

**The Gap, Inc.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**UNAUDITED**

(\$ in millions)	May 2, 2026	May 3, 2025
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 2,162	\$ 1,976
Short-term investments	399	244
Merchandise inventory	2,095	2,097
Other current assets	583	567
Total current assets	5,239	4,884
Property and equipment, net of accumulated depreciation	2,535	2,470
Operating lease assets	3,480	3,267
Other long-term assets	883	944
Total assets	\$ 12,137	\$ 11,565
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 1,298	\$ 1,292
Accrued expenses and other current liabilities	883	841
Current portion of operating lease liabilities	631	633
Income taxes payable	89	88
Total current liabilities	2,901	2,854
Long-term liabilities:		
Long-term debt	1,492	1,490
Long-term operating lease liabilities	3,519	3,363
Other long-term liabilities	570	537
Total long-term liabilities	5,581	5,390
Total stockholders' equity	3,655	3,321
Total liabilities and stockholders' equity	\$ 12,137	\$ 11,565

**The Gap, Inc.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**UNAUDITED**

(\$ and shares in millions except per share amounts)	13 Weeks Ended	
	May 2, 2026	May 3, 2025
Net sales	\$ 3,497	\$ 3,463
Cost of goods sold and occupancy expenses	2,080	2,015
Gross profit	1,417	1,448
Operating expenses	972	1,188
Operating income	445	260
Interest, net	(5)	(3)
Income before income taxes	450	263
Income tax expense	111	70
Net income	\$ 339	\$ 193
Weighted-average number of shares - basic	367	375
Weighted-average number of shares - diluted	378	382
Earnings per share - basic	\$ 0.92	\$ 0.51
Earnings per share - diluted	\$ 0.90	\$ 0.51

**The Gap, Inc.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**UNAUDITED**

(\$ in millions)	13 Weeks Ended	
	May 2, 2026 (a)	May 3, 2025 (a)
Cash flows from operating activities:		
Net income	\$ 339	\$ 193
Depreciation and amortization	128	121
Change in merchandise inventory	112	(18)
Change in accounts payable	(291)	(203)
Change in accrued expenses and other liabilities	(161)	(268)
Other, net	86	35
Net cash provided by (used for) operating activities	<u>213</u>	<u>(140)</u>
Cash flows from investing activities:		
Purchases of property and equipment	(135)	(83)
Purchases of short-term investments	(112)	(78)
Proceeds from sales and maturities of short-term investments	98	88
Net cash used for investing activities	<u>(149)</u>	<u>(73)</u>
Cash flows from financing activities:		
Proceeds from issuances under share-based compensation plans	7	6
Withholding tax payments related to vesting of stock units	(62)	(28)
Repurchases of common stock	(401)	(70)
Cash dividends paid	(63)	(61)
Net cash used for financing activities	<u>(519)</u>	<u>(153)</u>
Effect of foreign exchange rate fluctuations on cash, cash equivalents, and restricted cash	<u>—</u>	<u>5</u>
Net decrease in cash, cash equivalents, and restricted cash	(455)	(361)
Cash, cash equivalents, and restricted cash at beginning of period	2,644	2,365
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 2,189</u>	<u>\$ 2,004</u>

Certain prior period amounts have been reclassified to conform to the current period presentation.

(a) For the thirteen weeks ended May 2, 2026 and May 3, 2025, total cash, cash equivalents, and restricted cash includes \$27 million and \$28 million, respectively, of restricted cash recorded within other long-term assets on the Condensed Consolidated Balance Sheets.

**The Gap, Inc.**  
**NON-GAAP FINANCIAL MEASURES**  
**UNAUDITED**

**FREE CASH FLOW**

Free cash flow is a non-GAAP financial measure. We believe free cash flow is an important metric because it represents a measure of how much cash a company has available for discretionary and non-discretionary items after the deduction of capital expenditures. We require regular capital expenditures including technology investments as well as building and maintaining our stores and distribution centers. We use this metric internally, as we believe our sustained ability to generate free cash flow is an important driver of value creation. However, this non-GAAP financial measure is not intended to supersede or replace our GAAP results.

(\$ in millions)	13 Weeks Ended	
	May 2, 2026	May 3, 2025
Net cash provided by (used for) operating activities (a)	\$ 213	\$ (140)
Less: Purchases of property and equipment	(135)	(83)
Free cash flow	<u>\$ 78</u>	<u>\$ (223)</u>

(a) For the thirteen weeks ended May 2, 2026, net cash provided by operating activities includes the impact of a gain of \$313 million related to a credit card interchange fee litigation settlement, net of legal fees, and a \$50 million charitable contribution made concurrently.

**The Gap, Inc.**  
**NON-GAAP FINANCIAL MEASURES**  
**UNAUDITED**

**ADJUSTED STATEMENT OF OPERATIONS METRICS FOR THE FIRST QUARTER OF FISCAL YEAR 2026**

The following adjusted statement of operations metrics are non-GAAP financial measures. These measures are provided to enhance visibility into the Company's underlying results for the period excluding the net impact of a legal settlement and a charitable contribution. Management believes the adjusted metrics are useful for the assessment of ongoing operations as we believe the adjusted items are not indicative of our ongoing operations, and provide additional information to investors to facilitate the comparison of results against past and future years. However, these non-GAAP financial measures are not intended to supersede or replace the GAAP measures.

(\$ in millions)	Operating Expenses	Operating Expenses as a % of Net Sales (c)	Operating Income (Loss)	Operating Margin (c)	Income Tax Expense (Benefit)	Net Income (Loss)	Earnings (Loss) per Share - Diluted (c)
<b>13 Weeks Ended May 2, 2026</b>							
GAAP metrics, as reported	\$ 972	27.8 %	\$ 445	12.7 %	\$ 111	\$ 339	\$ 0.90
Adjustments for:							
Gain from legal settlement (a)	313	9.0 %	(313)	(9.0)%	(81)	(232)	(0.61)
Charitable contribution (b)	(50)	(1.4)%	50	1.4 %	12	38	0.10
Non-GAAP metrics	<u>\$ 1,235</u>	<u>35.3 %</u>	<u>\$ 182</u>	<u>5.2 %</u>	<u>\$ 42</u>	<u>\$ 145</u>	<u>\$ 0.38</u>

(a) Represents the impact of a gain of \$313 million related to a credit card interchange fee litigation settlement, net of legal fees.

(b) Represents the impact of a \$50 million charitable contribution made concurrently with the net gain from legal settlement.

(c) Metrics were computed individually for each line item; therefore, the sum of the individual lines may not equal the total.

**The Gap, Inc.**  
**NON-GAAP FINANCIAL MEASURES**  
**UNAUDITED**

**EXPECTED ADJUSTED EARNINGS PER SHARE FOR FISCAL YEAR 2026**

Expected adjusted diluted earnings per share is a non-GAAP financial measure. Expected adjusted diluted earnings per share for fiscal year 2026 is provided to enhance visibility into the Company's expected underlying results for the period excluding the net impact of a legal settlement and a charitable contribution. This non-GAAP financial measure is not intended to supersede or replace the GAAP measure.

	52 Weeks Ending January 30, 2027	
	Low End	High End
Expected earnings per share - diluted	\$ 2.83	\$ 2.93
Less: Gain from legal settlement (a)	(0.63)	(0.63)
Add: Charitable contribution (b)	0.10	0.10
Expected adjusted earnings per share - diluted	<u>\$ 2.30</u>	<u>\$ 2.40</u>

(a) Represents the estimated earnings per share impact, calculated net of tax at the expected effective tax rate, of a gain of \$313 million related to a credit card interchange fee litigation settlement during the first quarter of fiscal 2026, net of legal fees.

(b) Represents the estimated earnings per share impact, calculated net of tax at the expected effective tax rate, of a \$50 million charitable contribution made concurrently with the net gain from legal settlement during the first quarter of fiscal 2026.

**The Gap, Inc.**  
**NET SALES RESULTS**  
**UNAUDITED**

The following table details the Company's first quarter fiscal year 2026 and 2025 net sales (unaudited):

(\$ in millions) 13 Weeks Ended May 2, 2026	Old Navy Global	Gap Global	Banana Republic Global	Athleta Global	Other (b)	Total
U.S. (a)	\$ 1,834	\$ 608	\$ 375	\$ 262	\$ 4	\$ 3,083
Canada	150	68	37	7	—	262
Other regions	12	120	19	1	—	152
Total	<u>\$ 1,996</u>	<u>\$ 796</u>	<u>\$ 431</u>	<u>\$ 270</u>	<u>\$ 4</u>	<u>\$ 3,497</u>

(\$ in millions) 13 Weeks Ended May 3, 2025	Old Navy Global	Gap Global	Banana Republic Global	Athleta Global	Other (b)	Total
U.S. (a)	\$ 1,826	\$ 545	\$ 373	\$ 299	\$ 22	\$ 3,065
Canada	140	61	35	8	—	244
Other regions	15	118	20	1	—	154
Total	<u>\$ 1,981</u>	<u>\$ 724</u>	<u>\$ 428</u>	<u>\$ 308</u>	<u>\$ 22</u>	<u>\$ 3,463</u>

(a) U.S. includes the United States and Puerto Rico.

(b) Primarily consists of net sales from revenue-generating strategic initiatives.

**The Gap, Inc.**  
**REAL ESTATE**

Store count, net openings/closings, and square footage for our company-operated stores are as follows:

	January 31, 2026	13 Weeks Ended May 2, 2026	May 2, 2026	
	Number of Store Locations	Net Number of Stores Opened/(Closed)	Number of Store Locations	Square Footage (in millions)
Old Navy North America	1,242	(1)	1,241	19.6
Gap North America	459	—	459	4.9
Gap Asia	123	5	128	1.1
Banana Republic North America	358	(4)	354	2.9
Banana Republic Asia	40	3	43	0.1
Athleta North America	252	—	252	1.0
<b>Company-operated stores total</b>	<b>2,474</b>	<b>3</b>	<b>2,477</b>	<b>29.6</b>

As of May 2, 2026, the Company's franchise partners operated approximately 1,000 franchise stores.