false and misleading statements concerning purportedly strong consumer demand in untracked channels, including Ulta Beauty, and their explanations for e.l.f.’s rising inventory levels, investors were misled into believing that e.l.f.’s underlying consumer demand remained strong and that the Company would continue its historical pattern of

² A number of Confidential Witnesses (“CW” or “CWs”) were referenced in the Amended Complaint filed in the Securities Action on July 23, 2025 in the Northern District of California. ECF 55. Those CWs and their experiences with the Company as relayed in the Securities Action are referenced herein.

double-digit net sales growth.

14. Meanwhile, while in possession of material nonpublic information concerning e.l.f.'s deteriorating demand and inventory conditions, Defendants Amin and Fields sold millions of dollars of e.l.f. stock, thereby personally profiting at the expense of investors. Although the Defendants had adopted Rule 10b5-1 trading plans, which permit corporate insiders to sell company stock at predetermined times in compliance with insider-trading laws, they nevertheless executed millions of dollars in e.l.f. stock sales between April and June 2024 that were not made pursuant to, and fell outside the parameters of, their Rule 10b5-1 plans.

15. Between April and June 2024, while in possession of material nonpublic information that e.l.f.'s rapidly increasing inventory levels were the result of weakening consumer demand, rather than strong demand as represented to investors, the Individual Defendants collectively sold more than \$28 million of their e.l.f. stock outside the scope of their Rule 10b5-1 trading plans. During this brief period, Defendant Amin sold more than \$20 million of e.l.f. stock, and Defendant Fields sold more than \$8 million. These transactions included extraordinary single-day sales exceeding \$12.3 million by Amin and more than \$4.8 million by Fields – by far the largest single-day stock sales either Defendant had executed in years. These insider sales demonstrate that the Individual Defendants were aware of e.l.f.'s deteriorating demand conditions and exploited that knowledge to reap millions of dollars in personal profits before slowing sales growth exposed the truth to the market.

16. Shortly after the Individual Defendants executed millions of dollars in insider sales outside their Rule 10b5-1 trading plans, investors began to learn the truth about slowing demand for e.l.f.'s products when the Company reported its fiscal Q1 2025 results (covering April through June 2024) and issued its outlook for fiscal Q2 2025. On August 8, 2024, e.l.f. issued materially

weaker-than-anticipated guidance for fiscal Q2 2025 and acknowledged downward pressure on its adjusted EBITDA outlook, which was approximately \$30 million below market expectations, signaling a sequential slowdown in growth. In response to this disclosure, e.l.f.'s stock price declined \$27.12 per share, or 14.4%, closing at \$160.83 per share on August 9, 2024.

17. Despite these revelations, Defendants continued to misrepresent e.l.f.'s true business conditions to investors. In the months that followed, Defendants repeatedly reassured the market that demand for e.l.f. products remained strong and asserted that the Company's elevated inventory levels existed solely "to support the demand" Defendants claimed they were then observing.

18. During the August 8, 2024 earnings call, Defendants were questioned by analysts regarding whether e.l.f.'s growth was slowing, and falsely denied any such slowdown. In particular, a J.P. Morgan analyst pressed Defendants on indications that growth in so-called "tracked" channels, where point-of-sale data was available to investors, appeared to be outpacing e.l.f.'s overall growth guidance, signaling a potential slowdown in untracked channels over which the market had little visibility. Despite this, Defendant Fields categorically denied any slowdown in untracked channels, including Ulta Beauty, and falsely stated that Defendants "***saw growth across all of our channels, digital, all of our national retailers, and international customers.***"

19. These statements were false. Former e.l.f. employees report that the Company was not experiencing growth across all channels during this period. For example, a CW recalled that sales of e.l.f.'s products began to decline "across the board" beginning in summer 2024. She further detailed that e.l.f.'s overall sales during that period were in the high single-digit percentage range below the Company's internal projections. In addition, the CW recalled that, beginning in summer 2024, attendees at e.l.f.'s monthly forecast meetings discussed the negative sales trends they were

observing, including potential plans to reverse those trends. Similarly, another CW recalled that sales of e.l.f. products at Ulta Beauty declined significantly in June or July 2024 and remained depressed throughout the remainder of 2024.

20. Even as Defendants privately observed that sales continued to deteriorate throughout the remainder of 2024, resulting in further inventory accumulation, Defendants doubled down on November 6, 2024 by again misleading investors. On that date, Defendants falsely represented that they “feel great about our inventory position” and that “higher inventory levels overall, [] allows us to service the demand that we’re seeing,” despite their contemporaneous knowledge that demand was slowing and inventory levels were rising as a result.

21. Defendants knew the opposite was true. For example, a CW recalled that beginning in summer 2024, participants in e.l.f.’s weekly and monthly inventory meetings began to express concern as sales performance deteriorated. According to her, e.l.f. was “sitting on a lot of inventory” beginning in summer 2024 because sales were declining and were not as strong as they had been in the prior year. The CW further stated that attendees at e.l.f.’s monthly forecast meetings discussed the growing levels of excess and obsolete inventory, as well as strategies for addressing the inventory buildup. In addition, she detailed that these meetings included discussions regarding plans to work with e.l.f.’s retail partners to help move excess inventory and reduce elevated inventory levels.

22. The full truth regarding e.l.f.’s demand and sales growth emerged on February 6, 2025, when e.l.f. reported its fiscal Q3 2025 results (covering October through December 2024) and, for the first time since 2020, reduced its financial outlook. In connection with that disclosure, e.l.f. lowered both its revenue and adjusted EBITDA guidance for fiscal year 2025, including projecting that net sales growth for fiscal Q4 2025 would range between

negative 1% and 2%. As a result, e.l.f. acknowledged that year-over-year net sales growth would fall to the single digits, at best, for the first time since 2020, thereby ending a seventeen-quarter streak of double-digit growth.

23. On that date, management acknowledged that the downward revisions reflected weakening demand trends, challenging category conditions, and slower-than-expected performance of new product launches. Moreover, Defendants effectively conceded that e.l.f.'s elevated inventory levels were not the result of strong demand, as they had previously represented. Instead, for the first time in years, Defendants did not attribute rising inventory levels to heightened consumer demand.

24. On this news, e.l.f.'s stock price declined \$17.36 per share, or 19.6%, closing at \$71.13 per share on February 7, 2025. This represented a loss of more than \$150 per share from e.l.f.'s intra-day high of \$221.83 during the Relevant Period on March 4, 2024.

25. Analysts reacted with surprise to the magnitude of e.l.f.'s sales slowdown, noting that the Company exhibited unexpected weakness in its "untracked channels" , areas where Defendants had repeatedly assured investors that no slowdown was occurring throughout the Relevant Period. For example, Piper Sandler expressed surprise at the extent of underperformance in untracked channels, stating that "*we were hopeful that untracked channels would offset, [but] management is lowering guidance.*"

26. Following the final corrective disclosure, investors finally understood the relevant truth: (i) Defendants had been concealing declining consumer demand, particularly within e.l.f.'s untracked channels, including Ulta Beauty; (ii) e.l.f.'s inventory had ballooned to more than \$200 million in product because the Company was unable to sell goods at the rates Defendants had represented to the market; and (iii) e.l.f. had failed to generate successful product innovations in

the latter half of 2024, notwithstanding Defendants' repeated reassurances during that period that new product launches were driving strong growth.

27. As a result of the foregoing, e.l.f., as well as the Company's CEO and CFO, were named as defendants in the Securities Action by investors who allege they were damaged when they purchased e.l.f. shares during the Relevant Period. On February 4, 2026, Judge Eumi K. Lee issued an order denying in part Defendants' Motion to Dismiss in the Securities Action (the "Order"). ECF 65.

28. Due to the breaches of fiduciary duty by the Individual Defendants, most of whom are current directors of e.l.f., the collective engagement in fraud and misconduct, and the substantial likelihood of their liability in this derivative action and the Securities Action, a majority of e.l.f.'s Board of Directors cannot consider a demand to commence litigation against themselves on behalf of the Company with the requisite level of disinterestedness and independence.

JURISDICTION AND VENUE

29. This Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1331 and Section 27 of the Securities Exchange Act of 1934 (the "Exchange Act") over the claims asserted herein for violations of Section 14(a) of the Exchange Act (15 U.S.C. §§ 78n(a) and Rule 14a-9 (17 C.F.R. §240.142-9) promulgated thereunder by the SEC.

30. This Court has supplemental jurisdiction over Plaintiff's state law claims pursuant to 28 U.S.C. §1367(a).

31. In connection with the acts, conduct, and other wrongs complained of herein, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, the United States mail, and the facilities of a national securities market.

32. This action is not a collusive action designed to confer jurisdiction on a court of the United States that it would not otherwise have.

33. This Court has personal jurisdiction over each Defendant named herein because each Defendant is either a corporation that conducts business in and is headquartered in this District or is an individual who has sufficient minimum contacts with this District to render the exercise of jurisdiction by the courts of this District permissible under traditional notions of fair play and substantial justice.

34. Venue is proper in this District pursuant to Section 27(a) of the Exchange Act and 28 U.S.C. § 1391 because Defendants have conducted business in this District, and a substantial portion of the transaction and wrongs complained of herein occurred in this District.

PARTIES

Plaintiff

35. Plaintiff is, and has been at all relevant times, a shareholder of e.l.f..

Nominal Defendant

36. Nominal Defendant e.l.f. is incorporated under the laws of Delaware, with its principal executive office located at 570 10th Street, Oakland, California 94607. e.l.f. common stock trades on the New York Stock Exchange (“NYSE”) under the ticker symbol e.l.f..”

Director Defendants

37. Defendant Tarang P. Amin (“Amin”) has served as e.l.f.’s Chief Executive Officer since January 2014, Chairman of the Board of Directors since August 2015, and as President since March 2019.

38. The Company's 2025 Proxy Statement stated, in part, the following about Defendant Amin:

Current Occupation and Select Prior Experience

- **e.l.f. Beauty, Inc.**
 - Chief Executive Officer (January 2014 to present)
 - ◦Chairman of the Board (August 2015 to present)
 - ◦President (March 2019 to present)
- **Schiff Nutrition, Inc.** (prior to acquisition, NYSE: SHF), a manufacturer of nutritional supplements
 - President and Chief Executive Officer (March 2011 to January 2013, when it was acquired by Reckitt Benckiser)
- **The Clorox Company**, a multinational manufacturer and marketer of consumer products
 - Vice President, General Manager, Litter, Food, and Charcoal Strategic Business Units (April 2008 to March 2013)

Other Public Company Boards

- **The J.M. Smucker Co.**, a manufacturer of food and beverage products , member of Compensation and People Committee (August 2023 to present)
- **Schiff Nutrition, Inc.** (2011 to 2013, when it was acquired)

Other Affiliations/Experience

- Over 30 years of experience leading consumer products businesses
- Member of the board of directors of Pharmavite LLC, a privately held nutritional supplements company
- Member of The Conference Board’s Committee for Economic Development and of The Wall Street Journal’s CEO Council
- Member of the Board of Advisors, Duke University Center of Leadership & Ethics

Education

- B.A. in International Policy from Duke University
- M.B.A. from Duke University

39. According to e.l.f.’s Proxy Statements filed with the SEC on July 12, 2024, and July 5, 2025, Amin received total compensation of \$8,434,392 and \$8,834,379, respectively.

FISCAL	SALARY	STOCK	NON-EQUITY INCENTIVE	ALL OTHER	TOTAL
--------	--------	-------	----------------------	-----------	-------

YEAR		AWARDS	PLAN COMP.	COMP.	
2025	\$475,000.00	\$7,399,879	\$950,000	\$9,500	\$8,834,379
2024	\$475,000.00	\$6,999,891	\$950,000	\$9,500	\$8,434,391

40. As of June 14, 2024, Amin beneficially owned 1,629,439 shares of e.l.f. common stock, representing approximately 2.9% of the Company's voting power. Based on e.l.f.'s stock price of \$192.63 per share on that date, Amin's holdings were valued at approximately \$313,878,834.57. By June 27, 2025, Amin beneficially owned 1,664,933 shares of e.l.f. common stock, again representing approximately 2.9% of the Company's voting power. Based on e.l.f.'s stock price of \$126.33 per share on that date, Amin's holdings were valued at approximately \$210,330,985.89. During the Relevant Period, Amin sold 382,765 shares of e.l.f. stock while in possession of material nonpublic information, resulting in proceeds of approximately \$52,283,826. In addition, Amin is a named Defendant in the Securities Action.

41. Defendant Lauren Cooks Levitan ("Levitan") has served as a director of e.l.f. since June 2016. Levitan currently serves as Chair of the Audit Committee and has previously served as Chair of the Compensation Committee.

42. The Company's 2025 Proxy Statement stated, in part, the following about Defendant Levitan:

Current Occupation and Select Prior Experience

- **Root**, a co-founding platform for building and scaling innovative consumer businesses
 - Co-Chief Executive Officer (June 2025 to present)
- **Faire Wholesale, Inc.**, an online wholesale marketplace company
 - President (July 2024 to June 2025)
 - Chief Financial Officer (September 2019 to July 2024)

- **Fanatics, Inc.**, a retailer of licensed sports apparel and merchandise
 - Chief Financial Officer (June 2015 to September 2019)
- **Moxie Capital LLC**, a private equity firm
 - Co-Founder and Managing Partner (January 2009 to May 2015)

Other Affiliations/Experience/Information

- Over 25 years of financial and accounting experience
- Member of the board of directors of Crew Knitwear, a privately held women and girls clothing company
- Member of the board of directors of Faire (July 2025 - present)

Education

- B.A. in Political Science from Duke University
- M.B.A. from Stanford University Graduate School of Business

43. According to e.l.f.'s Proxy Statements filed with the SEC on July 12, 2024, and July 5, 2025, Levitan received total compensation of \$\$195,231 and \$198,118, respectively.

FISCAL YEAR	FEES EARNED OR PAID IN CASH	STOCK AWARD	TOTAL
2025	\$58,187	\$139,931	\$198,118
2024	\$55,302	\$139,929	\$195,231

44. As of June 14, 2024, Levitan beneficially owned 42,831 shares of e.l.f. common stock. Based on e.l.f.'s stock price of \$192.63 per share on that date, Levitan's holdings were valued at approximately \$8,250,535.53. By June 27, 2025, Levitan beneficially owned 26,451 shares of e.l.f. common stock. Based on e.l.f.'s stock price of 126.33 per share on that date, Levitan's holdings were valued at approximately \$3,341,554.83. During the Relevant Period, Levitan sold 33,128 shares of e.l.f. stock while in possession of material nonpublic information, resulting in proceeds of approximately \$4,125,213.

45. Defendant Maureen C. Watson ("Watson") has served as a director of e.l.f. since

August 2015. Watson currently serves as Chair of the Company's Nominating and Corporate Governance Committee.

46. The Company's 2025 Proxy Statement stated, in part, the following about Defendant Watson:

Current Occupation and Select Prior Experience

- **Madison Reed, Inc.**, a hair care and color company
 - Chief Product Officer (August 2015 to present)
- **Sephora USA, Inc.**, a cosmetics and personal care products retailer
 - Senior Vice President, Merchandising (March 2013 to March 2015)
- **Lucky Brand, Inc.**, a clothing company
 - Senior Vice President, Global Sales and Merchandising of Lucky Brand Jeans (September 2010 to September 2011)

Other Affiliations/Experience/Information

- Over 30 years of retail experience
- Member of the board of directors of the San Francisco AIDS Foundation (April 2017 to June 2023; Chair, January 2021 to June 2023)

Education

- B.A. in Political Science and French from Middlebury College

47. According to e.l.f.'s Proxy Statements filed with the SEC on July 12, 2024, and July 5, 2025, Watson received total compensation of \$187,929 and \$187,995, respectively.

FISCAL YEAR	FEES EARNED OR PAID IN CASH	STOCK AWARDS	TOTAL
2025	\$58,187	\$139,931	\$198,118
2024	\$48,000	\$139,929	\$187,929

48. As of June 14, 2024, Watson beneficially owned 7,875 shares of e.l.f. common stock. Based on e.l.f.'s stock price of \$192.63 per share on that date, Watson's holdings were valued at approximately \$1,516,961.25. By June 27, 2025, Watson beneficially owned 1,888

shares of e.l.f. common stock. Based on e.l.f.'s stock price of \$126.33 per share on that date, Watson's holdings were valued at approximately \$238,511.04. During the Relevant Period, Watson sold 9,445 shares of e.l.f. stock while in possession of material nonpublic information, resulting in proceeds of approximately \$918,048.

49. Defendant Tiffany Daniele ("Daniele") has served as a director of e.l.f. since May 2022. Daniele currently serves as a member of the Company's Audit Committee.

50. According to e.l.f.'s Proxy Statements filed with the SEC on July 12, 2024, and July 5, 2025, Daniele received total compensation of \$192,717 and \$192,575, respectively.

FISCAL YEAR	FEES EARNED OR PAID IN CASH	STOCK AWARDS	TOTAL
2025	\$52,664	\$139,931	\$192,575
2024	\$52,788	\$139,929	\$198,478

51. The Company's 2025 Proxy Statement stated, in part, the following about Defendant Daniele:

Current Occupation and Select Prior Experience

- **Union Square Hospitality Group, LLC**, a leading restaurant group in NYC
 - Chief Financial Officer (October 2020 to present)
- **Cole Haan, Inc.**, a footwear and accessories retailer
 - Vice President of Financial Planning & Analysis (February 2020 to June 2020)
- **Tapestry, Inc.**, a New-York-based house of modern luxury brands
 - Vice President, Global Corporate Financial Planning & Analysis (December 2017 to February 2020)
- **Kate Spade & Company**, a global retail based company that operated lifestyle brands primarily focused on the sale of accessories and apparel
 - Various Financial Planning & Analysis roles (January 2012 to December 2017)

Other Affiliations/Experience/Information

- Former Chief Financial Officer of USHG Acquisition Corp. (NYSE: HUGS), a special purpose acquisition corporation sponsored by USHG which wound down in early 2023
- Over 10 years of experience working at luxury retail brands

Education

- B.A. in Commerce from University of Virginia

52. As of June 14, 2024, Daniele beneficially owned 3,644 shares of e.l.f. common stock. Based on e.l.f.'s stock price of \$192.63 per share on that date, Daniele's holdings were valued at approximately \$701,943.72. By June 27, 2025, Daniele beneficially owned 5,634 shares of e.l.f. common stock. Based on e.l.f.'s stock price of \$126.33 per share on that date, Daniele's holdings were valued at approximately \$711,743.22.

53. Defendant Maria Ferreras ("Ferreras") has served as a director of e.l.f. since August 2024. Ferreras is currently a member of the Nominating and Corporate Governance Committee.

54. The Company's 2025 Proxy Statement stated, in part, the following about Defendant Ferreras:

Current Occupation and Select Prior Experience

- Netflix, Inc., a multinational streaming entertainment service company
 - Global Head of Partnerships (June 2021 to present)
 - Global Head Business Development (February 2021 to June 2021)
 - VP, Business Development EMEA (April 2017 to February 2021)
- **Alphabet Inc.** (previously Google, Inc.), a global technology company
 - Director of YouTube Partnerships (January 2007 to April 2017)
- **Orange S.A.**, a French multinational telecommunications company
 - Director of TV & Media (February 2005 to January 2007)

Other Affiliations/Experience/Information

- Nearly 30 years of experience forging strategic partnerships, driving tech

innovation, and leading international expansion, marked by significant contributions to digital transformation

- Recognized among the top 100 most influential Latinos by Bloomberg and ALPFA (Association of Latino Professionals for America)

Education

- Master’s Degree in Telecommunications, Software Engineering from Universidad Politécnica de Madrid
- Marketing Postgraduate Degree from ESIC, Marketing School
- Corporate Director Certificate from Harvard Business School

55. According to e.l.f.’s Proxy Statements filed with the SEC on July 5, 2025, Ferreras received total compensation of \$167,252 in 2024.

FISCAL YEAR	FEES EARNED OR PAID IN CASH	STOCK AWARDS	TOTAL
2025	\$27,321	\$139,931	\$167,252

56. As of June 27, 2025, Ferreras beneficially owned 821 shares of e.l.f. common stock. Based on Elf’s stock price of \$126.33 per share on that date, Ferreras holdings were valued at \$103,716.93.

57. Defendant Lori A. Keith (“Keith”) has served as a director of e.l.f. since July 2020. Keith currently serves as a member of the Audit Committee and a member of the Nominating and Corporate Governance Committee.

58. The Company’s 2025 Proxy Statement stated, in part, the following about Defendant Keith:

Current Occupation and Select Prior Experience

- Parnassus Investments, an investment advisor
 - Portfolio Manager of the Parnassus Mid-Cap Fund (October 2008 to present)
 - Director of Research (July 2020 to present)

- Senior Research Analyst (2005 to 2008)
- **Deloitte Corporate Finance LLC**, a global professional services firm
 - Vice President of Investment Banking (2001 to 2003)

Other Affiliations/Experience/Information

- Nearly 20 years of investing in consumer products and retail businesses
- Former member of the board of trustees of The Athenian School

Education

- B.A. in Economics from the University of California, Los Angeles
- M.B.A. from Harvard Business School

59. According to e.l.f.'s Proxy Statements filed with the SEC on July 12, 2024, and July 5, 2025, Keith received total compensation of \$198,478 and \$195,494, respectively.

FISCAL YEAR	FEES EARNED OR PAID IN CASH	STOCK AWARDS	TOTAL
2025	\$55,563	\$139,931	\$195,494
2024	\$58,549	\$139,929	\$198,478

60. As of June 14, 2024, Keith beneficially owned 18,238 shares of e.l.f. common stock. Based on e.l.f.'s stock price of \$192.63 per share on that date, Keith's holdings were valued at approximately \$3,513,185.94. By June 27, 2025, Keith beneficially owned 21,018 shares of e.l.f. common stock. Based on e.l.f.'s stock price of \$126.33 per share on that date, Keith's holdings were valued at approximately \$2,655,203.94.

61. Defendant Kenny Mitchell ("Mitchell") has served as a director of e.l.f. since November 2020. Mitchell currently serves as Chair of the Compensation Committee.

62. The Company's 2025 Proxy Statement stated, in part, the following about Defendant Mitchell:

Current Occupation and Select Prior Experience

- **Levi Strauss & Co.**, a global brand-name apparel company

- SVP, Chief Marketing Officer (June 2023 to present)
- **Snap, Inc.**, a camera and social media company
 - Chief Marketing Officer (June 2019 to May 2023)
- **McDonald's Corporation**, a fast food company
 - Vice President, Brand Content and Engagement (February 2018 to June 2019)
- **Gatorade**, a division of PepsiCo, Inc., a global food and beverage company
 - Head of Consumer Engagement (March 2015 to February 2018)

Other Affiliations/Experience/Information

- Nearly 20 years of brand and marketing experience
- Member of the advisory board at The Tuck School of Business at Dartmouth
- Member of the board of the Sanford School
- Advisor to Overtime Elite, a professional basketball league for high schoolers

63. According to e.l.f.'s Proxy Statements filed with the SEC on July 12, 2024, and July 5, 2025, Mitchell received total compensation of \$\$189,964, and \$194,983, respectively.

FISCAL YEAR	FEE EARNED OR PAID IN CASH	STOCK AWARDS	TOTAL
2025	\$55,052	\$139,931	\$194,983
2024	\$50,035	\$139,929	\$189,964

64. As of June 14, 2024, Mitchell beneficially owned 13,440 shares of e.l.f. common stock. Based on e.l.f.'s stock price of \$192.63 per share on that date, Mitchell's holdings were valued at approximately \$2,588,947.20. By June 27, 2025, Mitchell beneficially owned 16,171 shares of e.l.f. common stock. Based on e.l.f.'s stock price of \$126.33 per share on that date, Mitchell's holdings were valued at approximately \$2,042,882.43.

65. Defendant Gayle Tait ("Tait") has served as a director of e.l.f. since November 2022. Tait currently serves as a member of the Compensation Committee.

66. The Company's 2025 Proxy Statement stated, in part, the following about Defendant Tait:

Current Occupation and Select Prior Experience

- **GT Advisory**, a business consulting and services company
 - Advisor (January 2025 to present)
- **Trove**, a resale platform for brands and retailers
 - CEO (May 2022 to June 2024)
 - President (January 2021 to May 2022)
- **Google LLC**, a global technology company
 - Managing Director, Global Retail & Payments Activation, Google Play (April 2016 to December 2020)
 - Director of Consumer Electronics (October 2015 to March 2016)
 - Director of CPG (March 2014 to October 2015)
- **L'Oréal**, a global beauty company
 - Managing Director for the UK & Ireland (April 2009 to February 2014)

Other Affiliations/Experience/Information

- More than 20 years of global general management, marketing and commercial experience spanning consumer goods, payments, e-commerce and digital marketing
- Member of the board of directors of Trove (August 2021 to January 2025)
- Advisor to First Horizon Bank's Technology Advisory Board

Education

- B.A. in English and Modern Languages from Oxford University

67. According to e.l.f.'s Proxy Statements filed with the SEC on July 12, 2024, and July 5, 2025, Tait received total compensation of \$202,986, and \$189,870, respectively.

FISCAL YEAR	FEES EARNED OR PAID IN CASH	STOCK AWARDS	TOTAL
2025	\$49,939	\$139,931	\$189,870
2024	\$63,057	\$139,929	\$ 202,986

68. As of June 14, 2024, Tait beneficially owned 1,475 shares of e.l.f. common stock. Based on e.l.f.'s stock price of \$192.63 per share on that date, Tait's holdings were valued at approximately \$284,129.25. By June 27, 2025, Tait beneficially owned 4,134 shares of e.l.f. common stock. Based on e.l.f.'s stock price of \$126.33 per share on that date, Tait's holdings were valued at approximately \$522,248.22.

69. Director Charles Victor Bergh ("Bergh") has served as a director of e.l.f. since April 2025.

70. The Company's current website states the following about Defendant Bergh:

Mr. Bergh has served as a member of our Board of Directors since April 2025. Mr. Bergh has been a Senior Lecturer at Harvard Business School since July 2024. Prior to this, he served from September 2011 to January 2024 as President and Chief Executive Officer and from September 2011 to April 2024 as a Director of Levi Strauss & Co., a global apparel company. Before joining Levi Strauss & Co., Mr. Bergh spent 28 years at Procter & Gamble in roles of increasing scope and complexity in brand management, general management and executive leadership. Mr. Bergh is the current chair of the board of HP, Inc., where he has served as a director since June 2015, and he is also a director for Pinterest, Inc., where he has served as a director since May 2024. Mr. Bergh previously served on the boards of VF Corporation and the Economic Development Board of Singapore. Mr. Bergh has a Bachelor of Arts in International Affairs from Lafayette College. We believe Mr. Bergh's extensive experience in executive leadership at large global companies, and his strong operational and strategic background with significant experience in brand management and international business management, provide him with the qualifications and skills to serve as a member of our Board

71. Defendant Beth Pritchard ("Pritchard") served as a director of e.l.f. from November 2017 until her resignation in 2025. Pritchard served as Chair of the Nominating and Corporate Governance Committee.

72. According to e.l.f.'s Proxy Statement filed with the SEC on July 12, 2024, Pritchard received \$211,319 in compensation.

FISCAL YEAR	FEES EARNED OR PAID IN CASH	STOCK AWARDS	TOTAL
2025	\$71,195	\$139,931	\$ 211,126
2024	\$71,390	\$139,929	\$211,319

73. As of June 14, 2024, Pritchard held 18,291 shares of e.l.f. stock. Based on e.l.f.'s stock price of \$192.63 per share on that date, Pritchard's holdings were valued at approximately \$3,523,395.33.

74. During the Relevant Period, Pritchard sold 8,306 shares of e.l.f. stock while in possession of material nonpublic information, resulting in proceeds of approximately \$1,106,359.20.

75. Defendant Richard G. Wolford ("Wolford") served as a director of e.l.f. from September 2014 until his retirement in August 2024. During his tenure, Wolford served as Chair of the Company's Audit Committee.

76. According to e.l.f.'s Proxy Statements filed with the SEC on July 12, 2024, and July 5, 2025, Wolford received total compensation of \$199,899, and \$23,736, respectively.

FISCAL YEAR	FEES EARNED OR PAID IN CASH	STOCK AWARDS	TOTAL
2025	\$23,736	-	\$23,736
2024	\$59,970	\$139,929	\$199,899

77. As of June 14, 2024, Wolford beneficially owned 11,071 shares of e.l.f. common stock. Based on e.l.f.'s stock price of 192.63 per share on that date, Wolford's holdings were valued at approximately \$2,132,606.73. During the Relevant Period, Wolford sold 11,072 shares of e.l.f. stock while in possession of material nonpublic information, resulting in proceeds of approximately \$2,005,524.51.

Officer Defendants

78. Defendant Mandy J. Fields ("Fields") has served as e.l.f.'s Senior Vice President

and Chief Financial Officer since April 2019.

79. The Company's current website states the following about Defendant Fields:

Mandy Fields is currently Chief Financial Officer at e.l.f. Beauty (NYSE: e.l.f.), a role she's held since 2019. Under Mandy's leadership, e.l.f. Beauty has delivered 28 consecutive quarters of net sales growth at an average of >20% growth per quarter. e.l.f. is 1 of only 6 public consumer companies out of 546 that has grown for 28 straight quarters.

Prior to e.l.f., Mandy served as Chief Financial Officer at BevMo!. At BevMo!, she transformed the supply chain and drove growth in a highly leveraged company. Prior to BevMo!, Mandy was Vice President of Finance & Analytics for Albertsons Companies, managing the P&L of the company's \$13 billion-dollar multi-brand private label portfolio. Previous, Mandy worked at The Gap, Inc. and J.P. Morgan.

Mandy serves as Board Director at Sonos, Inc. (Nasdaq: SONO) and TruStage™ as of January 2026. She is also a member of CNBC's CFO Council. Mandy holds a Bachelor of Science in Finance from Indiana University's Kelley School of Business.

Mandy has most recently been recognized as Modern Retail People Who Shaped Retail in 2025.

80. According to e.l.f.'s Proxy Statement filed with the SEC on July 12, 2024, and July 5, 2025, Fields received total compensation of \$4,706,938 and \$5,106,694, respectively.

FISCAL YEAR	SALARY	STOCK AWARDS	NON-EQUITY INCENTIVE PLAN COMP.	ALL OTHER COMP.	TOTAL
2025	\$350,000.00	\$4,399,694	\$350,000	\$7,000	\$5,106,694
2024	\$350,000.00	\$3,999,938	\$350,000	\$7,000	\$4,706,938

81. As of June 14, 2024, Fields beneficially owned 15,176 shares of e.l.f. common stock. Based on e.l.f.'s stock price of \$192.63 per share on that date, Fields' holdings were valued at approximately \$2,923,352.88. By June 24, 2025, Fields beneficially owned 72,448 shares of e.l.f. common stock. Based on e.l.f.'s stock price of \$126.33 per share on that date, Fields holdings

were valued at approximately \$9,152,356. During the Relevant Period, Fields sold 97,082 shares of e.l.f. stock while in possession of material nonpublic information, resulting in proceeds of approximately \$25,106,760. In addition, Fields is a named Defendant in the Securities Action.

Relevant Third Parties

82. CW 1 was employed by the Company from before the Relevant Period through August 2024. During the Relevant Period, CW 1 served as a senior member of the Company's e-commerce division. In that role, CW 1 was responsible for managing digital sales for the Company's Keys Soulcare products, as well as overseeing digital sales for the Company's Well People brand. CW 1 explained that they regularly attended inventory meetings with the Keys Soulcare team, which included the Company's then-Chief Marketing Officer, Kory Marchisotto.

83. CW 2 was employed by the Company from March 2024 through February 2025. In that role, CW 2 tracked sales of the Company's e.l.f. Cosmetics, e.l.f. SKIN, and Naturium products at Ulta Beauty retail stores throughout the United States. CW 2 also supported brand-building initiatives at Ulta Beauty locations, including organizing and running in-store promotional events.

84. CW 3 was employed by the Company as an Account Manager from before the Relevant Period through September 2024. In that role, CW 3 managed sales of the Company's skincare and cosmetics products at Ulta Beauty, including the Company's Keys Soulcare products, and managed sales of the Company's Well People products at Target.

85. CW 4 was employed by the Company as a senior member of the Company's sales team from May 2024 through and after the Relevant Period. During this time, CW 4 was compensated as a third-party consultant. In that role, CW 4 was involved in sales activities with several of the Company's retail partners, including Target and Ulta Beauty. According to CW 4,

they attended monthly forecasting meetings with the Company's Chief Executive Officer, Tarang Amin, Global Chief Marketing Officer, Kory Marchisotto, as well as heads of sales, heads of channels, and other senior personnel.

86. During the Relevant Period, the Individual Defendants were actively engaged in managing the Company's operations at the highest levels and had access to confidential and proprietary information related to the Company's business, operations, services, markets, competition, sales, demand, backlog, and future business prospects. They also participated in drafting, producing, reviewing, and disseminating the allegedly false and misleading statements detailed herein. Furthermore, they were either aware of or recklessly disregarded the inaccuracies and misrepresentations made about the Company through public statements, representations, and filings and either approved or ratified these statements actively, or through inaction, thereby violating the federal securities laws.

87. As officers and controlling persons of a publicly traded company whose securities are registered with the SEC under the Exchange Act and listed on the Nasdaq, the Individual Defendants had a duty to promptly disclose truthful, accurate, and complete information regarding the Company's business, operations, services, markets, competition, sales, demand, backlog, and current and future business prospects. They were also obligated to correct any prior statements that were materially false or misleading to ensure that the market price of the Company's publicly traded shares reflected truthful, accurate and complete information. The Defendants' false and misleading representations and omissions during the Relevant Period constituted a violation of these specific duties and obligations under federal securities laws.

88. The Individual Defendants, by virtue of their positions of control and authority as officers and directors of the Company, exercised control over the content of the Company's SEC

filings, press releases, and other public statements issued during the Relevant Period. Each Individual Defendant received copies of the documents alleged to be false and misleading before or shortly after their publication and had the ability and opportunity to prevent their issuance or ensure their correction. As a result, each Individual Defendant bears responsibility for the accuracy of the public statements described herein and is therefore primarily liable for the representations contained within them.

FIDUCIARY DUTIES OF THE INDIVIDUAL DEFENDANTS

89. By reason of their positions as officers, directors, and/or fiduciaries of e.l.f., and because of their ability to control the business and corporate affairs of the Company, the Individual Defendants owed e.l.f. and its shareholders fiduciary obligations of trust, loyalty, good faith, and due care.

90. The Individual Defendants were and are required to use their utmost ability to control and manage e.l.f. in a fair, just, honest, and equitable manner.

91. The Individual Defendants were and are required to act in furtherance of the best interests of e.l.f. and its shareholders to benefit all shareholders equitably.

92. Each director and officer of the Company owes e.l.f. and its shareholders the fiduciary duty to exercise good faith and diligence in the administration of the Company.

93. As fiduciaries of e.l.f., the Individual Defendants were able to and did, directly and/or indirectly, exercise control over the wrongful acts complained of herein because of their position and authority.

94. The officers and directors of e.l.f. were and are required to exercise reasonable and prudent supervision over the management, policies, controls, and operations of the Company to discharge their duties.

95. Each Individual Defendant under their position as officers and directors of e.l.f. owed to the Company and its shareholders the highest fiduciary duties of loyalty, good faith, care, and diligence in the management and administration of the affairs of the Company.

96. As e.l.f.'s directors and officers, the Individual Defendants knowingly acted with reckless disregard for their obligations as fiduciaries because their conduct posed a significant risk of harm to the Company.

97. The Individual Defendants had a duty to prevent and correct the dissemination of erroneous, misleading, and deceitful information concerning, inter alia, the Company's financial condition, business operations, management, performance, growth, earnings, and business prospects. Moreover, as senior officers of a publicly traded company whose common stock was registered with the SEC, pursuant to the Exchange Act, the Individual Defendants had a duty to act in the best interest of the Company.

98. As fiduciaries, the Individual Defendants had a duty to disclose in the Company's regulatory filings with the SEC all events described in this Complaint that it failed to disclose so that the Company's valuation and the common stock price would be based on accurate information and to preclude deceptive practices in the market.

99. The Individual Defendants were required to exercise reasonable and prudent supervision over the management, policies, practices, and internal controls of the Company to discharge their duties. Among other things, the Individual Defendants were required to:

- (a) Ensure the Company's affairs were managed efficiently and in a business-like manner to achieve the highest quality performance;
- (b) Ensure the Company operated diligently, honestly, and prudently, in full compliance with all applicable district and state laws, rules, regulations, and contractual obligations, and acted strictly within its legal authority;

- (c) Ensure that communications with the public and shareholders were timely, complete, and made with candor; and
- (d) Upon notice of issues concerning the Company's business practices or operations, act in good faith to take appropriate measures to correct the misconduct and prevent its recurrence.

100. Each of the Individual Defendants also bore a duty of loyalty to e.l.f. and its shareholders, mandating the prioritization of the Company's and its shareholders' interests above their own in the management of the Company's affairs and prohibiting the use of their position, influence, or insight into the Company's operations for personal gain.

101. During the pertinent times, the Individual Defendants served as agents for each other and for e.l.f., always operating within the parameters of their agency.

102. The Individual Defendants, through their advisory, executive, managerial, and directorial roles within e.l.f., were privy to detrimental, confidential information concerning the Company.

CODE OF BUSINESS CONDUCT AND ETHICS

103. On top of the fiduciary duties numerated above, the Individual Defendants, like all employees, directors, and officers of the Company, are required to comply with e.l.f.'s Code of Business Conduct and Ethics (the "Code of Conduct"). The Code of Conduct states, in pertinent part, the following:

In accordance with the requirements of the Securities and Exchange Commission (the "SEC") and the New York Stock Exchange (the "NYSE"), the board of directors (the "Board") of e.l.f. Beauty, Inc. (together with its subsidiaries, the "Company") has adopted this Code of Business Conduct and Ethics (the "Code") to encourage:

- Honest and ethical conduct, including fair dealing and the ethical handling of actual or apparent conflicts of interest;
- Full, fair, accurate, timely and understandable disclosure;

- Compliance with applicable governmental laws, rules and regulations;
- Prompt internal reporting of any violations of law or the Code;
- Accountability for adherence to the Code, including fair process by which to determine violations;
- Consistent enforcement of the Code, including clear and objective standards for compliance;
- Protection for persons reporting any questionable behavior or violations of law or the Code;
- The protection of the Company’s legitimate business interests, including its assets and corporate opportunities; and
- Confidentiality of information entrusted to directors, officers and employees by the Company and its customers.

All directors, officers and employees (each a “Covered Party” and, collectively, the “Covered Parties”) of the Company are expected to be familiar with the Code and to adhere to the principles and procedures set forth below.

* * *

II. Disclosures

The information in the Company’s public communications, including in all reports and documents filed with or submitted to the SEC, must be full, fair, accurate, timely and understandable.

To ensure the Company meets this standard, all Covered Parties (to the extent they are involved in the Company’s disclosure process) are required to maintain familiarity with the disclosure requirements, processes and procedures applicable to the Company commensurate with their duties. Covered Parties are prohibited from knowingly misrepresenting, omitting or causing others to misrepresent or omit, material facts about the Company to others, including the Company’s independent auditors, governmental regulators and self-regulatory organizations.

III. Compliance with Laws, Rules and Regulations

The Company is obligated to comply with all applicable laws, rules and regulations. It is the personal responsibility of each Covered Party to adhere to the standards and restrictions imposed by these laws, rules and regulations in the performance of his or her duties for the Company.

The Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer or Controller (or persons performing similar functions) of the Company (together, the “Senior Financial Officers”) are also required to promote compliance by all employees with the Code and to abide by Company standards, policies and procedures.

Covered Parties must comply with laws, regulations, rules and regulatory orders of the United States, including the Foreign Corrupt Practices Act and U.S. antitrust and export control laws, in addition to applicable state and local laws, including those relating to anti-harassment, anti-discrimination and equal opportunities.

IV. Insider Trading

“Insider trading” occurs when any person purchases or sells a public company’s security while in possession of material nonpublic information relating to such company. Insider trading is a violation of federal securities law. Covered Parties in possession of material non-public information about the Company or other companies must abstain from trading or advising others to trade in the respective company’s securities from the time that they obtain such inside information until adequate public disclosure of the information has occurred. A fact is considered “material” if there is a substantial likelihood that a reasonable investor would consider it important in making a decision to buy, sell or hold a security or if the fact is likely to have a significant effect on the market price of the security. To use material non-public information for personal financial benefit or to “tip” others, including family members, who might make an investment decision based on this information is not only unethical but also illegal. Please refer to the Company’s Insider Trading Compliance Program for a detailed description of the Company’s policies prohibiting insider trading.

V. Reporting, Accountability and Enforcement

The Company promotes ethical behavior at all times and encourages Covered Parties to talk to managers and other appropriate personnel when in doubt about the best course of action in a particular situation. Covered Parties should promptly report suspected violations of laws, rules, regulations or the Code to appropriate personnel, including the Company’s General Counsel and other officers and the Board or the relevant committee thereof. Reports may be made anonymously. If requested, confidentiality will be maintained, subject to applicable laws, regulations and legal proceedings.

The Audit Committee of the Board or the Company’s General Counsel will investigate and determine, or will designate appropriate persons to investigate and determine, the legitimacy of any reports. The Audit Committee or the Company’s General Counsel will then determine the appropriate remedial actions, including

any disciplinary action. Such disciplinary action includes, but is not limited to, reprimand, termination with cause, and possible civil and criminal prosecution.

Anyone making a complaint concerning a violation or suspected violation of laws, rules, regulations or the Code or any other unethical behavior by any director, officer, employee or anyone purporting to be acting on the Company's behalf must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation. Any allegations that prove not to be substantiated and which prove to have been made maliciously or were knowingly false will be viewed as a serious disciplinary offense.

The Company will not tolerate retaliation for reports made in good faith. Retaliation or retribution against any Covered Party for a report made in good faith of any suspected violation of laws, rules, regulations or this Code is cause for appropriate disciplinary action.

Please note that the reporting procedures described in this Section V are in addition to the policies and procedures described in the Company's Policy for Complaints Regarding Accounting, Internal Accounting Controls or Auditing Matters.

Notwithstanding anything herein, nothing in the Code prevents a Covered Party from communicating directly with relevant government authorities about potential violations of law without first notifying the Company.

VI. Corporate Opportunities

All Covered Parties owe a duty to the Company to advance the legitimate interests of the Company when the opportunity to do so arises. Covered Parties are prohibited from directly or indirectly (a) taking personally for themselves opportunities that are discovered through the use of Company property, information or positions, (b) using Company property, information or positions for personal gain or (c) competing with the Company for business opportunities.

VII. Confidentiality

In carrying out the Company's business, Covered Parties may learn confidential or proprietary information about the Company, its customers, distributors, suppliers or other business partners. Confidential or proprietary information includes all non-public information relating to the Company, or other companies, that would be harmful to the relevant company or useful or helpful to competitors if disclosed, including without limitation financial results or prospects, information provided by a third party, trade secrets, new product or marketing plans, research and development ideas, manufacturing processes, potential acquisitions or investments, or information of use to our competitors or harmful to us or our customers if disclosed. Covered Parties are also bound by any

confidentiality and proprietary information agreements they have entered into with the Company. Covered Parties must safeguard confidential information by keeping it secure, limiting access to those who have a need to know in order to do their job and avoiding discussion of confidential information in public areas such as planes, elevators, and restaurants and on mobile phones. This prohibition includes, but is not limited to, inquiries made by the press, analysts, investors or others. Covered Parties also may not use such information for personal gain. These confidentiality obligations continue even after employment or Board membership with the Company ends.

* * *

IX. Protection and Proper Use of Company Assets

All Covered Parties should protect the Company's assets and ensure their proper and efficient use. Theft, carelessness and waste have a direct impact on the Company's profitability. All Company assets should be used only for legitimate business purposes and not for any personal benefit or the personal benefit.

The obligation of employees to protect the Company's assets includes its proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks and copyrights, as well as business, marketing and service plans, manufacturing ideas, designs, databases, records, salary information and any unpublished financial data and reports.

* * *

XII Accuracy of Financial Reports and Other Public Communications

As a public company we are subject to various securities laws, regulations, and reporting obligations. Both federal law and our policies require the disclosure of accurate and complete information regarding the Company's business, financial condition, and results of operations. Inaccurate, incomplete, or untimely reporting will not be tolerated and can severely damage the Company and result in legal liability.

The Company's principal financial officers and other employees working in the finance department have a special responsibility to ensure that all our financial disclosures are full, fair, accurate, timely, and understandable. These employees must understand and strictly comply with generally accepted accounting principles and all standards, laws, and regulations for accounting and financial reporting of transactions, estimates, and forecasts.

* * *

CORPORATE GOVERNANCE GUIDELINES

104. Moreover, the Director Defendants have additional fiduciary duties as described in e.l.f.'s Corporate Governance Guidelines, which were adopted "to assist the Board in the exercise of its responsibilities and to serve the interests of the Company and its stockholders."

105. The Guideline state, in relevant part:

These Guidelines should be interpreted in the context of all applicable laws and the Company's certificate of incorporation, bylaws and other corporate governance documents. These Guidelines acknowledge the leadership exercised by the Board's standing committees and their chairs and are intended to serve as a flexible framework within which the Board may conduct its business and not as a set of legally binding obligations. These Guidelines are subject to modification from time to time by the Board as the Board may deem appropriate and in the best interests of the Company and its stockholders or as required by applicable laws, rules and regulations.

* * *

I. Director Responsibilities. The business and affairs of the Company will be managed by or under the direction of the Board, including through one or more of its committees. Each director is expected to spend the time and effort necessary to properly discharge his or her responsibilities. These include:

- i. exercising their business judgment in good faith;
- ii. acting in what they reasonably believe to be the best interest of all stockholders;
- iii. becoming and remaining well-informed about the Company's business and operations and general business and economic trends affecting the Company; and
- iv. ensuring that the business of the Company is conducted so as to further the long-term interests of its stockholders.

* * *

V. Business Conduct and Ethics

A. The Board believes that, in order to maintain the highest ethical and socially responsible standards of conduct, the Company should maintain appropriate codes of business conduct and ethics regarding, among other things: (i) conflicts of interest, (ii) disclosures, (iii) compliance with laws, rules and regulations, (iv) insider trading, (v) prohibition of retaliation or retribution, (vi)

corporate opportunities, (vii) confidentiality, (viii) fair dealing, (ix) protection and proper use of Company assets, and (x) such other matters as the Board deems appropriate. Such codes also will include standards of conduct reasonably applicable to designated persons, including the Chief Executive Officer and the senior financial officers, designed to promote honest and ethical conduct, and full, fair, accurate, timely and understandable disclosure in the periodic reports, proxy statements and other public filings the Company is required make.

* * *

AUDIT COMMITTEE CHARTER

106. In addition to the duties above, under the Company’s Audit Committee Charter, as members of the Audit Committee during the Relevant Period, Defendants Levitan (Chair), Keith, and Daniele (collectively the “Audit Committee Defendants”) owed specific additional duties to e.l.f.. Pursuant to the Charter, the purpose of the Audit Committee is to:

This Audit Committee Charter (this “Charter”) was adopted by the Board of Directors (the “Board”) of e.l.f. Beauty, Inc., a Delaware corporation (the “Company”), on September 22, 2016, and amended by the Board on February 15, 2018, May 19, 2020, August 25, 2022, August 22, 2024, and August 21, 2025.

1. Purpose

The purpose of the Audit Committee (the “Committee”) is to assist the Board in its oversight of: (i) the integrity of the Company’s financial statements; (ii) the Company’s compliance with legal and regulatory requirements; (iii) the independent auditor’s qualifications and independence; and (iv) the performance of the Company’s internal audit function and independent auditor.

The Committee’s responsibilities are limited to oversight. The Company’s management is responsible for establishing and maintaining accounting policies and procedures in accordance with generally accepted accounting principles (“GAAP”) and other applicable reporting and disclosure standards, and for preparing the Company’s financial statements. The Company’s independent auditors are responsible for auditing and reviewing those financial statements.

* * *

IV. Duties and Responsibilities

Interaction with the Independent Auditor

1. *Appointment and Oversight.* The Committee is directly responsible for the appointment, compensation, retention and oversight of the work of the independent auditor and any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for the Company (including resolution of any disagreements between Company management and the independent auditor or other registered public accounting firm regarding financial reporting), and the independent auditor and each such other registered public accounting firm must report directly to the Committee.

2. *Preapproval of Audit and Non-Audit Services.* The Committee, or the Chair of the Committee, must preapprove any audit and non-audit service provided to the Company by the independent auditor, unless the engagement is entered into pursuant to appropriate pre-approval policies established by the Committee or if such service falls within available exceptions under SEC rules. Other than with respect to the annual audit of the Company's consolidated financial statements, the Chair of the Committee is authorized to preapprove on behalf of the Committee other audit services and non-audit services provided to the Company by the independent auditor, and each such pre-approval decision will be presented to the full Committee at its next scheduled meeting.

3. *Annual Report on Independence and Quality Control.* The Committee must, at least annually, obtain and review a report from the independent auditor describing (a) the auditing firm's internal quality-control procedures; (b) any material issues raised by the most recent internal quality-control review or peer review of the auditing firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years relating to any independent audit conducted by the auditing firm, and any steps taken to deal with any such issues; and (c) all relationships and services between the independent auditor and the Company in order to assess the independent auditor's independence. The Committee also must ensure that the rotation of the independent auditor's audit partner satisfies regulatory requirements.

4. *Periodic Reports.* The Committee shall review periodically any reports prepared by the independent auditors and provided to the Committee relating to, among other things, the Company's critical accounting policies and practices; alternative treatments within generally accepted accounting principles for policies and practices relating to material items that have been discussed with management, including the ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the independent auditors; and any other material written communications between the independent auditors and management, such as any management letter or schedule of unadjusted differences.

Annual Financial Statements and Annual Audit

5. *Audit Problems.* The Committee must discuss with the independent auditor any audit problems or difficulties and management's response.

6. *Form 10-K Review.* The Committee must review and discuss the annual audited financial statements with management and the independent auditor, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," and recommend to the Board whether the audited financial statements should be included in the Company's Form 10-K.

7. *Audit Committee Report.* The Committee must provide the Company with the report of the Committee with respect to the audited financial statements for inclusion in each of the Company's annual proxy statements.

Quarterly Financial Statements

8. *Form 10-Q Review.* The Committee must review and discuss the quarterly financial statements with management and the independent auditor, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Other Duties and Responsibilities

9. *Review of Earnings Releases.* The Committee must discuss the Company's earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies.

10. *Financial Risk Assessment and Financial Risk Management.* The Committee must discuss the Company's policies with respect to financial risk assessment and financial risk management and oversee the management of the Company's financial risks. The Committee must discuss with management the steps management has taken to monitor and control these risks.

11. *Accounting and Auditing Principles.* The Committee must discuss with management and the independent auditors any issues regarding accounting and auditing principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, the effect of regulatory and accounting initiatives and any off-balance sheet structures, and any significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including the effects of alternative generally accepted accounting principal methods on the financial statements.

12. *Internal Controls.* The Committee shall oversee the Company's internal control over financial reporting, including any changes in internal control over financial reporting intended to address any significant deficiencies or material weaknesses in the design or operation of internal control and any fraud involving

management or other employees that is reported to the Committee. In addition, the Committee shall review and discuss management's assessment of the effectiveness of the Company's internal control over financial reporting and the independent auditor's report on, and attestation of, management's annual report on the Company's internal control over financial reporting, to the extent required by SEC rules.

13. *Hiring of Independent Auditor Employees.* The Committee must set clear hiring policies for employees or former employees of the Company's independent auditor.

14. *Complaint Procedures.* The Committee must establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and for the confidential and anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters.

15. *Review of Related Party Transactions.* The Committee must approve related party transactions in which the amount involved exceeds \$120,000 and a related party would have a direct or indirect interest in accordance with the Related Party Transaction Policy and Procedures

16. *Review of Anti-Bribery and Anti-Corruption Policy.* The Committee shall oversee matters related to anti-bribery and anti-corruption pursuant to the Company's Anti-Bribery and Anti-Corruption Policy, and shall periodically review such policy and submit any recommended changes to the Board for its consideration.

17. *Reports to the Board of Directors.* The Committee must report regularly to the Board regarding the activities of the Committee.

18. *Committee Self-Evaluation.* The Committee must at least annually perform an evaluation of the performance of the Committee.

19. *Review of this Charter.* The Committee must periodically review and reassess this Charter and submit any recommended changes to the Board for its consideration.

* * *

CONSPIRACY, AIDING AND ABETTING, AND CONCERTED ACTION

107. In committing the wrongful acts alleged herein, the Individual Defendants have engaged in, or aligned themselves with, a common course of conduct, acting in concert and

conspiring with one another to further their misconduct. They caused the Company to conceal the true facts as outlined in this complaint. Additionally, the Individual Defendants aided, abetted, and/or assisted each other in breaching their respective duties.

108. The purpose and effect of the conspiracy, common enterprise, and/or common course of conduct was, among other things, to enable and conceal the Individual Defendants' violations of law, including breaches of fiduciary duty and unjust enrichment.

109. The Individual Defendants carried out their conspiracy, common enterprise, and/or coordinated actions by causing the Company to deliberately, recklessly, or negligently conceal material facts, fail to correct those misrepresentations, and violate applicable laws.

110. To advance this plan, conspiracy, and course of conduct, the Individual Defendants, both collectively and individually, carried out the actions described herein. As these actions were executed under the Board's authority, the Individual Defendants, as directors of e.l.f., were direct, essential, and significant participants, collectively and individually, in the conspiracy, joint enterprise, and/or coordinated conduct alleged in this complaint.

111. Each of the Individual Defendants aided, abetted, and provided substantial assistance in the wrongdoings described herein. In providing such assistance, each Individual Defendant acted with actual or constructive knowledge of the primary misconduct, either directly participated in or significantly contributed to the commission of that wrongdoing, and was, or should have been, aware of his or her overall role in furthering the misconduct.

112. At all relevant times, each of the Individual Defendants acted as an agent of the other Defendants and of e.l.f., and at all times operated within the course and scope of that agency.

FACTUAL BACKGROUND

113. Founded in 2004, e.l.f. is an Oakland, California-based, multi-brand beauty company that designs, markets, and sells low-cost cosmetics and skincare products. e.l.f. positions its offerings as affordable alternatives to more established cosmetic brands. The Company's portfolio includes several beauty brands, including e.l.f. Cosmetics, e.l.f. SKIN, Naturium, Well People, and Keys Soulcare.

114. Although e.l.f. initially focused on a direct-to-consumer e-commerce model, allowing the Company to develop a robust customer database and online presence, it has since shifted to a predominantly retail-driven distribution strategy. Today, e.l.f. seeks to make its products broadly available through retail channels designed to reach consumers wherever they shop for beauty products.

115. e.l.f. does not operate any brick-and-mortar retail locations. Instead, the Company distributes its products through third-party physical retailers. Among those retail partners, Ulta Beauty, Target, and Walmart are e.l.f.'s most significant distribution channels, collectively accounting for approximately 50–60% of e.l.f.'s total net sales during the Relevant Period, according to the Company's annual reports.

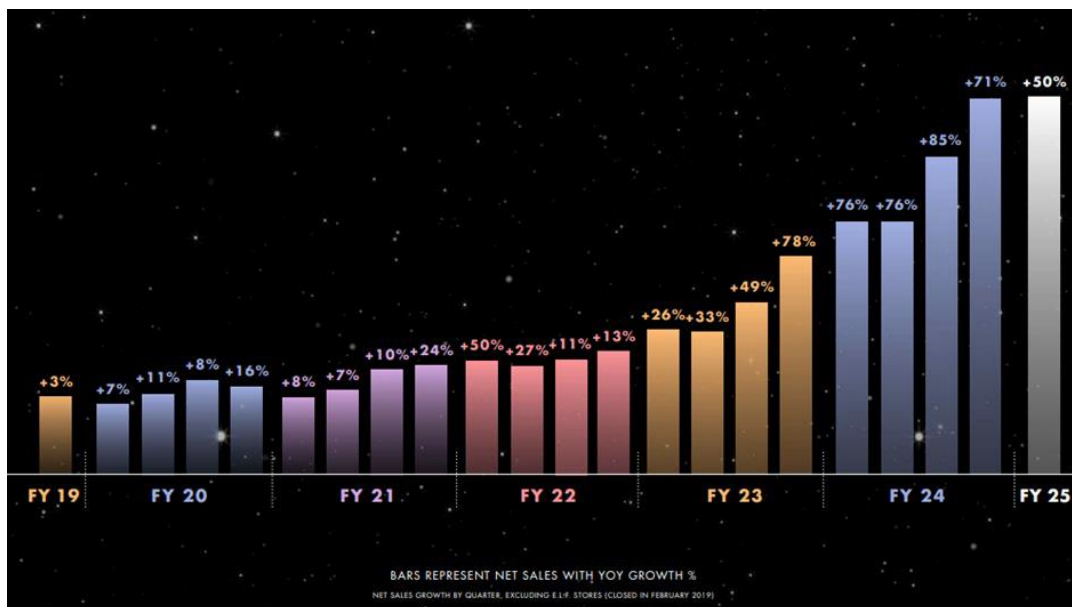
116. Beginning in 2019, e.l.f. experienced rapid and sustained growth. As the Company expanded, it presented its value proposition to investors as its ability to consistently deliver high levels of growth on a quarter-over-quarter basis. Investors valued e.l.f. for its accelerated growth trajectory, diversified distribution channels, and repeated success in launching new products that drove sales performance. As a result, investors closely monitored trends that provided insight into e.l.f.'s consumer demand and underlying sales momentum.

117. Recognizing the central importance of sustained net sales growth to its valuation, e.l.f. repeatedly emphasized to investors that it had increased net sales every year since fiscal Q4

2019. Consistent with this narrative, CFO Defendant Mandy Fields stated during an August 24, 2024 podcast that, “In our 20 year history, [e.l.f.] only had two quarters where we have not had growth.”

118. In the years leading up to the Relevant Period, the Company’s growth continued to accelerate. Beginning in fiscal Q3 2021 (October–December 2020), the Company reported year-over-year double-digit net sales growth in every quarter. That growth further intensified starting in fiscal Q2 2023 (July–September 2022), when the Company reported year-over-year net sales growth in excess of forty percent in each quarter.

119. Throughout the Relevant Period, Defendants repeatedly published versions of the chart below, highlighting that net sales growth had consistently exceeded 20% and had continued to increase on a quarter-over-quarter basis. For example, the Company presented this chart in its fiscal Q1 2025 (April–June 2024) earnings presentation:



120. The Company’s stock price rose in tandem with its reported sales growth and perceived strength in consumer demand. By the time the Company announced its fiscal Q3 2023

results (October–December 2022), its stock was trading at approximately \$70 per share. Following the release of fiscal Q4 2023 results (January–March 2023), the Company’s stock price had increased to approximately \$100 per share.

121. To sustain and further support its stock price, the Company needed to persuade the market that its elevated sales growth would continue at comparable levels. Analysts emphasized that the Company’s principal differentiator was “a double digit long term growth story, supported by consistent innovation.”³ In other words, it was not sufficient that the Company had achieved consistent net sales growth in prior quarters; its valuation depended on investor confidence that such growth would persist.

122. Analysts repeatedly expressed that e.l.f.’s ability to continue its sales growth was key to the stock’s value. For example, in raising e.l.f.’s price target on November 3, 2022, analysts from J.P. Morgan remarked that e.l.f.’s ability to “continue growth,” driven by its “innovation and ability to attract and engage consumers that continue to propel the company’s growth engine” was the driver behind those analysts’ decision to raise e.l.f.’s target price. Similarly, Bank of America explained on April 16, 2023, that it was raising its price target due to its view of e.l.f. as an “outlier in our Consumer Staples coverage” because of its “high-growth nature in value.”

123. e.l.f.’s stock chart demonstrates the importance of e.l.f.’s growth metrics. e.l.f.’s stock price remained flat, at around \$25 a share, for most of its history as a public company. It was not until e.l.f. was able to consistently demonstrate sales growth in excess of 20%, in mid-2022, that its stock price began to climb. Accordingly, Defendants realized they needed to persuade the market that e.l.f. would sustain sales growth in excess of 20% to continue to boost its stock price.

³ TD Cowen report dated April 17, 2024.

124. Investors relied on several indicators to assess the Company's demand and sales growth, including publicly available information regarding sales to retail partners and reported inventory levels. However, as discussed below, the information available to the market provided only a partial picture. By contrast, Defendants had access to far more extensive internal data, which they used to directly and accurately assess underlying consumer demand.

125. As a retail distributor, e.l.f. tracks two categories of transactions: sell-in and sell-through sales. Sell-in sales occur when e.l.f. sells its products to a retail partner, such as Ulta Beauty or Target. Sell-in sales are significant because that is the point at which the Company recognizes revenue. Accordingly, when e.l.f. reports sales to its retail customers, it is reporting sell-in sales.

126. Sell-through sales occur when a retailer, such as Ulta Beauty or Target, sells e.l.f.'s products to the end consumer. Sell-through sales are also significant because they are the primary indicator of underlying consumer demand. Although e.l.f. does not recognize sell-through sales as revenue, such sales are the strongest indicator of whether reported sales growth is sustainable.

127. Importantly, changes in consumer demand typically lag reported sell-in sales. As a result, when a retailer experiences declining consumer sales, i.e., weakening demand, it does not immediately reduce purchases from the distributor. Instead, that reduced demand is passed on to e.l.f. only later, when the retailer lowers future orders in response to slowing sell-through. Accordingly, declines in sell-through sales precede, and are reflected only in subsequent periods as, lower sell-in sales, which are the sales figures reported to investors.

128. Prior to and during the Relevant Period, e.l.f. represented that its substantial sales and inventory growth was driven by strong consumer demand and repeatedly cited sell-through

trends as evidence of that demand. Investors likewise understood the importance of sell-through sales as an indicator of underlying demand. For example, a J.P. Morgan analyst stated in a November 2, 2023 analyst report that e.l.f.'s stock appreciation prior to the Relevant Period was driven by "sell through trends" reflecting "strong demand."

129. When sell-in sales to a retailer exceed sell-through sales, it is a strong indicator that consumer demand is weakening, because sales to retailers are outpacing the retailer's ability to sell products to end consumers. Over time, this imbalance results in reduced sell-in sales, and thus lower reported sales by the Company, as retailers curtail future orders once they have accumulated excess inventory and lack sufficient consumer demand to sell it. For example, if a retailer such as Ulta Beauty purchases more e.l.f. products than it can sell, it will reduce subsequent purchases from e.l.f. until existing inventory is worked down.

130. Accordingly, whether growth was driven by sell-in sales to retailers or sell-through sales reflecting underlying consumer demand, both were material to e.l.f.'s ability to sustain and grow the Company's sales revenue over time.

131. Defendants tracked sell-through trends using internal sales data received by e.l.f. and relied on that sell-through data to directly and accurately assess consumer demand for e.l.f.'s products. By contrast, the market did not have access to the same sell-through information available to Defendants. Instead, investors could assess demand only indirectly, using reported sell-in sales to retailers and limited commercial point-of-sale data, which, as discussed below, was available for only certain retail partners.

132. Accordingly, Defendants possessed material, nonpublic information regarding consumer demand that was unavailable to investors. As a result, investors were forced to rely on Defendants' representations to accurately assess the level of demand for e.l.f.'s products.

133. Although the market attempted to assess consumer demand using commercial point-of-sale data, such information was limited to so-called “tracked” channels. e.l.f. categorizes its consumer sales into two primary groups: (1) tracked channels, where commercial data aggregators, such as NielsenIQ, collect point-of-sale survey data and make that information available to the market for a fee; and (2) untracked channels, where the market has virtually no visibility into sell-through transactions.

134. Approximately half of e.l.f.’s ultimate sales to end consumers occur through tracked channels, including mass-market retailers such as Walmart and Target. The remaining approximately 50% of consumer sales occur through untracked channels, which e.l.f. has explained include “international, digital, and Ulta [Beauty].”⁴

135. Because commercial data aggregators such as NielsenIQ and Circana collect only sampled point-of-sale sell-through data from tracked channels, analysts were able to obtain, at best, limited insight into e.l.f.’s consumer demand from those channels. By contrast, sell-through data from untracked channels was generally unavailable from commercial sources, leaving investors with little to no visibility into demand in those channels. As a result, investors had access to only a portion of the sell-through information available to Defendants, at most, roughly half of the demand data Defendants used to assess e.l.f.’s true sales performance.

136. Moreover, regardless of whether a channel was classified as tracked or untracked, Defendants possessed far more comprehensive and accurate sell-through information than was available to investors. For example, CW 4 recalled that e.l.f. purchased detailed sales data directly from many of its retail partners, including Ulta Beauty and Target, and maintained that information in an internal data-visualization platform. According to CW 4, e.l.f.’s internal sales

⁴ Earning Call transcript dated November 1, 2023.

data was approximately 99% accurate, and was significantly more reliable than the sampled data compiled by commercial aggregators such as NielsenIQ or Circana. CW 4 further explained that e.l.f. maintained its own website and retail sales database, which tracked sales by retailer and down to the individual store level. This retailer-provided data reflected what consumers were actually purchasing and allowed Defendants to precisely assess real-time consumer demand for e.l.f.'s products.

137. Defendants had access to and actively tracked sell-through data across all channels to accurately measure consumer demand. According to CW 4, e.l.f. maintained and monitored this sales data through an internal data-visualization platform. CW 4 explained that the sales data in this platform was updated weekly, each Monday evening, to reflect the prior week's sales figures. CW 4 further recalled that all e.l.f. employees, including members of the C-suite, had access to the data-visualization platform. According to CW 4, the Company's senior executives reviewed this sales data "all the time," reflecting that e.l.f. was a highly "data-driven" company.

138. CW 4 stated that they attended monthly forecast meetings during their most recent tenure, which were attended by the Company's Chief Executive Officer, Tarang Amin, Global Chief Marketing Officer, Kory Marchisotto, as well as heads of sales, heads of channels, and other senior personnel. CW 4 further detailed that the most recent Company sales data drawn from e.l.f.'s internal data-visualization platform was presented and reviewed during these monthly forecast meetings.

139. Accordingly, e.l.f. possessed accurate and contemporaneous demand data that was not available to the market, data that directly measured consumer demand for e.l.f.'s products. Specifically, e.l.f. had exclusive access to demand signals from its retail partners, including

sell-through data, which reflected actual consumer purchasing behavior and revealed how underlying demand would impact the Company's future sales performance.

140. Sales data was not the sole metric the market used to assess demand. Investors also viewed e.l.f.'s inventory levels as an indicator of demand and growth. Inventory, however, provided only limited insight into underlying consumer demand, because elevated inventory levels could reflect weakening demand in some circumstances, or rising demand in others.

141. For example, elevated inventory levels that e.l.f. was unable to reduce would be viewed as an indicator of slowing demand, because the Company was unable to sell through its inventory to customers. In such circumstances, elevated inventory would also signal an increased risk that e.l.f. would be required to discount, write down, or otherwise dispose of expired or obsolete products. By contrast, high inventory levels could, in certain high-growth scenarios, reflect rising demand. Where e.l.f. increased inventory levels and was then able to sell that inventory rapidly, such inventory growth would be viewed as a positive indicator of future demand, reflecting that the Company was ordering additional product to meet elevated consumer demand. Accordingly, elevated inventory levels signaled business strength only when accompanied by correspondingly strong sell-through and consumer demand.

142. Throughout the Relevant Period, Defendants also closely monitored inventory levels through internal systems. According to CW 4, e.l.f. maintained and tracked inventory data during their tenure. CW 4 further stated that they attended weekly inventory meetings with members of the Operations and Sales teams, as well as monthly inventory forecasting meetings, at which inventory levels and related trends were discussed.

143. Accordingly, because e.l.f. was able to accurately track both inventory levels and underlying consumer demand, the Company could determine whether inventory growth was

appropriately scaling with demand or whether demand was failing to keep pace with rising inventory.

144. Defendants pursued two complementary strategies designed to convince the market that e.l.f. would continue to sustain net sales growth at elevated levels.

145. First, e.l.f. promoted the narrative that it had unlocked a repeatable ability to innovate and consistently develop new products that would drive viral sales growth. The Company referred to these offerings as its “unicorn” or “holy grail” products. In reality, these so-called unicorn products largely consisted of lower-priced imitations of premium offerings from established brands such as Dior and Charlotte Tilbury. While certain copycat products, most notably e.l.f.’s Glow Reviver Lip Oil, did achieve viral success prior to the Relevant Period, those isolated successes did not reflect a sustainable innovation engine. Nevertheless, after these products fueled growth, Defendants doubled down and represented that e.l.f. possessed the ability to continuously generate a steady pipeline of viral product launches, despite knowing from internal documents that the Company lacked the capacity to do so.

146. Second, Defendants repeatedly highlighted e.l.f.’s relationships with key retail partners, such as Ulta Beauty, as evidence of the Company’s ability to consistently drive growth. Defendants asserted that e.l.f.’s continued expansion was the product of strong sales performance and deepening relationships with its retail customers. For example, in e.l.f.’s 2024 Annual Report, Defendants stated: “We have strong relationships with our retail customers such as Target, Walmart, Ulta Beauty, and other leading retailers that have enabled us to expand distribution both domestically and internationally.”

147. Consistent with this understanding, the market viewed e.l.f.’s ability to drive sustained sales through its retail partners as a critical driver of the Company’s growth and

valuation. For example, on October 23, 2023, Raymond James raised its price target on e.l.f., citing “e.l.f.’s white space opportunities across . . . retailers” and growth in the Company’s “non-tracked channels,” including sales through retailers such as Ulta Beauty, which were “growing at a faster rate” and “justifying a premium valuation to peers.”

148. As e.l.f. continued to grow, the Company increasingly relied on a concentrated group of retail partners, most notably Ulta Beauty. Prior to fiscal year 2022, Ulta Beauty accounted for less than 10% of e.l.f.’s net sales, totaling less than \$32 million in fiscal year 2021. That reliance increased in fiscal year 2022, when Ulta Beauty represented approximately 12% of e.l.f.’s net sales, or roughly \$47 million. By fiscal year 2023, Ulta Beauty accounted for approximately 15% of e.l.f.’s net sales, totaling roughly \$86 million. Throughout e.l.f.’s growth phase, sales to Ulta Beauty increased year over year, such that as the Company grew, so too did its dependence on sales through Ulta Beauty.

149. Prior to the Relevant Period, between July 2021 (the start of fiscal Q2 2022) and June 2022 (the end of fiscal Q1 2023), e.l.f.’s net sales growth significantly outpaced its inventory growth, reflecting strong underlying consumer demand. Immediately preceding the Relevant Period, however, this relationship reversed. Inventory growth began to outstrip sales growth as demand failed to keep pace with the Company’s expanding inventory levels. By December 2023, the end of fiscal Q3 2024, e.l.f.’s inventory growth was nearly double its sales growth.

150. At the same time, e.l.f. began to experience a pronounced decline in inventory turnover, or “turns.”⁵ Inventory turns fell from 2.41 in fiscal Q1 2024 to 1.54 by fiscal Q3 2024,

⁵ Quarterly inventory turnover (“inventory turn”) measures how quickly e.l.f. is able to sell its products. For example, an inventory turn of 2 indicates that e.l.f. sold through approximately two times its average inventory on hand during a given quarter. By contrast, a decline in inventory turns to 1 typically reflects slowing sales growth or overstocking, as e.l.f. was able to sell through its inventory only once during the quarter.

an important indicator that demand for e.l.f.'s products was weakening as sell-through to end consumers decelerated. The combination of mounting inventory levels and declining inventory turns, when viewed alongside e.l.f.'s proprietary and contemporaneous sales and demand data, informed Defendants that the Company's sales growth had slowed as a result of decreasing consumer demand.

151. Rather than disclose that rising inventory levels and declining inventory turns reflected weakening demand, Defendants did the opposite. They portrayed the inventory buildup as evidence of strong consumer demand, repeatedly asserting that e.l.f. was increasing inventory in order to meet demand. Indeed, on virtually every earnings call during the Relevant Period, Defendant Fields and the Company attributed increases in inventory to purportedly "strong consumer demand" that e.l.f. claimed it was then experiencing.

152. The Relevant Period begins on February 7, 2024, the day after e.l.f. released its financial results for fiscal Q3 2024. Following the market close on February 6, 2024, e.l.f. conducted its earnings call. During that call, Defendant Fields emphasized the "***strong consumer demand***" the Company claimed it was experiencing. Addressing e.l.f.'s elevated inventory levels, which were approximately 2.5 times higher than the prior year, Fields asserted that inventory was being increased "***to support strong consumer demand***" and further represented that e.l.f. had "the appropriate levels of inventory across the business to service our customers and ***support the demand we're seeing.***"

153. Defendant Fields' statements during the February 6, 2024 earnings call were false and misleading. Although Fields attributed e.l.f.'s swollen inventory levels to "strong consumer demand," inventory had in fact increased because demand had stagnated and the Company was unable to sell through its products at the levels it had projected. In other words,

e.l.f.'s inventory was not rising to meet demand, as Defendants represented, but because Defendants had overestimated growth and were unable to move the substantial inventory the Company had already purchased from its suppliers.

154. Defendants also knew that e.l.f.'s underlying demand was declining because a substantial portion of the Company's record growth in fiscal year 2024 was driven by sell-in transactions, that is, sales to retailers,]rather than sell-through sales reflecting increased consumer demand. Although e.l.f. reported extraordinary year-over-year sales growth during fiscal year 2024, exceeding 70% in each quarter, that growth was largely attributable to elevated sell-in activity. It was not supported by corresponding increases in sell-through driven by end-consumer demand. As a result, the reported growth was inherently unsustainable, because retailer inventory purchases were no longer tracking in line with slowing consumer demand. Nevertheless, e.l.f. continued to purchase inventory as if prior sales growth reflected durable consumer demand. When retailers ultimately stopped increasing their purchases at the same pace, e.l.f. was left holding tens of millions of dollars in excess inventory.

155. Three interrelated facts demonstrate that e.l.f.'s rising inventory reflected a slowdown in consumer demand and foreshadowed declining future sales. First, between fiscal Q2 2024 (July–September 2023) and fiscal Q4 2024 (January–March 2024), e.l.f.'s inventory growth dramatically outpaced its sales growth. This divergence demonstrated that consumer demand was not keeping pace with the Company's rapidly expanding inventory levels. As a result, e.l.f. faced the foreseeable risk of excess inventory and declining future sales, as retail partners would reduce or halt additional purchases once they had accumulated inventory they were still unable to sell through.

156. Second, between fiscal Q1 2024 (April–June 2023) and fiscal Q3 2024 (October–

December 2023), e.l.f.'s inventory turnover declined sharply, even as reported sales growth continued to rise. This divergence indicated that the Company's expanding inventory was not scaling with underlying consumer demand. Instead, rising inventory levels resulted in slower inventory turns, reflecting that retail partners were not experiencing sufficient sell-through to justify additional inventory orders.

157. Third, the combined growth of inventory and accounts receivable, which together measured the total volume of e.l.f. products held by both the Company and its retail partners, exceeded sales growth in every quarter between fiscal Q3 2024 (October–December 2023) and fiscal Q2 2025 (July–September 2024). This divergence demonstrated that, by the start of the Relevant Period, the marketplace was saturated with e.l.f. products in excess of consumer demand, an imbalance that was apparent to Defendants, but not to the investing public.

158. Taken together, these three factors, when viewed alongside e.l.f.'s detailed, contemporaneous internal point-of-sale data, made clear to Defendants that the Company's inventory growth was not being driven by sustainable consumer demand.⁶

159. By mid-2024, mounting evidence demonstrated that e.l.f.'s growth had stagnated across multiple dimensions, rendering the Company's record streak of consecutive quarters with sales growth exceeding 20% no longer sustainable. As detailed below, former employees confirmed that Defendants were aware that consumer demand had declined and that reported

⁶ Although some of the data underlying these metrics was publicly available, Defendants repeatedly misled investors by providing false and incomplete context regarding e.l.f.'s inventory levels and inventory turns. In particular, Defendants portrayed rising inventory as evidence of increased consumer demand, despite having access to more accurate internal data showing the opposite. Because Defendants possessed superior demand information, especially from untracked channels, investors were unaware that Defendants were observing weakening demand signals that directly contradicted their public explanations for the inventory buildup.

sales growth would soon decelerate accordingly.

160. Elevated inventory levels were a strong indicator that consumer demand was declining. Beginning in 2024, e.l.f.'s inventory continued to build, ballooning to approximately \$200 million by the summer of 2024. Although Defendants repeatedly characterized this inventory buildup as an intentional effort to meet purportedly strong consumer demand, that explanation was false.

161. Indeed, e.l.f.'s failure to meet its internal sales projections resulted in a substantial inventory buildup. The Company had ordered significant inventory in anticipation of continued demand, but when demand weakened in 2024, e.l.f. was left holding escalating levels of unsold product with limited ability to move it. In other words, the inventory buildup reflected declining consumer demand, not "strong consumer demand," as Defendants falsely represented.

162. For example, CW 4 stated that e.l.f. was "sitting on a lot of inventory" beginning in the summer of 2024 because sales were declining and were no longer as strong as they had been in the prior year.

163. CW 4 recalled that, beginning in the summer of 2024, participants in e.l.f.'s weekly and monthly inventory meetings began to express concern as sales performance deteriorated. CW 4 further stated that attendees at the Company's monthly forecast meetings discussed growing levels of excess and obsolete inventory, as well as strategies for addressing the inventory buildup. According to CW 4, these discussions included plans to work with e.l.f.'s retail partners to help move excess inventory.

164. Other former e.l.f. employees reported similar observations that Ulta Beauty was unable to sell through its inventory of e.l.f. products. For example, CW 2 explained that they observed substantial quantities of unsold e.l.f. products at Ulta Beauty stores. According to CW 2,

Ulta Beauty carried excess inventory of e.l.f. products because those products were not selling to end consumers.

165. This testimony was corroborated by other confidential witnesses. For example, CW 3 explained that sales of e.l.f.'s cosmetics products at Ulta Beauty began to decline in August or September 2024. CW 3 further stated that, during this period, e.l.f.'s cosmetics products became stale, as the Company did not launch any new cosmetics products in August or September 2024.

166. Similarly, CW 1 explained that, in 2024, Ulta Beauty ceased ordering new Keys Soulcare products for its website from e.l.f. because sales of Keys Soulcare products were performing poorly.

167. Ultimately, CW 3 reported that Ulta Beauty closed its Keys Soulcare account in July or August 2024. CW 3 explained that Keys Soulcare failed to generate sufficient sales volume to justify continued shelf space at Ulta Beauty.

168. Former employees further acknowledged that weaknesses in e.l.f.'s sales growth leading up to and during the Relevant Period were attributable, in part, to unsuccessful new product launches. e.l.f.'s business model relied heavily on a steady pipeline of innovative products to sustain strong consumer demand and drive continued growth. However, as described by former employees, the Company's new product offerings in 2024 failed to perform, undermining one of e.l.f.'s core growth drivers.

169. For example, CW 2 explained that e.l.f.'s new product launches underperformed expectations in July 2024. According to CW 2, the Company anticipated that two new product launches would perform strongly. However, CW 2 recalled that sales reports in July 2024 showed that both products were selling poorly at Ulta Beauty. CW 2 further stated that, during weekly

sales calls in July 2024, it was discussed that these two launches were not meeting projections at Ulta Beauty and were not “up to par” compared to prior e.l.f. product launches.

170. CW 2 further recalled that, in July 2024, e.l.f. shifted its focus at Ulta Beauty away from skincare and Naturium products and toward cosmetics. According to CW 2, sales personnel had initially been instructed to prioritize skincare and Naturium products at Ulta because e.l.f.’s cosmetics products were believed to “sell themselves.” However, after the two new product launches underperformed, e.l.f. redirected its field sales efforts to actively promote cosmetics products at Ulta Beauty.

171. Finally, confidential-witness testimony confirms that the Individual Defendants participated in internal meetings at which declining demand was discussed. By no later than the summer of 2024, e.l.f.’s weakening sales trends and deteriorating demand outlook were the subject of internal discussions, even as Defendants publicly represented that the Company was experiencing strong consumer demand and that investors should expect continued growth.

172. Despite mounting evidence of declining demand, Defendants continued to mislead investors during e.l.f.’s earnings call for fiscal Q4 2024, held on May 22, 2024. In her opening remarks, Defendant Fields asserted that e.l.f. “continue[s] to build back our inventory levels to support strong consumer demand.” Likewise, in response to an analyst’s question regarding the Company’s inventory position, Fields stated that Defendants “fe[lt] great about our inventory position” because e.l.f. had been “increasing that inventory position *to support the demand that we’re seeing*[.]”

173. Supporting the same narrative, on June 30, 2024, Defendant Amin participated in an interview with Barron’s. When asked about e.l.f.’s stock performance, Amin stated that “the party’s just getting started,” and asserted that “[t]here’s two things that correlate most to

long-term stock performance for e.l.f., net sales growth and adjusted EBITDA growth.” Amin further claimed that, “[g]iven the white space we have ahead of us, given the known strengths that we have, our ability and confidence continue to drive strong net sales and adjusted EBITDA growth. There’s still plenty of growth to be had.”

174. Defendant Fields’s May 22, 2024 growth-touting statements were false and misleading because they omitted material facts reflecting indicators of slowing growth that Defendants had already observed. Specifically, as detailed below, by that time: (i) Defendants had observed sales declining across e.l.f.’s channels beginning in the summer of 2024, signaling that the Company’s streak of sustained growth at prior levels was no longer sustainable; (ii) sales at key retail partners, including Ulta Beauty, had materially deteriorated; (iii) e.l.f.’s inventory had ballooned as consumer demand weakened and the Company was unable to move product as expected; and (iv) e.l.f.’s purported “unicorn” products, on which Defendants relied to support continued demand, were underperforming, undermining the premise that the Company could sustain a pipeline of viral launches to drive growth.

FASLE AND MISLEADING STATEMENTS

175. Throughout the Relevant Period, Defendants repeatedly misrepresented material facts concerning: (1) declining sales at key retail customers such as Ulta Beauty; (2) the causes of e.l.f.’s bloated inventory; and (3) the Company’s ability to sustain net sales growth.

A. February 6, 2024 – Q3 2024 Earnings Call

176. The Relevant Period begins on February 7, 2024, the day after e.l.f. released its financial results for the third quarter of fiscal year 2024.

177. After market close on February 6, 2024, e.l.f. released its financial results for the third quarter of fiscal year 2024, covering the period ended December 31, 2023. During the

same-day earnings call, Defendant Fields stated, in relevant part:

Our balance sheet remains strong, and we believe positions us well to execute our long-term growth plans. We ended the quarter with approximately \$72 million in cash on hand compared to a cash balance of \$87 million a year ago. Our ending inventory balance was \$205 million, in-line with our expectations and up from \$81 million a year ago. The difference is primarily a combination of three things[.]

[F]irst, as we said last quarter, *we continue to build back our inventory levels through fiscal [20]24 to support strong consumer demand[.]* [S]econd, approximately \$28 million of the increase is the result of taking ownership of inventory from China when it ships, versus when it enters our distribution center here in the US; lastly, our consolidated results include Naturium for the first time, which added approximately \$25 million of inventory. We believe we have the appropriate levels of inventory across the business to service our customers and support the demand we're seeing.

178. Defendants repeated this same representation in the investor presentation issued alongside the earnings call, attributing e.l.f.'s inventory balance to "*strong consumer demand.*"

179. Defendants' statements were materially false and misleading. While Defendants attributed e.l.f.'s ballooning inventory to "strong consumer demand," inventory in fact increased because demand had stagnated and the Company could not sell products at projected levels. Rather than rising to support demand, inventory accumulated because Defendants had miscalculated growth and were unable to unload the massive quantities of inventory they had already purchased from suppliers.

180. Defendants also knew that e.l.f.'s demand was declining because the Company's record fiscal year 2024 sales growth was driven primarily by sell-in transactions, not consumer sell-through. While e.l.f. reported more than 70% year-over-year growth in every quarter of fiscal year 2024, that growth was fueled by retailers increasing their orders, rather than by increased consumer demand. Because the growth was not demand-driven, it was inherently unsustainable.

Nevertheless, e.l.f. continued purchasing inventory as though the growth reflected lasting consumer demand. Once retailers reduced the pace of their purchases, e.l.f. was left burdened with tens of millions of dollars in excess inventory.

181. e.l.f.'s growing inventory was a clear indicator of slowing demand and impending sales declines, not rising demand, as Defendants falsely represented.

182. First, between the second quarter of fiscal year 2024 (July–September 2023) and the fourth quarter of fiscal year 2024 (January–March 2024), e.l.f.'s inventory growth far outpaced its sales growth. Put differently, demand was not keeping pace with the Company's rapidly rising inventory levels, signaling that e.l.f. would soon be left with excess inventory and declining sales once retailers slowed or ceased additional purchases because they were already carrying unsold product.

183. Second, and relatedly, from Q1 through Q3 of fiscal year 2024, e.l.f.'s inventory turns deteriorated significantly despite rising sales growth. This disconnect showed that inventory growth was outpacing demand, resulting in slower turns because retailers were not seeing enough consumer demand to request additional inventory.

184. Third, inventory plus accounts receivable growth, which measures the total amount of e.l.f. products held throughout the marketplace by both the Company and its retail partners, exceeded sales growth in every quarter from the third quarter of fiscal year 2024 (October–December 2023) through the second quarter of fiscal year 2025 (July–September 2024). This divergence demonstrates that, by the start of the Relevant Period, the marketplace was already saturated with e.l.f. products in excess of consumer demand.

A. November 6, 2024-Q2 FY 2025 Earnings

185. On November 6, 2024, the Company released its Q2 FY 2025 earnings results.

In the associated press release, the Company touted its results, claiming they had seen “***strength in both our retailer and e-commerce channels, in the U.S. and internationally.***”

186. Rather than inform investors they had observed stagnating demand, declining sales at Ulta Beauty, and ballooning inventory, Defendants instead raised guidance. Specifically, Defendant Amin stated, “We are pleased to be in a position to raise our outlook across both the top and bottom line. For the full year, we now expect net sales growth of approximately 28% to 30%, up from 25% to 27% previously. Our raised outlook reflects the outperformance in Q2 relative to our expectations[.]”

187. In fact, on the November 6, 2024 earnings call, Defendant Amin sought to deflect investor concerns about slowing sales. Even while Defendant Fields conceded that inventory had swelled to \$239 million, nearly double year over year, she attributed the buildup to “supporting the demand we’re seeing” and asserted that e.l.f. “feel[s] great about our inventory position and feel that we have the inventory that we need to continue to ***support the demand that we’re seeing.***”

188. Concerned that sales may be slowing, an analyst queried whether high levels of inventory was indicative of declining demand, asking “[is there] something going on? Is there too much inventory?” Fields again denied that e.l.f.’s bloated inventory was a sign that net sales were declining, emphatically (and falsely) reassuring investors that the inventory levels “allows [e.l.f.] to ***service the demand that we’re seeing.***”

189. Defendant Fields’ statements were false and misleading because they mischaracterized the inventory buildup as a deliberate decision to support increased demand. In reality, and as corroborated by the CWs, e.l.f.’s inventory accumulated because the Company had overstocked and demand had weakened, leaving e.l.f. unable to sell products it had already manufactured. The statements were further false and misleading because, rather than

experiencing the demand that \$239 million in inventory purportedly supported, e.l.f. was observing sharply declining sales, stagnating retailer performance, and reduced consumer demand.

190. Moreover, Defendants observed a clear slowdown in e.l.f.'s overall sales trends and a corresponding surge in inventory driven by weakening demand. Throughout the remainder of 2024, Defendants continued to see that demand had stagnated, sales were falling short of expectations, and inventory was bloating due to an inability to move product. Defendants also became aware that the innovations touted as drivers of continued growth were failing.

191. CW 4 stated that by mid-October 2024, e.l.f.'s Marketing, Finance, and Sales Operations teams pivoted from marketing new product launches to pushing legacy "icon" products. By that point, according to CW 4, the Company, including senior executives, was "aligned" that the new products had failed to meet internal forecasts and were performing materially worse than prior years. CW 4 recalled that e.l.f. internally recognized at the time that it was facing a "bad" Q3 FY2025.

B. November 21, 2024 – Defendant Amin's Interview on *Mad Money*

192. On November 21, 2024, Defendant Amin participated in an interview on *Mad Money* with Jim Cramer concerning the Muddy Waters Report, during which he stated:

First of all, their report was absolute nonsense. Their claim that they couldn't see import data from us is because we asked the US Customs and Borders Protections back in February to make that confidential for competitive reasons. So our facts basically unravel their entire report, their whole basis was on the import data . . . our company's extremely healthy, has terrific controls on inventory, on revenue recognition and is very well-run... ***In fact, we built up inventory to be able to meet the strong demand that we're seeing not only in the U.S., but also internationally, our international business was up 91% last quarter.***

193. Defendant Amin's statement above was materially false and misleading because

e.l.f.'s inventory was not built to meet "strong demand," as he claimed, but instead accumulated because demand was declining and the Company was unable to sell through the excess inventory it had previously ordered.

194. During the exchange, when Cramer asked whether e.l.f. had been able to weather the difficulties faced by other beauty companies in the latter part of 2024, Amin disputed the premise, asserting, "This is our 23rd consecutive quarter of growing our market share and we are now the number one unit share brand in the U.S., number two in dollars, with a clear line of sight in color cosmetics for market leadership." Later, Cramer noted that Target and Ulta Beauty had recently reported negative results and inquired, "How's your business with Ulta?" Amin responded that "*our business is strong at both customers*," further adding, "we're also the most productive brand that Ulta carries, and so we have great business with them" and "*what you have to look at is the facts of just how strong our growth is, and how we're winning in the marketplace, and that's really the real news.*"

195. Defendant Amin's statements were materially false and misleading because Defendants did not disclose that: (i) e.l.f. was experiencing declining sales across each of its distribution channels; (ii) key retail partners, including Ulta Beauty, were facing significant sales declines in 2024; (iii) e.l.f.'s overall sales had been decreasing since the summer of 2024 and fell approximately 12% short of the Company's internal projections in September and October 2024; and (iv) by October 2024, the Company's senior leadership, including the C-suite, had reached consensus that e.l.f.'s 2024 product innovations failed to meet internal forecasts or expectations and were underperforming relative to prior years.

196. Notably, in ruling on Defendants' motion to dismiss in the Securities Action, the Court found these statements misleading in context because, "they conveyed that e.l.f. was

building inventory to meet demand when Amin allegedly knew at the time that inventory was building because demand was weakening. The statements were made to alleviate concerns that sales and demand were decreasing.” *See* Order at 4. The Court also found these statements to be material explaining that: “Investors relied on e.l.f.’s representations because sales data was not publicly available for untracked channels like Ulta Beauty.” *Id.* The Court further found that these statements supported a strong inference of scienter because “Amin attended monthly forecast meetings during which the ‘negative sales trends and excess inventory were discussed.” *Id.* (internal quotations omitted).

THE TRUTH IS REVEALED

197. On November 20, 2024, Muddy Waters, an activist investor organization, issued a report shorting e.l.f.’s stock (the “Muddy Waters Report”), alleging, based on interviews with e.l.f.’s Chinese suppliers and review of the Company’s custom import data, that e.l.f. had materially overstated its revenue.

198. The Muddy Waters Report further reported that e.l.f. had materially reduced inventory orders in an effort to de-stock excess inventory. Based on interviews with e.l.f.’s suppliers, the report noted that shipments were down and that e.l.f. “continue[s] to cut the inventory holding at their side.” Thus, e.l.f. was not deliberately building inventory to meet demand, as Defendants claimed, but was instead attempting throughout 2024 to unwind overordering that was disproportionate to demand.

199. Rather than correcting the record, Defendants doubled down and, in attempting to refute the Muddy Waters Report, continued to issue false and misleading statements concerning the Company’s inventory and retail sales.

200. On February 6, 2025, the full truth and the foreseeable risks regarding e.l.f.’s

stagnant sales growth and weakening demand environment were revealed and materialized. On that date, e.l.f. reported its third-quarter fiscal year 2025 results and reduced its fiscal outlook, an action the Company had not taken in six years. Notably, e.l.f. also guided net sales growth for the fourth quarter of fiscal year 2025 to between –1% and 2%, representing the lowest year-over-year quarterly sales growth since at least fiscal year 2019 and raising the prospect of negative sales growth for only the third time in e.l.f.’s more than 20-year history.

201. Defendants attributed the decline to several factors. First, Defendants acknowledged that e.l.f. was experiencing softer overall consumer demand. Second, Defendants conceded that recent product launches had failed to deliver results, notwithstanding their prior assurances that e.l.f. maintained a robust pipeline of innovative products that could be accelerated in the event of weakness. Finally, Defendants admitted that e.l.f. had observed “a little bit of softness in Ulta,” which they acknowledged contributed to the sales decline.

202. e.l.f. further reported inventory of approximately \$215 million and, tellingly, for the first time in years did not attribute the elevated inventory balance to “strong consumer demand.”

203. Net sales growth, and e.l.f.’s ability to sustain elevated growth on a quarterly basis, was critical to investors. At virtually every opportunity, Defendants emphasized that e.l.f. was among the only publicly traded consumer companies to achieve net sales growth for 23 consecutive quarters while averaging more than 20% net sales growth per quarter. Any disruption to that growth trajectory posed a substantial risk to e.l.f.’s valuation and investor confidence.

204. As a direct and proximate result of this corrective disclosure and/or the materialization of previously concealed risks, e.l.f.’s common stock declined an additional \$17.36 per share, or 19.62%, falling from \$88.49 on February 6, 2025 to a closing price of \$71.13 per

share on February 7, 2025, thereby eliminating the remaining artificial inflation from the Company's stock price.

205. Analyst coverage of this shocking disclosure confirms that the market was reacting to newly revealed information concerning e.l.f.'s stagnant sales growth, driven by failed product innovation and underperformance across key retail channels. Oppenheimer stated, "We did not anticipate this severe a guide-down and moderation in the business . . . We remain concerned with upcoming difficult comparisons and would stay sidelined." UBS downgraded its price target, attributing the results to "weaker early reads on '25 innovation," and warning that "the company's 3Q results/updated outlook implies that this deceleration in growth may continue, with the updated outlook implying that growth could move into the + single-digit% range for the first time in four years." D.A. Davidson similarly observed that e.l.f. was shipping substantially more inventory than it was selling, estimating that the Company had overshipped the prior quarter by as much as 37%. Piper Sandler likewise expressed surprise at the underperformance of untracked channels such as Ulta Beauty, stating that "though we were hopeful that untracked channels would offset, management is lowering guidance, calling for sales growth of +27–28% y/y vs. +28–30% y/y previously."

206. Accordingly, this disclosure revealed that Defendants had concealed evidence that e.l.f.'s demand was slipping, its innovations were failing to perform, and inventory was ballooning because products were not selling.

DEFENDANTS ORCHESTRATED ELF'S STOCK REPURCHASES AT ARTIFICIALLY INFLATED PRICES DURING THE RELEVANT PERIOD

207. During the Relevant Period, the Individual Defendants directed the Company to repurchase its common stock at artificially inflated prices. On November 7, 2024, e.l.f. filed its Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2024, with the SEC.

As disclosed in the Form 10-Q, the Company completed stock repurchases in August 2024, during which it repurchased 108,753 shares of its common stock for a total of \$17,078,571.10, at an average price of \$157.04 per share.

208. Despite their knowledge of, or reckless disregard for, the Company's true growth prospects, the Individual Defendants breached their fiduciary duties by approving substantial stock repurchases at artificially inflated prices.

209. However, after the truth emerged, e.l.f.'s stock traded at just \$71.13 per share, the closing price on February 7, 2025. In total, the Company overpaid by more than \$9.3 million to repurchase its own common stock at artificially inflated prices.

INSIDER SALES

210. Rather than disclose material information to the market, Defendants Amin, Levitan, Fields, Watson, Wolford, and Pritchard (the "Inside Selling Defendants") used their access to e.l.f.'s material nonpublic information to sell their personal holdings while the Company's stock remained artificially inflated. As directors and officers, the Inside Selling Defendants were entrusted with, and had access to, material, nonpublic information concerning e.l.f.'s true business prospects.

211. While in possession of material nonpublic information, Defendant Amin sold 382,765 shares of his personally held e.l.f. stock for proceeds of approximately \$52,283,826 before the truth emerged. These sales were timed to capitalize on e.l.f.'s artificially inflated stock price.

TRADE DATE	PRICE	QTY	VALUE
2025-12-04	\$79.83	1,522	\$121,501
2025-06-05	\$117.61	2,405	\$282,852
2025-06-04	\$115.57	24,533	\$2,835,149
2025-04-21	\$53.36	97,915	\$5,224,744
2024-12-06	\$137.60	890	\$122,464

2024-09-05	\$136.17	23,528	\$3,203,873
2024-08-05	\$175.00	548	\$95,900
2024-08-05	\$170.18	22,980	\$3,910,660
2024-07-05	\$200.80	22,218	\$4,461,285
2024-06-05	\$184.80	64,737	\$11,963,079
2024-05-06	\$163.70	23,519	\$3,850,083
2024-04-05	\$162.55	16,687	\$2,712,528
2024-04-18	\$166.40	74,451	\$12,388,646
2024-04-05	\$162.63	6,832	\$1,111,062
TOTAL		382,765	\$52,283,826

212. While in possession of material nonpublic information, Defendant Levitan sold approximately 33,128 shares of her personally held e.l.f. stock for proceeds of approximately \$4,145,165 before the truth emerged. These sales were timed to capitalize on e.l.f.'s artificially inflated stock price.

TRADE DATE	PRICE	QTY	VALUE
2025-11-24	\$71.68	3,760	\$269,531
2025-08-14	\$118.94	4,630	\$550,676
2025-06-04	\$117.61	4,670	\$549,046
2025-02-24	\$75.35	4,900	\$369,215
2024-11-12	\$131.33	8,800	\$1,155,704
2024-06-03	\$196.45	6,368	\$1,250,993.60
Total		33,128	\$4,145,165

213. While in possession of material nonpublic information, Defendant Fields sold approximately 97,082 shares of her personally held e.l.f. stock for proceeds of approximately \$25,118,889 before the truth emerged. These sales were timed to capitalize on e.l.f.'s artificially inflated stock price.

TRADE DATE	PRICE	QTY	VALUE
2025-09-17	\$150.21	5,298	\$795,798
2025-09-08	\$136.28	55,692	\$7,589,680
2025-06-05	\$117.61	1,487	\$174,886
2025-06-04	\$115.56	11,795	\$1,363,086
2025-04-21	\$53.36	48,213	\$2,572,646
2024-06-05	\$184.96	20,197	\$3,735,637

2024-04-23	\$174.90	1,250	\$218,625
2024-04-19	\$158.49	23,745	\$3,763,410
2024-04-18	\$166.4	29,405	\$4,892,992
TOTAL		97,082	\$25,118,889

214. While in possession of material nonpublic information, Defendant Watson sold approximately 9,445 shares of her personally held e.l.f. stock for proceeds of approximately \$929,958.00 before the truth emerged. These sales were timed to capitalize on e.l.f.'s artificially inflated stock price.

FILING DATE	PRICE	QTY	VALUE
2025-08-28	\$128.40	785	\$100,793.00
2025-06-03	\$115.00	3,875	\$445,625.00
2025-03-07	\$67.39	4,000	\$269,580.00
2024-11-29	\$130	785	\$102,050.00
Total		9,445	\$929,958.00

215. While in possession of material nonpublic information, Defendant Wolford sold 11,072 shares of his personally held e.l.f. stock for proceeds of approximately \$2,031,822.72 before the truth emerged. These sales were timed to capitalize on e.l.f.'s artificially inflated stock price.

FILING DATE	PRICE	QTY	VALUE
2024-06-07	\$183.51	11,072	\$2,031,822.72
Total		11,072	\$2,031,822.72

216. While in possession of material nonpublic information, Defendant Pritchard sold approximately 8,306 shares of her personally held e.l.f. stock for proceeds of approximately \$1,106,359.20 before the truth emerged. These sales were timed to capitalize on e.l.f.'s artificially inflated stock price.

FILING DATE	PRICE	QTY	VALUE
2024-06-07	\$183.51	8,306	\$1,106,359.20
Total		8,306	\$1,106,359.20

217. In total, the Inside Selling Defendants sold close to approximately \$100 million worth of e.l.f. stock at artificially inflated prices, while in possession of material, non-public information.

DAMAGES TO ELF

218. As a direct and proximate result of the Individual Defendants' misconduct, e.l.f. has incurred, and will continue to incur, losses and expenses amounting to millions of dollars.

219. Such expenditures include, but are not limited to, legal fees associated with the Securities Action, as well as any internal investigations, and amounts paid to outside lawyers, accountants, and investigators in connection thereto.

220. These expenditures also include, but are not limited to, the costs associated with implementing measures to remediate the material weaknesses in the Company's internal control over financial reporting.

221. These losses also include, but are not limited to, substantial compensation and benefits paid to the Individual Defendants who breached their fiduciary duties to the Company, such as bonuses linked to the Company's achievement of specific objectives, as well as other benefits provided to those Individual Defendants.

222. As a direct and proximate result of the Individual Defendants' actions, e.l.f. has suffered and will continue to suffer damage to its reputation and goodwill, along with a "liar's discount" that will negatively impact the Company's stock in the future. This is due to the Company's misrepresentations and the Individual Defendants' breaches of fiduciary duties and unjust enrichment.

DERIVATIVE AND DEMAND FUTILITY ALLEGATIONS

223. Plaintiff brings this action derivatively in the right and for the benefit of the Company to redress injuries suffered and to be suffered as a direct and proximate result of the breaches of fiduciary duties and gross mismanagement by the Individual Defendants.

224. Plaintiff will adequately and fairly represent the interests of the Company in enforcing and prosecuting its rights and has retained counsel competent and experienced in derivative litigation.

225. Plaintiff is a current owner of the Company stock and has continuously owned Company stock during all times relevant to the Individual Defendants' wrongful course of conduct alleged herein.

226. Plaintiff understands his obligation to hold stock throughout the duration of this action and is prepared to do so.

227. During the illegal and wrongful course of conduct at the Company and through the present, the Board consisted of the Individual Defendants.

228. Because of the facts set forth throughout this Complaint, demand on the Company Board to institute this action is not necessary because such a demand would have been a futile and useless act, and Plaintiff has not made (and should be excused from making) a pre-filing demand on the Board to initiate this action.

229. The Company's Board is currently comprised of ten members: Defendants Amin, Watson, Levitan, Keith, Mitchell, Daniele, Tait, Ferreras, and Bergh (the "Demand Director Defendants") and non-party Matthew Farrell (together the "Demand Board"). Thus, Plaintiff is only required to show that a majority of the Defendants, i.e., 5, cannot exercise independent

objective judgement about whether to bring this action or whether to vigorously prosecute this action.

230. Each of the Demand Director Defendants approved and/or permitted the wrongs alleged herein to have occurred and participated in efforts to conceal or disguise those wrongs from the Company's stockholders or recklessly and/or with gross negligence disregarded the wrongs complained of herein and are therefore not disinterested parties.

231. Each of the Demand Director Defendants authorized and/or permitted the false statements to be disseminated directly to the public and made available and distributed to shareholders, authorized and/or permitted the issuance of various false and misleading statements, and are principal beneficiaries of the wrongdoing alleged herein, and thus, could not fairly and fully prosecute such a suit even if they instituted it.

232. Additionally, the Demand Director Defendants received payments, benefits, stock options, and other emoluments by virtue of their membership on the Board and their control of the Company.

Defendant Amin

233. Defendant Amin is not disinterested or independent, and therefore, is incapable of considering demand because, Amin, as Chairman of the Board and CEO of the Company, is an employee who derives substantial compensation in his role with the Company making him not disinterested or independent.

234. The financial benefits received by Amini renders him incapable of impartially considering a demand to commence and vigorously prosecute this action.

235. Notably, the Company's 2025 Proxy recognizes that Defendant Amin is not an independent director.

236. As such, Defendant Amin cannot independently consider any demand to sue himself for breaching his fiduciary duties to the Company, as that would expose him to substantial liability and threaten his livelihood.

Defendants Levitan, Daniele, and Keith

237. Defendants Levitan (Chair), Daniele, and Keith are not disinterested or independent and, therefore, are incapable of considering demand because they serve as members of the Audit Committee. Pursuant to the Audit Committee's Charter, the purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities related to, inter alia, accounting, legal, regulatory, and public disclosure requirements. Thus, these Defendants were responsible for knowingly or recklessly allowing the improper statements. Further, these Defendants reviewed and approved the improper press releases made to the public. Despite their knowledge, these Defendants caused these improper statements.

238. For these reasons, Levitan, Daniele, and Keith breached their fiduciary duties, face a substantial likelihood of liability, are not independent or disinterested, and thus demand upon them is futile and, therefore, excused.

Defendants Amin, Levitan, Fields, Watson, and Wolford

239. Defendants Amin, Levitan, Fields, Watson, and Wolford, are not disinterested or independent and, therefore, are incapable of considering demand because while in possession of material, non-public information, they sold 658,821, 33,128, 97,082, 9,445, and 11,072 shares of the Company's stock at various prices per share for a windfall of more than \$98.5 million collectively, and these sales demonstrate their motives in facilitating and participating in the misleading statements. As a result of their insider selling, Amin, Levitan, Fields, Watson,

Pritchard, and Wolford may be personally subject to disgorgement, and thus demand upon them is futile and, therefore, excused.

All Directors

240. The Demand Director Defendants, as members of the Board, were and are subject to the Code of Business Conduct and Ethics as well as the Company's Corporate Governance Guidelines (the "Codes"), which go well beyond the basic duties required by applicable laws, rules, and regulations. Specifically, the Codes require Directors to act in good faith, responsibly, with due care, avoid conflicts of interest, ensure accurate and timely disclosures, and promptly report any violations. The Director Defendants violated these Codes because they knowingly or recklessly permitted the Company to issue materially false and misleading statements alleged herein. Consequently, the Director Defendants breached the Company's Codes, face substantial liability, and are not independent or disinterested, making demand upon them futile.

241. Furthermore, demand, in this case, is excused because the Directors, who are named as defendants in this action, control the Company and are indebted to each other. The Demand Director Defendants have longstanding business and personal relationships with each other and the Individual Defendants that preclude them from acting independently and in the best interests of the Company and the shareholders. These conflicts of interest precluded the Demand Director Defendants from adequately assessing and managing risks, overseeing the Company's internal control over financial reporting, overseeing disclosure controls and procedures and calling into question the Individual Defendants' conduct. Thus, any demand upon the Directors would be futile.

242. e.l.f. has been, and will continue to be, exposed to significant losses due to the wrongdoing complained of herein. Yet, the Directors have not filed any lawsuits against

themselves or others who were responsible for that wrongful conduct to attempt to recover for e.l.f. any part of the damages e.l.f. suffered and will continue to suffer, thereby. Thus, any demand to the Directors would be futile.

243. The Individual Defendants' conduct described herein and summarized above could not have been the product of legitimate business judgment as it was based on bad faith and intentional, reckless, or disloyal misconduct. Thus, none of the Demand Director Defendants can claim exculpation from their violations of duty pursuant to the Company's charter (to the extent such a provision exists). As a majority of the Directors face a substantial likelihood of liability, they are self-interested in the transactions challenged herein. They cannot be presumed to be capable of exercising independent and disinterested judgment about whether to pursue this action on behalf of the shareholders of the Company. Accordingly, demand is excused as being futile.

244. The acts complained of herein constitute violations of fiduciary duties owed by e.l.f.'s officers and directors, and these acts are incapable of ratification.

245. The Demand Director Defendants may also be protected against personal liability for their acts of mismanagement and breaches of fiduciary duty alleged herein by directors' and officers' liability insurance if they caused the Company to purchase it for their protection with corporate funds i.e., monies belonging to the stockholders of e.l.f.. If there is a directors' and officers' liability insurance policy covering the Directors, it may contain provisions that eliminate coverage for any action brought directly by the Company against the Directors, known as, *inter alia*, the "insured-versus-insured exclusion." As a result, if the Directors were to sue themselves or certain of the officers of e.l.f., there would be no directors' and officers' insurance protection. Accordingly, the Directors cannot be expected to bring such a suit. On the other hand, if the suit is brought derivatively, as this action is brought, such insurance coverage, if such an insurance

policy exists, will provide a basis for the Company to effectuate a recovery. Thus, demand on the Directors is futile and, therefore, excused.

246. If there is no directors' and officers' liability insurance, then the Directors will not cause e.l.f. to sue the Individual Defendants named herein, since, if they did, they would face a large uninsured individual liability. Accordingly, demand is futile in that event, as well.

247. Thus, for all of the reasons set forth above, all of the Demand Director Defendants, and, if not all of them, certainly at least five of them, cannot consider a demand with disinterestedness and independence. Consequently, a demand upon the Board is excused as futile.

CLAIMS FOR RELIEF

COUNT I

Against the Individual Defendants For Breach of Fiduciary Duties

242. Plaintiff incorporates by reference and re-allege each and every allegation contained above, as though fully set forth herein.

243. The Individual Defendants had actual or constructive knowledge that they had caused the Company to engage in the fraudulent schemes set forth herein improperly and to fail to maintain adequate internal controls. The Individual Defendants had actual knowledge that the Company was engaging in the fraudulent schemes set forth herein, and that internal controls were not adequately maintained, or acted with reckless disregard for the truth, in that they caused the Company to engage in the fraudulent schemes improperly and to fail to maintain adequate internal controls, even though such facts were available to them. Such improper conduct was committed knowingly or recklessly and for the purpose and effect of artificially inflating the price of e.l.f.'s securities.

244. These actions were not a good-faith exercise of prudent business judgment to protect and promote the Company's corporate interests.

245. As a direct and proximate result of the Individual Defendants' breaches of their fiduciary obligations, e.l.f. has sustained and continues to sustain significant damages. As a result of the misconduct alleged herein, the Individual Defendants are liable to the Company.

246. Plaintiff, on behalf of e.l.f., has no adequate remedy at law.

COUNT II

Against the Individual Defendants for Violating Section 14(a) of the Exchange Act

247. Plaintiff incorporates by reference and re-allege each and every allegation contained above, as though fully set forth herein.

248. Pursuant to Section 14(a) of the Exchange Act, "[i]t shall be unlawful for any person, by use of the mails or by any means or instrumentality of interstate commerce or of any facility of a national securities exchange or otherwise, in contravention of such rules and regulations as the [SEC] may prescribe as necessary or appropriate in the public interest or for the protection of investors, to solicit or to permit the use of his name to solicit any proxy or consent or authorization in respect of any security (other than an exempted security) registered pursuant to section 12 of this title [15 U.S.C. § 781]."

249. Rule 14a-9, promulgated under Section 14(a) of the Exchange Act, prohibits proxy statements from containing "any statement which, at the time and in the light of the circumstances under which it is made, is false or misleading with respect to any material fact, or which omits to state any material fact necessary in order to make the statements therein not false or misleading." 17 C.F.R. § 240.14a-9.

250. In the exercise of reasonable care, the Individual Defendants should have known that, by misrepresenting or failing to disclose the foregoing material facts, the statements contained in the Proxies were materially false and misleading. The misrepresentations and omissions were material to Plaintiff in voting on the matters set forth for stockholder determination in the Proxies, including, but not limited to, election of directors, ratification of an independent auditor, and the approval (on an advisory basis) of executive compensation.

251. The false and misleading Proxy statements caused the re-election of several Individual Defendants to the Board, allowing them to continue breaching their fiduciary duties to e.l.f..

252. As a direct and proximate result of the material misrepresentations and omissions in the Proxy Statements filed during the Relevant Period by the Individual Defendants, the Company suffered damages.

253. Plaintiff, on behalf of e.l.f., has no adequate remedy at law.

COUNT III

Against the Individual Defendants For Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Promulgated Thereunder

254. Plaintiff incorporates by reference and re-allege each and every allegation contained above, as though fully set forth herein.

255. During the period of wrongdoing, the Individual Defendants disseminated and approved false and misleading statements about e.l.f., which they knew, or recklessly disregarded, were false and misleading and designed to deceive, manipulate, or defraud investors. This misconduct artificially inflated the price of the Company's common stock.

256. While e.l.f.'s stock price was artificially inflated as a result of the Individual Defendants' false and misleading statements, the Current Director Defendants caused the Company to repurchase its own common stock at those inflated prices. Through this conduct, the Current Director Defendants engaged in a scheme to defraud e.l.f., causing the Company to expend \$17,078,571.10 on inflated share repurchases.

257. The Individual Defendants violated Section 10(b) of the Exchange Act and SEC Rule 10b-5 by: (i) employing devices, schemes, and artifices to defraud; (ii) making untrue statements of material fact and omitting material facts necessary to make their statements, in light of the circumstances under which they were made, not misleading; and (iii) engaging in acts, practices, and a course of business that operated as a fraud or deceit upon e.l.f. in connection with the Company's repurchases of its own stock during the period of wrongdoing.

258. The Individual Defendants, acting individually and collectively and through the use of interstate commerce and the mails, engaged in a continuous fraudulent scheme that operated as a deceit upon e.l.f.. In furtherance of that scheme, Defendants made materially false or misleading statements and omissions, acting intentionally or with severe recklessness, and employed devices and artifices to defraud in connection with the purchase and sale of e.l.f. stock. This conduct deceived e.l.f. and its stockholders regarding the Company's growth and business prospects, artificially inflated and maintained e.l.f.'s stock price, and caused the Company to repurchase its own shares at artificially inflated prices, resulting in losses once the truth became known. Throughout the period of wrongdoing, Defendants were in possession of material, nonpublic information.

259. As senior officers and directors of the Company, the Individual Defendants were directly responsible for, and are liable for, the improper statements made during the period of wrongdoing.

260. Throughout the period of wrongdoing, the Individual Defendants acted with scienter, either with intent to deceive, manipulate, or defraud, or with severe recklessness. The material misstatements and omissions were either known to Defendants or were so obvious that Defendants must have been aware of them. Defendants further had a continuing duty to disclose material information that rendered their prior statements materially false or misleading.

261. The Individual Defendants made false or misleading statements and omissions in connection with e.l.f.'s repurchases of its own stock.

262. As a direct result of the Individual Defendants' misconduct, e.l.f. paid artificially inflated prices for its own common stock and suffered losses when the previously concealed facts regarding the wrongdoing became known, causing ongoing damages to the Company.

263. The Company would not have repurchased its own securities at the prices paid, or at all, absent the artificial inflation caused by the Individual Defendants' false or misleading statements.

264. As a direct and proximate result of the Individual Defendants' misconduct, e.l.f. suffered damages in connection with its stock repurchases during the period of wrongdoing, rendering Defendants liable under Section 10(b) of the Exchange Act and SEC Rule 10b-5.

COUNT IV
Against the Individual Defendants
For Unjust Enrichment

265. Plaintiff incorporates by reference and re-allege each and every allegation contained above, as though fully set forth herein.

266. By their wrongful acts, violations of law, and false and misleading statements and omissions of material information and facts that they made and/or caused to be made, the Individual Defendants were unjustly enriched at the expense of, and to the detriment of e.l.f..

267. Each of the Defendants received payment from e.l.f., in the form of either salary or director fees while actively breaching their fiduciary duties to e.l.f..

268. All the payments and benefits provided to Defendants were at the expense of e.l.f.. The Company received no benefit from these payments.

269. Plaintiff, as a shareholder and a representative of e.l.f., seeks restitution from the Individual Defendants and seeks an order from this Court disgorging all profits, including from benefits, and other compensation, including any performance-based or valuation-based compensation, obtained by the Individual Defendants due to their wrongful conduct and breach of their fiduciary and contractual duties.

270. Plaintiff, on behalf of e.l.f., has no adequate remedy at law.

COUNT V

Against the Individual Defendants For Waste of Corporate Assets

271. Plaintiff incorporates by reference and re-allege each and every allegation contained above, as though fully set forth herein.

272. As a result of the foregoing, and by failing to properly consider the interests of the Company and its public shareholders, the Individual Defendants have caused e.l.f. to waste valuable corporate assets, to incur many millions of dollars of legal liability and/or costs to defend unlawful actions, and to lose assets from investors and customers who no longer trust the Company.

273. As a result of the waste of corporate assets, the Individual Defendants are each liable to the Company.

PRAYER FOR RELIEF

FOR THESE REASONS, Plaintiff demands judgment in the Company's favor against all Individual Defendants as follows:

- a) Declaring that the Plaintiff may maintain this action on behalf of e.l.f. and that Plaintiff is an adequate representative of the Company;
- b) Declaring that the Individual Defendants have breached and/or aided and abetted the breach of their fiduciary duties to e.l.f.;
- c) Determining and awarding to e.l.f. the damages sustained by it, or disgorgement or restitution owed to it, as a result of the violations set forth above from each of the Individual Defendants, jointly and severally, together with pre-judgment and post-judgment interest thereon;
- d) Directing the Individual Defendants to take all necessary actions to reform and improve e.l.f.'s corporate governance and internal procedures to comply with applicable laws and to protect e.l.f. and its shareholders from a repeat of the damaging events described herein;
- e) Awarding Plaintiff the costs and disbursements of this action, including reasonable attorneys' and experts' fees, costs, and expenses; and
- f) Granting such other and further relief as the Court may deem just and proper.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.

Dated: April 9, 2026

BIELLI & KLAUDER, LLC

/s/ Ryan M. Ernst

Ryan M. Ernst (No. 4788)

1204 N. King Street

Wilmington, DE 19801

Phone: (302) 803-4600

Email: rernt@bk-legal.com

OF COUNSEL:

Attorneys for Plaintiff

JUSTIN A. KUEHN

MOLLY J. BROWN

KUEHN LAW, PLLC

53 Hill Street, Suite 605

Southampton, NY 11968

Telephone: (833) 672-0814

justin@kuehn.law