

## Risk Factors Comparison 2025-02-26 to 2024-02-22 Form: 10-K

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Our business is subject to certain risks and uncertainties that could cause actual results and events to differ materially from forward looking statements. The following discussion identifies those **risks** which we consider to be **material** ~~most important~~. The following discussion of risks is not all inclusive. Additional risks not currently known to us or that we currently deem to be immaterial may also materially and adversely affect our business, financial condition, or results of operations. COMMERCIAL, COMPETITION, AND INDUSTRY RISKS Changes in consumer preferences and purchases, and our ability to anticipate or react to them, could negatively affect our business results. We operate in highly competitive markets, and our success depends on our continued ability to offer our customers and consumers appealing, high- quality products. Customer and consumer preferences and purchases may shift due to a host of factors, many of which are difficult to predict, including: • demographic and social trends; • economic conditions; • product innovations; • public health policies and initiatives (including dietary guidelines **and labeling requirements** regarding alcohol consumption); • health and wellness trends (including the use of GLP-1 drugs); • changes in government regulation and taxation of beverage alcohol products; • the expansion of, legalization of, and increased acceptance or use of ~~marijuana~~ **cannabis**; and • changes in travel, leisure, dining, entertaining, and beverage consumption trends. Our success depends in part on fulfilling available opportunities to meet consumer needs and anticipating changes in consumer preferences with successful new brands, products, and product innovations. If our customers and consumers shift away from spirits (particularly brown spirits, such as our bourbon, rye, and other **American** whiskeys) or shift from purchasing our higher- margin products to our lower- margin products, our business, financial condition, or results of operations could be adversely affected. **In addition, consumer pantry, retailer, distributor, or supplier inventory destocking, which we have experienced in the past, could adversely impact our business, financial condition, or results of operations. Additionally, customer contract non- performance, which we have experienced in the past, could adversely impact our business, financial condition, or results of operations**. The markets for our products are very competitive, and our business could be negatively affected if we do not compete effectively. **We may also be negatively impacted by industry dynamics and market conditions.** The markets for our products are very competitive. Our principal competitors in these markets have substantial financial, marketing, and other resources, and several are much larger enterprises than us. Many of our current and potential competitors have larger customer bases, greater name recognition, and broader product offerings. In recent years, the industries in which we compete have continued to experience consolidation. Industry consolidation can have varying degrees of impact, including the creation of new and larger competitors. We are dependent on being able to generate sales and other operating income in excess of the costs of products sold in order to obtain margins, profits, and cash flows to meet or exceed our targeted financial performance measures. Competition is based on such factors as product innovation, product characteristics, product taste and quality, pricing, color, ~~and as well as~~ name and brand image. Pricing of our products is partly dependent upon industry capacity, which is impacted by competitor actions to bring online idled capacity or to build new production capacity, **and may lead us to adjust our pricing, which could adversely impact our business, financial condition, or results of operations**. ~~If~~ **We have been, and may continue to be, adversely impacted by elevated industry-wide barrel inventories of whiskey. In addition, if** market conditions make our Branded Spirits products too expensive or our ~~distilled~~ **Distilling solutions Solutions** or ~~specialty ingredients~~ **Ingredient Solutions** products too expensive for use in consumer goods, our revenues could be affected. If our ~~principal~~ competitors were to decrease their pricing, we ~~could~~ **may** choose to do the same, which could adversely affect our margins and profitability. If we did not do the same, our revenues could be adversely affected due to the potential loss of sales. Damage to our reputation, or that of any of our key customers or their brands, could affect our business performance. The success of our products depends in part upon the positive image that consumers have of our brands and the third- party brands that use our products. Product contamination, whether arising accidentally or through deliberate third- party action, or other events that harm the integrity or consumer support for our or our customers' products could affect the demand for our or our customers' products. Unfavorable media, whether accurate or not, related to our industry, to us, our products, our brands, our customers' products, marketing, personnel, operations, business performance, or prospects could negatively affect our reputation, stock price, ability to attract and retain high- quality talent, or the performance of our business. Negative publicity or commentary on social media outlets, whether accurate or not, could cause consumers to react rapidly by avoiding our products or by choosing products offered by our competitors, which could have a material adverse effect on our business, financial condition, or results of operations. If our environmental, social, and governance (“ ESG ”) or sustainability positions or practices do not meet investor or other stakeholder expectations and standards, which continue to evolve, our reputation, stock price, ability to attract and retain high- quality talent, and the performance of our business may be negatively affected. Similarly, stakeholders and others who disagree with our ESG or sustainability actions, positions, or statements may speak negatively or advocate against us, which could have a material adverse effect on our business, financial condition, or results of operations. A failure to introduce successful new brands and products or have effective marketing or advertising could adversely affect our results of operations. Our success depends, in part, on our ability to innovate and develop new brands and products, and customer demands may require us to make internal investments to achieve or sustain competitive advantages and meet customer expectations. The launch and ongoing success of new brands and products are inherently uncertain, especially with regard to their appeal to consumers, and can give rise to a variety of costs. An unsuccessful launch or short- lived popularity of our product innovations, among other things, may affect consumer perception of existing brands or products and our reputation, **and may result in inventory write- offs and other costs. We could also be**

adversely affected if we are not successful in developing new brands or products as a result of new brand or product introductions by our competitors. Some of our competitors may have greater financial and other resources than we do, making them better positioned to pursue new investment opportunities. A failure to sufficiently innovate or maintain adequate and effective marketing or advertising could inhibit our ability to maintain our brand relevance and drive product sales. If our competitors increase their spending on advertising and promotions, if our advertising, media, or marketing expenses increase, if our advertising and promotions become less effective than those of our competitors, or if we do not adequately leverage technology and data analytic capabilities needed to generate concise competitive insight, our business, financial condition, or results of operations could be adversely affected. A change in public opinion about alcohol or our products could reduce demand for our brands and products. For many years, there has been a high level of social and political attention directed at the beverage alcohol industry. The attention has focused largely on public health concerns related to alcohol abuse, including drunk driving, underage drinking, and the negative health impacts of beverage alcohol. Anti-alcohol groups have, in the past, advocated successfully for more stringent labeling requirements, higher taxes, and other regulations and educational campaigns designed to discourage alcohol consumption. More restrictive regulations, higher taxes, negative publicity regarding alcohol consumption, or changes in consumer perceptions of the relative healthfulness or safety of beverage alcohol could decrease sales and consumption of alcohol, and thus, the demand for our brands and products. This could, in turn, decrease our revenues and our revenue growth, which could have a material adverse effect on our business, financial condition, or results of operations. In addition, consumer preferences might change and could lead to a decreased demand for our Ingredient Solutions products. For example, in recent years, we have noticed shifting consumer preferences and media attention directed to gluten, gluten intolerance, and “clean label” products. This could decrease our revenues and revenue growth, which could have a material adverse effect on our business, financial condition, or results of operations. Failure of our distributors to distribute our branded spirits adequately within their territories could adversely affect our business. We are required by law in the U. S. to use state-licensed distributors or, in 17 states known as “control states,” state-owned agencies performing this function, to distribute our branded spirits to retail outlets, including liquor stores, bars, restaurants, and national chains. We have established relationships for our branded spirits with a limited number of wholesale distributors, and one wholesale distributor represented approximately 13 percent of our consolidated net sales for 2023-2024. Failure to maintain those relationships could significantly and adversely affect our business, sales, and growth. Over the past decade there has been increasing consolidation, both intrastate and interstate, among U. S. distributors. As a result, many U. S. states now have only two or three significant distributors. Also, there are several distributors that now control distribution for several states. If we fail to maintain good relations with a distributor, our branded spirits could, in some instances be excluded from frozen-out of one or more markets entirely. The ultimate success of our branded spirits also depends in large part on our distributors’ ability and desire to distribute and actively promote our branded spirits to our desired U. S. target markets, as we rely significantly on them for product placement and retail store penetration. In addition, all of our distributors also distribute competitive brands and product lines. We cannot assure you that our U. S. distributors will continue to purchase our branded spirits, resell them at our desired or targeted prices, commit sufficient time and resources to promote and market our brands and product lines, or that they can or will sell them to our desired or targeted markets. If they do not, our sales will be harmed, resulting in a decline in our results of operations. Moreover, the retail industry, particularly in Europe, North America, and other countries in which we operate or may operate in the future, continues to consolidate, resulting in larger retailers with increased purchasing power, which may affect our competitiveness in these markets. Larger retailers may seek to improve their profitability and sales by asking for lower prices or increased trade spending. The efforts of retailers could result in reduced profitability for the distilled spirits industry as a whole and indirectly adversely affect our financial results. Our focus on higher margin specialty ingredients may make us more reliant on fewer, more profitable customer relationships. Our strategic plan for our Ingredient Solutions segment includes focusing our efforts on the sale of specialty proteins and starches to targeted consumer packaged goods customers, which may make our Ingredient Solutions segment reliant on these customer relationships. In addition, our business, financial condition, or results of operations could be materially adversely affected if our Ingredient Solutions customers were to reduce their new product development (“NPD”) activities or cease using our products in their NPD efforts.

**OPERATIONAL RISKS** An interruption of operations or a catastrophic event at our facilities could negatively affect our business. Although we maintain insurance coverage for various property damage and loss events, including business interruption insurance, an interruption in or loss of operations at any of our production facilities could reduce or postpone production of our products, which could have a material adverse effect on our business, results of operations, or financial condition. In the past, we have experienced short term interruptions of operations at some of our production facilities due to industrial accidents. Any future accidents or other catastrophic events could result in an extended interruption or reduction of production at our facilities, and we may incur costs or financial losses that are either not insured against or not fully covered through our insurance. Our customers store a substantial amount of barreled inventory of aged or aging bourbon, rye, and other whiskeys at our warehouses. If a catastrophic event were to occur at our facilities or our warehouses (including any leased warehouses), our customers’ business could be adversely affected. The loss of a significant amount of aged or aging inventory at these facilities through fire, natural disaster, or otherwise could result in customer claims against us, liability for customer losses, and a reduction of warehouse services revenue. We also store a substantial amount of our own inventory of aged or aging bourbon, rye, and other whiskeys at our warehouses and at the other facilities of, including facilities owned by certain third-party producers. If a catastrophic event were to occur at any of these locations, our business, financial condition, or results of operations could be adversely affected. The loss of a significant amount of our aged or aging inventory at these facilities through fire, natural disaster, or otherwise could result in a reduction in supply of the affected product or products and could affect our long-term performance of any affected brands. To the extent that our products rely on unique or proprietary processes or techniques, replacing production lost as a result of a catastrophic event by purchasing from outside suppliers would be difficult. Our strategic plan involves significant investment in the aging of barreled distillate.

Decisions concerning the quantity of maturing stock of our aged distillate could materially affect our future profitability. There is an inherent risk in determining the quantity of maturing stock of aged distillate to lay down in a given year for future sales as a result of changes in consumer demand, pricing, new brand launches, changes in product cycles, increase in competitive supply, and other factors. Demand for products could change significantly between the time of production and the date of sale. It **has in the past and may continue to** be more difficult to ~~make accurate~~ **accurately** ~~predictions~~ **predict** regarding new demand for our products and brands. Inaccurate decisions or estimations could lead to an inability to supply future demand or lead to a future surplus of inventory and consequent write down in the value of aged or aging distillate. As a result, our business, financial condition, or results of operations could be materially adversely affected. **The inability to successfully complete our capital projects or fund necessary capital expenditures could adversely impact us.** Warehouse expansion issues could negatively impact our operations and our business. **Any capital project we undertake involves risks, including cost overruns, delays and performance uncertainties, regulatory risks (including our ability to timely obtain necessary approvals and permits), and the risk of potential changes in laws and regulations (including zoning and environmental requirements).** **The expected benefits from any of our capital or other projects may not be realized. For example, we may not realize the expected benefits from the mini fuel plant being constructed at our Atchison, Kansas location or from the ultimate disposal of the distillery assets from our distillery in Atchison, Kansas that we closed in December 2023. Our capital projects may also result in other unanticipated events or unintended consequences, such as the diversion of management's attention from other operational matters or disruptions to our ongoing operations. Although we currently finance most of our capital expenditures through cash provided by operations, we also may depend on increased borrowing or other financing arrangements to fund future capital expenditures. If we are unable to obtain suitable financing on favorable terms, we may not be able to complete future capital projects and our ability to maintain or expand our operations may be limited. The occurrence of these events could have a material adverse effect on our business, financial condition, and results of operations. In addition,** ~~Expansion~~ **expansion** of our business operations requires additional warehouse capacity. In the event additional warehouse capacity is required, there is the risk of ~~completion delays, the risk of cost overruns, and delays,~~ regulatory risks, ~~including our ability to timely obtain necessary approvals and permits, and~~ **the risk of** potential changes in laws and regulations, ~~including zoning and environmental requirements~~, which could have a material adverse effect on our business, financial condition, or results of operations. We have a high concentration of certain raw material and finished goods purchases from a limited number of suppliers, which exposes us to risk. We have third- party supply agreements for our grain supply (primarily corn) and wheat flour. We also procure some textured wheat proteins through a third- party toll manufacturer in the U. S. Additionally, we procure barrels, glass, PET containers, caps, labels, aluminum cans, cartons, bottle closures, and other products from third- party vendors. If any of our key suppliers encounters an operational or financial issue, is no longer able to meet our timing, quality, or capacity requirements, ceases doing business with us, or significantly raises prices, and we are not able to promptly develop alternative cost- effective sources of supply or production, it could lead to an interruption in supply to us and higher prices than those we have negotiated or than are available in the market at the time, and in turn, have a material adverse effect on our business, financial condition, or results of operations. Work disruptions or stoppages by our unionized workforce could cause interruptions in our operations. As of December 31, ~~2023~~ **2024**, approximately ~~209-197~~ of our ~~705-660~~ employees were members of a union. Although our relations with our three unions are stable, **our failure to renew our collective bargaining agreements on reasonable terms could result in labor disruptions and increased labor costs, which could adversely affect our financial performance. In addition**, there is no assurance that we will not experience work disruptions or stoppages in the future, which could interrupt our operations, adversely affect our relationships with our customers, and could have a material adverse effect on our business, financial condition, or results of operations. Climate change, or legal, regulatory, or market measures to address climate change, may negatively affect our business or operations, and water scarcity or quality could negatively impact our production costs and capacity. Increasing concentrations of carbon dioxide and other greenhouse gases in the atmosphere may have an adverse effect on global temperatures, weather patterns, and the frequency and severity of extreme weather events and natural disasters. In the event that **the effects of** climate change, or legal, regulatory, or market measures enacted to address climate change, has a negative effect on agricultural productivity in the regions from which we procure agricultural products such as corn and wheat, we could be subject to decreased availability or increased prices for these agricultural products, which could have a material adverse effect on our business, financial condition, or results of operations. Increasing regulation of emissions could increase the cost of energy, including fuel, required to operate our facilities or transport and distribute our products, thereby substantially increasing the production, distribution, and supply chain costs associated with our products. Climate change could also lead to disruptions in the production or distribution of our products. Water is the main ingredient in substantially all of our distillery products and is also necessary for the production of our food ingredients. It is also a limited resource, facing challenges from climate change, increasing pollution, and poor management. As demand for water continues to increase, water becomes more scarce and the quality of available water deteriorates, we may be affected by increasing production costs or capacity constraints, which could have a material adverse effect on our business, financial condition, or results of operations. ~~We may not realize the anticipated benefits from the announced planned closure of our Atchison, Kansas distillery. On July 13, 2023, we announced the planned closure of our distillery located in Atchison, Kansas, and we closed this distillery in December 2023. The anticipated future impact of this closure, including with respect to the ultimate disposal of the distillery assets and impacts to our Ingredient Solutions business, is subject to assumptions, estimates, and other uncertainties, some of which are beyond our control. If these estimates and assumptions are incorrect, if we experience delays or unanticipated costs associated with the closure, or if other unanticipated events or unintended consequences occur in connection with the closure, our business and financial results could be adversely affected and could differ materially from our expectations.~~ **LEGAL, REGULATORY, AND COMPLIANCE RISKS** We are subject to extensive regulation and taxation, as well as compliance with existing or future laws and regulations, which may

require us to incur substantial expenditures. We are subject to a broad range of federal, state, local, and foreign laws and regulations intended to protect public health and the environment. Our operations are also subject to regulation by various U. S. federal agencies, including the TTB, OSHA, the FDA, **and** the EPA, ~~and~~ by various U. S. state and local **authorities**, **and by various** foreign authorities. We are also required to conduct business only with holders of licenses to import, warehouse, transport, distribute, and sell beverage alcohol products. We cannot assure you that these and other governmental regulations applicable to our industry will not change or become more stringent. These laws and regulations cover virtually every aspect of our operations, including production and storage / warehouse facilities, distillation, and maturation requirements, importing ingredients, importing and exporting our products, distribution of beverage alcohol products, marketing, pricing, labeling, packaging, advertising, trade practices, water usage, wastewater discharge, disposal of hazardous wastes and emissions, air emissions and quality, and other matters. Violations of any of these laws and regulations may result, and have in the past resulted, in administrative, civil, or criminal fines or penalties being levied against us, including temporary or prolonged cessation of production, revocation or modification of permits, performance of environmental investigatory or remedial activities, voluntary or involuntary product recalls, or a cease and desist order against operations that are not in compliance with applicable laws. Changes in laws, regulatory measures, governmental policies, guidelines, initiatives, or the manner in which current ones are interpreted or applied, could cause us to incur material additional costs or liabilities and jeopardize the growth of our business in the affected market. Specifically, we could be required to incur significant additional capital expenditures, increase our operating expenses, or change the manner in which we conduct our business in response to new environmental, food, health, or safety related laws and regulations. In addition, governments may prohibit, impose, or increase limitations on advertising and promotional activities, ~~or~~ times or locations where beverage alcohol may be sold or consumed, or adopt other measures that could limit our opportunities to reach consumers or sell our products. Certain countries historically have banned all television, newspaper, magazine, and digital commerce / advertising for beverage alcohol products. Increases in regulation of this nature could substantially reduce consumer awareness of our products in the affected markets and make the introduction of new products more challenging. Governmental agencies may issue dietary guidelines that recommend reduced alcohol consumption, which could impact consumer behavior. These matters may have a material adverse effect on our business, financial condition, or results of operations. Tariffs imposed by the U. S. and ~~those imposed by~~ other countries, as well as rapidly changing trade relations, could negatively impact our customers and have a material adverse effect on our business and results of operations. Changes **or proposed changes** in U. S. and foreign governments' trade policies have resulted in, and may continue to result in, **new trade agreements, economic sanctions, or new, expanded or retaliatory tariffs against certain countries or covering certain products or ingredients (including recent U. S. tariffs imposed or threatened to be imposed on imports into Mexico, Canada, China, and exports from the other countries where we operate and any retaliatory actions taken by such countries)**. For example, during the period from 2018 through mid- year 2022, the United Kingdom and the European Union imposed tariffs on the import of American whiskey in response to tariffs imposed by the U. S. on imports from several countries, including those in the European Union. These tariffs are currently slated to be reinstated and doubled if an agreement is not reached by March 31, 2025. ~~Similar~~ **Any new trade agreements, economic sanctions, or new, expanded or retaliatory tariffs may be implemented in the future. Any further deterioration of economic relations between the U. S. and other countries or any increase in existing tariffs or the imposition of additional tariffs could result in an increase in the price of our and our customer' s products in, could increase those -- the countries costs of finished goods and raw materials (including finished goods produced through our joint venture operations in Mexico and our Northern Ireland operations as well as raw materials we procure from outside the U. S.)**, could prompt consumers ~~in those countries~~ to seek alternative products, could result in a supply imbalance in the U. S if we and our competitors have reduced sales in ~~those other~~ countries, and could potentially impact our business, financial condition, or results of operations. Changes in excise taxes, incentives, and customs duties related to products containing alcohol could adversely affect our business. Products containing alcohol are subject to excise taxation in U. S. markets at the federal, state, and local level. Any increase in federal, state or local excise taxes could have an adverse effect on our business by increasing prices and reducing demand, particularly if excise tax levels increase substantially relative to those for beer and wine. In addition, products containing alcohol are the subject of customs duties in many countries around the world. An unanticipated increase in customs duties in the markets where we may sell our products could also adversely affect our results of operations and cash flows. We may not be able to adequately protect our intellectual property rights or may be accused of infringing intellectual property rights of third parties. We regard our trademarks, service marks, copyrights, patents, trade dress, trade secrets, proprietary technology, and similar intellectual property as critical to our success, and we rely on trademark, copyright, and patent law, trade secret protection, and confidentiality and license agreements with our employees, customers, and others to protect our proprietary rights. We may not be able to discover or determine the extent of any unauthorized use of our proprietary rights. Third parties that license our proprietary rights also may take actions that diminish the value of our proprietary rights or reputation. The protection of our intellectual property may require the expenditure of significant financial and managerial resources. Moreover, the steps we take to protect our intellectual property may not adequately protect our rights or prevent third parties from infringing or misappropriating our proprietary rights. Our intellectual property rights may not be upheld if challenged. Such results could materially and adversely affect our business. If we are unable to maintain the proprietary nature of our technologies, we may lose any competitive advantage provided by our intellectual property. We and our customers and other users of our products may be subject to allegations that we or they or certain uses of our products infringe the intellectual property rights of third parties. Litigation is costly to defend and the outcome of any litigation is inherently uncertain. Any intellectual property claims, with or without merit, could be time-consuming and expensive to resolve, could divert management attention from executing our business plan, and could require us or our customers or other users of our products to change business practices, pay monetary damages, or enter into licensing or similar arrangements. Any adverse determination related to intellectual property claims or litigation could be material to our

business, financial condition, or results of operations. Failure of our branded spirits to secure and maintain listings in control states could adversely affect our business. In control states, the state liquor commissions act in place of distributors and decide which products are to be purchased and offered for sale in their respective states. Products selected for listing in control states must generally reach certain volumes or profit levels to maintain their listings. Products in control states are selected for purchase and sale through listing procedures, which are generally made available to new products only at periodically scheduled listing interviews. Products not selected for listings can only be purchased by consumers in the applicable control state through special orders, if at all. If, in the future, we are unable to maintain our current listings in the control states, or secure and maintain listings in those states for any additional branded spirits we may develop or acquire, sales of our branded spirits could decrease significantly, which would have a material adverse financial effect on our results of operations and financial condition. Significant additional labeling or warning requirements or limitations on the availability of our products could inhibit sales of affected products. Various jurisdictions have adopted or may seek to adopt significant additional product labeling or warning requirements or limitations on the availability of our products relating to the content or perceived adverse health consequences of some of our products. Several of these labeling regulations or laws require warnings on any product with substances that the jurisdiction lists as potentially associated with cancer or birth defects and heightened requirements could be imposed. If additional or more severe requirements of this type are imposed on one or more of our major products under current or future health, environmental, or other laws or regulations, they could inhibit sales of such products. Further, we cannot predict whether our products will become subject to increased rules and regulations, which, if enacted, could increase our costs or adversely impact sales. For example, **in early January 2025, the U. S. Surgeon General suggested requiring that alcohol products have labels with increased and more prominent warnings regarding the health risks of alcohol consumption and in the past,** advocacy groups in Australia, Canada, and the United Kingdom have called for the consideration of requiring the sale of alcohol in plain packaging with more comprehensive health warnings or have launched additional health-related campaigns in an effort to change drinking habits in those countries. This could result in additional governmental regulations concerning the production, marketing, labeling, or availability of our products, any of which could damage our reputation, make our brands unrecognizable, or reduce demand of our products, which could adversely affect our profitability. Product recalls or other product liability claims could materially and negatively affect our business. Selling products for human consumption involves inherent legal and other risks, including product contamination, spoilage, product tampering, allergens, or other adulteration. We could decide to, or be required to, recall products due to suspected or confirmed product contamination, adulteration, misbranding, tampering, or other errors or deficiencies. Although we maintain product recall insurance, product recalls or market withdrawals could result in significant losses due to their costs, the destruction of product inventory, lost sales due to the unavailability of the product for a period of time, and we may incur costs or financial losses that are either not insured against or not fully covered through our insurance. We could be adversely affected if our customers lose confidence in the safety and quality of certain of our products, or if consumers lose confidence in the food and beverage safety system generally. Negative attention about these types of concerns, whether or not valid, may damage our reputation, discourage food processors, branded spirits bottlers, or consumers from buying our products, or cause production and delivery disruptions. We may also suffer losses if our products or operations cause injury, illness, or death. In addition, we could face claims of false or deceptive advertising or other criticism. A significant product liability or other legal judgment or a related regulatory enforcement action against us, or a significant product recall, may materially and adversely affect our reputation and profitability. Moreover, even if a product liability or other legal or regulatory claim is unsuccessful, has no merit, or is not pursued, the negative publicity surrounding assertions against our products or processes and the associated legal and other expenses could have a material adverse effect on our business, financial condition, or results of operations. Failure to comply with anti-corruption laws, trade sanctions, and restrictions, or similar laws or regulations may have a material adverse effect on our business and financial results. We market and sell our products in over **45-50** countries. Some of the countries where we do business have a higher risk of corruption than others. While we are committed to doing business in accordance with applicable anti-corruption laws, trade sanctions and restrictions, and other similar laws and regulations, along with our Code of Conduct and our other policies, we remain subject to the risk that an employee, or one of our business partners, may take action determined to be in violation of international trade, money laundering, anti-corruption, or other laws, sanctions, or regulations, including the U. S. Foreign Corrupt Practices Act of 1977, the U. K. Bribery Act 2010, or equivalent laws. Any determination that our operations or activities are not in compliance with applicable laws or regulations, particularly those related to anti-corruption and international trade, could result in investigations, interruption of business, loss of business partner relationships, suspension or termination of licenses and permits (our own or those of our partners), imposition of fines, legal or equitable sanctions, negative publicity, and management distraction. Any media coverage associated with misconduct under these laws and regulations, even if unwarranted or baseless, could damage our reputation and sales. Further, our continued compliance with applicable anti-corruption or other laws or regulations, our Code of Conduct, and our other policies could result in higher operating costs. We also operate our business and market our products in countries that may be subject to export control regulations, embargoes, economic sanctions and other forms of trade restrictions. New or expanded export control regulations, economic sanctions, embargoes or other forms of trade restrictions imposed on countries in which we or our associates do business may curtail our existing business and may result in serious economic challenges in these geographies, which could have a material adverse effect on our and our associates' operations, and may result in impairment charges on goodwill or other intangible assets. ~~For example, the United States, United Kingdom, and other countries imposed significant new sanctions and export controls against Russia, Russian banks and certain Russian individuals following Russia's invasion of Ukraine and additional sanctions or further punitive actions may be implemented in the future.~~ The conflict and related sanctions have resulted and could continue to result in disruptions to global trade, commodity markets (including grain, corn, wheat, energy, and natural gas markets), and supply chain continuity. **We are, and from time to time may become, subject to litigation, and adverse outcomes in such litigation could have a material**

adverse effect on our business. We are, and from time to time may become, subject to litigation and various legal proceedings in the ordinary course of our business, including litigation and proceedings related to commercial disputes, intellectual property matters, privacy and data protection and employment disputes, as well as stockholder derivative suits, class-action or lawsuits, mass arbitrations and other litigation relating to alcohol abuse matters, that may involve claims or for substantial amounts of money or for the other misuse of alcohol could adversely affect relief, result in significant costs for legal representation, arbitration fees, or other legal or related services, or necessitate changes to our business or operations. In particular, we and other companies operating in our industry may face the possibility of class action or similar litigation alleging that the continued excessive use or abuse of beverage alcohol has caused death or serious health problems. It is also possible that governments could assert that the use of alcohol has significantly increased government funded health care costs. Litigation or assertions of this type have adversely affected companies in the tobacco industry, and it is possible that we, as well as our distributors, customers, or suppliers, could be named in litigation of this type. Also, lawsuits have been brought in a number of U. S. states against beverage alcohol manufacturers and marketers alleging improper alcohol marketing, advertising, or distribution practices, including improperly targeting underage consumers in their advertising. While we have not been named in these lawsuits, we could be named in similar lawsuits in the future. The defense of these actions is time consuming and expensive and may subject us to damages, penalties, or fines as well as reputational damage to our business. We evaluate these litigation claims and legal proceedings to assess the likelihood of unfavorable outcomes and to estimate, if possible, the amount of potential losses. Based on these assessments and estimates, we may establish reserves and disclose the relevant litigation claims or legal proceedings, as and when required or appropriate. These assessments and estimates are based on information available to management at the time of such assessment or estimation and involve a significant amount of judgment. As a result, actual outcomes or losses could differ materially from those envisioned by our current assessments and estimates. Our failure to successfully defend or settle any of these litigations or legal proceedings could result in liability that, to the extent not covered by our insurance, could have a material adverse effect on our business, financial condition, and results of operations. See also Part I, “Item 3 — Legal Proceedings” and Part II, Item 8, Note 11, Commitments and Contingencies, to our Consolidated Financial Statements.

**RISKS RELATED TO OUR CAPITAL STRUCTURE** Common Stockholders have limited rights under our Articles of Incorporation. Under our Articles of Incorporation, (i) holders of our preferred stock, par value \$ 10.00 per share (“Preferred Stock”), are entitled to elect five of our nine directors and (ii) only holders of our Preferred Stock are entitled to vote with respect to a merger, dissolution, lease, exchange or sale of substantially all of our assets, or on an amendment to the Articles of Incorporation, unless such action would increase or decrease the authorized shares or par value of the Common or Preferred Stock, or change the powers, preferences or special rights of the Common or Preferred Stock so as to affect the holders of Common Stock adversely. Generally, our Common Stock and Preferred Stock vote as separate classes on all other matters requiring stockholder approval. As of December 31, 2024, the majority of the outstanding shares of our Preferred Stock is beneficially owned by one individual, who is effectively in control of the election of five of our nine directors under our Articles of Incorporation. Furthermore, a group of stockholders beneficially owning approximately 23 percent of our Common Stock as of December 31, 2024 (excluding shares controlled by certain other stockholders) have a right to nominate up to two of the four directors to be elected by holders of our Common Stock pursuant to the terms of a shareholders’ agreement, provided they continue to hold a certain amount of our Common Stock, and two other individuals who beneficially own approximately 13 percent of our Common Stock as of December 31, 2024 have agreed to vote in favor of those nominees with respect to any shares of Common Stock over which they have sole voting control. Our two class structure with our Common Stock and Preferred Stock may prevent the inclusion of our Common Stock in certain stock market indices, may cause stockholder advisory firms or others to publish negative commentary about our corporate governance practices or otherwise seek to cause us to change our capital structure, and may result in large institutional investors not purchasing shares of our Common Stock. Any class actions or publications by stockholder advisory firms, institutional investors, or others critical of our corporate governance practices or capital structure could also adversely affect the value of our Common Stock or make it difficult for us to attract and retain qualified directors. Any actions we might pursue to eliminate the Preferred Stock would require the support of the holders of our Preferred Stock and would likely involve payment to the holders of our Preferred Stock for redeeming their shares, the amount of which could be material and would involve risks related to the valuation and terms of any such transaction. The concentrated control of our stock and rights of holders of Preferred Stock under our Articles of Incorporation could delay, defer, or prevent a change of control, merger, consolidation, or sale of all or substantially all of our assets that our other stockholders support, or conversely these factors could result in the consummation of such a transaction that our other stockholders do not support. The concentrated control of our stock and rights of holders of Preferred Stock could also discourage a potential investor from acquiring our Common Stock due to the limited voting power of such stock relative to the Preferred Stock and could have an adverse effect on the market price of our Common Stock. In addition, the sale or prospect of a sale of a substantial number of shares by our principal stockholders could have an adverse effect on the market price of our Common Stock. We have various mechanisms in place to discourage takeover attempts, which may reduce or eliminate our stockholders’ ability to sell their shares for a premium in a change of control transaction. In addition, we could issue additional shares of Common Stock, which could adversely impact the market price of our Common Stock. Various provisions of our Articles of Incorporation and bylaws and of Kansas corporate law may discourage, delay, or prevent a change in control or takeover attempt of our Company by a third-party which our management and Board of Directors opposes. Stockholders who might desire to participate in such a transaction may not have the opportunity to do so. These antitakeover provisions could substantially impede the ability of stockholders to

benefit from a change of control or change in our management and Board of Directors. These provisions include: • the rights of holders of our Preferred Stock under our Articles of Incorporation (see “ Common Stockholders have limited rights under our Articles of Incorporation ”); • additional shares of Preferred Stock and Common Stock that could be issued by our Board of Directors to make it more difficult for a third- party to acquire, or to discourage a third- party from acquiring, a majority of our outstanding voting stock; • non- cumulative voting in the election of directors; • limitations on the ability of stockholders to call special meetings of stockholders; and • advance notice requirements for nominations of candidates for election to our Board of Directors or for proposing matters that can be acted upon by our stockholders at stockholder meetings. Our Board of Directors is authorized to issue additional shares of Common Stock and Preferred Stock and may issue the available authorized shares without notice to, or further action by, or our stockholders, unless stockholder approval is required by law or other— the litigation asserted against rules of the Nasdaq Global Select Market. We believe that it is necessary to maintain a sufficient number of available authorized shares of our Common Stock in order to provide us with could be expensive and time- consuming to defend against, deplete our cash, divert our personnel resources and, if the flexibility plaintiffs in such actions were to issue Common Stock for prevail, could harm our business purposes that may arise as deemed advisable by our Board. The issuance of additional shares of Common Stock or Preferred Stock may significantly dilute the equity ownership of our current stockholders and could have an adverse effect on the market price of our Common Stock .

GENERAL RISKS Higher costs or unavailability of raw materials, product ingredients, energy resources, or labor could adversely affect our financial results. Our ability to make and sell our products depends upon the availability of raw materials and energy resources. Prices and supply of all products are subject to market forces, such as inflation, weather, changes in domestic and global demand and supply, and global political or economic issues , including repercussions from Russia’s invasion of Ukraine. Higher costs or insufficient availability of suitable grain, agave, water, wood, glass, plastics, closures, and other input materials, or higher associated labor costs or insufficient availability of labor, could have a material adverse effect on our business, financial condition, or results of operations. Similarly, when energy costs rise, our transportation, freight, and other operating costs, such as distilling and bottling expenses, also may increase. Our freight cost and the timely delivery of our products could be adversely affected by a number of factors that could reduce the profitability of our operations, including driver or equipment shortages, higher fuel costs, weather conditions, traffic congestion, shipment container availability, rail shut down, increased government regulation, and other matters. In addition, the relationship between the price we pay for corn and the sales price of distillers feed, the principal co- product of our alcohol production process, can fluctuate significantly and negatively impact our business. The selling price of distillers feed has historically tracked the price of corn, but is also susceptible to other factors, including weather, other available feedstock, and global trade relations. As a result, the profitability of distillers feed could be adversely affected, which could be material to our business, financial condition, or results of operations. If we cannot offset higher raw material costs with higher selling prices, increased sales volume, or reductions in other costs, our profitability could be adversely affected. There can be no assurance that we can cover these potential cost increases through future pricing actions. Also, as a result of these pricing actions, consumers could purchase less or move from purchasing our higher- margin products to our lower- margin products. A failure of one or more of our key information technology (“ IT ”) systems, networks, processes, associated sites, or service providers could have a negative impact on our business. We rely on IT systems, networks, and services, including internet sites, data hosting and processing facilities and tools, hardware (including laptops and mobile devices), software, and technical applications and platforms, some of which are managed and hosted by third- party vendors, to assist us in the management of our business. The various uses of these IT systems, networks, and services include hosting our internal network and communication systems; enterprise resource planning; processing transactions; summarizing and reporting results of operations; business planning and financial information; complying with regulatory, legal, and tax requirements; providing and managing data security; and handling other processes necessary to manage our business. The Company has previously experienced, and is expected to continue to be exposed to, failures of our IT systems and those of our third- party vendors due to various causes, including those caused by natural disasters, power outages, computer and telecommunications failures, viruses, phishing attempts, cyber- attacks, malware and ransomware attacks, security breaches, failures in maintenance or development of new IT systems, and errors by employees or vendors. We have technology and processes in place designed to detect and respond to such failures and disruptions; however, because of the techniques used to obtain unauthorized access, disable, or degrade service, or sabotage systems, and because of the unpredictable nature of other potential threats such as natural disasters, our detection and response measures may be ineffective or inadequate. In addition, increased IT security threats and more sophisticated cyber- crime pose a potential risk to the security of our IT systems, networks, and services, as well as the confidentiality, availability, and integrity of our data. This could lead to outside parties having access to our confidential data, strategic information, or information regarding our employees, suppliers, or customers. Ransomware attacks or other cybersecurity breaches have occurred, either internally or at our third- party technology service providers, and have caused and may in the future cause us to be prevented from accessing our data, resulting in interruptions or delays in our business, and causing us to incur remediation costs or requiring us to pay ransom to a hacker which takes over our systems, or damage our reputation. Although we maintain insurance coverage for various cybersecurity risks, we may incur costs or financial losses that are either not insured against or not fully covered through our insurance. All of these potential failures or disruptions of our data security systems or our IT systems could have a material adverse impact on our business, financial conditions, or results of operations. If the IT systems, networks, or service providers we rely upon fail to function properly, we may suffer disruptions to operations, including order processing, invoicing, and production and distribution of our products, as well as reputational, competitive, or business harm, all of which may have a material adverse effect on our business, financial condition, or results of operations. If our critical IT systems or back- up systems or those of our third- party vendors were damaged or ceased to function properly, we might have to make a significant investment to repair or replace them. In addition, these events could

result in unauthorized disclosure of confidential information, and we may suffer financial and reputational damage because of lost or misappropriated confidential information belonging to us or to our employees, customers, or suppliers. Additionally, we could be exposed to potential liability, litigation, governmental inquiries, investigations, or regulatory enforcement actions and we could be subject to the payment of fines or other penalties, ransoms, legal claims by our suppliers, customers, or employees, and significant remediation costs. Our business may suffer from risks related to acquisitions and potential future acquisitions. Part of our strategic business plan is to grow our business through acquisitions, and we continue to evaluate and engage in discussions concerning potential acquisition opportunities, some of which could be material. For example, in April 2021 we acquired Luxco, Inc. (referred to as “Luxco” and the merger as the “Merger”) and in June 2023 we acquired Penelope Bourbon LLC (“Penelope”). Failure to successfully integrate or otherwise realize the anticipated benefits of our acquisitions could adversely impact our long-term competitiveness and profitability. The integration of any acquisition involves a number of risks that could harm our financial condition, results of operations, or competitive position, including:

- Integration plans for our acquisitions are based on benefits that involve assumptions as to future events, including our ability to successfully achieve anticipated synergies, leveraging our existing relationships, as well as general business and industry conditions, many of which are beyond our control and may not materialize. Unforeseen factors may offset components of our integration plans in whole or in part. As a result, our actual results may vary considerably, or be considerably delayed, compared to our estimates.
- The integration process could disrupt the activities of the businesses that are being combined. The combination of companies requires, among other things, coordination of administrative and other functions. In addition, the loss of key employees, customers, or vendors of acquired businesses could materially and adversely impact the integration of any acquired businesses.
- The execution of our integration plans may divert the attention of our management from other key responsibilities;
- Our financial results may be negatively impacted by cash expenses and non-cash charges incurred in connection with an acquisition if goodwill or other intangible assets we acquire become impaired.

**For example, in the fourth quarter 2024, we recorded a goodwill impairment charge related to the Branded Spirits reporting unit. See also Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Estimates — Goodwill and Indefinite-Lived Intangible Assets” and Part II, Item 8, Note 5, Goodwill and Other Intangible Assets, to our Consolidated Financial Statements.**

- We may enter new markets or markets in which we have limited prior experience.
- We may incur substantial indebtedness to finance an acquisition, enhancing our vulnerability to increased debt service requirements if interest rates rise, reducing the amount of expected cash flow available for other purposes, including capital expenditures and acquisitions, and limiting our flexibility in planning for or reacting to changes in our businesses and industries.
- We may assume unanticipated liabilities and contingencies or other exposures (including regulatory risks) for which we do not have adequate insurance coverage, indemnification, or other protection.
- Our acquisitions could fail to perform in accordance with our expectations at the time of purchase. Our ability to grow through the acquisition of additional distilled spirits brands or other businesses is also dependent upon identifying acceptable acquisition targets and opportunities, our ability to consummate prospective transactions on favorable terms, or at all, and the availability of capital to complete the acquisition. The pursuit of potential acquisitions may divert the attention of management and cause us to incur various costs and expenses in identifying, investigating, and pursuing suitable acquisitions, whether or not they are consummated. We may not be able to identify desirable acquisition targets or be successful in entering into an agreement with any particular target. We intend to finance our acquisitions through a combination of our available cash resources, third-party financing and, in appropriate circumstances, the further issuance of equity and debt securities. Any issuance of our Common Stock or securities convertible into our Common Stock to fund an acquisition could substantially dilute the ownership percentage of our current stockholders and negatively impact the market price of our Common stock. For example, in connection with the Merger we issued approximately 5.0 million shares of our Common Stock. Acquiring additional distilled spirits brands or other businesses could have a significant effect on our financial position and could cause substantial fluctuations in our operating results. An increase in interest rates would increase the cost of servicing our debt and could reduce our profitability. Our revolving credit facility bears interest at variable rates. The U. S. Federal Reserve began raising the Federal Funds interest rate in early 2022 and continued to do so throughout the first half of 2023 ~~in response to concerns about inflation. As of December 31, 2023, the Federal Funds interest rate was at the highest level in 22 years.~~ Although the Federal Reserve ~~cut has held~~ interest rates **during steady since July 2023 2024 and has pointed to potential interest rate cuts**, ~~there is no guarantee that~~ they may again raise interest rates in **the future** ~~response to continuing concerns about inflation~~. Any increase in interest rates would increase the cost of servicing our variable rate debt and could materially reduce our profitability and cash flows. In addition, higher interest rates could increase the future cost to refinance our convertible notes or the cost of financing any future acquisitions. Assuming our revolving credit facility was fully drawn up to the current \$ 400 million maximum principal commitment, for each 1 % increase in Secured Overnight Financing Rate (“SOFR”) would result in a \$ 4.0 million increase in annual interest expense under the revolving credit facility. If we were to lose any of our key personnel, we may not be able to fully implement our strategic plan, and our system of internal controls could be impacted. We rely on the continued services of key personnel involved in management, finance, product development, sales, manufacturing, marketing, human resources, operations, and distribution, and upon the efforts and abilities of our executive management team. The loss of service of any of our key personnel could **be disruptive to our operations and create uncertainty about our business and future direction, which could** have a material adverse effect on our business, financial condition, results of operations, or on our system of internal controls . **On December 31, 2024, David S. Bratcher’s service as our Chief Executive Officer and President ended, and Brandon M. Gall was appointed to serve as our Interim President and Chief Executive Officer effective January 1, 2025, in addition to serving in his current role of Chief Financial Officer. We are currently conducting a search for a permanent President and Chief Executive Officer.** If we cannot attract and retain key personnel, or if our search for qualified personnel is prolonged, our system of internal controls may be affected, which could lead to an adverse effect on our business, financial condition, or results of operations. In addition, it

could be difficult, time consuming, and expensive to replace any key management member or other critical personnel, and no guarantee exists that we will be able to recruit suitable replacements or assimilate new key personnel into our organization. Our global business is subject to commercial, political, and financial risks. Our products are sold in more than 45-50 countries; accordingly, we are subject to risks associated with doing business internationally globally, including commercial, political, and financial risks. In addition, we are subject to potential business disruption caused by military conflicts; (including the results of elections current conflicts in Ukraine and Israel); potentially unstable governments or legal systems; civil or political upheaval or unrest; local labor policies and conditions; possible expropriation, nationalization, or confiscation of assets; problems with repatriation of foreign earnings; economic or trade sanctions; closure of markets to imports; anti- American sentiment; terrorism or other types of violence in or outside the U. S.; and health pandemics. If shipments of our products to international markets were to experience significant disruption due to these risks or for other reasons, it could have a material adverse effect on our financial results. We are also subject to financial risks and our business has been, and could in the future also be, negatively impacted by unfavorable economic conditions, including inflation, deflation, exchange rate fluctuations, and credit or capital market instability. See also “ — Tariffs imposed by the U. S. and other countries, as well as rapidly changing trade relations, could negatively impact our customers and have a material adverse effect on our business and results of operations. ”

Covenants and other provisions in our credit arrangements could hinder our ability to operate. Our failure to comply with covenants in our credit arrangements could result in the acceleration of the debt extended under such agreements, limit our liquidity, and trigger other rights of our lenders. Our credit arrangements (Note 7, Corporate Borrowings) contain a number of financial and other covenants that include provisions which require us, in certain circumstances, to meet certain financial tests. These covenants could hinder our ability to operate and could reduce our profitability. The lender may also terminate or accelerate our obligations under our credit arrangements upon the occurrence of various events in addition to payment defaults and other breaches. Any acceleration of our debt or termination of our credit arrangements would negatively impact our overall liquidity and might require us to take other actions to preserve any remaining liquidity. Although we anticipate that we will be able to meet the covenants in our credit arrangements, there can be no assurance that we will do so, as there are a number of external factors that affect our operations over which we have little or no control, that could have a material adverse effect on our business, financial condition, or results of operations. See also Part II, Item 8, Note 7, Corporate Borrowings, to our Consolidated Financial Statements.

Pandemics or other health crises could disrupt or otherwise negatively impact our operations, including the demand for our products and our ability to produce and deliver our products. A pandemic, such as COVID- 19, or another widespread health crisis, could negatively impact the global economy which could have a negative impact on our operations, including voluntary or mandatory temporary closures of our facilities or offices; interrupt interruptions to our supply chain, which could impact the cost or availability of raw materials; cause disruptions or restrictions on our ability to travel or to market and distribute our products; reduce reductions in consumer demand for our products or those of our customers due to bar and restaurant closures or reduced consumer traffic in bars, restaurants, and other locations; and labor shortages. Furthermore, our facilities and those of our customers and suppliers could be required to comply with new regulations imposed by state and local governments in response to such an outbreak. Compliance with these new measures could cause an increase in the cost, or delay or reduce the volume, of products produced at our facilities or those of our suppliers. A pandemic or other widespread health crisis could disrupt or negatively impact credit markets, which could adversely affect the availability and cost of capital. These impacts could limit our ability to fund our operations and satisfy our obligations. Cash We may not pay dividends or may pay smaller dividends on and share repurchases are subject to uncertainties which could affect the price of our Common Stock in the future. The payment of dividends, as well as the amount of any dividends, and any share repurchase program requires require approval of our Board of Directors. Future dividend payments and share repurchases are also subject to our financial results, the availability of statutory surplus funds to pay dividends, restrictions in our debt agreements, and our capital allocation strategy. These or other factors could result in a change to our current policy of paying dividends on our Common Stock, or may result in us paying smaller dividends on our Common Stock in the future. RISKS RELATED TO OUR CAPITAL STRUCTURE Common Stockholders have limited rights under our or a change in the amount Articles of Incorporation. Under our Articles of Incorporation, holders timing and frequency of any our preferred stock, par value \$ 10. 00 per share repurchases. A (“ Preferred Stock ”), are entitled to elect five of our nine directors and only holders of our Preferred Stock are entitled to vote with respect to a merger, dissolution, lease, exchange or sale of substantially all of our assets, or on an amendment to the Articles of Incorporation, unless such action would increase or decrease the authorized shares or par value of the Common or Preferred Stock, or change in dividend payments the powers, preferences or share repurchases could adversely special rights of the Common or Preferred Stock so as to affect the holders price of our Common Stock adversely. Generally Additionally, any share repurchases may not enhance shareholder value because the market price of our Common Stock may decline below and Preferred Stock vote as separate classes on all other the levels at which we repurchased matters requiring stockholder approval. As of December 31, 2023, the majority of the outstanding shares of our Preferred Stock is beneficially owned by one individual, who is effectively in control of the election of five of our nine directors under our Articles of Incorporation. Furthermore, a group of stockholders beneficially owning approximately 21 percent of our Common Stock as of December 31, and short- 2023 (excluding shares controlled by certain other stockholders) have a right to nominate up to two of the four directors to be elected by holders of our Common Stock pursuant to the terms term of a shareholders stock price fluctuations could reduce the program s effectiveness agreement, provided they continue to hold a certain amount of our Common Stock, and two other individuals who beneficially own approximately 13 percent of our Common Stock as of December 31, 2023 have agreed to vote in favor of those nominees with respect to any shares of Common Stock over which they have sole voting control. Our two class structure with our Common Stock and Preferred Stock may prevent the inclusion of our Common Stock in certain stock market indices, may cause stockholder advisory firms or others to publish negative commentary about our

corporate governance practices or otherwise seek to cause us to change our capital structure, and may result in large institutional investors not purchasing shares of our Common Stock. Any actions or publications by stockholder advisory firms, institutional investors, or others critical of our corporate governance practices or capital structure could also adversely affect the value of our Common Stock or make it difficult for us to attract and retain qualified directors. Any actions we might pursue to eliminate the Preferred Stock would require the support of the holders of our Preferred Stock and would likely involve payment to the holders of our Preferred Stock for redeeming their shares, the amount of which could be material and would involve risks related to the valuation and terms of any such transaction. The concentrated control of our stock and rights of holders of Preferred Stock under our Articles of Incorporation could delay, defer, or prevent a change of control, merger, consolidation, or sale of all or substantially all of our assets that our other stockholders support, or conversely these factors could result in the consummation of such a transaction that our other stockholders do not support. The concentrated control of our stock and rights of holders of Preferred Stock could also discourage a potential investor from acquiring our Common Stock due to the limited voting power of such stock relative to the Preferred Stock and could have an adverse effect on the market price of our Common Stock. In addition, the sale or prospect of a sale of a substantial number of shares by our principal stockholders could have an adverse effect on the market price of our Common Stock. We have various mechanisms in place to discourage takeover attempts, which may reduce or eliminate our stockholders' ability to sell their shares for a premium in a change of control transaction. In addition, we could issue additional shares of Common Stock, which could adversely impact the market price of our Common Stock. Various provisions of our Articles of Incorporation and bylaws and of Kansas corporate law may discourage, delay, or prevent a change in control or takeover attempt of our Company by a third-party which our management and Board of Directors opposes. Stockholders who might desire to participate in such a transaction may not have the opportunity to do so. These antitakeover provisions could substantially impede the ability of stockholders to benefit from a change of control or change in our management and Board of Directors. These provisions include: • the rights of holders of our Preferred Stock under our Articles of Incorporation (see "Common Stockholders have limited rights under our Articles of Incorporation"); • additional shares of Preferred Stock and Common Stock that could be issued by our Board of Directors to make it more difficult for a third-party to acquire, or to discourage a third-party from acquiring, a majority of our outstanding voting stock; • non-cumulative voting in the election of directors; • limitations on the ability of stockholders to call special meetings of stockholders; and • advance notice requirements for nominations of candidates for election to our Board of Directors or for proposing matters that can be acted upon by our stockholders at stockholder meetings. Our Board of Directors is authorized to issue additional shares of Common Stock and Preferred Stock and may issue the available authorized shares without notice to, or further action by, our stockholders, unless stockholder approval is required by law or the rules of the Nasdaq Global Select Market. We believe that it is necessary to maintain a sufficient number of available authorized shares of our Common Stock in order to provide us with the flexibility to issue Common Stock for business purposes that may arise as deemed advisable by our Board. The issuance of additional shares of Common Stock or Preferred Stock may significantly dilute the equity ownership of our current stockholders and could have an adverse effect on the market price of our Common Stock.